16 May 2017

Q1 2017 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 Q1 2017

Q1 2017 Results

- EBITDA of USD 44m and Profit before tax of USD 5m
- RoIC of 3.9% and Earnings per share of USD 0.1 or DKK 0.7
- Net Asset Value estimated at USD 663m as of 31 March 2017, corresponding to a NAV/share of USD 10.7 or DKK 75
- Solid balance sheet, Net Loan-to-Value of 55% and available liquidity of USD ~405m as of 31 March

Product tanker market

- TORM obtained average TCE freight rates at USD/day 15,264 in Q1 2017
- In the first quarter of 2017, product tanker freight rates started out at weak levels similar to Q4 2016. Product tanker freight rates strengthened towards the end of the quarter driven by increased demand for transport of clean petroleum products in the West
- The second quarter of 2017 has started out with volatile freight rates, as we remain in the process of drawing down on clean petroleum inventories
- As of 5 May 2017, TORM has fixed 56% of its Q2 2017 earning days at an average TCE of USD/day 15,628

Sales & Purchase

- During the first quarter, TORM sold one vessel, the 1999-built MR vessel TORM Anne. Following the balance sheet date, TORM has sold an additional two vessels, TORM Madison and TORM Trinity, both 2000-built handysize vessels
- In the first quarter, TORM completed two sale and leaseback transactions for the vessels TORM Helene and TORM Mary. Following the balance sheet date, TORM has completed an additional sale and leaseback transaction for TORM Vita
- By the end of the first quarter, TORM's vessel values as measured by broker values had decreased by approximately 6.5% since year-end. In the beginning of the second quarter of 2017, there are indications that asset prices are bottoming out despite limited activity in the second-hand market
- By the end of March 2017, the total product tanker order book stood at 10% of the total fleet, the lowest since 2012

Corporate events

- In January, TORM drew USD 126m on the new term loan

EBITDA OF USD 44M IN Q1 2017

USDm	Q1 2017	Q1 2016	2016
P&L			
TCE Earnings	107	138	458
Gross profit	55	80	242
Sale of vessels	0	0	0
EBITDA	44	70	200
Profit before tax	5	31	-142
Adjusted profit before tax (excluding the impairment charge)	6	31	43
Balance sheet			
Equity	786	1,001	781
NIBD	596	605	609
Cash and cash equivalents	215	123	76
Key figures			
Adjusted Earnings per share (USD)	0.1	0.5	0.7
Return on Invested Capital (Adjusted RoIC)	3.7%	10.1%	4.9%
Net Asset Value (NAV)	663	1,069	733
Number of vessels (#)	78	81	81
Tanker TCE/day (USD)	15,264	19,845	16,050
Tanker OPEX/day (USD)	6,843	7,400	6,771

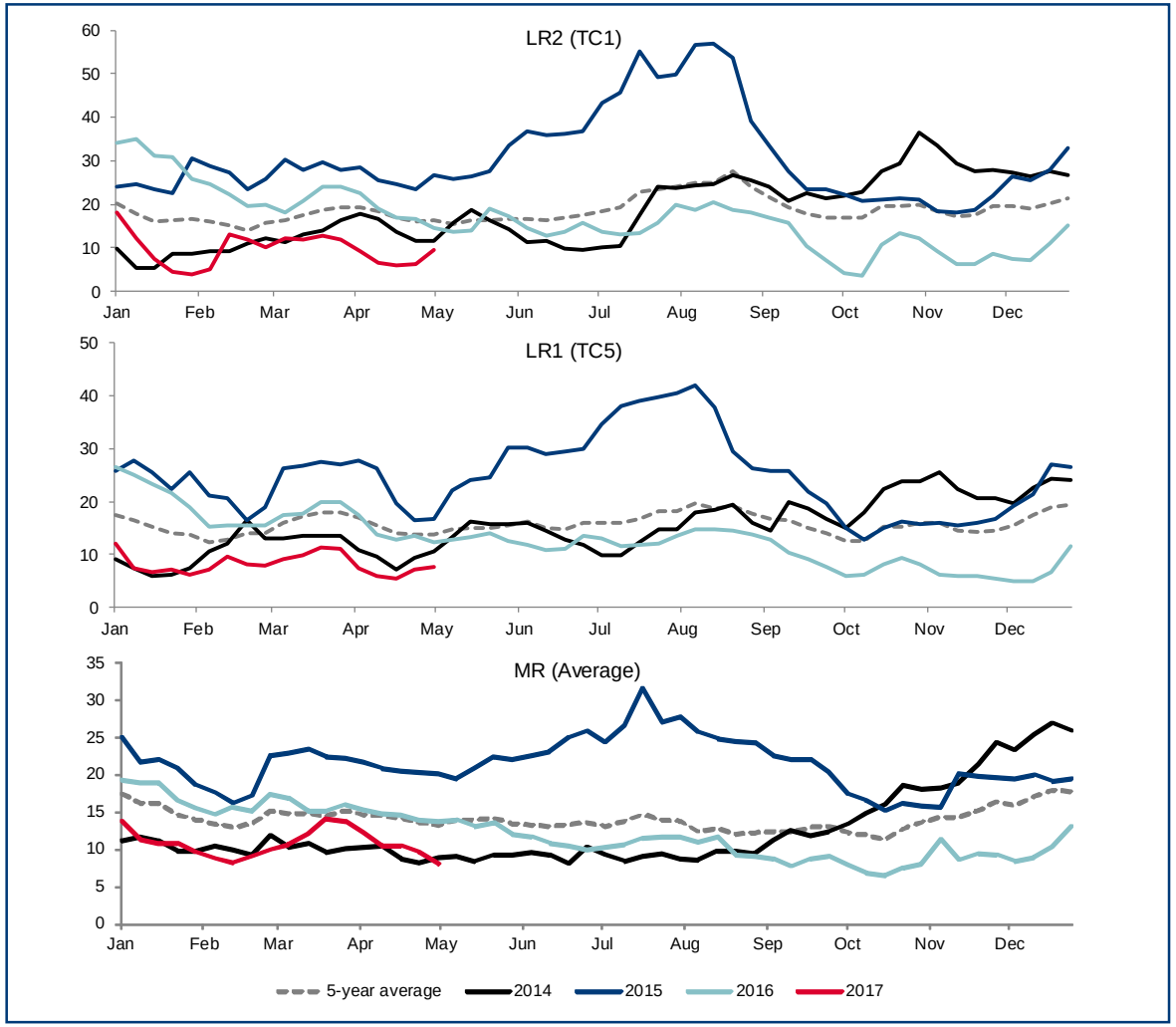
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- **Product Tanker Market Overview and Outlook**
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PRODUCT TANKER FREIGHT RATES IMPROVED IN Q1 FROM PREVIOUS QUARTER

TORM

FREIGHT RATES IN '000 USD/DAY



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

Q1 West

- High gasoline stocks in the US limited imports from Europe
- Steady demand in West Africa and strong demand in Brazil provided long-haul demand for LRs and MRs
- Very strong demand for imports to Mexico was primarily covered on short-hauls from the US
- Naphtha arbitrage from West to East was marginally opened, providing some support to Atlantic-based LRs

Q1 East

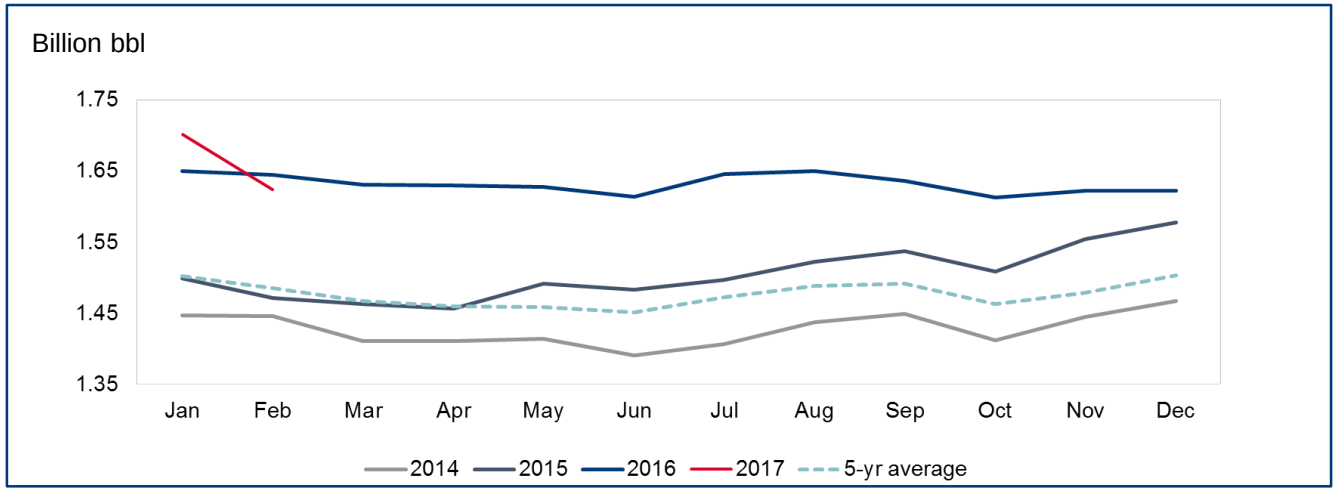
- Restricted gasoil/ULSD flows from both Asia and the Middle East towards Europe due to closed arbitrage caused surplus LR tonnage in the East and consequently reduced LR earnings
- Asia naphtha imports remained flat year on year, but this was not sufficient to absorb the relatively high LR newbuilding deliveries in Q1
- Lower Chinese product exports at the start of Q1 had a negative effect on MR East earnings; nevertheless, Chinese exports gained momentum as the quarter progressed

Q2-to-date

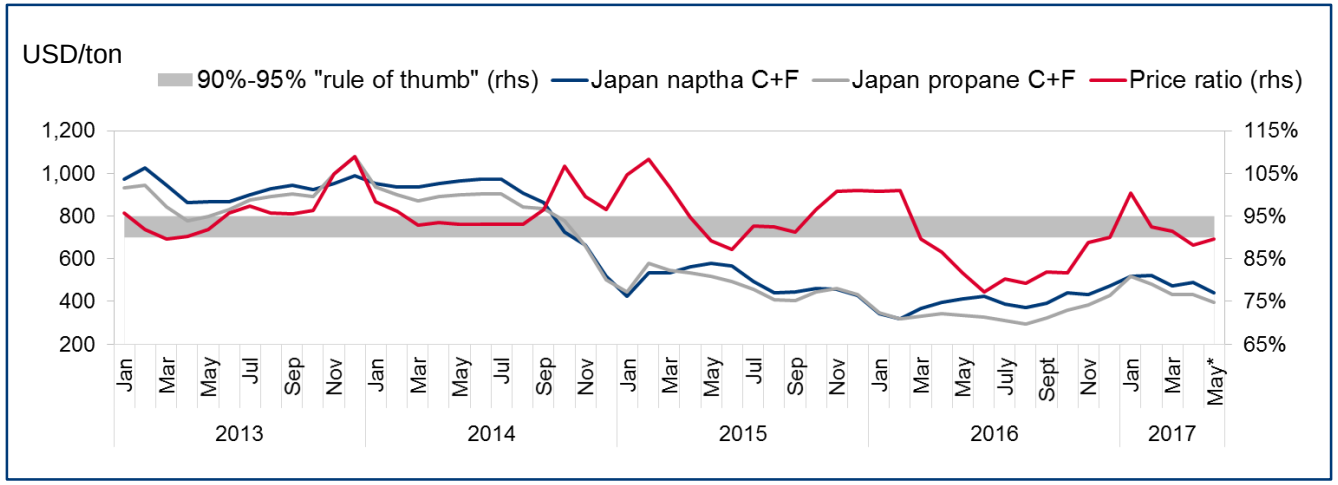
- In the West, the MR market has been supported by drawdown on US gasoline stocks, continued imports to West Africa and increased exports from the USG following the end of the refinery maintenance season. On the other hand, lack of West to East arbitrage has kept LRs in the West, putting downward pressure on MR rates. Recent weakening of refinery margins in Europe and the US is starting to negatively impact product flows
- In the East, the rates have been under pressure as a result of limited gasoil/ULSD and jet flows from East to West, peak refinery maintenance in Asia and seasonal feedstock shifting from naphtha to LPG in the Asian petrochemical sector

DEMAND FUNDAMENTALS FOR PRODUCT TANKERS

GLOBAL CPP INVENTORIES



ASIAN NAPHTHA AND LPG PRICES



* May includes first week of May

Sources: JODI, Reuters, TORM Research

Short-term factors

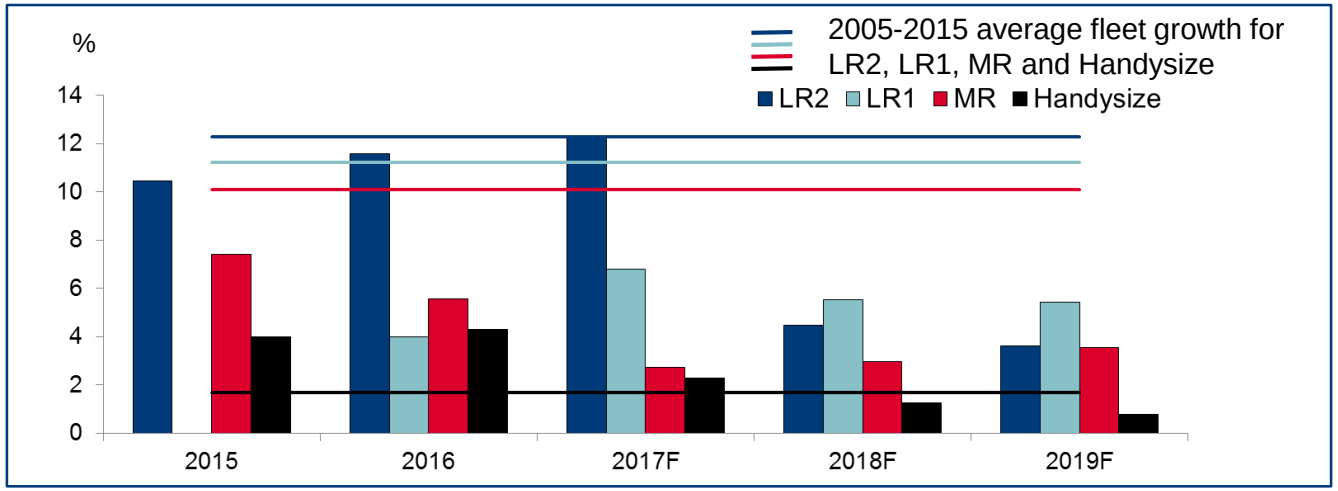
- Current oil price level continues to support global oil demand, which is expected to grow by 1.3 mb/d in 2017, well above the average of 1.0 mb/d during 2005-2015
- Robust oil demand has helped to draw down global CPP inventories from the highs seen at the start of 2017, but the stockpiles are still 9% above the 5-year average, and the market is expected to remain negatively impacted by stock drawdowns
- Upcoming US driving season and the fact that the USEC gasoline yields have remained persistently lower compared to last year may result in faster inventory draws which could support import demand
- With refinery maintenance focus shifting to Asia in the next quarter, the region's gasoline balance is expected to tighten compared to last year, potentially increasing imports
- Seasonal LPG discount to naphtha is expected to limit Asian naphtha imports in the coming months; however, the substitution effect is expected to be less than last year as the LPG price is likely buoyed by low inventories in the US

Long-term factors

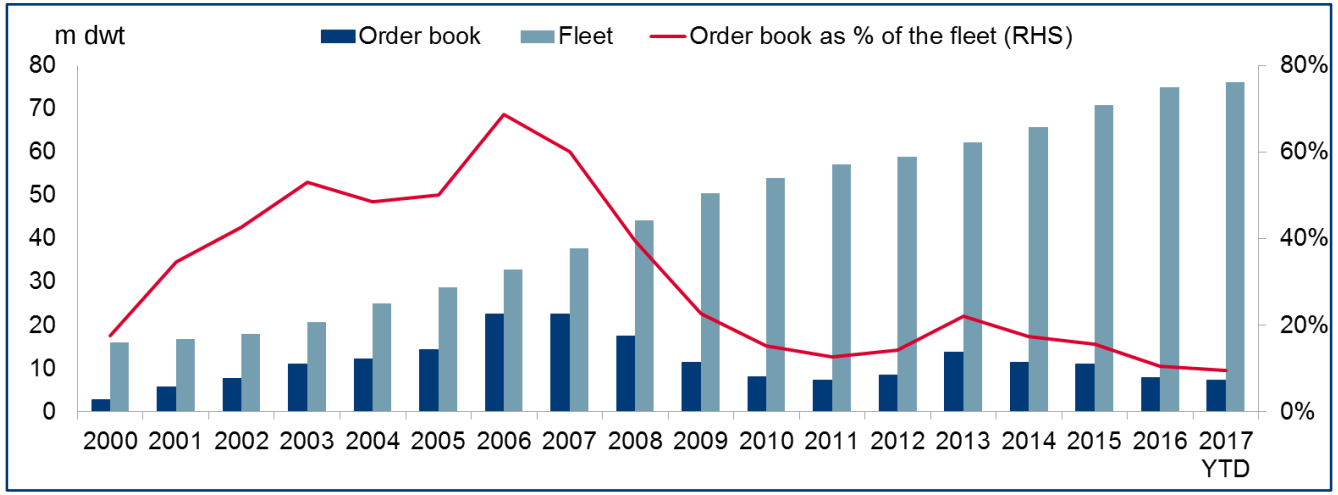
- The fundamental long-term outlook remains positive with oil demand increasing and the ton-mile being positively impacted by the dislocation of refinery capacity from Europe and the Pacific (Japan) to the Middle East and Asia
- Ton-mile demand for product tankers is forecast to grow by around 5% p.a.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

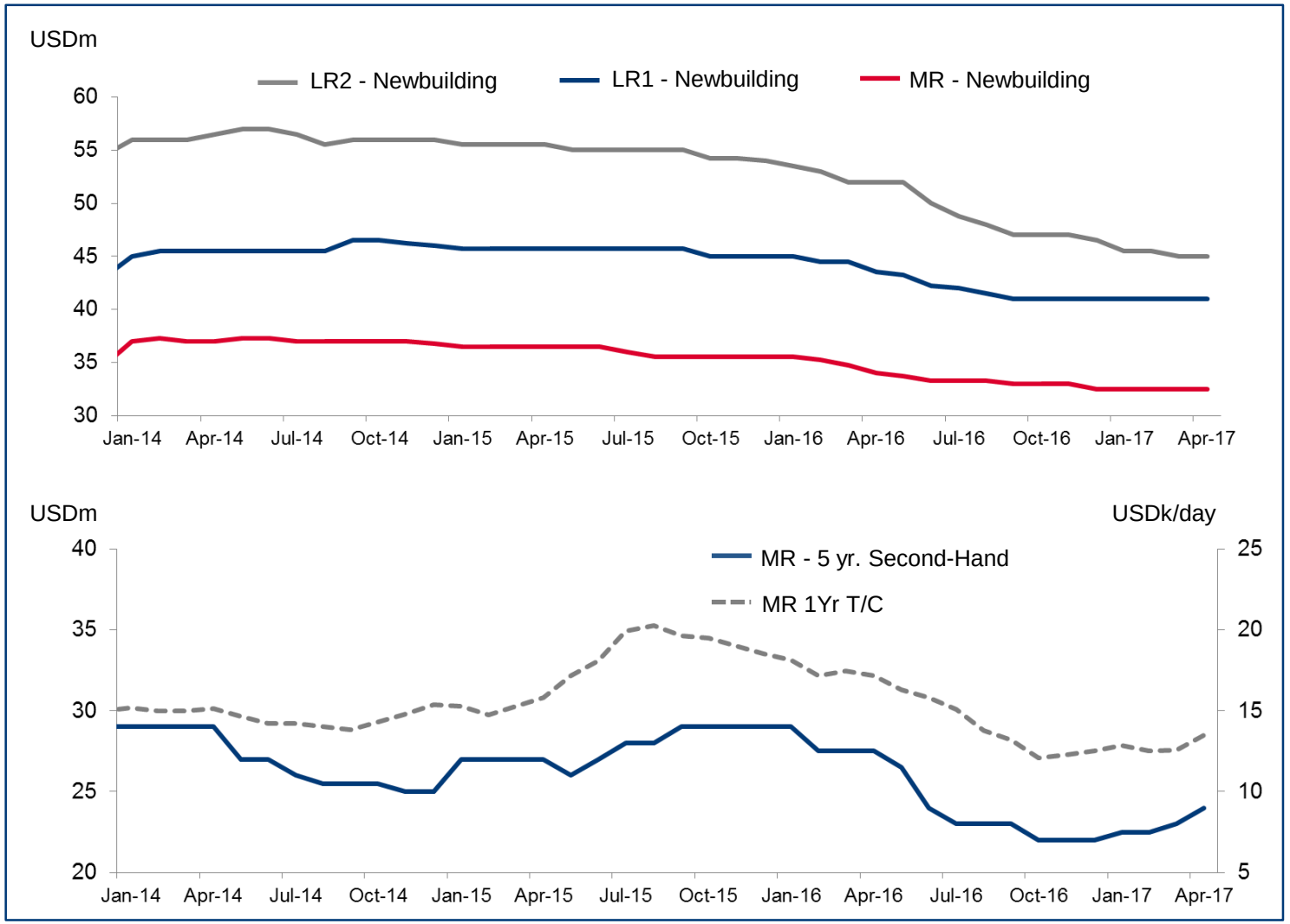


- In Q1, newbuilding focus was on crude tankers while activity within product tankers remained relatively limited
- The product tanker order book to fleet ratio has fallen to 10%, the lowest since 2012
- For the MR segment, the order book to fleet ratio is below 10%, the lowest level for at least 20 years
- Product tanker deliveries totaled 2.9m dwt during Q1, which combined with limited scrapping activity resulted in a 1.8% net fleet growth in Q1
- For FY 2017, a fleet growth of 5.5% is forecast, after which the growth pace starts to slow
- Product tanker fleet capacity is expected to grow by around 4% p.a. during 2017-2019
- At the start of the Q2 ordering activity for dry bulk, crude and product tankers has gained momentum with a significant number of LOIs being signed recently

Notes: * 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 93% and 43% of forecasted deliveries respectively in 2018 and 2019. Source: TORM Research

PRODUCT TANKER VESSEL PRICES

VESSEL PRICE DEVELOPMENT



- The second-hand market in Q1 was characterized by low activity yet with signs of increasing interest from buyers for modern tonnage. Very few units of have actually been for sale
- For older tonnage, second-hand activity has been at a decent level with prices remaining flat
- Lack of traditional bank financing remains an important issue, whereas more sale and lease back transactions have been reported
- In Q2 so far, second-hand activity has remained muted with last done indicating a slight price increase for modern tonnage
- In the newbuilding market, the transition from Tier 2 to Tier 3 tonnage has basically come to an end, with yards now exclusively marketing the more expensive Tier 3 tonnage

Source: Clarksons

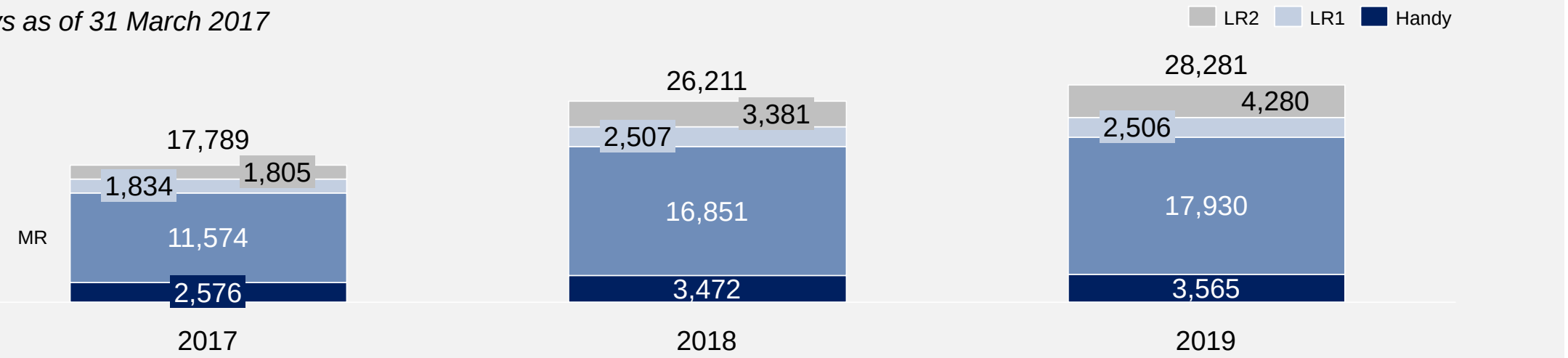
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TORM HAS SIGNIFICANT OPERATING LEVERAGE IN THE PRODUCT TANKER MARKET

Unfixed days

# of days as of 31 March 2017



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

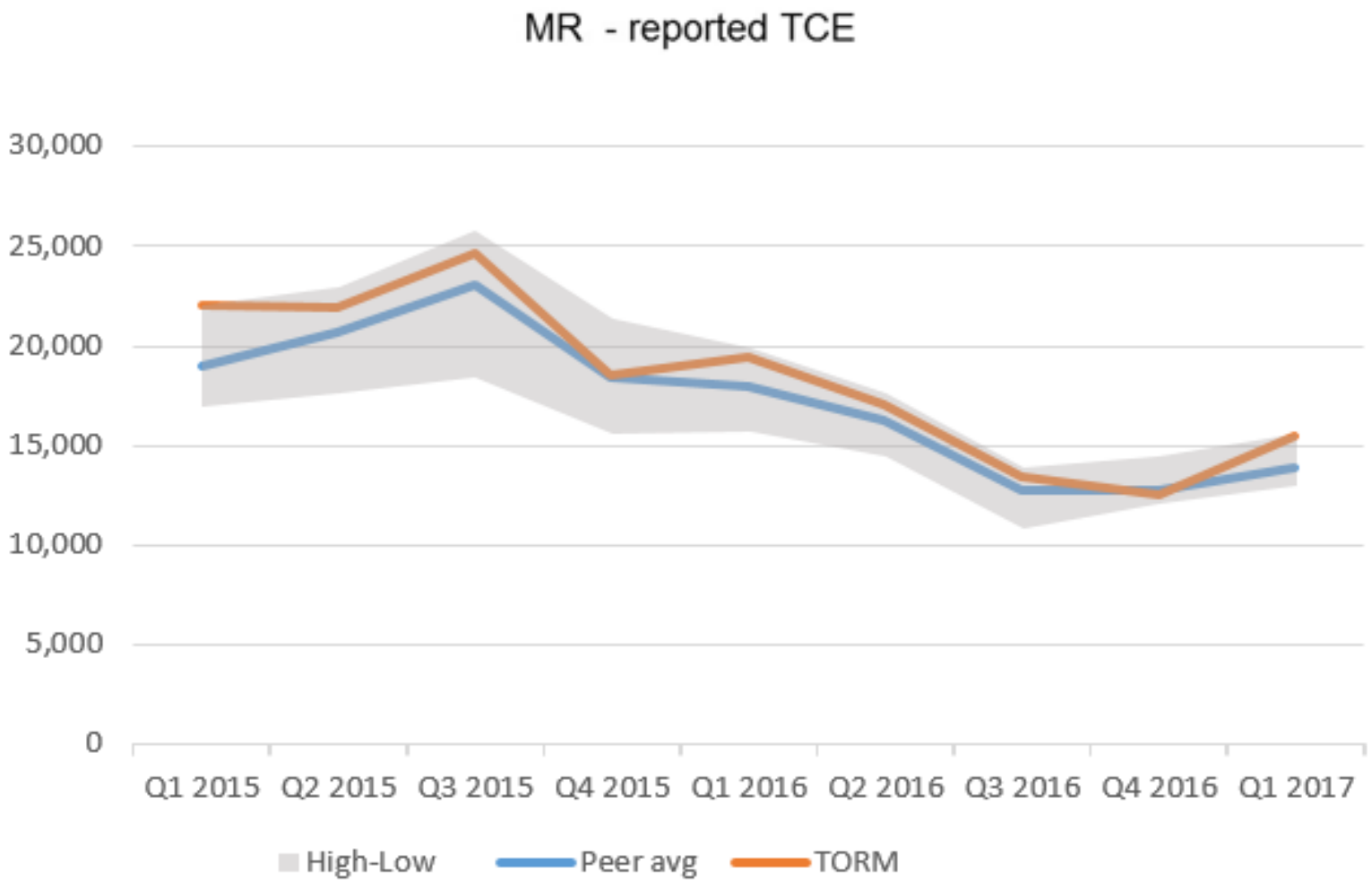
Illustrative change in cash flow generation potential for the TORM fleet

USDm

Δ Average TCE/day	2017	2018	2019
USD 2,000	35.6	52.4	56.6
USD 1,000	17.8	26.2	28.3
USD (1,000)	(17.8)	(26.2)	(28.3)
USD (2,000)	(35.6)	(52.4)	(56.6)

PEER COMPARISON SHOWS THAT TORM HAS CONTINUED TO PERFORM COMMERCIALLY

USD/day

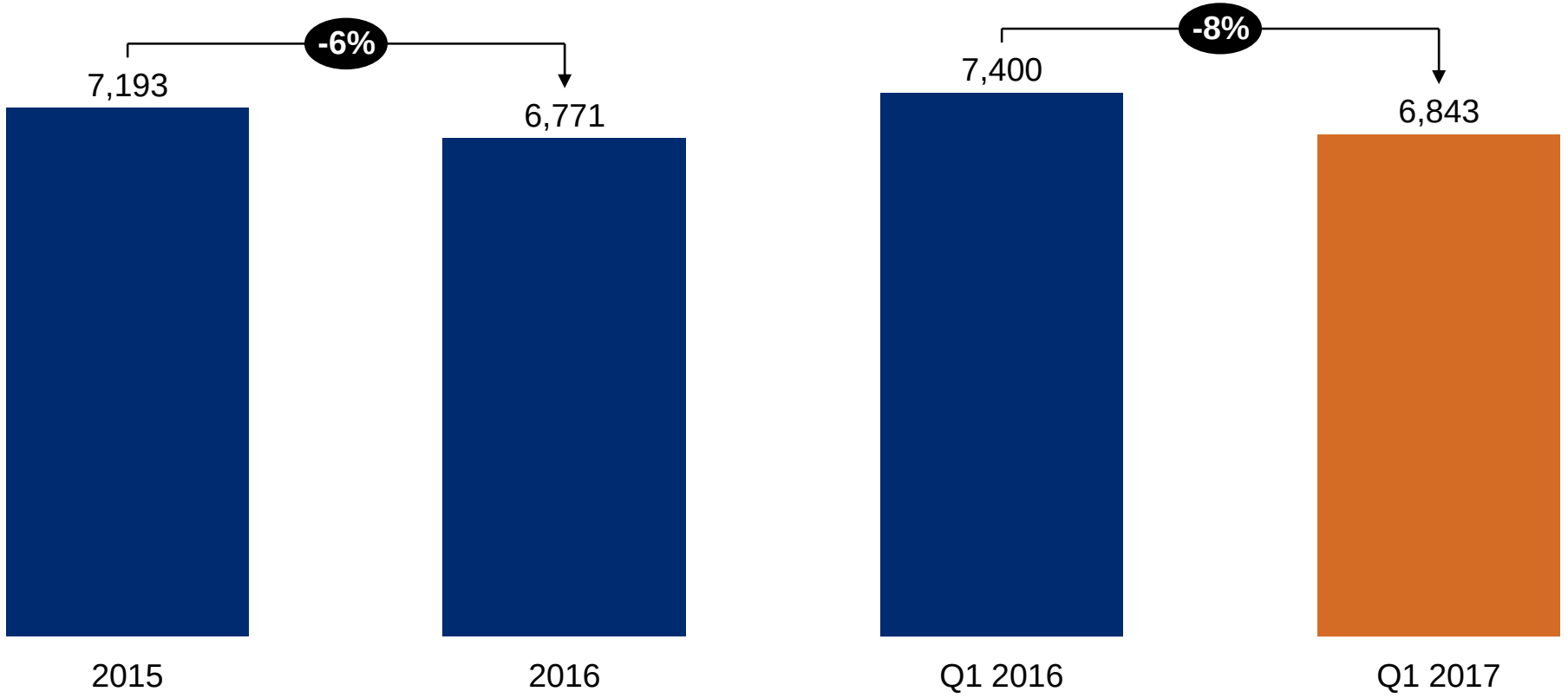


Notes:

- 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

OPEX HAS SHOWN AN IMPROVING TREND

USD/day

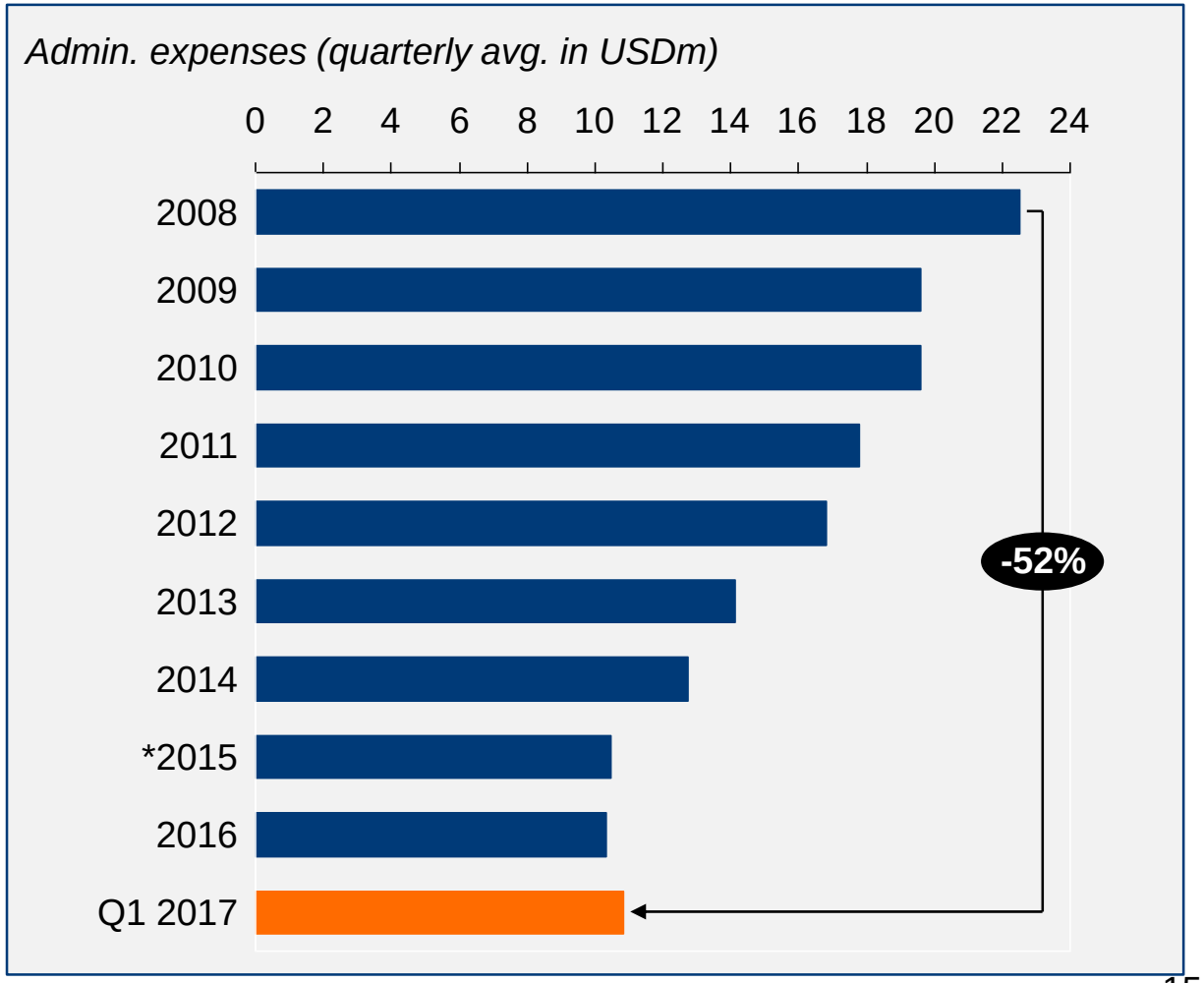


TORM HAS A FULLY INTEGRATED BUSINESS MODEL AND ADMIN EXPENSES ARE TRENDING SIGNIFICANTLY DOWN

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 ~1,450
- Outsourced technical and commercial management would affect other line items of the P&L

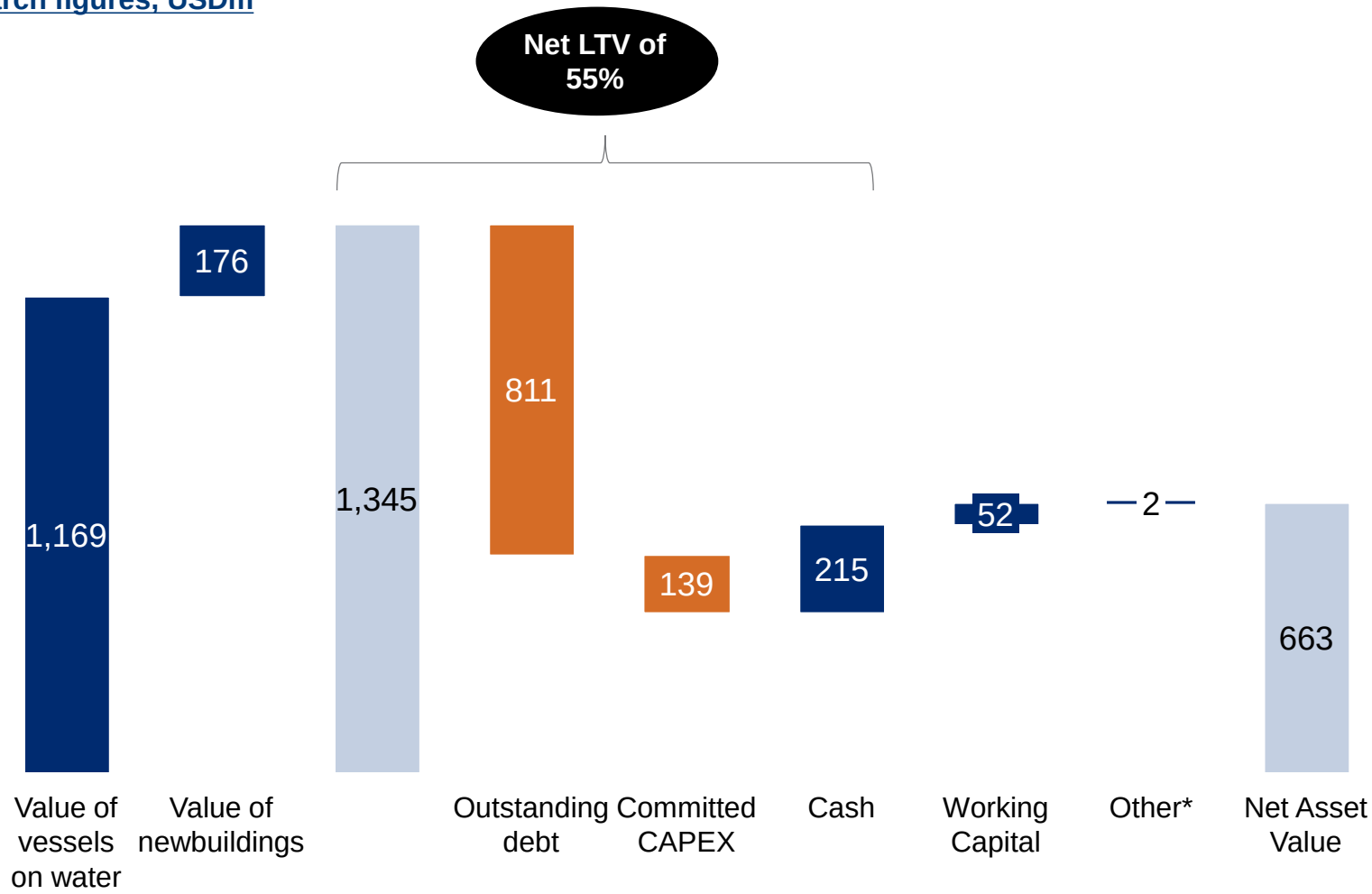
TORM has trimmed administration expenses significantly



* 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 663M

31 March figures, USDm



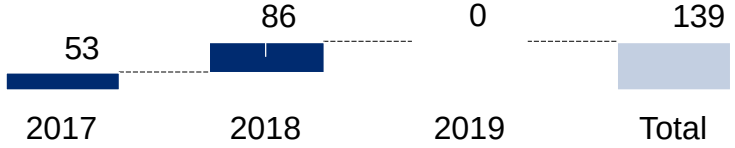
- Based on broker values, TORM's vessels including newbuildings were estimated at USD 1,345m as of 31 March 2017
- With an outstanding debt of USD 811m, and committed CAPEX of USD 139m, TORM's Net Loan-to-Value was at 55% ensuring a strong capital structure
- Adjusting for cash and working capital, TORM's Net Asset Value (NAV) was estimated at USD 663m
- On a per share basis*, the NAV was estimated at USD 10.7 or DKK 74.5

- Calculated based on 61,985,975 shares (excluding 312,871 treasury shares) and USD/DKK fx rate of 7.0
- * Other includes Other plant and operating equipment, and total financial assets

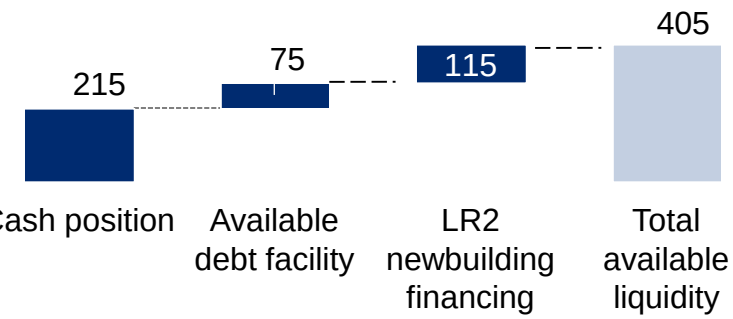
TORM HAS A FAVOURABLE FINANCING PROFILE AND STRONG LIQUIDITY POSITION

CAPEX and liquidity as of 31 March 2017 (USDm)

CAPEX commitments

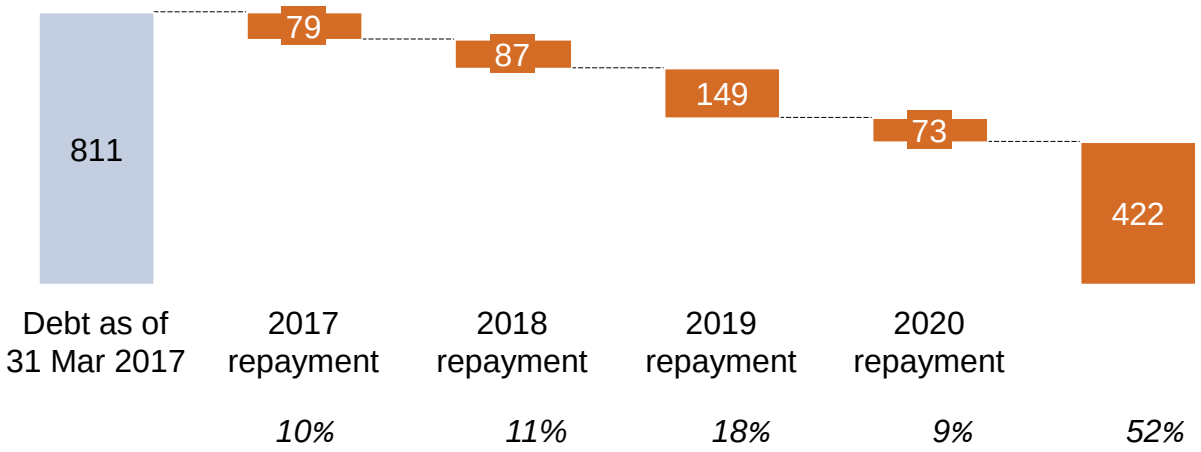


Available liquidity



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

Scheduled debt repayments as of 31 March 2017 (USDm)



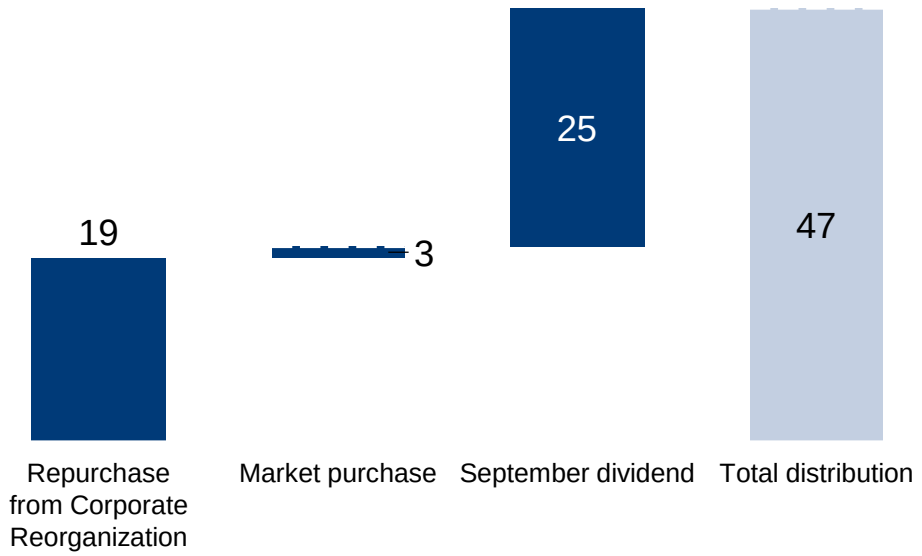
Ample headroom under our attractive covenant package:

- 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)



- 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 second half of 2016, TORM plc 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%*

TORM's distribution policy from 2017

- 25 to 50% of Net Income
- Semi-annual distribution
- Dividend and/or share repurchase
- Policy reviewed periodically

* 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

TORM is a **pure-play product tanker owner** active in all large product tanker segments to meet customer demands

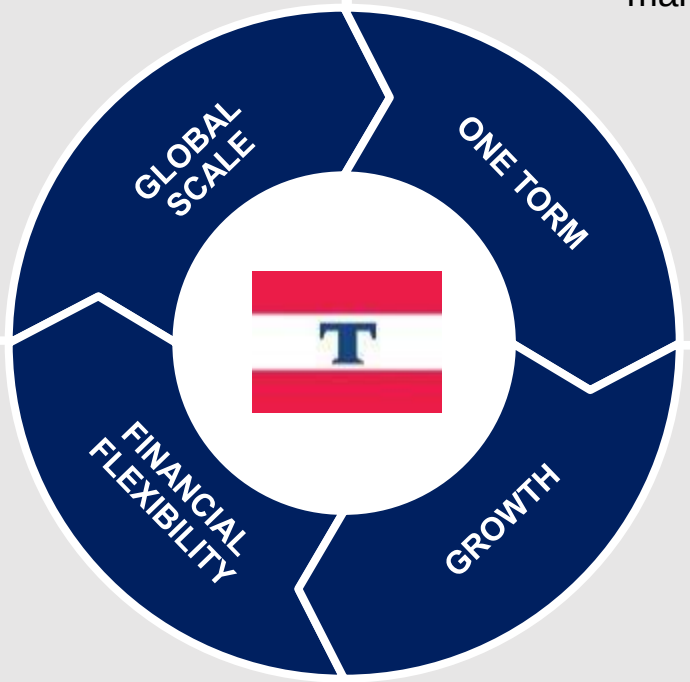
Primarily spot-oriented and owns ~80 product tankers

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

TORM's superior integrated operating platform includes in-house technical and commercial management (preferred by customers)

Enhanced responsiveness to TORM's customers and higher TCE's

Cost-efficient set-up without leakages



TORM has a solid capital structure with financial strength to pursue growth

Competitive advantage when pursuing vessel acquisitions from lenders and yards

Semi-annual distribution policy of 25-50% of net income

TORM pursues **selective growth based on projected financial returns** and may serve as a consolidator

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

FLEET UPDATE

As of 31.03.2017

# of vessels

	EoY 2016	*Changes*	Q1 2017	*Changes*	EoY 2017	*Changes*	EoY 2018	*Changes*	EoY 2019
Owned vessels									
LR2	8	-1	7	1	8	3	11	-	11
LR1	7	-	7	-	7	-	7	-	7
MR	51	-2	49	-1	48	-	48	-	48
Handysize	11	-	11	-2	9	-	9	-	9
Total	77	-3	74	1	78	3	75	-	75
Charter-in vessels									
LR2	2	1	3	-	3	-2	1	-	1
LR1	0	-	0	-	0	-	0	-	0
MR	2	-1	1	1	2	-	2	-	2
Handysize	0	-	0	-	0	-	0	-	0
Total	4	-	4	-2	2	-2	3	-	3
Total fleet	81	-3	78	-1	80	1	78	-	78

TORM AT A GLANCE

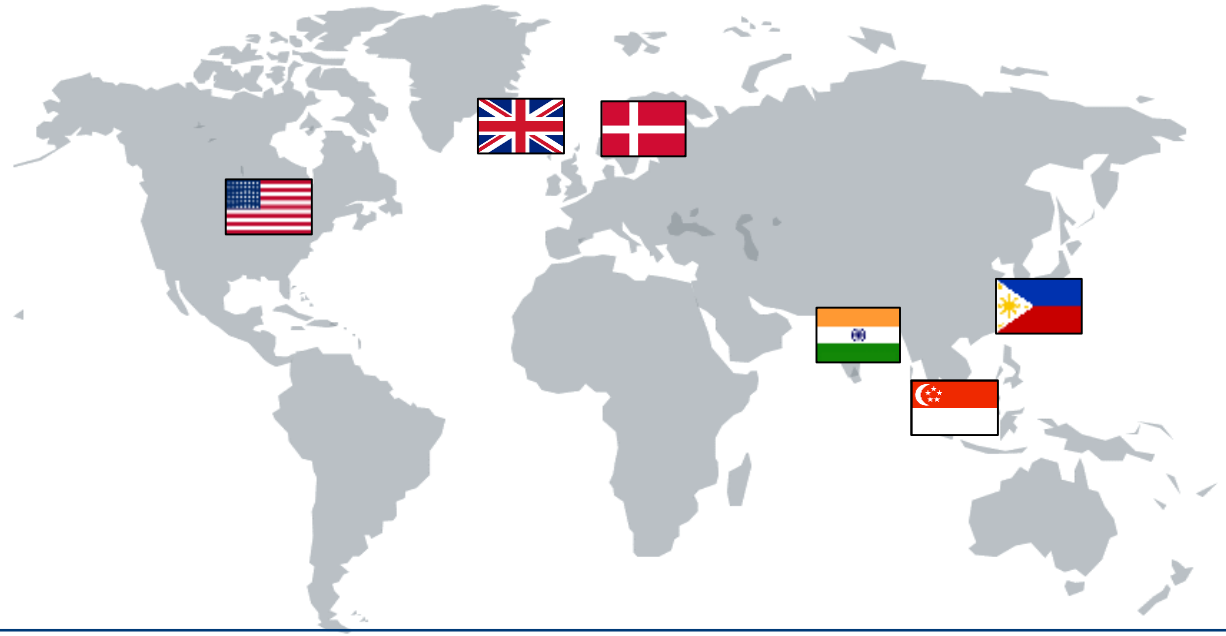
Key facts

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

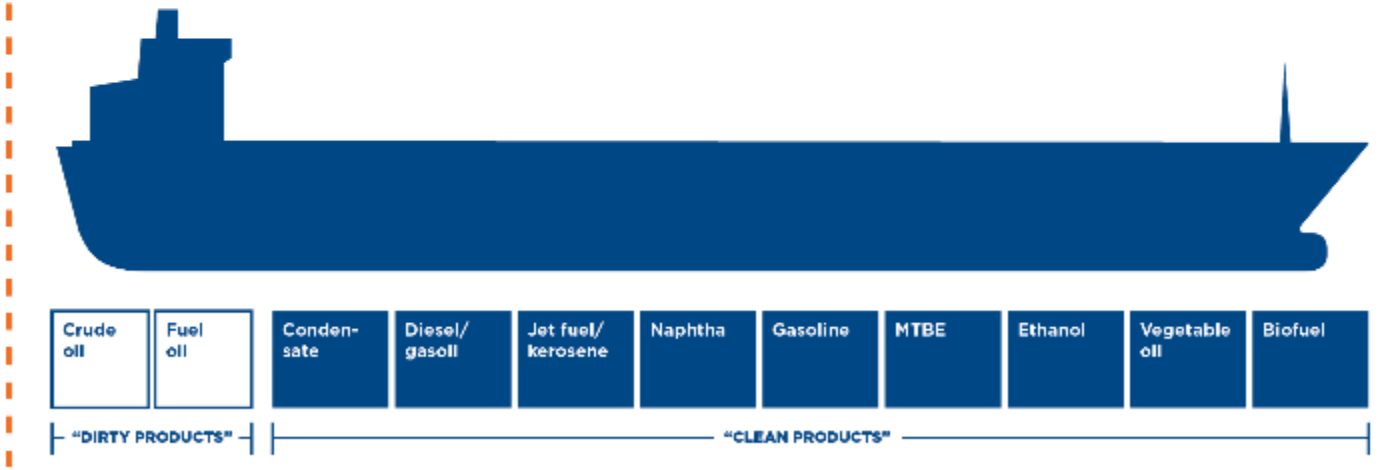
FLEXIBILITY TO TRANSPORT A WIDE RANGE OF DIFFERENT PRODUCTS

TORM

VALUE CHAIN



TYPICAL REFINED OIL PRODUCTS CARRIED ON TORM'S VESSELS



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

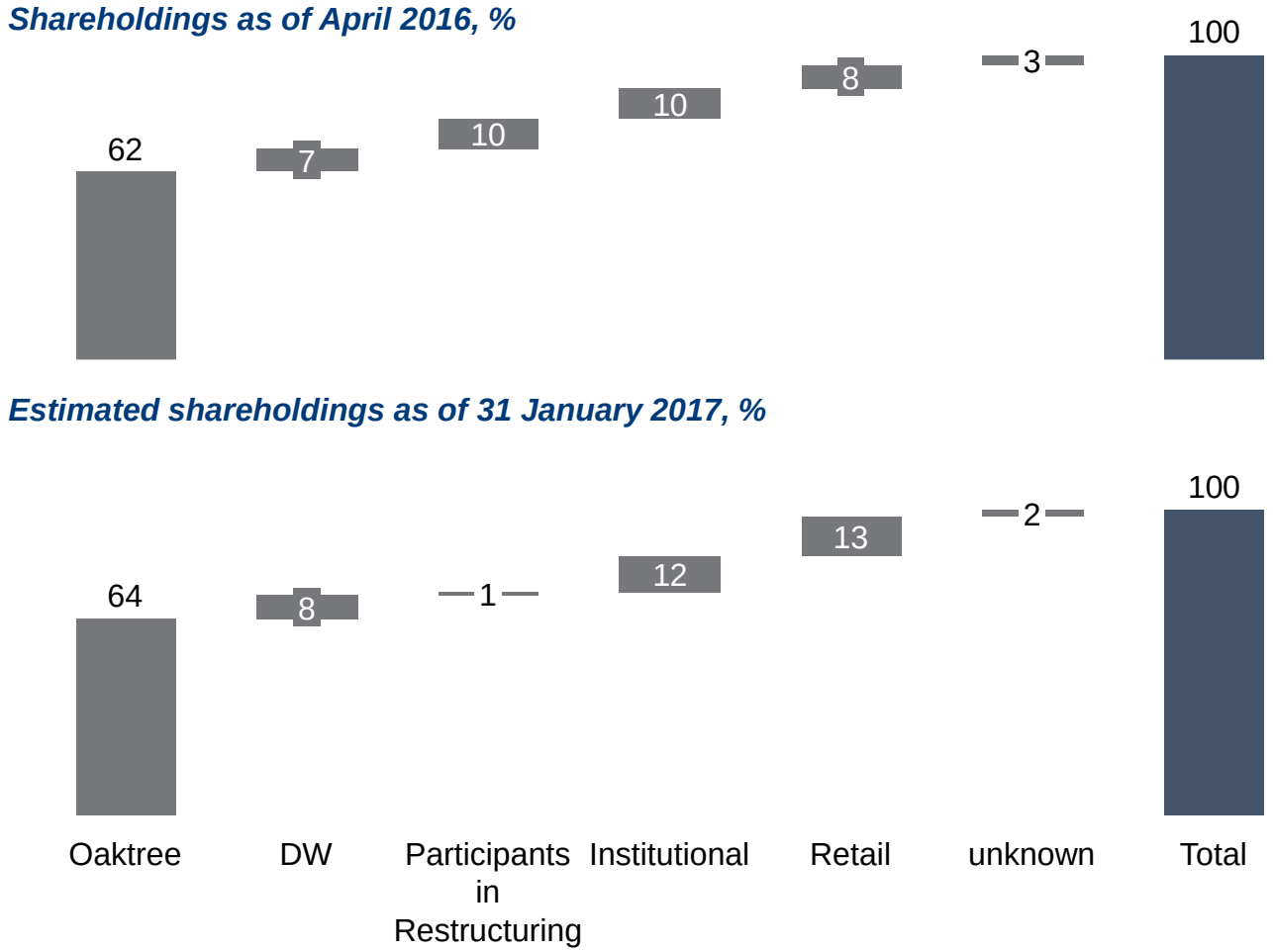
TORM's shares are listed on Nasdaq Copenhagen under the ticker TRMD A

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

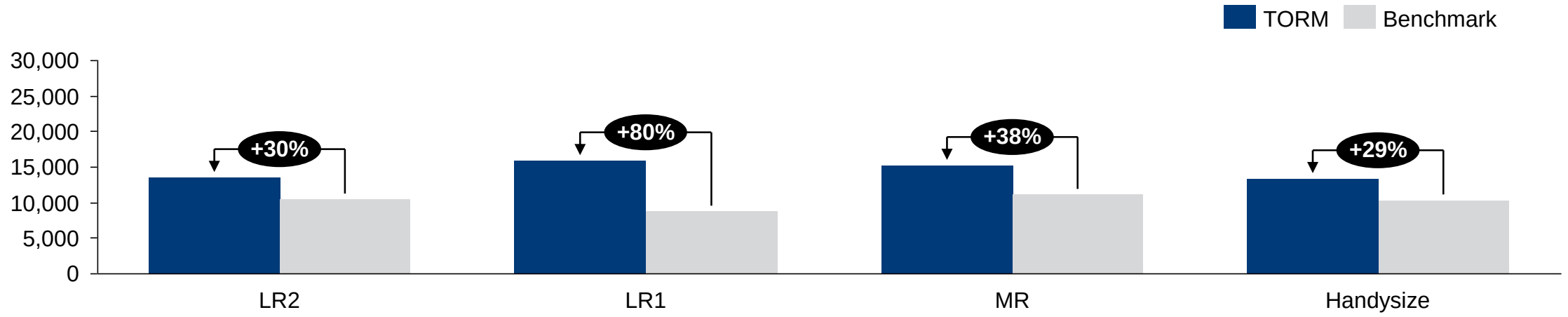


KEY FIGURES

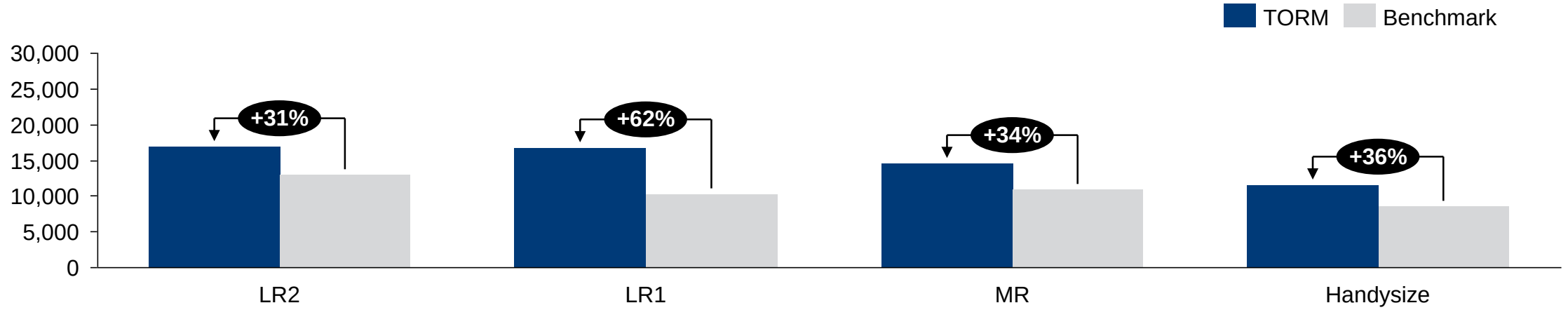
USDm	Q1 2017	Q1 2016	2016
Revenue	173	194	680
EBITDA	44	70	200
Impairment	-1	-	-185
Profit/(loss) before tax	5	31	-142
Adjusted Profit/(loss) before tax	6	31	43
Balance sheet			
Total assets	1,699	1,847	1,571
Equity	786	1,001	781
NIBD	596	605	609
Cash and cash equivalents	215	123	76
Cash flow statement			
Operating cash flow	27	71	171
Investment cash flow	-11	-65	-119
Financing cash flow	123	-53	-144
Financial related key figures			
EBITDA margin	26%	36%	29%
Equity ratio	46%	54%	50%
Return on invested capital (RoIC)	4%	10%	-7%

TORM TANKER SPOT RATES VERSUS INDUSTRY BENCHMARK

TORM spot vs. industry benchmark Q1 2017 (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

TORM

As of 31.03.2017

Owned days

	2017	2018	2019	2017	2018	2019
	Owned days					
LR2	1,976	3,764	3,999			
LR1	1,904	2,507	2,506			
MR	12,871	17,183	17,347			
Handysize	2,642	3,472	3,565			
Total	**19,392**	**26,926**	**27,418**			

T/C-in days at fixed rate

	Charter-in and Leaseback days at fixed rate					
LR2	224	365	365			
LR1	-	-	-			
MR	422	730	730			
Handysize	-	-	-			
Total	**645**	**1,095**	**1,095**			

T/C-in days at floating rate

	Charter-in days at floating rate					
LR2	547	338	-			
LR1	-	-	-			
MR	-	-	-			
Handysize	-	-	-			
Total	**547**	**338**	**-**			

Total physical days

	Total physical days			Covered days		
LR2	2,747	4,467	4,364	942	1,086	84
LR1	1,904	2,507	2,506	70	-	-
MR	13,292	17,913	18,077	1,718	1,062	147
Handysize	2,642	3,472	3,565	66	-	-
Total	**20,585**	**28,359**	**28,513**	**2,796**	**2,148**	**231**

Coverage

	Covered, %			Coverage rates, USD/day		
LR2	34%	24%	2%	23,784	24,170	24,351
LR1	4%	0%	0%	16,705	-	-
MR	13%	6%	1%	17,895	17,524	17,528
Handysize	3%	0%	0%	18,954	-	-
Total	**14%**	**8%**	**1%**	**19,873**	**20,884**	**20,017**

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%