9 March 2017

FY 2016 RESULTS

TORM

SAFE HARBOR STATEMENT



Matters discussed in this release may constitute forward-looking statements. Forward-looking statements reflect our current views with respect to future events and financial performance and may include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and statements other than statements of historical facts. The words "believe," "anticipate," "intend," "estimate," "forecast," "project," "plan," "potential," "may," "should," "expect," "pending" and similar expressions generally identify forward-looking statements.

The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in our records and other data available from third parties. Although the Company believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies that are difficult or impossible to predict and are beyond our control, the Company cannot guarantee that it will achieve or accomplish these expectations, beliefs or projections.

Important factors that, in our view, could cause actual results to differ materially from those discussed in the forward- looking statements include the strength of the world economy and currencies, changes in charter hire rates and vessel values, changes in demand for "ton miles" of oil carried by oil tankers, the effect of changes in OPEC's petroleum production levels and worldwide oil consumption and storage, changes in demand that may affect attitudes of time charterers to scheduled and unscheduled dry-docking, changes in TORM's operating expenses, including bunker prices, dry-docking and insurance costs, changes in the regulation of shipping operations, including requirements for double hull tankers or actions taken by regulatory authorities, potential liability from pending or future litigation, domestic and international political conditions, potential disruption of shipping routes due to accidents, political events or acts by terrorists.

In light of these risks and uncertainties, you should not place undue reliance on forward-looking statements contained in this release because they are statements about events that are not certain to occur as described or at all. These forward-looking statements are not guarantees of our future performance, and actual results and future developments may vary materially from those projected in the forward-looking statements.

Except to the extent required by applicable law or regulation, the Company undertakes no obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this release or to reflect the occurrence of unanticipated events.

AGENDA

- Highlights
- Product Tanker Market Overview and Outlook
- Financial and Operating Performance

HIGHLIGHTS FOR THE FULL YEAR 2016

FY 2016 Results

- EBITDA of USD 200m and Adjusted Profit before tax of USD 43m
- Non-cash impairment of USD 185m
- Adjusted RoIC of 4.9% and Adjusted Earnings per share of USD 0.7 or DKK 4.9
- Net Asset Value estimated at USD 733m as of 31 December 2016, corresponding to a NAV/share of USD 11.8 or DKK 83
- Solid balance sheet, Loan-to-Value of 58% and USD ~200m in cash as of 3 March

Product tanker market

- TORM obtained average TCE freight rates at 16,050 in 2016
- Tanker freight rates in general had a strong start in Q1, on the back of a historically strong 2015. As product inventory levels were built up during the first half of 2016, freight rates came under pressure in the second half of the year
- The second half of 2016 was also impacted by limited long-haul arbitrage from West to East and new crude vessels penetrating traditional LR2 routes

Sales & Purchase

- Product tanker ordering was very limited throughout 2016
- By the end of December 2016, the order book stood at 11% of the total fleet, the lowest since 2012
- Second-hand values remained under pressure in the fourth quarter due to limited available financing and a high number of sale candidates

Corporate events

- In 2016, TORM completed a corporate reorganization which included the insertion of a UK parent company, TORM plc
- In 2016, TORM has returned a total of USD 47m to its shareholders, through a dividend payment of USD 25m, conducted share repurchases for a total of USD 22m from the squeeze-out process (USD 19m) and accretive market purchases (USD 3m)

2017

- As of 3 March 2017, TORM has fixed 84% of its Q1 2017 earning days at an average TCE of USD/day15,250

EBITDA OF USD 200M IN 2016

USDm	2016	Pro forma 2015*	Q4 2016	Q4 2015
P&L				
TCE Earnings	458	582	94	129
Gross profit	242	361	44	73
Sale of vessels	0	0	0	0
EBITDA	200	319	34	62
Profit before tax	-142	188	-190	28
Adjusted profit before tax (excluding the impairment charge)	43	188	-5	28
Balance sheet				
Equity	781	976	781	976
NIBD	609	613	609	613
Cash and cash equivalents	76	168	76	168
Key figures				
Adjusted Earnings per share (USD)	0.7	3.0	-0.1	0.4
Return on Invested Capital (Adjusted RoIC)	4.9%	14.1%	0.6%	9.0%
Net Asset Value (NAV)	733	1,169	733	1,169
Number of vessels (#)	81	78	81	78
Tanker TCE/day (USD)	16,050	22,879	12,767	19,757
Tanker OPEX/day (USD)	6,771	7,193	6,190	7,330

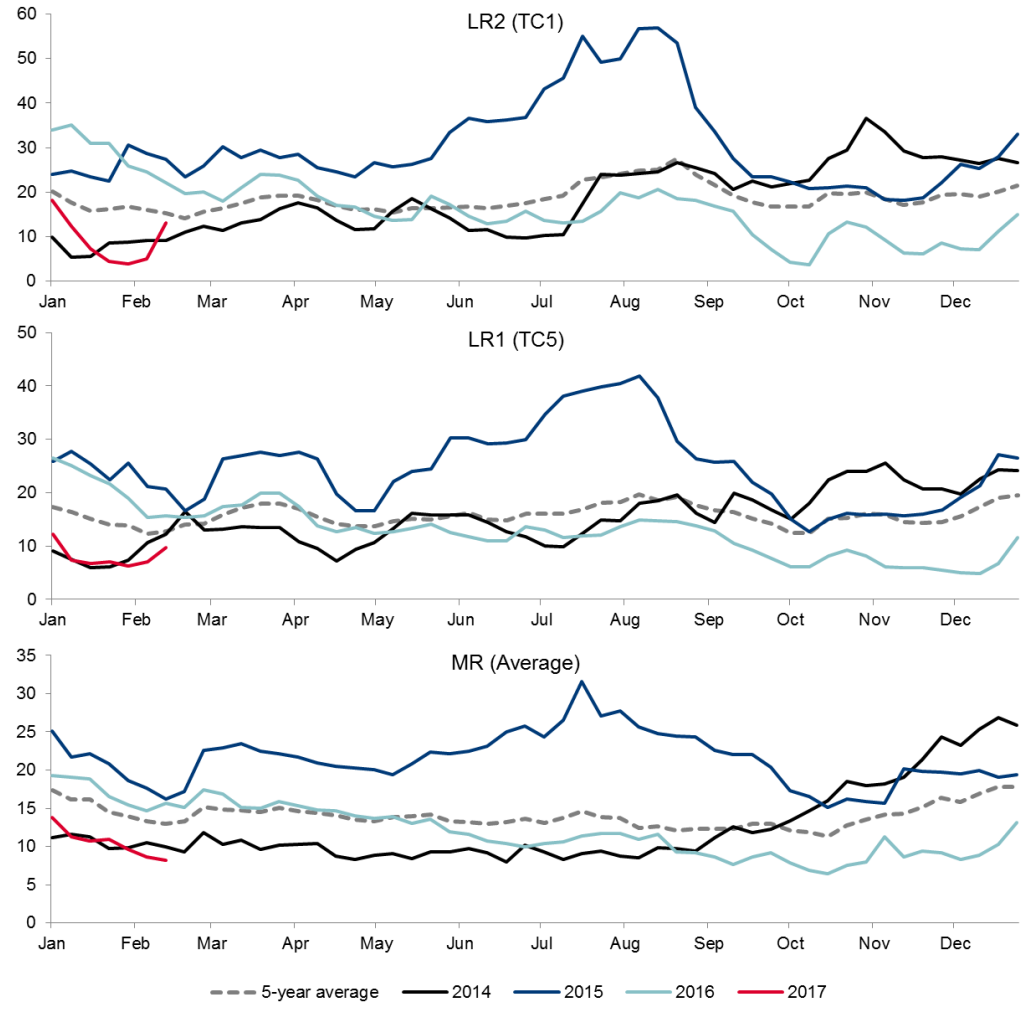
* Pro forma figures for 2015 presented as though the Restructuring occurred as of 1 January 2015 and include the combined TORM and Njord fleet

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- **Product Tanker Market Overview and Outlook**
- Financial and Operating Performance

PRODUCT TANKER FREIGHT RATES SOFTENED IN 2016

FREIGHT RATES IN '000 USD/DAY



1H 2016

- In Q1, the product tanker market benefitted from relatively strong refinery margins, which resulted in high production of clean petroleum products on a global scale. As a result of high refinery production in 2015 and Q1 2016, global product inventories surged to all time high
- In Q2, high inventory levels combined with lower refinery utilization led to a reduction of long-haul arbitrage movements and softening product tanker freight rates in general

2H 2016

- During 2H, product tanker freight rates continued to soften, as high inventory levels limited the demand for transportation and weighed on long-haul arbitrage movements
- A weak market for dirty petroleum products in Q3 combined with a high number of crude tanker newbuildings caused the newly delivered VLCC and Suezmax vessels to penetrate traditional LR2 routes. In Q4, freight rates for dirty products recovered, alleviating pressure on the LR2 market
- The long-haul naphtha arbitrage from the Atlantic Basin increased led by improved naphtha import economics for Far Eastern petrochemicals

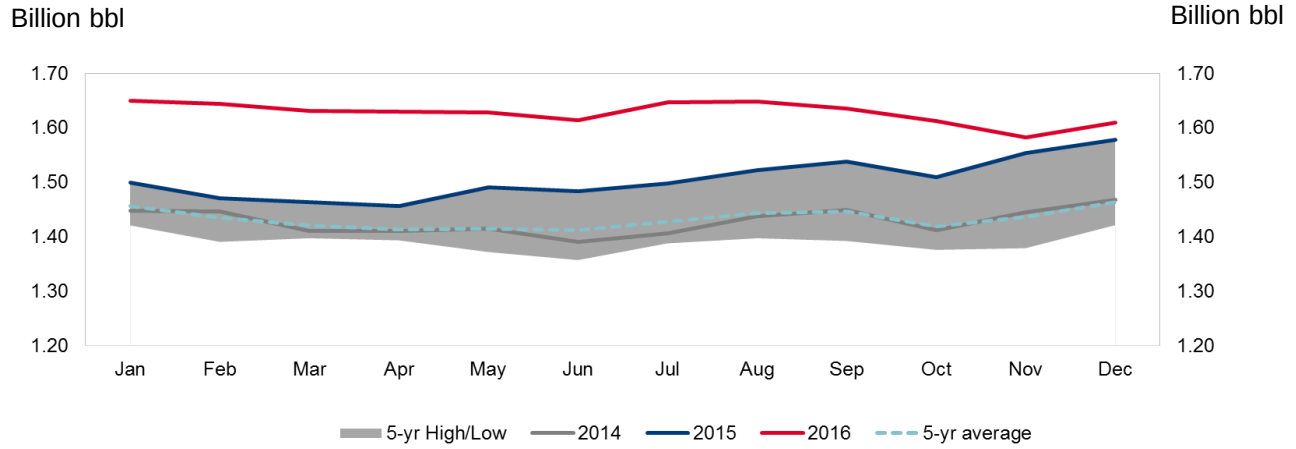
2017 YTD

- In the West, the market has been supported by higher US exports, especially to Mexico, South America and West Africa. High gasoline stocks in the US have limited imports from Europe. Naphtha arbitrage from West to East has opened somewhat, providing some support to Atlantic based LRs
- The market in the East has been negatively affected by restricted diesel arbitrage to Europe amid high stockpiles, refinery outages in the Middle East, lower Chinese product exports and unwinding of LR gasoline storage in Singapore

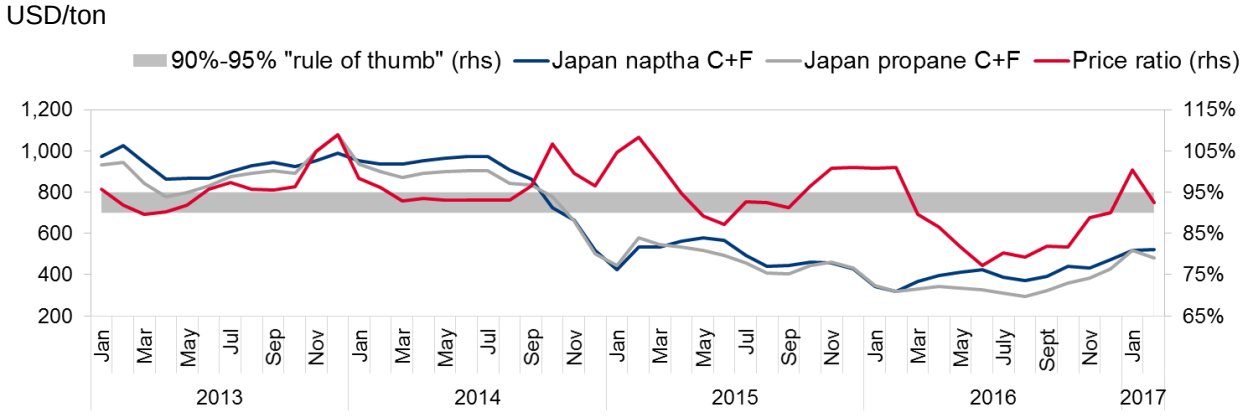
Source: Clarksons. Spot earnings: LR2: TC1 Ras Tanura-> Chiba, LR1: TC5 Ras Tanura-> Chiba and MR: average basket of Rotterdam->NY, Bombay->Chiba, Mina Al Ahmadi->Rotterdam, Amsterdam->Lome, Houston->Rio de Janeiro, Singapore->Sidney

DEMAND FUNDAMENTALS FOR PRODUCT TANKERS

GLOBAL CPP INVENTORIES



ASIAN NAPHTHA AND LPG PRICES



Sources: JODI, Reuters, TORM Research

Short-term factors

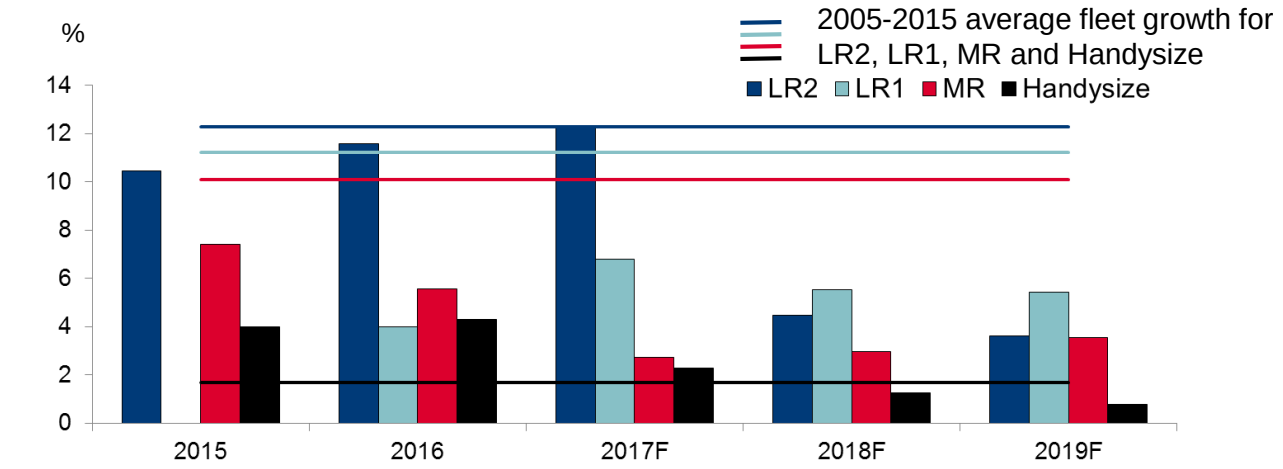
- Current oil price level continues to support global oil demand, expected to grow by 1.4 mb/d in 2017, well above the average of 1.0 mb/d during 2005-2015
- Robust oil demand helped to draw down global CPP inventories from the highs seen at the start of 2016, but the stockpiles are still 10% above the 5-year average
- In the short term, the market is expected to be impacted by inventory drawdowns, a relatively high number of product tanker newbuilding deliveries during 2017 and market penetration by Suezmax tanker newbuildings in 2017
- Notwithstanding seasonal effects, naphtha competitiveness vis-à-vis LPG in the Asian petrochemical industry is supported by tighter LPG supply availability from the Middle East as a result of OPEC crude production cuts as well as lower LPG inventories in the US

Long-term factors

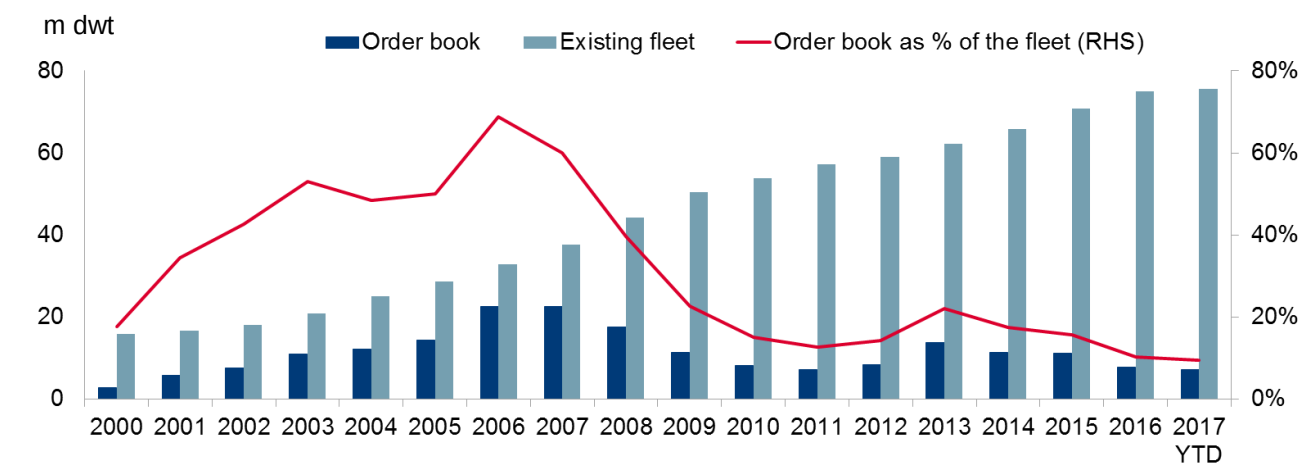
- The fundamental long-term outlook remains positive with oil demand increasing and the ton-mile being positively impacted by the relocation of refinery capacity from Europe and the Pacific (Japan) to the Middle East and Asia
- Ton-mile demand for product tankers is forecast to grow by around 5% p.a. during 2017-2019

SUPPLY OUTLOOK FOR THE PRODUCT TANKER FLEET VARIES BY SEGMENT

NET FLEET GROWTH Y-O-Y (NO. OF VESSELS)*



MR ORDER BOOK AS PERCENTAGE OF THE FLEET (DWT)

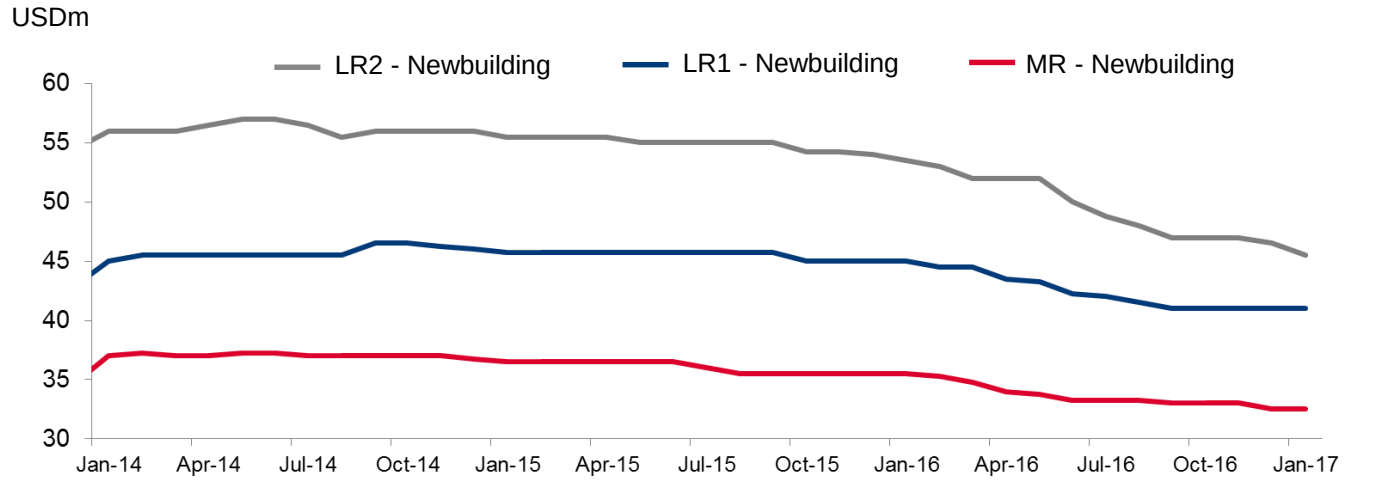


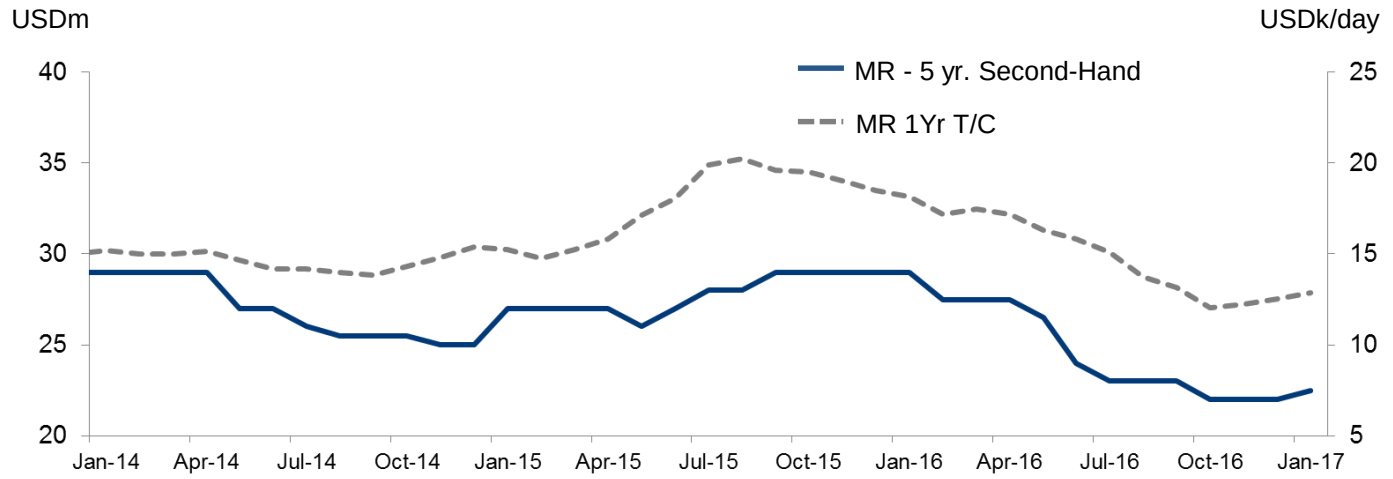
- Ordering of product tanker newbuildings has remained at a historically low level in 2016 with 30 vessels ordered (compared to 204 in 2015)
- Consequently, the product tanker order book to fleet ratio has fallen to 11%, the lowest since 2012
- For the MR segment, the order book to fleet ratio is below 10%, the lowest level for at least 20 years
- Product tanker deliveries totaled 10.4m dwt during 2016, which combined with limited scrapping activity resulted in a 6.5% net fleet growth in 2016
- Actual newbuilding deliveries in 2016 constituted 70% of what was scheduled to deliver during the year, and further slippage is expected in 2017
- For 2017, a fleet growth of 5.7% is forecast, after which the growth pace starts to slow
- In 2017 YTD, newbuilding focus has been on crude tankers with limited activity within product tankers
- Product tanker fleet capacity is expected to grow by around 4% p.a. during 2017-2019

* The number of vessels at the beginning of 2017 was: LR2 317, LR1 339, MR 1,575, Handy 703 (includes chemical vessels). Net fleet growth: gross order book adjusted for expected scrapping, delivery slippage and TORM assumptions on additional ordering. Currently confirmed orders account on average for 85% and 37% of forecasted deliveries respectively in 2018 and 2019. Source: TORM Research

PRODUCT TANKER VESSEL PRICES

VESSEL PRICE DEVELOPMENT





- The product tanker second-hand prices have been under pressure throughout 2016
- The newbuilding market is literally at a standstill, with prices under continued pressure; however, even at reduced prices, second-hand vessels are currently considered a more attractive investment
- Lack of traditional bank financing remains an important issue, whereas we have seen more sale/leaseback transactions reported
- Second-hand market in 2017 YTD has been characterized by low activity; however, there are signs of increasing interest from buyers

Source: Clarksons

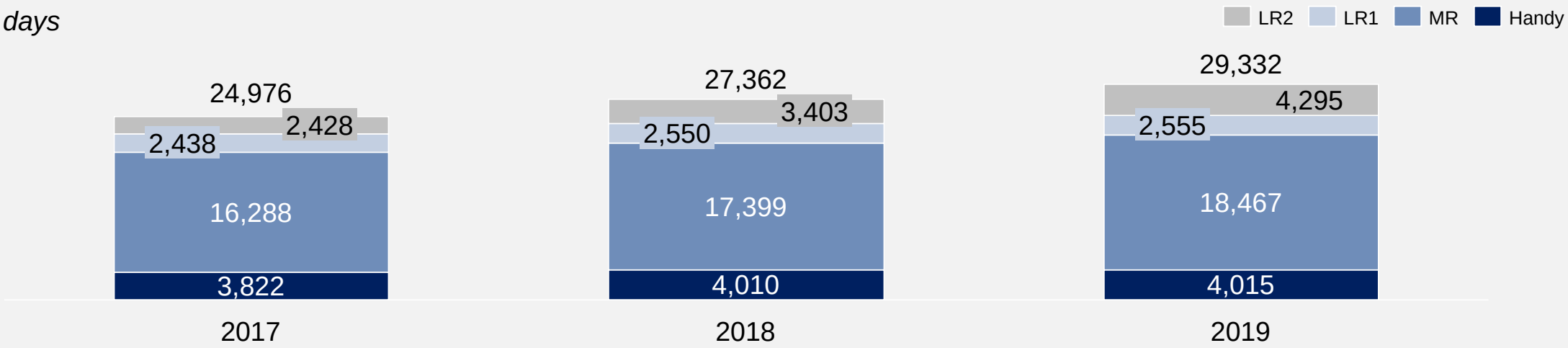
AGENDA

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TORM HAS SIGNIFICANT OPERATING LEVERAGE IN THE PRODUCT TANKER MARKET

Unfixed days

# of days



	2017	2018	2019
Of total earning days	88%	93%	99%

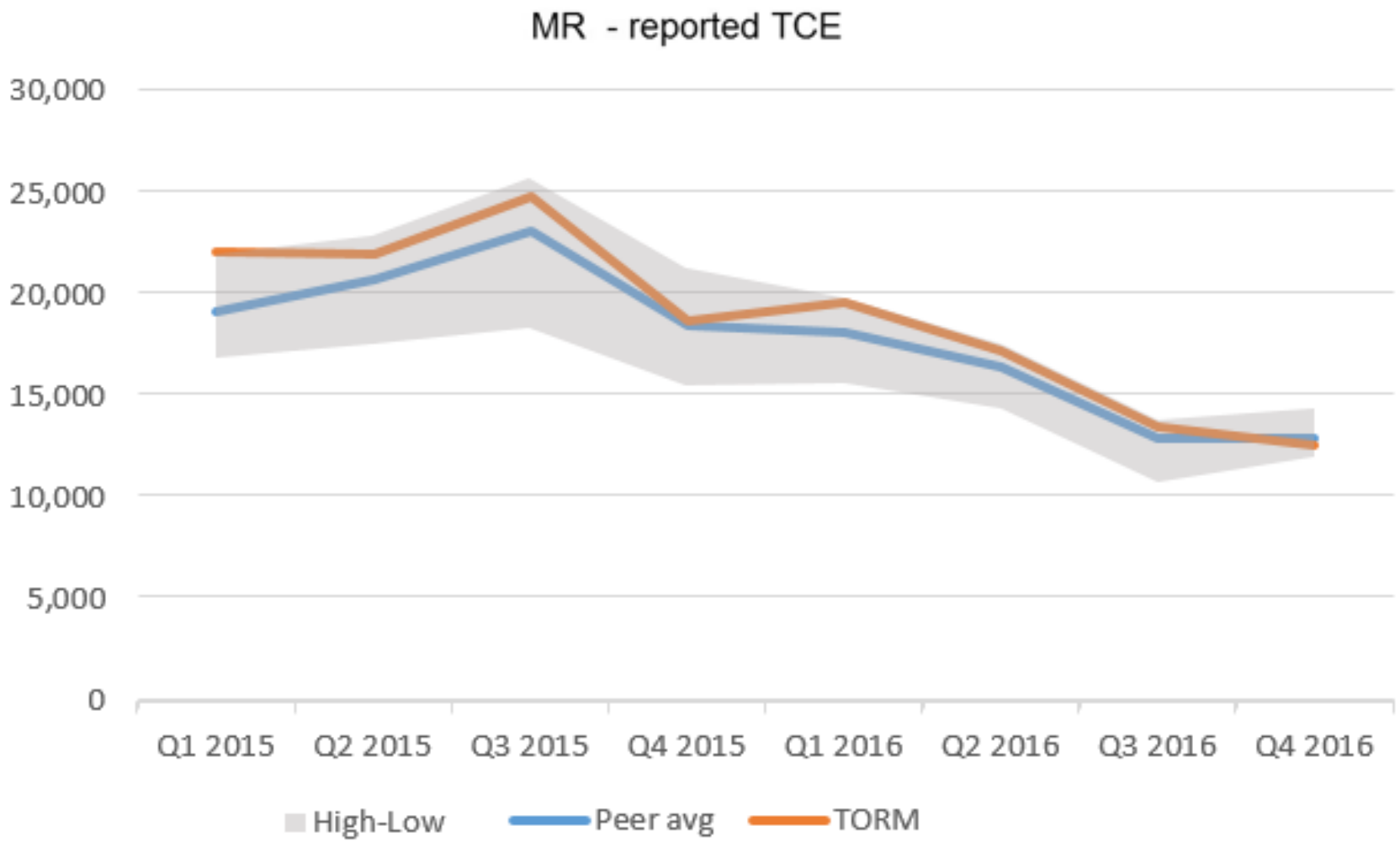
Illustrative change in cash flow generation potential for the TORM fleet

USDm

Δ Average TCE/day	2017	2018	2019
USD 2,000	49.9	54.8	58.6
USD 1,000	24.9	27.4	29.3
USD (1,000)	(24.9)	(27.4)	(29.3)
USD (2,000)	(49.9)	(54.8)	(58.6)

PEER COMPARISON SHOWS THAT TORM HAS CONTINUED TO PERFORM COMMERCIALLY

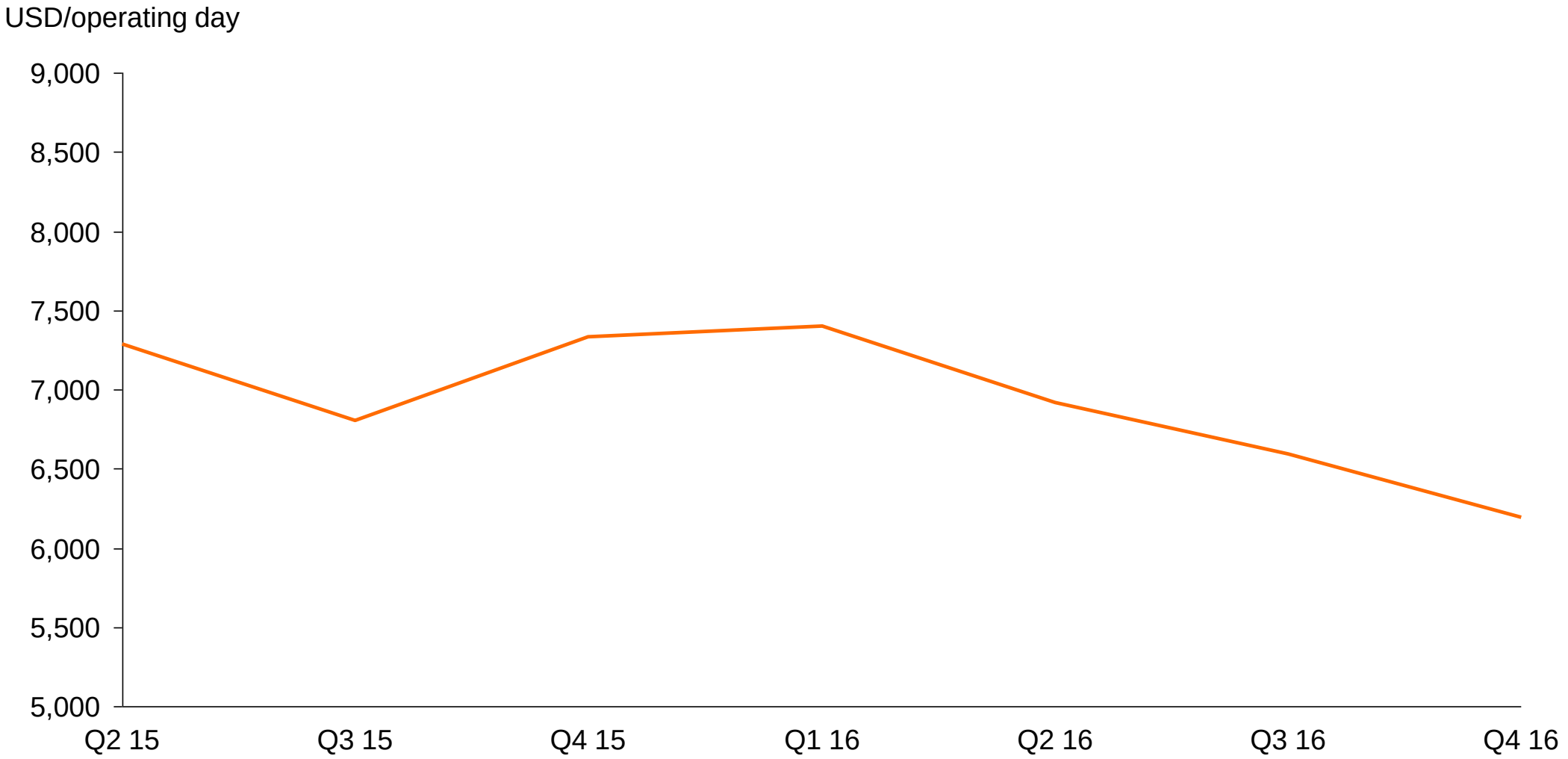
USD/day



Notes:

- Peer group is based on Ardmore (split by ECO and ECO-modified), d'Amico (composite of MR and Handy), Frontline 2012, BW (Q1-Q2 2015), Norden, Teekay Tankers and Scorpio, OSG

PRO FORMA OPEX HAS SHOWN AN IMPROVING TREND



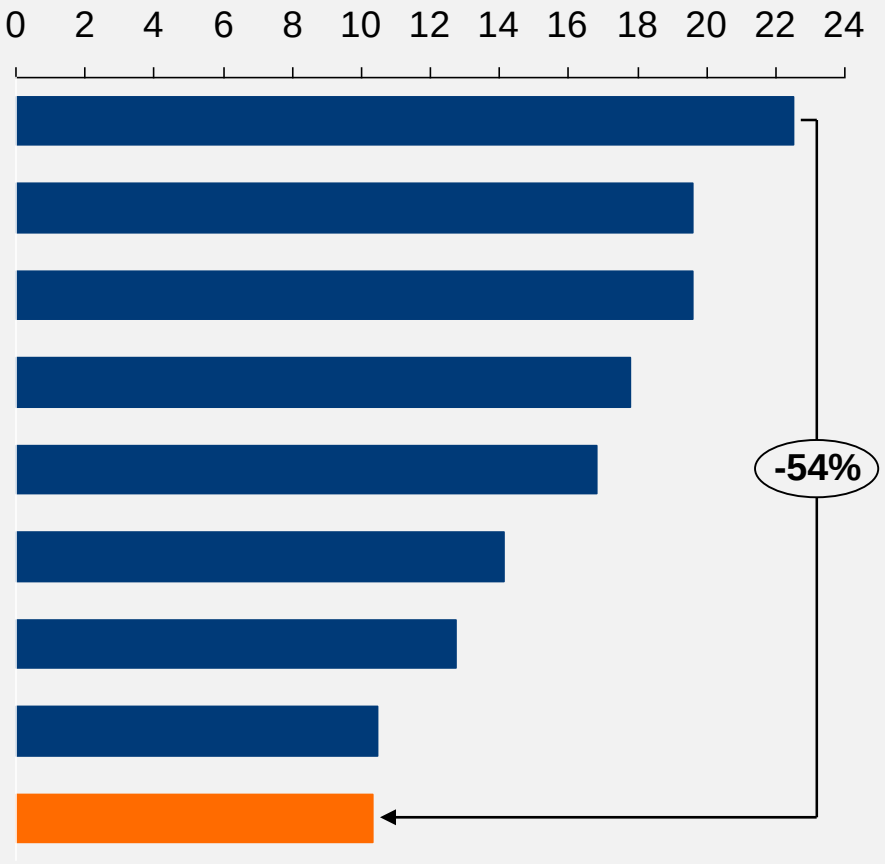
TORM HAS A FULLY INTEGRATED BUSINESS MODEL AND ADMIN EXPENSES ARE TRENDING SIGNIFICANTLY DOWN

TORM operates on a fully integrated commercial and technical platform

- TORM's operational platform handles all commercial and technical operation
- The integrated business model provides TORM with the highest possible trading flexibility and earning power
- TORM manages
  - ~80 vessels commercially
  - ~75 vessels technically
- TORM has a global reach with offices in Denmark, India, the Philippines, Singapore, the UK and the US
- Average admin cost per earning day for 2016 of USD/day ~1,500
- Outsourced technical and commercial management would affect other line items of the P&L

TORM has trimmed administration expenses significantly

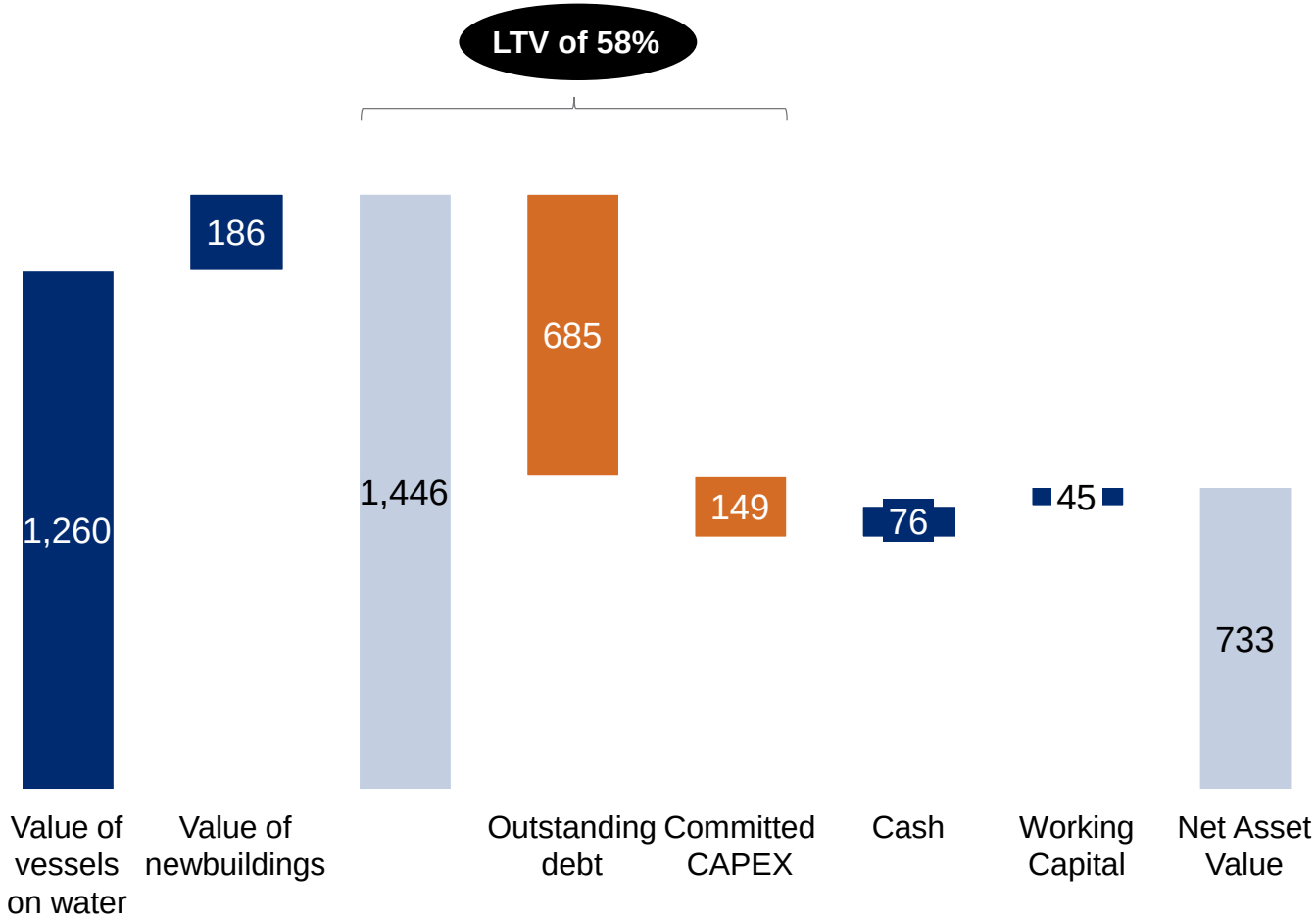
Admin. expenses (quarterly avg. in USDm)



* Pro forma figures for 2015 presented as though the Restructuring occurred as of 1 January 2015 and include the combined TORM and Njord fleet

TORM'S NET ASSET VALUE ESTIMATED AT USD 733M

31 December figures, USDm



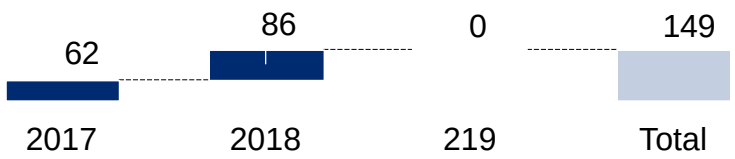
- Based on broker values, TORM's vessels including newbuildings were estimated at USD 1,446m as of 31 December 2016
- With an outstanding debt of USD 683m, and committed CAPEX of USD 149m, TORM's Loan-to-Value was at 58% ensuring a strong capital structure
- Adjusting for cash and working capital, TORM's Net Asset Value (NAV) was estimated at USD 733m
- On a per share basis*, the NAV was estimated at USD 11.8 or DKK 83.3

* Calculated based on 61,985,975 shares (excluding 312,871 treasury shares) and USD/DKK fx rate of 7.0

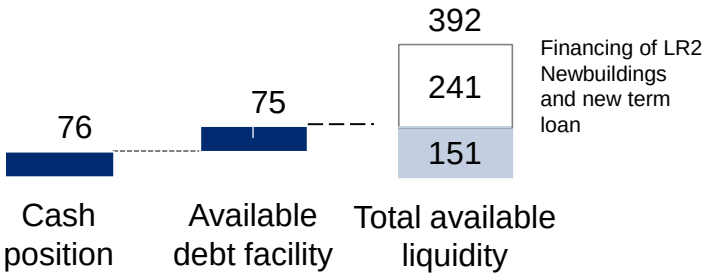
TORM HAS A FAVOURABLE FINANCING PROFILE AND STRONG LIQUIDITY POSITION

CAPEX and liquidity as of 31 December 2016 (USDm)

CAPEX commitments

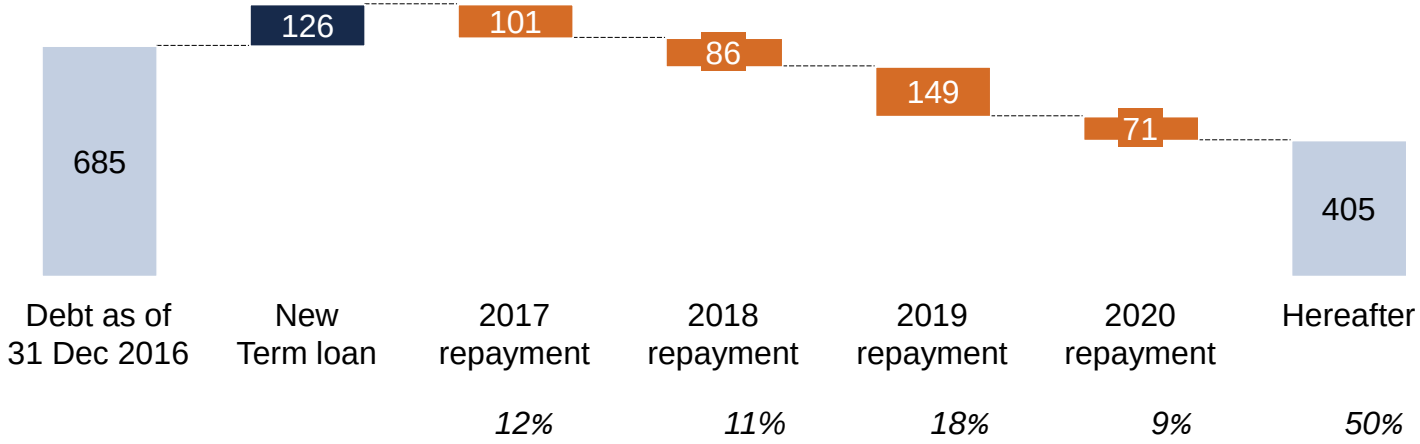


Available liquidity



- TORM is well-positioned to service future CAPEX and debt commitments

Scheduled debt repayments (USDm)



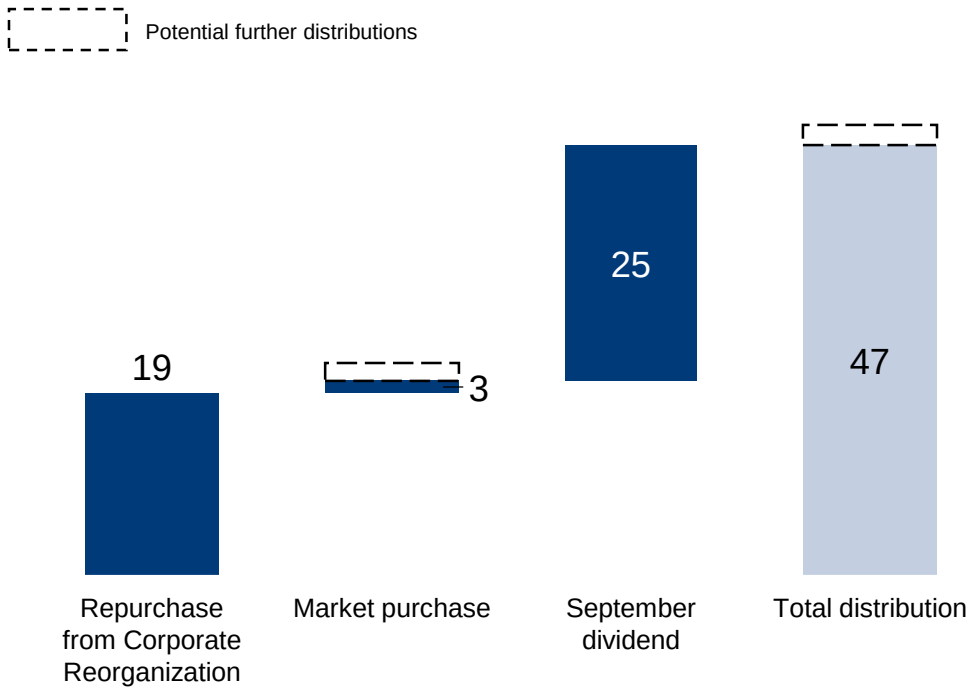
Ample headroom under our attractive covenant package:

- Minimum liquidity: USD 75m*
- Minimum book equity ratio: 25% (adjusted for market value of vessels)

* Of which USD 40m must be cash or cash equivalent

TORM HAS DISTRIBUTED A TOTAL OF USD 47M TO SHAREHOLDERS IN 2016

2016 distribution to shareholders (USDm)



TORM's distribution policy from 2017
- 25 to 50% of Net Income
- Semi-annual distribution
- Dividend and/or share repurchase
- Policy reviewed periodically

- In connection with the Corporate Restructuring, TORM plc has made accretive share repurchases for an amount of USD 19m covering 2.4% of the outstanding TORM A/S shares
- During the third quarter of 2016, TORM plc has repurchased own shares on Nasdaq Copenhagen for a total consideration of USD 3m, at a significant discount to NAV. TORM may from time to time continue to conduct limited share purchase in the market
- On 15 September, TORM plc distributed a USD 25m dividend payment
  - The USD 25m in dividend corresponds to a dividend per share of USD 0.40 or DKK 2.70*
- During 2016, TORM has distributed a total of USD 47m to shareholders, in addition to any further purchase in the market, corresponding to a yield of 8%*

* Based on share price as of 31 December and a USD/DKK fx rate of 7.0

APPENDIX

TORM AIMS TO BE REGARDED AS THE REFERENCE COMPANY IN THE PRODUCT TANKER SEGMENT

Pure-play product tanker owner

Active in all large segments to meet customer demands

~80 owned product tankers

Primarily spot-oriented

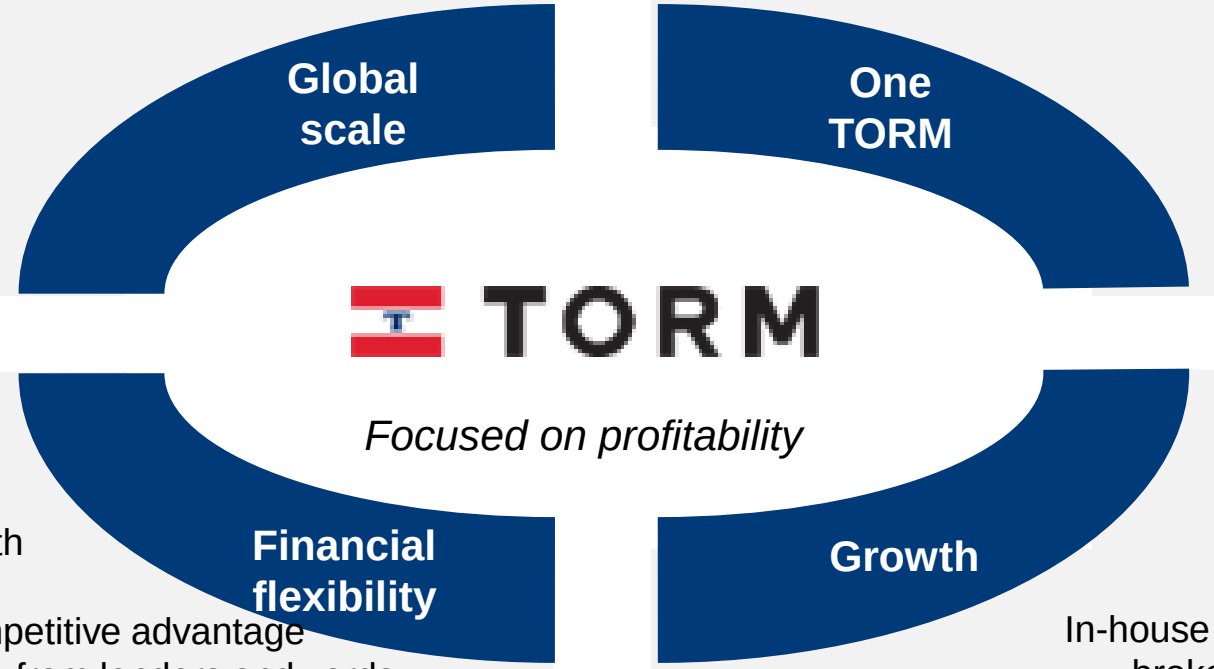
Limited T/C-in (off-balance sheet) commitments

One TORM – Superior integrated operating platform

In-house technical and commercial management (preferred by customers)

Enhanced responsiveness to customers and higher TCEs

Cost-efficient without leakages



Moderate debt levels with attractive debt profile

Financial strength to pursue growth

Strong balance sheet gives a competitive advantage when pursuing vessel acquisitions from lenders and yards

Semi-annual distribution policy of 25 to 50% of net income (after fixed payment of USD 25m in September 2016)

Strong capital structure

May serve as consolidator

Selective growth based on projected financial returns

In-house S&P team with relationships with brokers, yards, banks and shipowners

Selective fleet growth

FLEET UPDATE

As of 31.12.2016

# of vessels

	Q3 2016	*Changes*	EoY 2016	*Changes*	EoY 2017	*Changes*	EoY 2018	*Changes*	EoY 2019
Owned vessels									
LR2	8	-	8	1	9	3	12	-	12
LR1	7	-	7	-	7	-	7	-	7
MR	51	-	51	-	51	-	51	-	51
Handysize	11	-	11	-	11	-	11	-	11
Total	77	-	77	1	78	3	81	-	81
Charter-in vessels									
LR2	2	-	2	-	2	-2	0	-	0
LR1	0	-	0	-	0	-	0	-	0
MR	2	-	2	-2	0	-	0	-	0
Handysize	0	-		-	0	-	0	-	0
Total	4	-	4	-2	2	-2	0	-	0
Total fleet	81	-	81	-1	80	1	81	-	81

Please note: TORM has the option to purchase up to six additional vessels within the LR2, LR1 and MR segment with expected delivery in 2018 and 2019

In March 2017 TORM entered into agreements to sell three vessels. Two LR2 vessels that will be leased back to the Company and one MR. These transactions are not included in the above table.

TORM AT A GLANCE

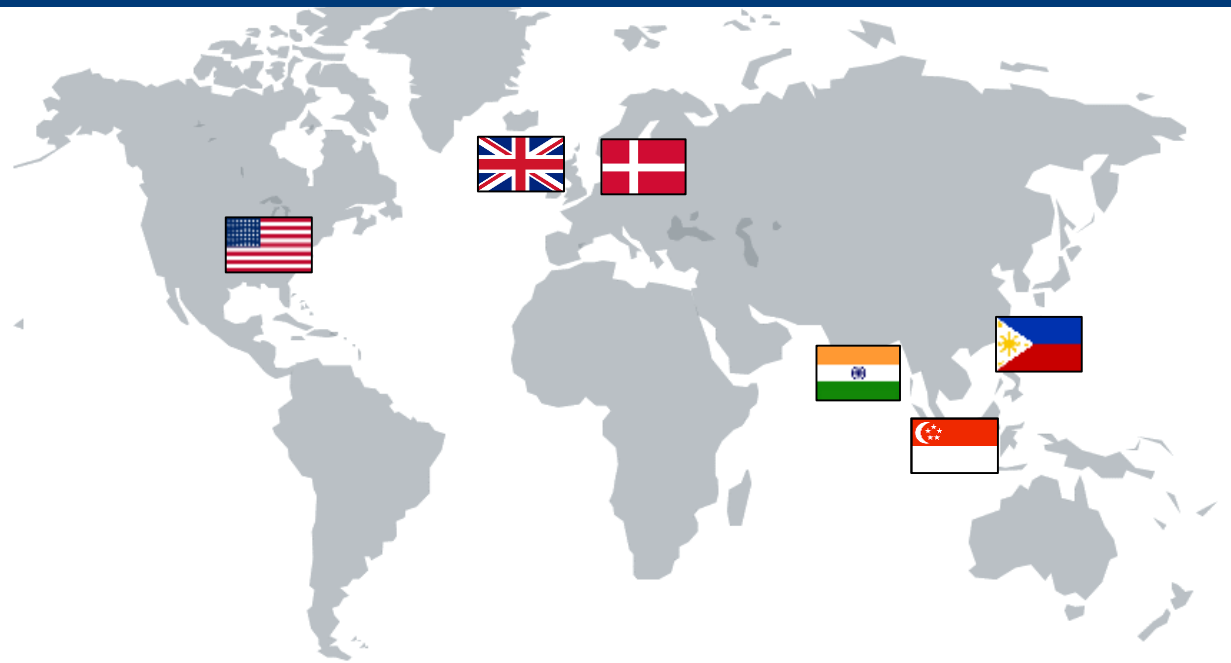
Key facts

A world-leading product tanker company

- 128 years of history
- A leading product tanker owner

Listed on Nasdaq Copenhagen

Global footprint based on regional power and presence



TORM employees:

TORM offices: ~280

Seafarers: ~3,000

- 1,500 Filipino seafarers
- 1,200 Indian seafarers
- 180 Danish seafarers
- 150 Croatian seafarers
- 30 Polish seafarers

PRODUCT TANKERS HAVE COATED TANKS AND HAVE SPECIALLY DESIGNED CARGO SYSTEMS WITH FLEXIBILITY TO TRANSPORT A WIDE RANGE OF DIFFERENT PRODUCTS

Oil product supply chain

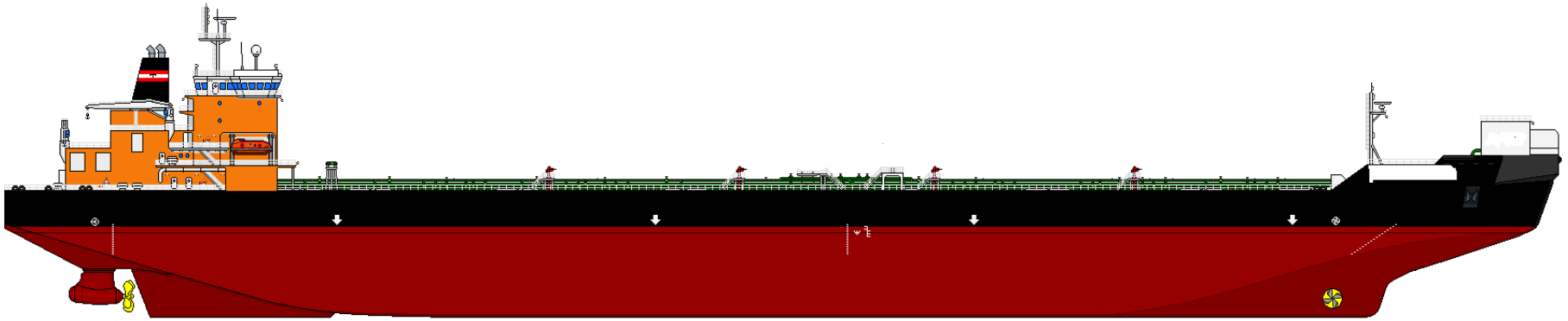
Exploration → Transportation → Refining → **Transportation** → Storage/distribution








Typical refined oil products carried on TORM's vessels



Crude oil	Fuel oil	Con-densate	Diesel/ gasoil	Jet fuel/ kero-sene	Naph-tha	Gaso-line	MTBE	Ethanol	Vege-table oil	Biofuel

"Dirty products" — **"Clean products"**

MANAGEMENT TEAM WITH AN INTERNATIONAL OUTLOOK AND MANY YEARS OF SHIPPING EXPERIENCE

Executive Director



Jacob Meldgaard

- Executive Director in TORM plc
- CEO of TORM A/S since April 2010
- Previously Executive Vice President of the Danish shipping company NORDEN where he was in charge of the company's dry cargo division
- Prior to that, he held various positions with J. Lauritzen and A.P. Møller-Mærsk
- More than 20 years of shipping experience

Senior Management



Christian Søgaard-Christensen

- Chief Financial Officer



Lars Christensen

- Head of Projects



Jesper S. Jensen

- Head of Technical Division

OAKTREE IS THE MAJORITY SHAREHOLDER AND OWNERSHIP HAS BECOME MORE DISPERSED

Share information

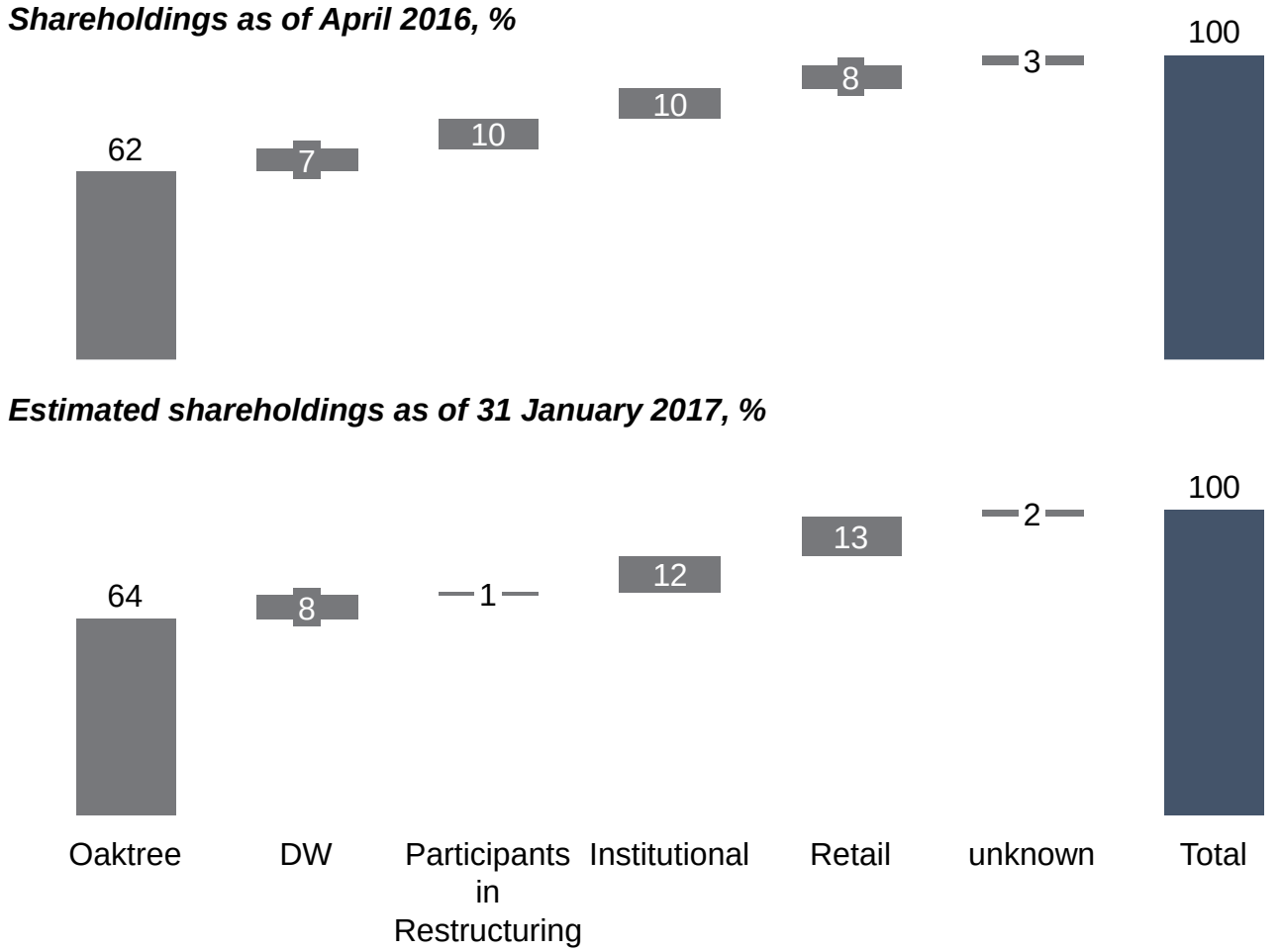
TORM's shares are listed on Nasdaq Copenhagen under the ticker TRMD A

Shares

- 62.3m A shares, one B share and one C share
- The B and C shares have certain voting rights
- A Share has a nominal value of USD/share 0.01

For further company information, visit TORM at www.torm.com

Ownership has become more dispersed



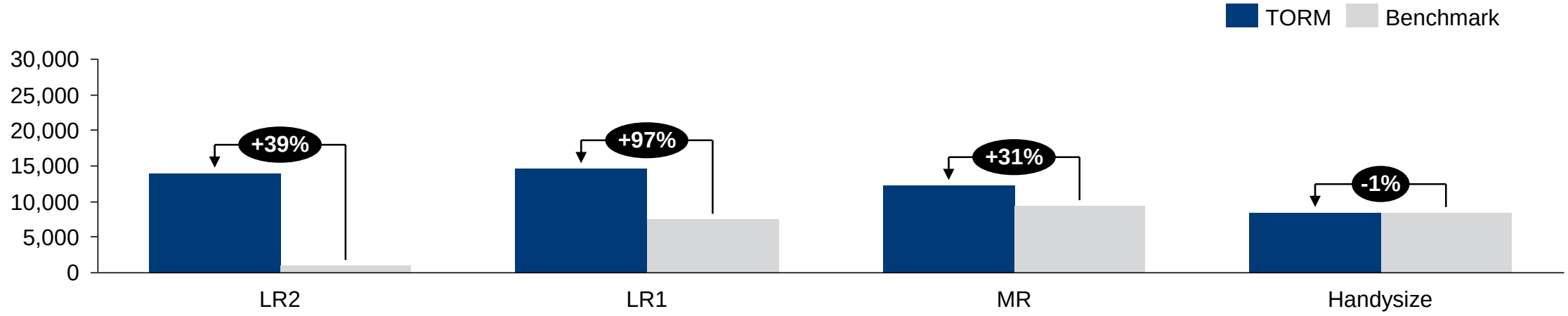
REPORTED KEY FIGURES

USDm*	2016	2015	Q4 2016	Q4 2015
Revenue	680	540	164	186
EBITDA	200	210	34	62
Impairment	-185	-	-185	-
Profit/(loss) before tax	-142	126	-190	28
Adjusted Profit/(loss) before tax	43	126	-5	28
Balance sheet				
Total assets	1,571	1,867	1,571	1,867
Equity	781	976	781	976
NIBD	609	612	609	612
Cash and cash equivalents	76	168	76	168
Cash flow statement				
Operating cash flow	171	214	17	77
Investment cash flow	-119	-159	-17	-155
Financing cash flow	-144	75	-1	77
Financial related key figures				
EBITDA margin	29%	39%	27%	33%
Equity ratio	50%	52%	50%	52%
Return on invested capital (RoIC)	-7%	13%	1%	9%

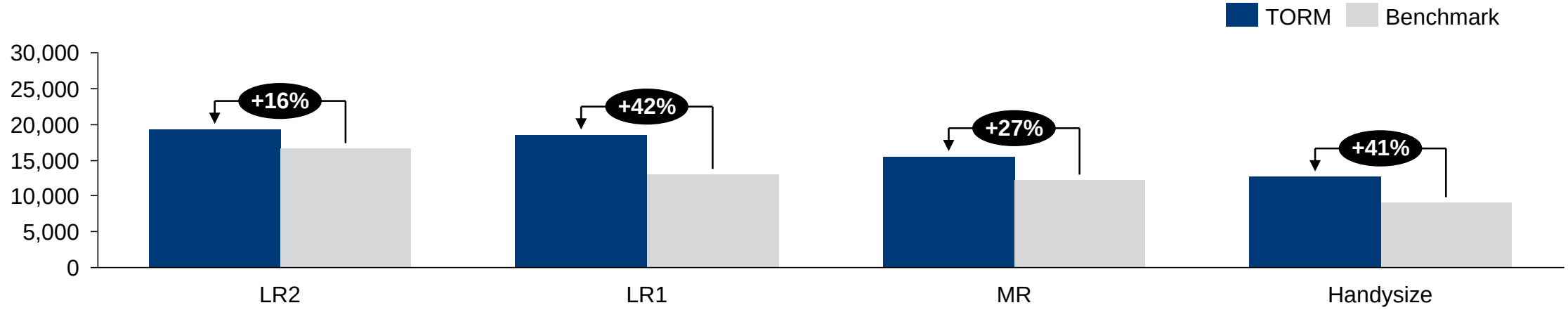
* The financial results for 2015 will reflect Oaktree activities in the period from January 2015 until completion of TORM's Restructuring (13 July 2015), and the combined entity from completion of TORM's Restructuring until 31 December 2015.

TORM TANKER SPOT RATES VERSUS INDUSTRY BENCHMARK

TORM spot vs. industry benchmark Q4 2016 (USD/day)



TORM spot vs. industry benchmark last 12 months (USD/day)



Note: Benchmarks are not one-to-one comparisons as they do not take broker commission, armed guards and low sulphur fuel costs into account.

Source: Clarksons, Spot earnings: LR2: TC1 (Ras Tanura-> Chiba), LR1: TC5 (Ras Tanura-> Chiba), MR: average basket of Rotterdam->NY, Bombay->Chiba, Mina Al Ahmadi->Rotterdam, Amsterdam->Lome, Houston->Rio de Janeiro, Singapore->Sidney, Handysize: average basket of Augusta->Lavera, Tuapse->Agioi Theodoroi.

TORM HAS A SPOT-ORIENTED PROFILE IN A FUNDAMENTALLY STRONG MARKET

PER 31.12.2016

TORM

Owned days

	2017	2018	2019	2017	2018	2019
	Owned days					
LR2	2,868	4,156	4,380			
LR1	2,501	2,550	2,555			
MR	18,015	18,494	18,615			
Handysize	3,915	4,010	4,015			
Total	**27,298**	**29,210**	**29,565**			

T/C-in days at fixed rate

	T/C-in days at fixed rate			T/C-in costs, USD/day		
LR2	-	-	-	-	-	-
LR1	-	-	-	-	-	-
MR	215	-	-	16,250	-	-
Handysize	-	-	-	-	-	-
Total	**215**	**-**	**-**	**16,250**	**-**	**-**

T/C-in days at floating rate

	T/C-in days at floating rate		
LR2	726	339	-
LR1	-	-	-
MR	-	-	-
Handysize	-	-	-
Total	**726**	**339**	**-**

Total physical days

	Total physical days			Total covered days		
LR2	3,594	4,495	4,380	1,166	1,092	85
LR1	2,501	2,550	2,555	63	-	-
MR	18,230	18,494	18,615	1,942	1,095	148
Handysize	3,915	4,010	4,015	93	-	-
Total	**28,239**	**29,549**	**29,565**	**3,264**	**2,187**	**232**

Coverage

	Covered, %			Coverage rates, USD/day		
LR2	32%	24%	2%	22,816	24,180	24,352
LR1	3%	0%	0%	18,094	-	-
MR	11%	6%	1%	18,244	17,535	17,535
Handysize	2%	0%	0%	13,513	-	-
Total	**12%**	**7%**	**1%**	**19,739**	**20,853**	**20,021**

INDUSTRY COOPERATION AND TRANSPARENCY IS KEY TO TORM'S CORPORATE SOCIAL RESPONSIBILITY

TORM

TORM is actively participating in…

- **UN Global Compact**
  TORM became signatory to the UNGC in 2009 as the first Danish shipping company

- **Maritime Anti-Corruption Network**
  TORM is founding member of a global business network working towards a maritime industry free of corruption that enables fair trade

- **Danish Shipowners' Association**
  As part of DSA,TORM is pushing for international regulation and standards on e.g. emissions through the International Maritime Organization

TORM has set and communicated on climate targets

Set climate target for 2016:

- In 2016, TORM set a goal to improve fuel efficiency by 3% compared to 2015
- Continued focus on operational procedures and hull fouling, led to a **3.6%** improvement in 2016
- The target for 2017 is a further improvement of 2%