15 November 2017

Q3 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

1. Highlights
2. Product tanker market overview and outlook
3. Financial and operating performance

HIGHLIGHTS FOR Q3 2017

Corporate events

- TORM has filed a registration statement with the U.S. Securities and Exchange Commission and expects to finalize a dual listing of TORM's A-shares on Nasdaq New York in 2017 in addition to the existing listing on Nasdaq Copenhagen
- No new securities will be issued in connection with the listing
- TORM and Danish Ship Finance have agreed to extend the maturity date for an existing loan tranche from June 2019 to December 2021 - other terms are unchanged

Q3 2017 results

- EBITDA of USD 37m and Result before tax of USD -4m (including an impairment of USD 3m)
- RoIC of 1.6% and Earnings per share of USD -0.1 or DKK -0.6
- Net Asset Value estimated at USD 708m as of 30 September 2017, corresponding to a NAV/share of USD 11.4 or DKK 71.9
- Solid balance sheet, Net Loan-to-Value of 57% and available liquidity of USD ~416m as of 30 September 2017
- Vessel values, as measured by brokers, decreased by ~1% when comparing to Q2 2017, which is in line with the fleet depreciation rate

Product tanker market

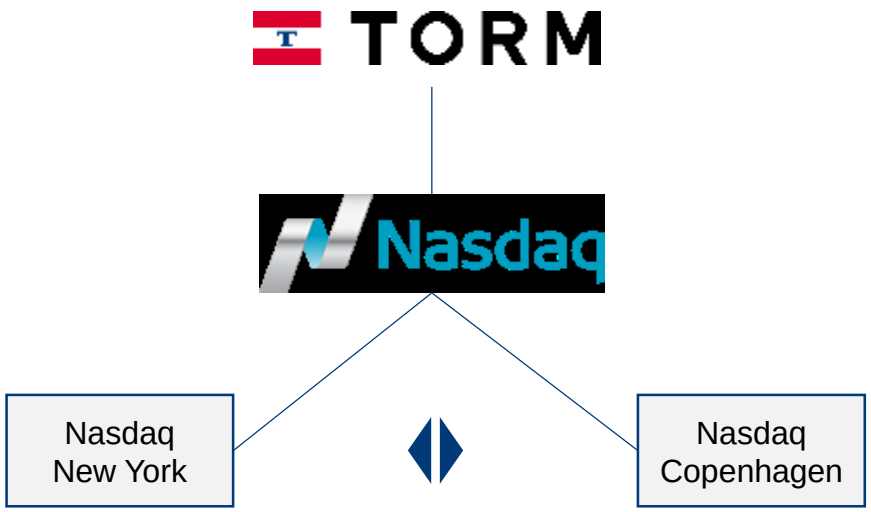
- TORM obtained average TCE freight rates of USD/day 14,290 in Q3 2017
- The third quarter of 2017 was characterized by continued inventory drawdowns, resulting in a weak product tanker freight market for most of the quarter except for the last part of the quarter where especially the transpacific freight market was strong
- By the start of the fourth quarter of 2017, inventory levels are back to normalized levels. This bodes well for the future prospects of the product tanker market. So far in the fourth quarter, freight rates have improved compared to the third quarter
- As of 6 November 2017, TORM has fixed 60% of its Q4 2017 earning days at an average TCE of USD/day 15,775

Sales & Purchase

- During the third quarter, TORM has purchased a total of six MR resale vessels for a total consideration of USD 185m: two of the vessels were delivered during the third quarter of 2017, the remaining four will be delivered in 2019
- TORM sold one vessel, TORM Fox, a 2005-built Handysize vessel. Following the balance sheet date, TORM has entered into an agreement to sell TORM Rhone, a 2000-built Handysize vessel
- By the end of September 2017, the total product tanker order book stood at 11% of the total fleet, a low level in a historical perspective

DUAL LISTING IN COPENHAGEN AND NEW YORK

The TORM share will be tradable on two exchanges



Dual Nasdaq listing

Repositioning of shares

- Shareholders will have the flexibility to move their TORM shares between the two Nasdaq stock exchanges in Copenhagen and New York
- Share transfer forms will be available at www.torm.com from the listing date

Beneficial to shareholders

- A US listing will provide TORM with increased financial and strategic flexibility
- The majority of TORM's shareholder base is located in the US. By ensuring that the TORM share is tradable in USD, on a US stock exchange during US opening hours, over time, trading liquidity in the TORM share should improve to the benefit of all shareholders

EBITDA OF USD 37M IN Q3 2017

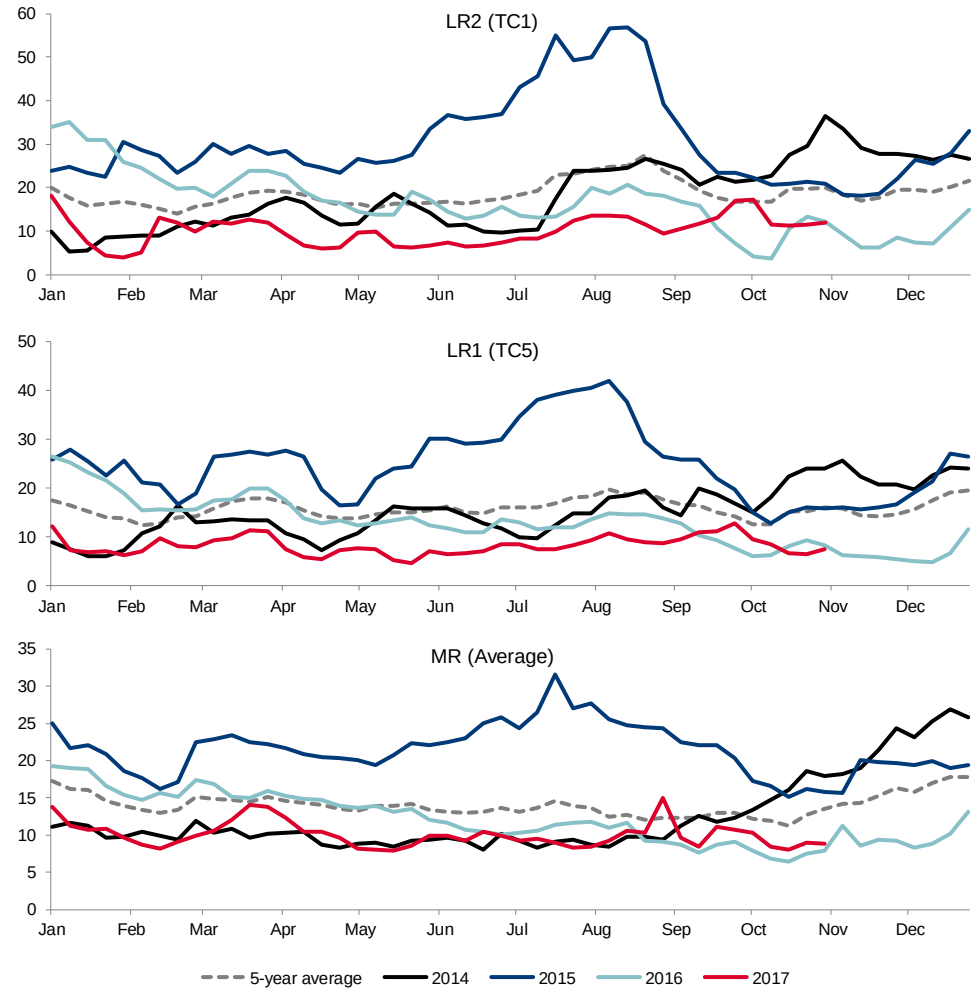
USDm	Q3 2017	Q3 2016	Q1-Q3 2017	Q1-Q3 2016	2016
P&L					
TCE Earnings	95	103	295	365	458
Gross profit	47	50	147	198	242
Sale of vessels	0	0	3	0	0
EBITDA	37	40	117	166	200
Profit before tax	-4	2	-1	48	-142
Adjusted profit before tax (excluding impairment charges)	-2	2	2	47	43
Balance sheet					
Equity	784	963	784	963	781
NIBD	630	612	630	612	609
Cash and cash equivalents	145	77	145	77	76
Key figures					
Earnings per share (USD)	-0.1	0.0	0.0	0.8	-2.3
Return on Invested Capital (adjusted RoIC)	2.1%	2.5%	2.7%	6.3%	4.9%
Net Asset Value (NAV)	708	873	708	873	733
Number of vessels (#)	77	81	77	81	81
Tanker TCE/day (USD)	14,290	14,391	14,477	17,248	16,050
Tanker OPEX/day (USD)	6,631	6,596	6,649	6,967	6,771

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2. **Product tanker market overview and outlook**
3. Financial and operating performance

PRODUCT TANKER MARKET REMAINED CHALLENGING IN Q3

Spot rates



Q3 LR

Increased volume of middle distillates moved from the Middle East to Europe, initially due to a shutdown of Europe's largest refinery in Rotterdam and later in order to replenish European stocks, following the rise in exports across the Atlantic.

Q3 MR

A reduction in US refining capacity as a result of Hurricane Harvey initially led to an increase in clean petroleum exports from Europe to the US East Coast and South America, which caused freight to spike sharply.

The secondary effect from Hurricane Harvey was a strengthening of the transpacific market driven by a combination of low inventories on the US West Coast and limited supply out of the US Gulf and Mexico.

Q4-to-date

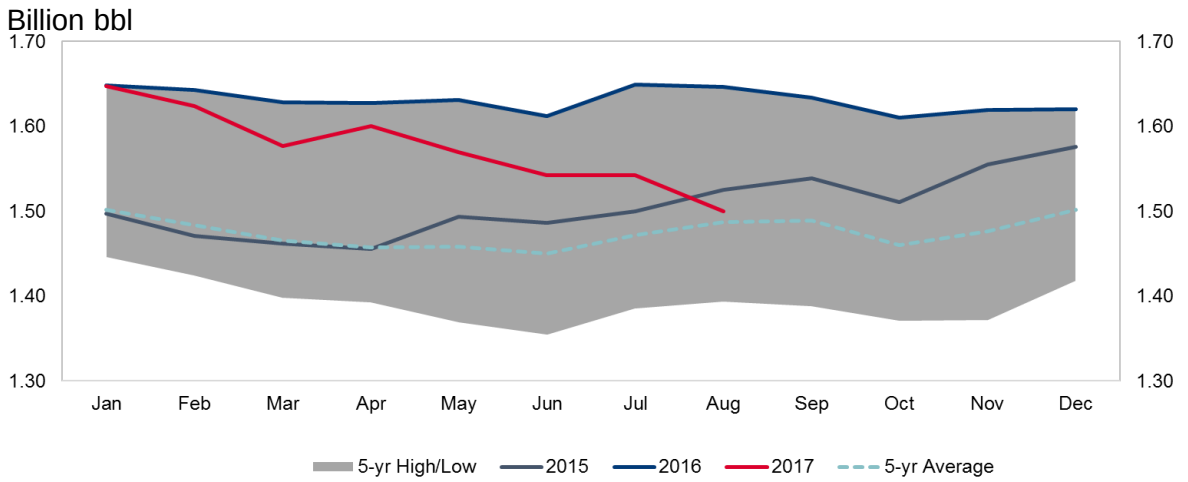
In the West, more CPP has been moving from East to West, resulting in an overcapacity of available vessels west of Suez. On the positive side, naphtha and gasoline blendstock flows from West to East have increased.

In the East, activity for MRs in the Middle East has been good with strong rates. The LR rates have improved, primarily driven by increased product flows from the Middle East to Europe as well as stable demand for naphtha in the Far East.

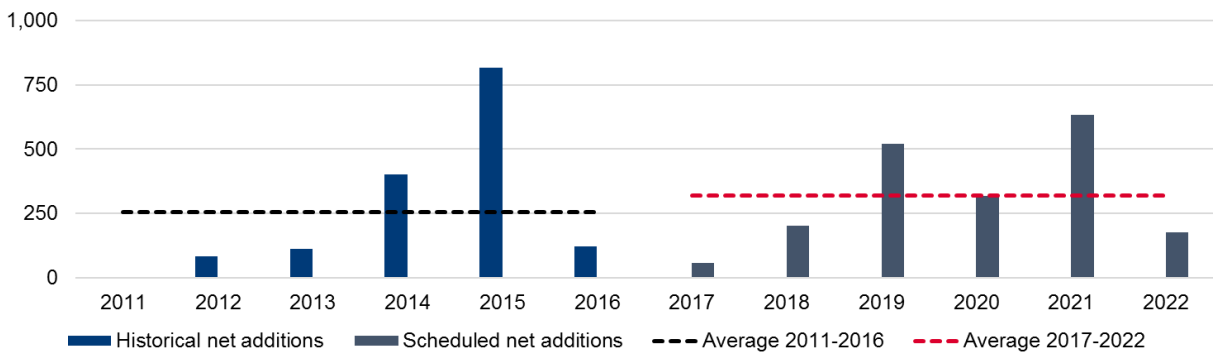
Source: Clarksons. Spot earnings: LR2: TC1 Ras Tanura-> Chiba, LR1: TC5 Ras Tanura-> Chiba and MR: average basket of Rotterdam->NY, Bombay->Chiba, Mina Al Ahmadi->Rotterdam, Amsterdam->Lome, Houston->Rio de Janeiro, Singapore->Sidney

PRODUCT INVENTORIES HAVE RETURNED TO NORMS

Global CPP inventories



Middle East refinery capacity net additions



Source: IEA, JODI, WoodMackenzie, TORM Research

Short-term factors

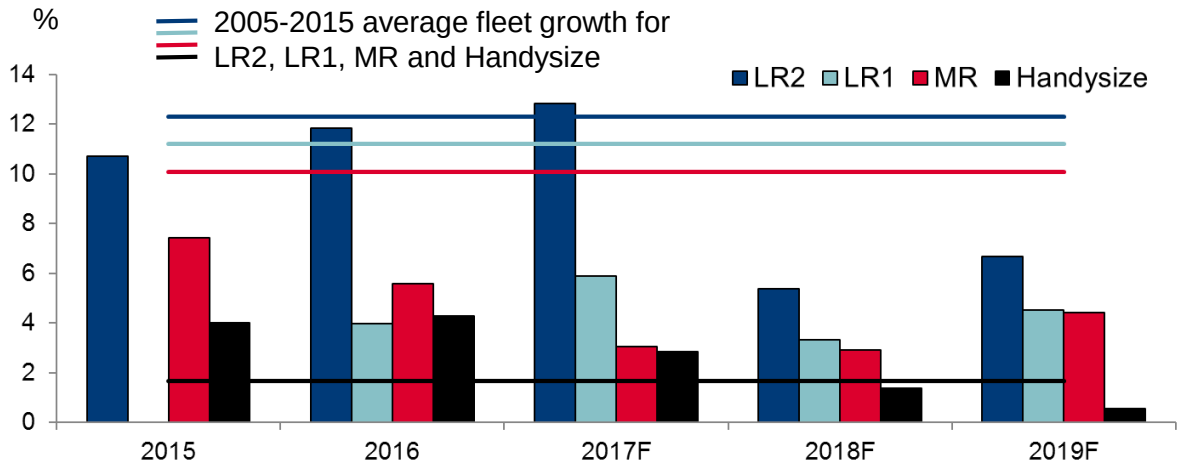
- Product stock draws accelerated in Q3 and global inventories dropped to close to 5-year average in August, driven by stronger-than-expected oil demand. During the first eight months of 2017, global CPP stocks were drawing by a volume equivalent to a loss of potential trade of 5% each month. With global CPP inventories back to norms and oil demand remaining robust, the disruptive effect of high stockpiles on the market should recede
- Preliminary data for the US and Europe shows that destocking continued in Q4, underpinned by lower refinery utilization in the US Gulf in the aftermath of Hurricane Harvey and the resulting supply tightness in the Atlantic market. Diesel inventories in the Amsterdam-Rotterdam-Antwerp region are currently below 5-year average level, indicating a potential for higher European diesel imports in the coming months
- High crude newbuilding deliveries in 2018 continue to pressurize the product tanker market through cannibalization of gasoil trade from East to West

Long-term factors

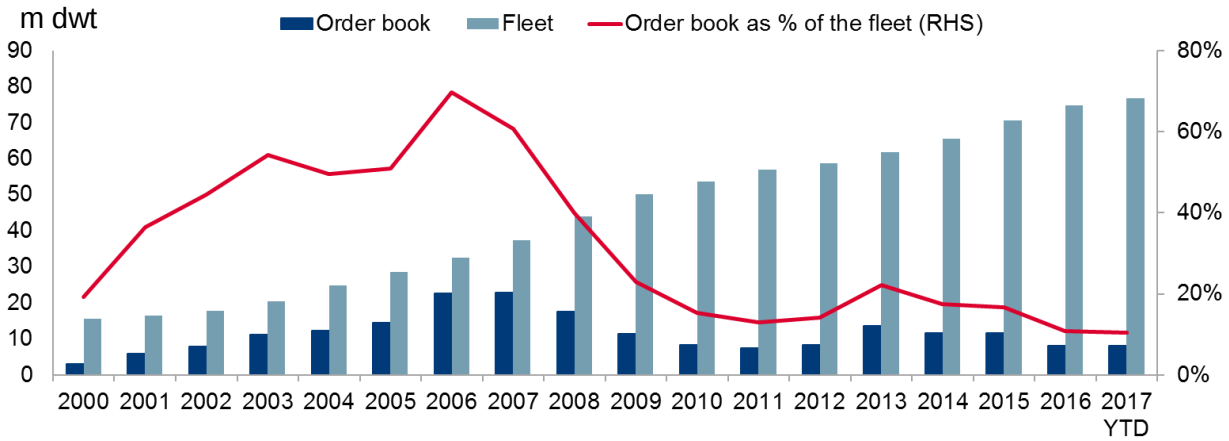
- The fundamental long-term outlook remains positive with oil demand increasing and the ton-mile being positively impacted by increasing imbalances between the demand for and supply of clean petroleum products
- Middle East refinery capacity additions are expected to accelerate from 1.5 mb/d during 2011-2016 to 1.9 mb/d during 2017-2022, placing a renewed pressure on less competitive refineries in other areas

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)



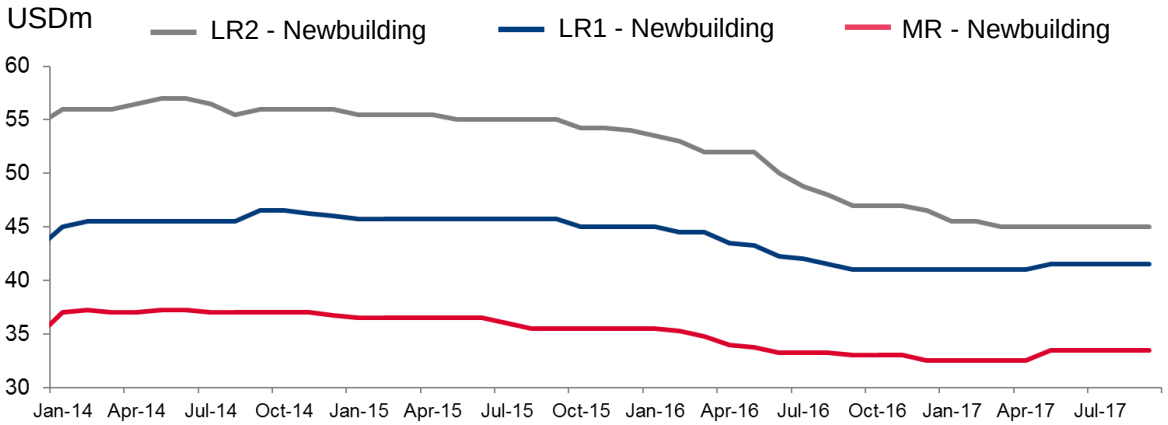
- In Q3, product tanker newbuilding activity slowed down from Q2, as owners' appetite for more expensive Tier 3 tonnage remained weak and newbuilding activity was focused on dry bulk and containerships
- The product tanker order book to fleet ratio currently stands at 11%, relatively low compared in historical terms
- Product tanker deliveries totaled 2.7m dwt during Q3, which combined with limited scrapping activity resulted in a 1.4% net fleet growth in Q3
- For FY 2017, a fleet growth of around 5.4% is forecasted, followed by a slowdown to around 4% p.a. during 2018-2019

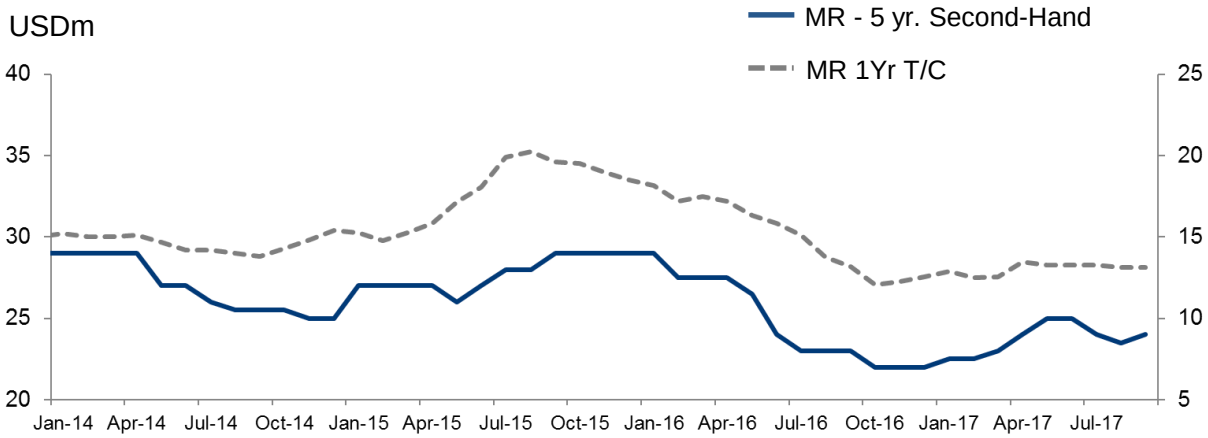
* The number of vessels at the beginning of 2017 was: LR2 317, LR1 339, MR 1,575, Handy 703 (includes chemical vessels). Net fleet growth: gross order book adjusted for expected scrapping, delivery slippage and TORM assumptions on additional ordering. Currently confirmed orders account on average for 100% and 71% of forecasted deliveries respectively in 2018 and 2019.

Source: TORM Research

PRODUCT TANKER VESSEL PRICES

Vessel price development

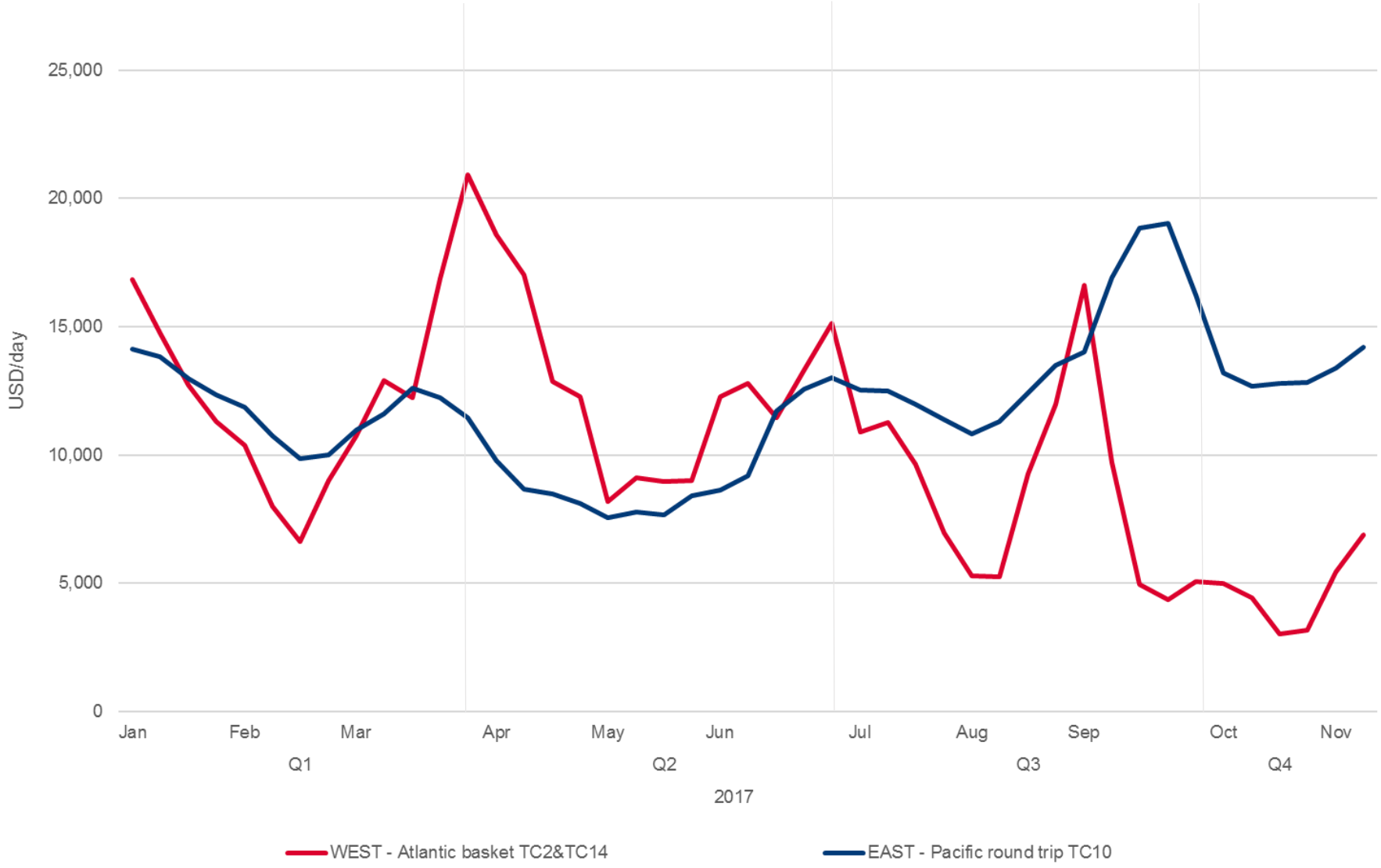




- The second-hand market in Q3 remained slow on the back of a low freight market. The activity was mainly for older tonnage with prices overall unchanged
- In Q4 so far, second-hand activity is picking up with more buyers interested to acquire both modern and older tonnage
- In Q4 so far, newbuilding prices have remained firm with some product tanker contracts for both Tier 2 and 3 versions. Other segments within crude, LPG and dry bulk continue to be active

Source: Clarksons

VESSEL POSITIONING IS A KEY EARNINGS DRIVER



Note: The shown routes do not reflect actual earnings but are a proxy for earnings within West respectively East region

Source: Clarksons, TORM

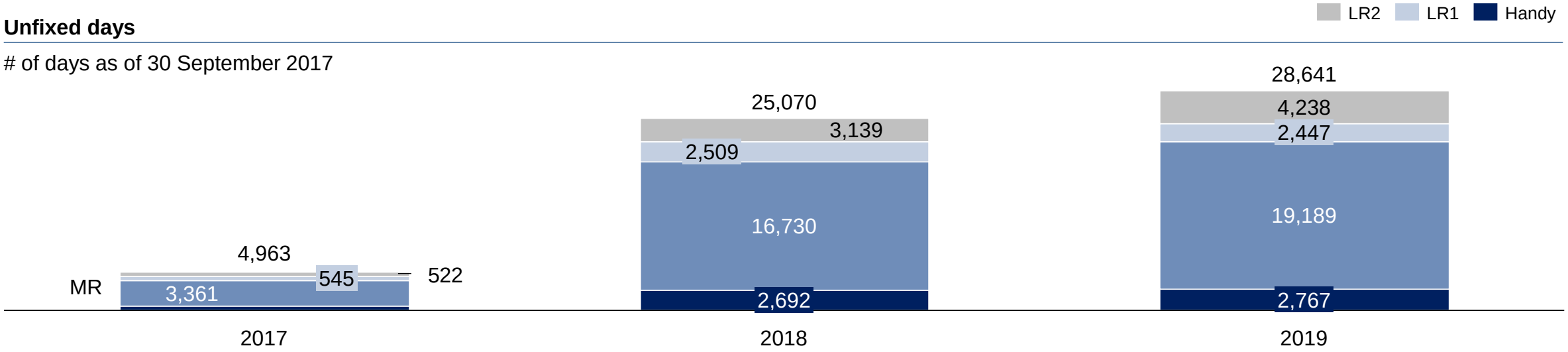
AGENDA

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TORM HAS SIGNIFICANT OPERATING LEVERAGE IN THE PRODUCT TANKER MARKET

Unfixed days

# of days as of 30 September 2017



Of total earning days

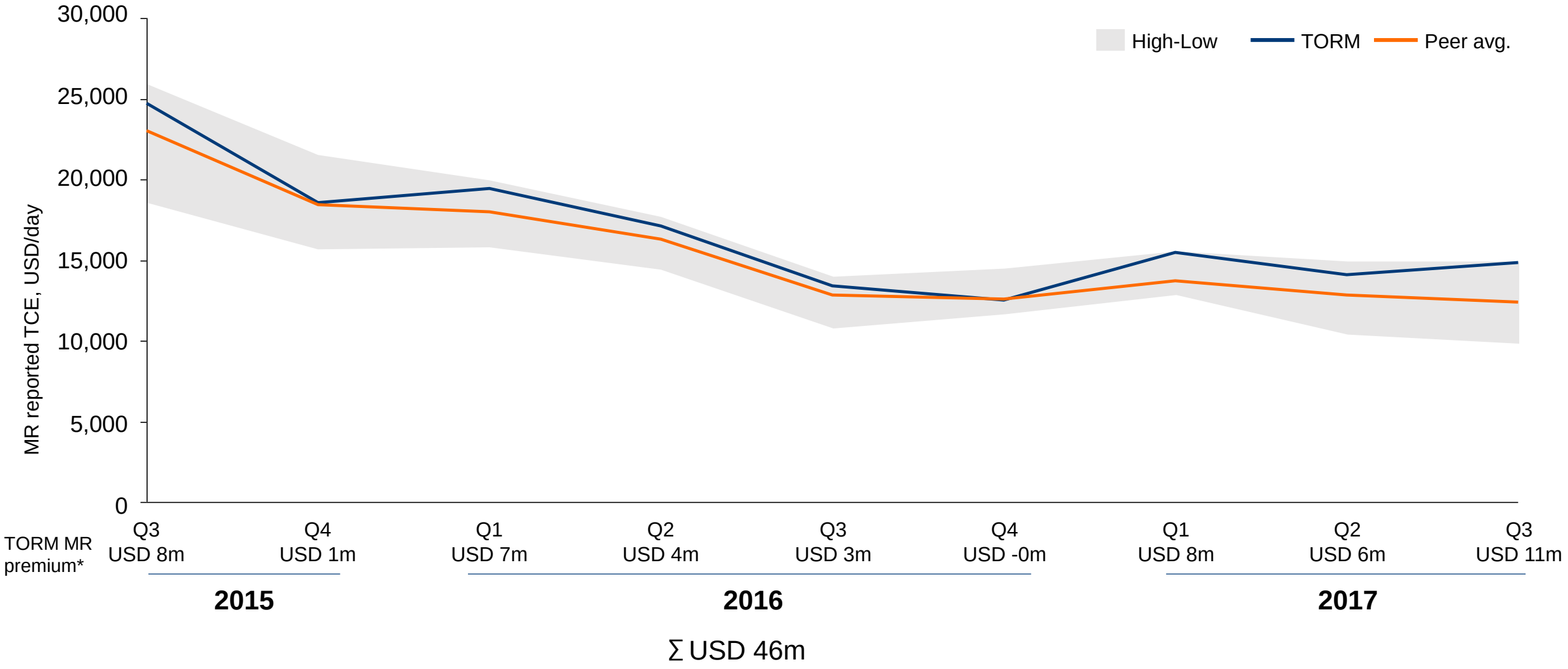
73% 89% 99%

Illustrative change in cash flow generation potential for the TORM fleet

USDm

Δ Average TCE/day	2017	2018	2019
USD 2,000	9.8	50.2	57.2
USD 1,000	4.9	25.1	28.6
USD (1,000)	(4.9)	(25.1)	(28.6)
USD (2,000)	(9.8)	(50.2)	(57.2)

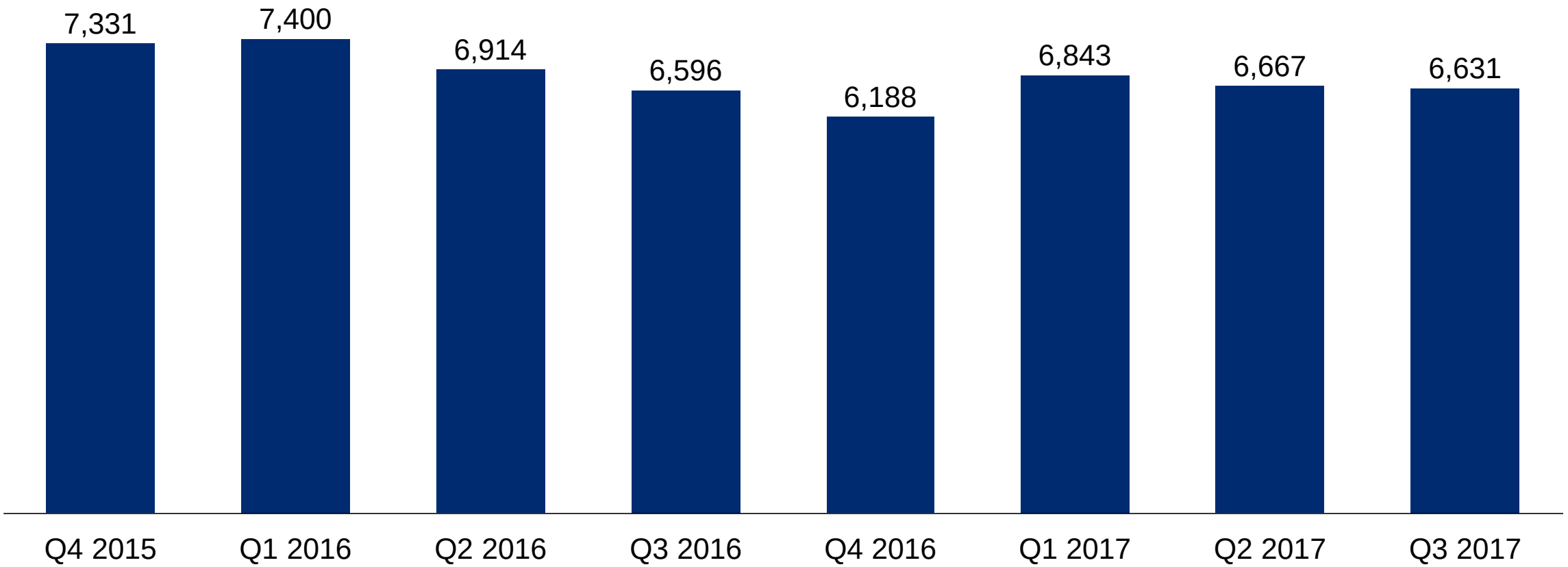
PEER COMPARISON SHOWS THAT TORM HAS CONTINUED TO PERFORM COMMERCIALLY



Note: Peer group is based on Ardmore, d'Amico (composite of MR and Handy), Frontline 2012, BW (Q1-Q2 2015), NORDEN, Maersk Tankers, Teekay Tankers, Scorpio and OSG
Q3 2017 excludes: Frontline, Teekay Tankers and Scorpio
*TORM premium calculation is based on TORM MR fleet of 50 vessels earning TORM's TCE rate compared to the peer average

OPEX HAS SHOWN AN IMPROVING TREND

USD/day



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

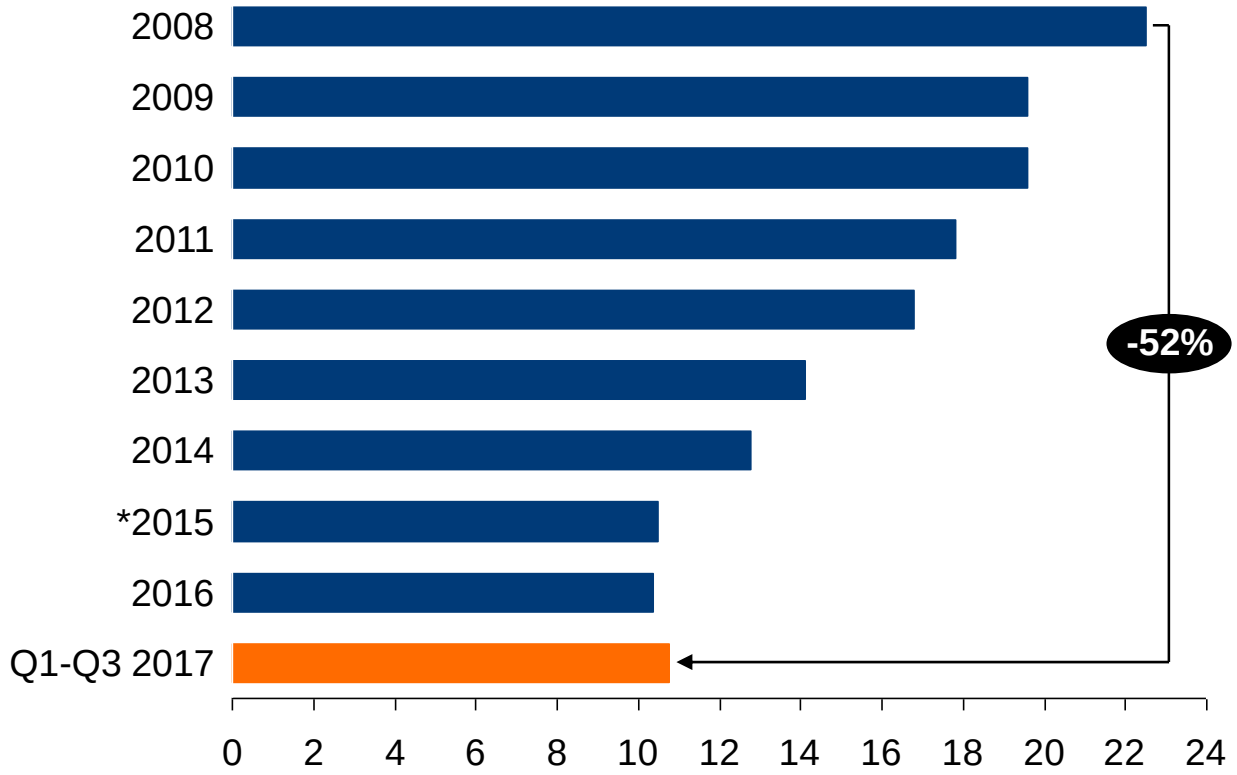
TORM

TORM operates on a fully integrated commercial and technical platform

- TORM's operational platform handles all commercial and technical operations
- 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

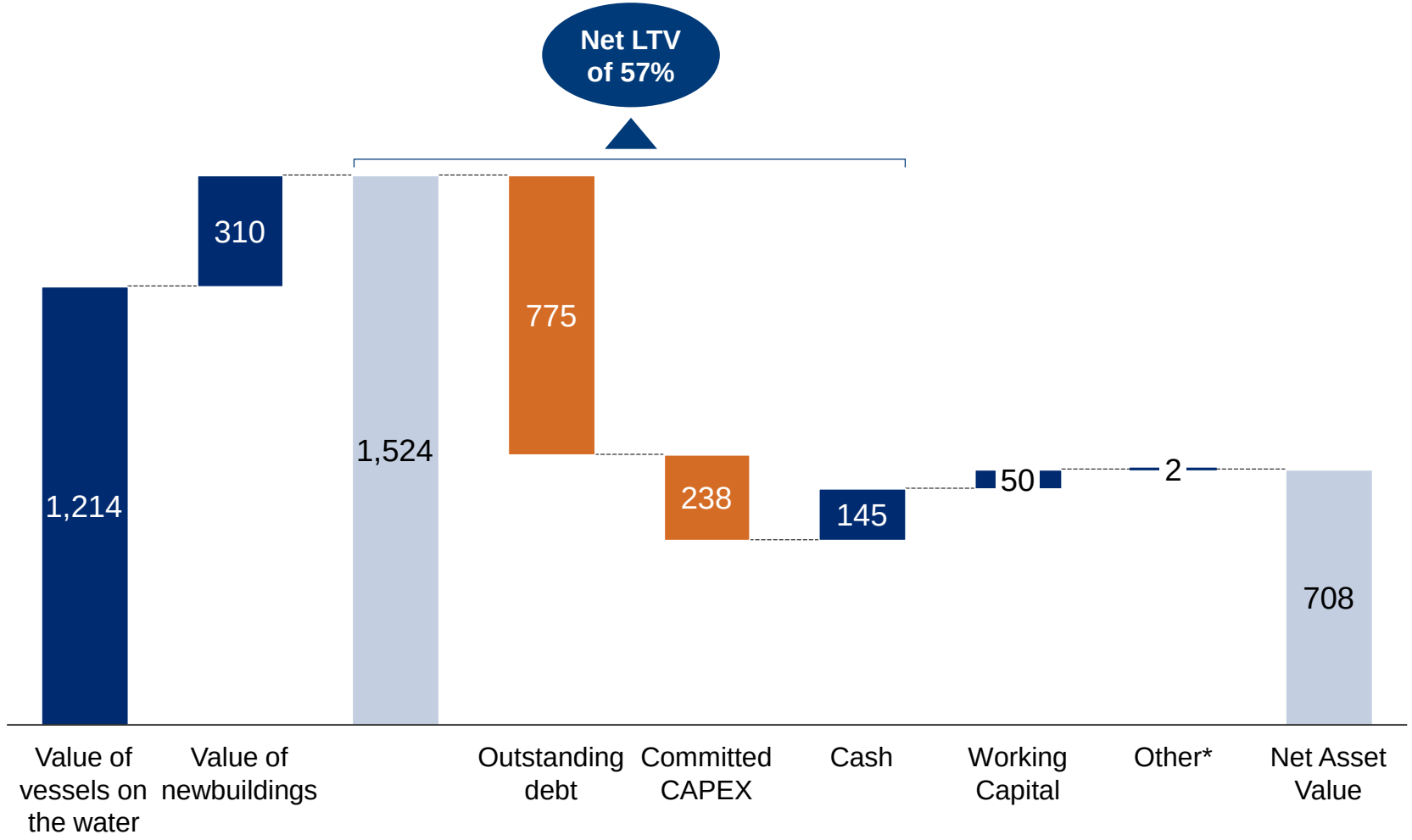
Admin. expenses (quarterly avg. in USDm)



* 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 708M

30 September 2017 figures, USDm



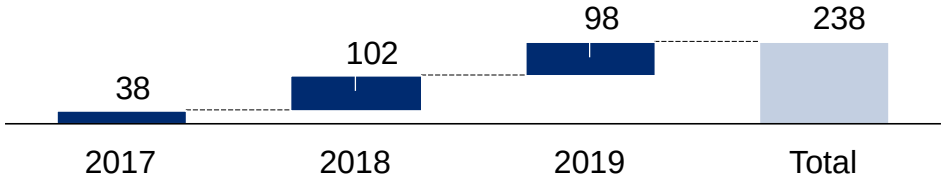
- Based on broker values, TORM's vessels including newbuildings were estimated at USD 1,524m as of 30 September 2017
- With an outstanding debt of USD 775m and committed CAPEX of USD 238m, TORM's Net Loan-to-Value was 57% ensuring a strong capital structure
- Adjusting for cash and working capital, TORM's Net Asset Value (NAV) was estimated at USD 708m
- On a per share basis*, the NAV was estimated at USD 11.4 or DKK 71.9

* Calculated based on 61,985,975 shares (excluding 312,871 treasury shares) and USD/DKK fx rate of [6.5]; Other includes Other plant and operating equipment, and total financial assets

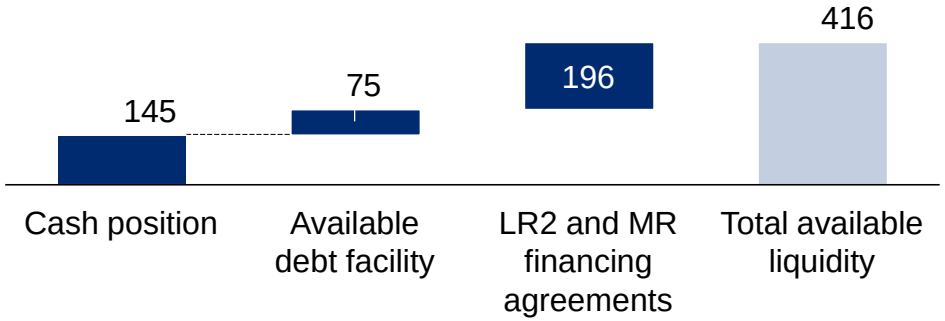
TORM HAS A FAVOURABLE FINANCING PROFILE AND STRONG LIQUIDITY POSITION

CAPEX and liquidity as of 30 September 2017 (USDm)

CAPEX commitments

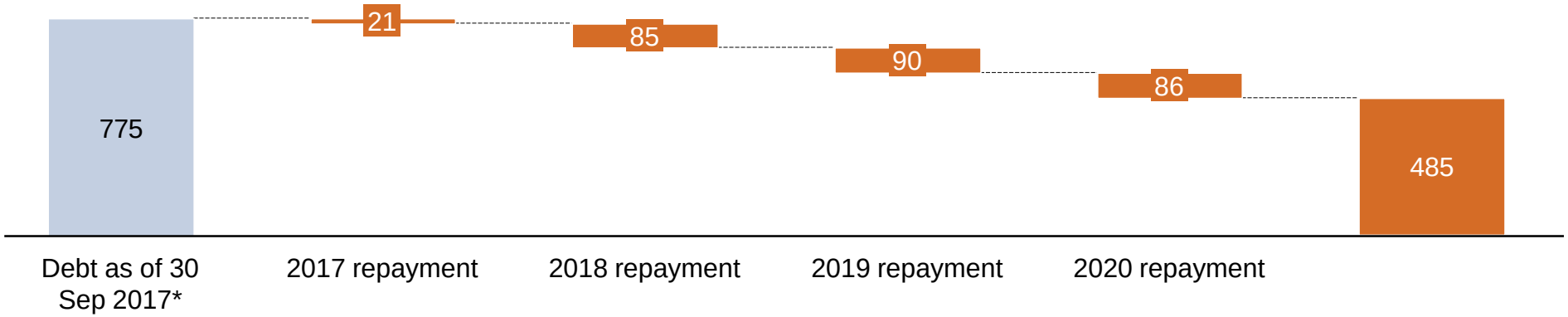


Available liquidity



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

Scheduled debt repayments as of 30 September 2017* (USDm)**



Ample headroom under our attractive covenant package:

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

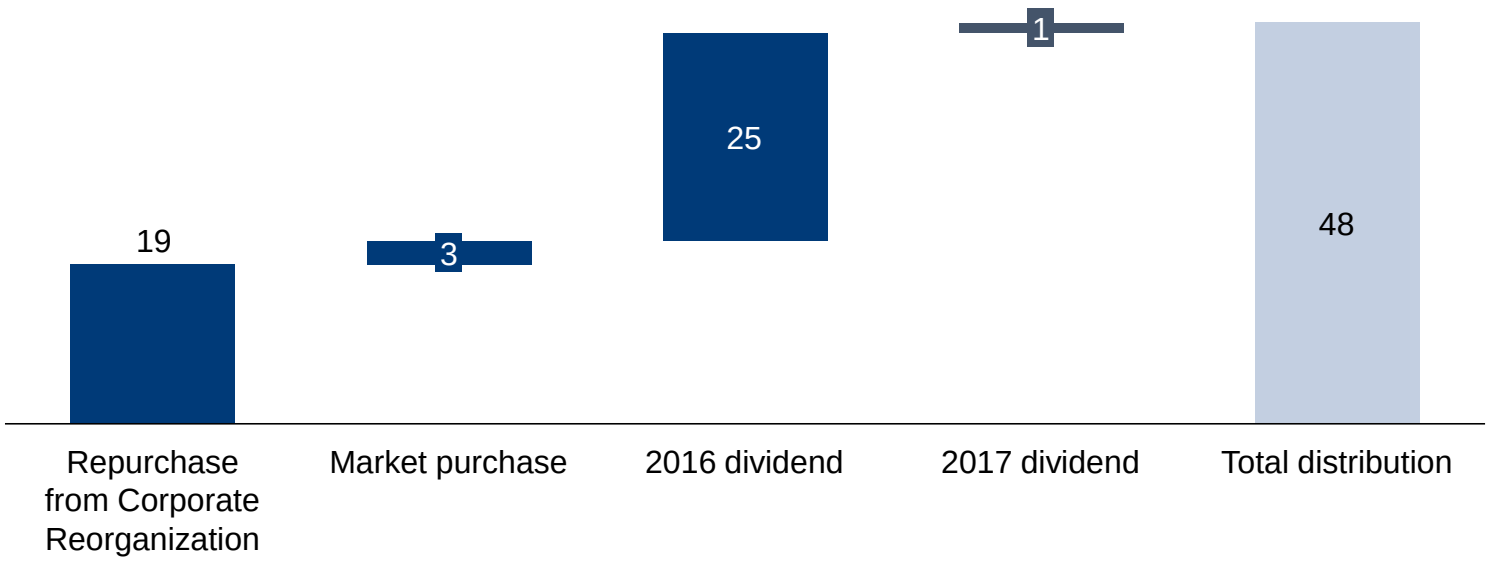
* Total debt excludes amortized fees

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

*** Following the balance sheet date, TORM and Danish Ship Finance have agreed to extend the maturity of a loan tranche from June 2019 to December 2021. This is reflected in the graph

TORM HAS DISTRIBUTED A TOTAL OF USD 48M TO SHAREHOLDERS IN 2016 AND 2017

Distribution to shareholders (USDm)



- During 2017, TORM has paid a USD 1.2m dividend on 12 September 2017, corresponding to a dividend per share of USD 0.02 or DKK ~0.13
- During 2016, TORM has distributed a total of USD 47m to shareholders, 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 2016 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

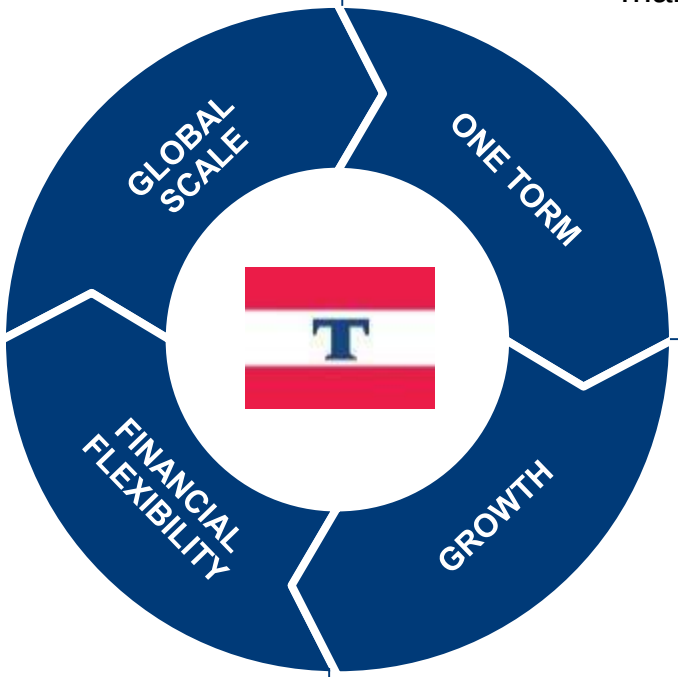
Primarily spot-oriented and owns ~80 product tankers

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 TCEs

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

of vessels

As of 14.11.2017

	Q2 2017	*Changes*	Q3 2017	*Changes*	2017	*Changes*	2018	*Changes*	2019
Owned vessels									
LR2	7	-	7	-	7	*4*	11	-	11
LR1	7	-	7	-	7	-	7	-	7
MR	48	*2*	50	-	50	-	50	*4*	54
Handysize	9	*-1*	8	-	8	*-1*	7	-	7
Total	71	*1*	72	-	72	*3*	75	*4*	79
Charter-in and leaseback vessels									
LR2	3	-	3	-	3	*-2*	1	-	1
LR1	0	-	0	-	0	-	0	-	0
MR	2	-	2	-	2	-	2	-	2
Handysize	0	-	0	-	0	-	0	-	0
Total	5	-	5	-	5	*-2*	3	-	3
Total fleet	**76**	***1***	**77**	**-**	**77**	***1***	**78**	***4***	**82**

TORM AT A GLANCE

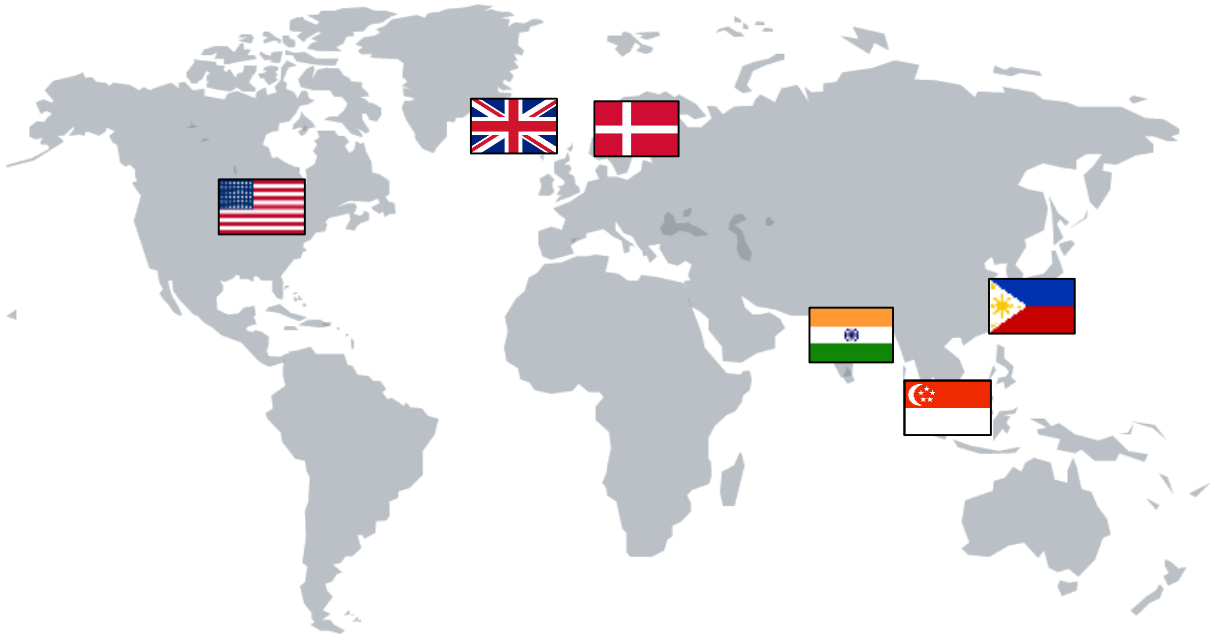
Key facts

A world-leading product tanker company

- 128 years of history
- A leading product tanker owner

Listed on Nasdaq Copenhagen and before the end of 2017, dual-listed on Nasdaq Copenhagen and Nasdaq New York

Global footprint based on regional power and presence



TORM employees:

TORM offices: ~290

Seafarers: ~3,000

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

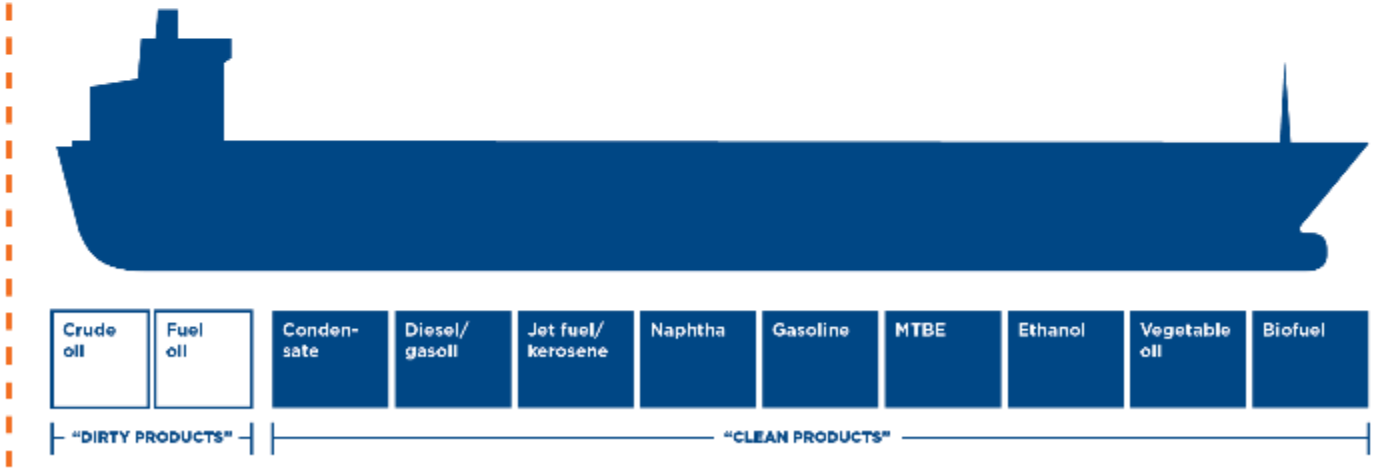
FLEXIBILITY TO TRANSPORT A WIDE RANGE OF DIFFERENT PRODUCTS

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, and will be listed on Nasdaq New York under the ticker TRMD later in 2017

Shares

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

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

Estimated shareholdings as of 31 January 2017, %

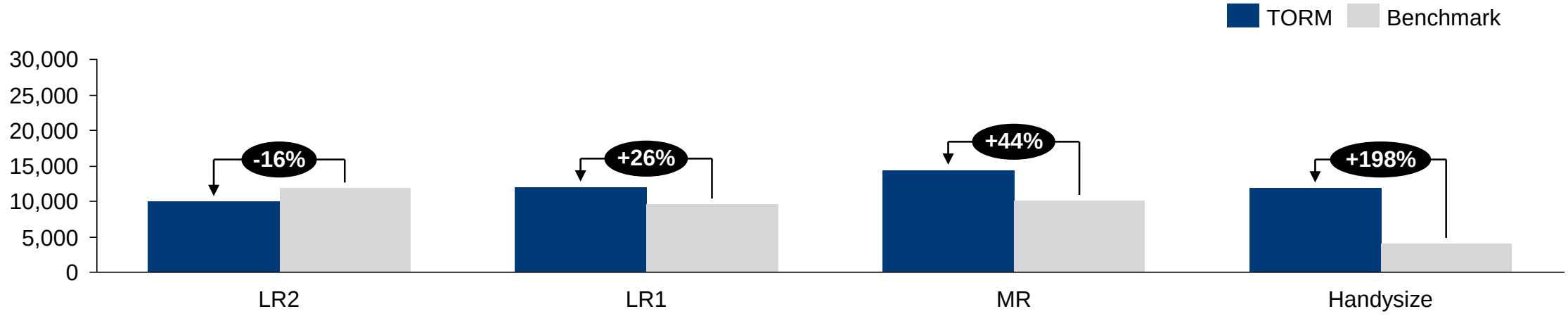


KEY FIGURES

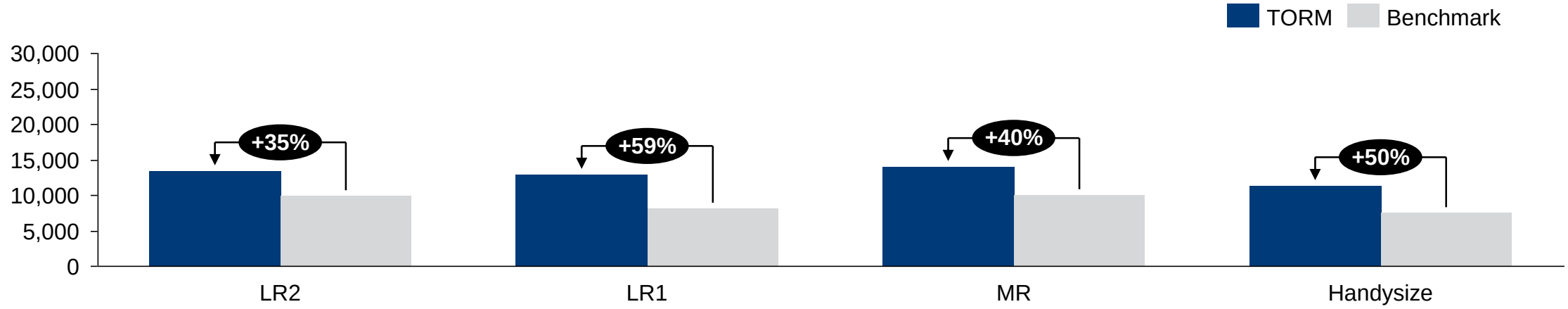
USDm	Q3 2017	Q3 2016	2016
Revenue	156	156	680
EBITDA	37	40	200
Impairment	-3	-	-185
Profit/(loss) before tax	-4	2	-142
Adjusted Profit/(loss) before tax	-2	2	43
Balance sheet			
Total assets	1,659	1,761	1,571
Equity	784	963	781
NIBD	630	612	609
Cash and cash equivalents	145	77	76
Cash flow statement			
Operating cash flow	18	38	171
Investment cash flow	-88	-18	-119
Financing cash flow	2	-60	-144
Financial related key figures			
EBITDA margin	24%	26%	29%
Equity ratio	47%	55%	50%
Return on Invested Capital (RoIC)	2%	3%	-7%

TORM TANKER SPOT RATES VERSUS INDUSTRY BENCHMARK

TORM spot vs. industry benchmark Q2 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

As of 30.09.2017

Owned days

	2017	2018	2019	2017	2018	2019
	Owned days					
LR2	658	3.484	3.961			
LR1	641	2.509	2.447			
MR	4.359	17.863	18.657			
Handysize	733	2.747	2.767			
Total	**6.390**	**26.603**	**27.832**			

T/C-in days at fixed rate

	Charter-in and leaseback days at fixed rate					
LR2	92	363	363			
LR1	-	-	-			
MR	183	726	726			
Handysize	-	-	-			
Total	**275**	**1.089**	**1.089**			

T/C-in days at floating rate

	Charter-in days at floating rate					
LR2	183	338	-			
LR1	-	-	-			
MR	-	-	-			
Handysize	-	-	-			
Total	**183**	**338**	**-**			

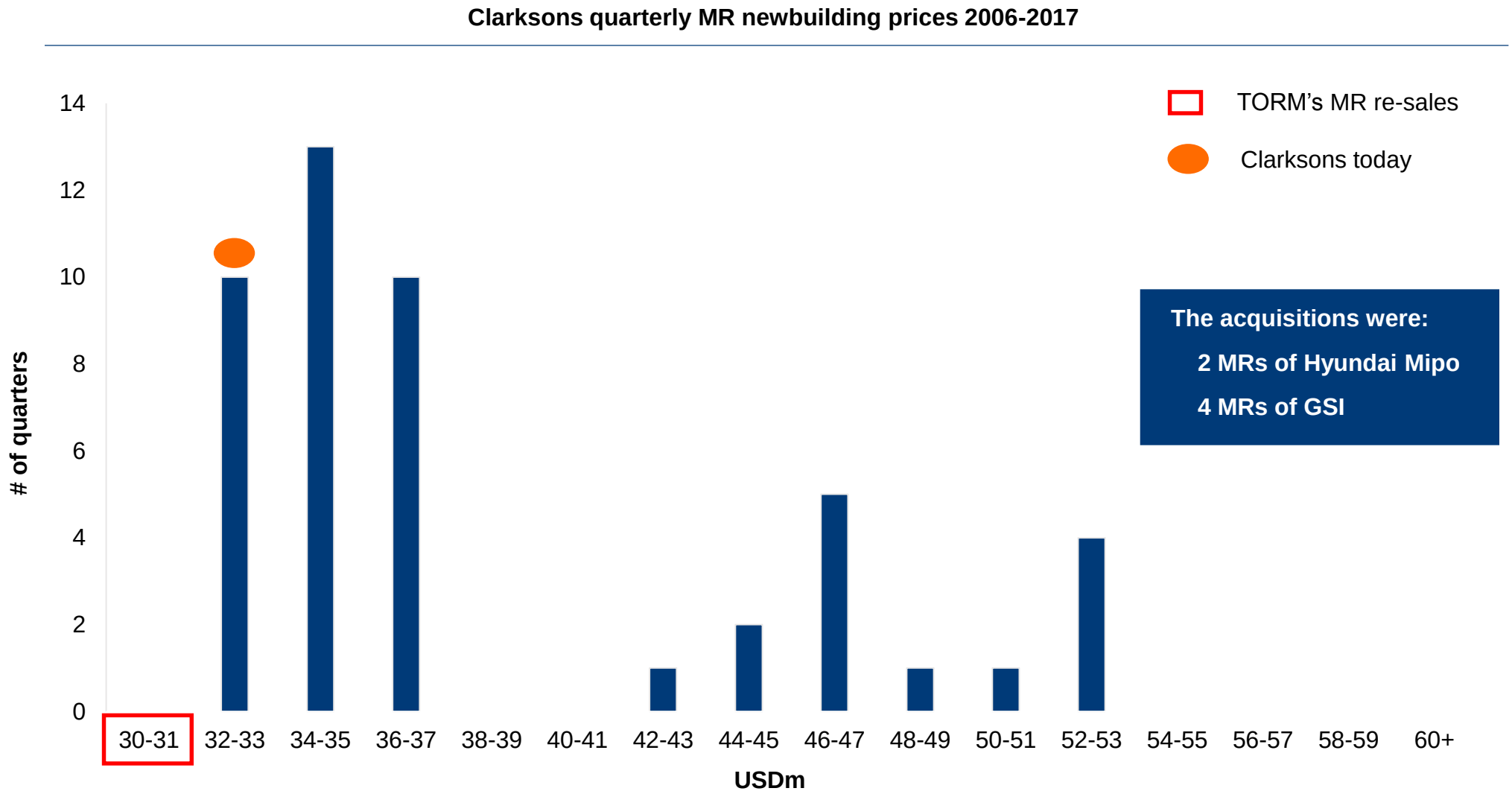
Total physical days

	Total physical days			Covered days		
LR2	932	4.185	4.324	406	1.055	84
LR1	641	2.509	2.447	99	-	-
MR	4.542	18.589	19.383	1.178	1.844	147
Handysize	733	2.747	2.767	194	48	-
Total	**6.848**	**28.030**	**28.921**	**1.877**	**2.947**	**231**

Coverage

	Covered, %			Coverage rates, USD/day		
LR2	44%	25%	2%	19.660	24.174	24.340
LR1	15%	0%	0%	21.246	-	-
MR	26%	10%	1%	16.730	17.064	17.490
Handysize	27%	2%	0%	10.394	17.910	-
Total	**27%**	**11%**	**1%**	**16.946**	**19.622**	**19.986**

DURING Q3 2017, TORM ACQUIRED SIX MR RE-SALES FOR A TOTAL CONSIDERATION OF USD 185M



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

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 Shipping**
  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%