17 May 2018

Q1 2018 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

Q1 2018 HIGHLIGHTS

Q1 results

- USD 100m equity raise in January 2018 for additional growth
- EBITDA of USD 37m and Profit before tax of USD 1m
- RoIC of 2.4% and Earnings per share of 1 US cent
- Net Asset Value estimated at USD 857m as of 31 March 2018, corresponding to a NAV/share of USD 11.6 or DKK 69.7
- Solid balance sheet, Net loan-to-value of 51% and available liquidity of USD 465m as of 31 March 2018
- Asset values for newbuildings and modern tonnage increased during Q1 2018, whereas prices for older tonnage declined
- By the end of Q1 2018, TORM's fleet including newbuildings had a market value of USD 1,600m

Product tanker market

- TORM obtained average TCE freight rates of USD/day 14,225 in Q1 2018
- Muted market conditions due to continued stock drawdowns and newbuilding deliveries
- As of 11 May 2018, TORM has fixed 61% of its remaining Q2 2018 earning days at an average TCE of USD/day 14,244

Sales & Purchase

- TORM took delivery of two LR2 newbuildings in the first quarter of 2018 and a third LR2 newbuilding after the balance sheet date
- Following the balance sheet date, TORM executed newbuilding options for three high specification MR vessels with expected delivery in 2019 through the first quarter of 2020 for an aggregate price of USD 93m

PROFITABLE IN Q1 2018

USDm	Q1 2018	Q1 2017	2017
P&L			
TCE Earnings	97	107	397
Gross profit	49	55	200
Sale of vessels	1	0	3
EBITDA	37	44	158
Profit before tax	1	5	3
Balance sheet			
Equity	892	786	791
NIBD	577	596	620
Cash and cash equivalents	174	215	134
Key figures			
Earnings per share (USD)	0.01	0.10	0.04
Return on Invested Capital	2.4%	3.9%	2.8%
Net Asset Value (NAV)	857	663	796
Number of vessels (#)	78	78	77
Tanker TCE/day (USD)	14,225	15,264	14,621
Tanker OPEX/day (USD)	6,593	6,843	6,673

AGENDA

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

MAIN MARKET DRIVERS

POSITIVE DRIVERS

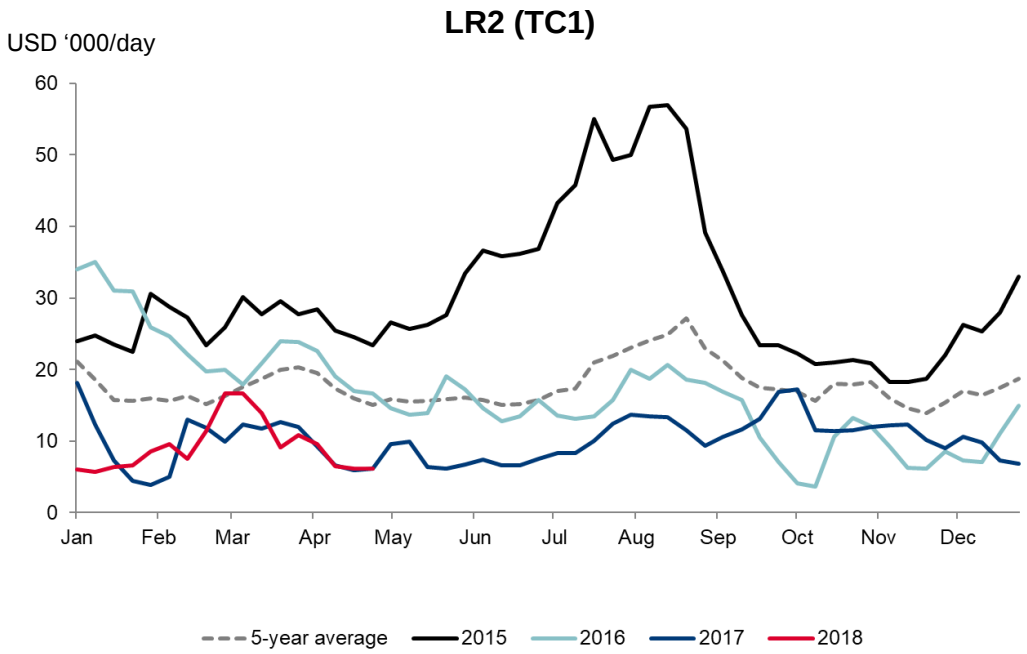
- ✓ Strong global refined product demand underpinned by healthy economic growth
- ✓ Global clean petroleum product stockpiles have returned to normal levels
- ✓ New export-oriented refineries coming online in the Middle East from Q2 2018 onwards
- ✓ Product tanker order book to fleet ratio at a low level in a historical context

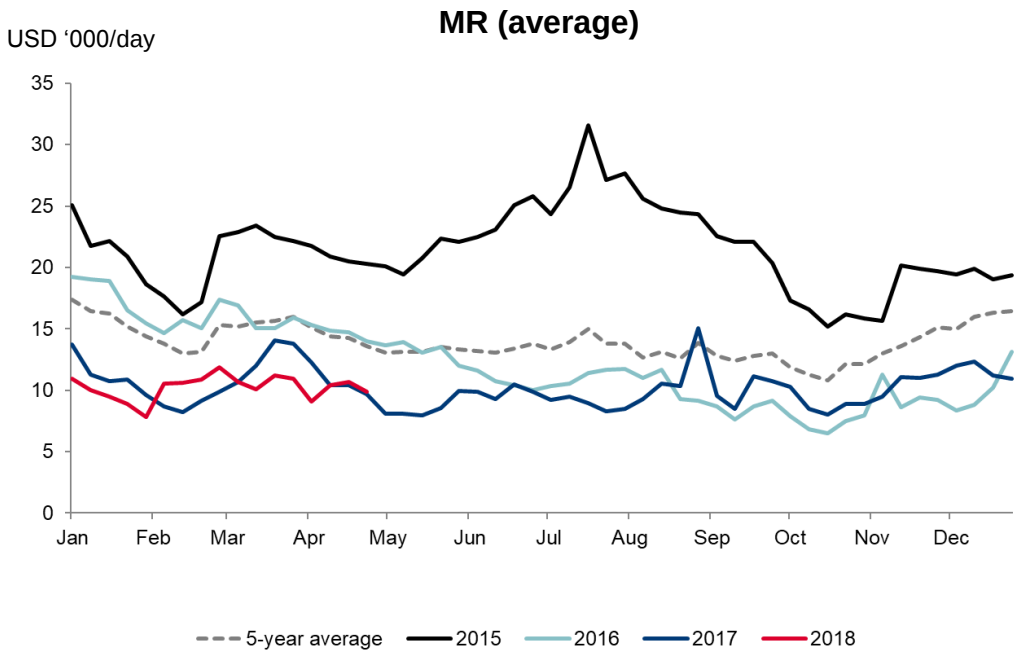
NEGATIVE DRIVERS

- ÷ Oil price at the highest level since Q4 2014, limiting demand growth for gasoline
- ÷ Negative spillover effects from crude newbuildings cannibalizing traditional LR trades in the East
- ÷ LR net migration to the dirty market has reversed

Source: TORM Research

PRODUCT TANKER MARKET REMAINED SUBDUED IN Q1 2018





Q1 2018

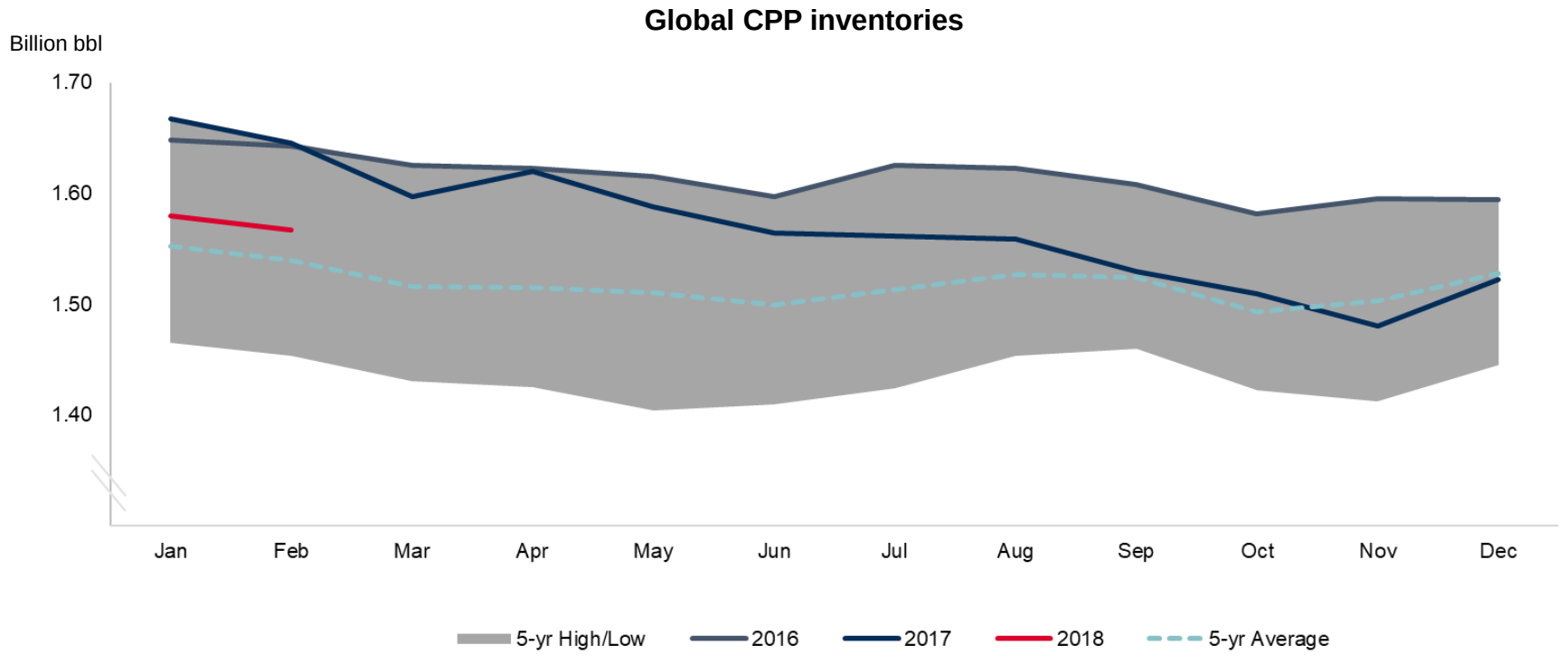
- LR segment negatively impacted by record heavy refinery maintenance in the Middle East and crude tanker newbuildings cannibalizing cargos from Asia
- MR segment underpinned by strong US exports, although these were primarily short-haul voyages to the Americas

Q2 to date

- Continued refinery maintenance in the Middle East into April resulted in build-up of tonnage in all segments
- In the Atlantic market we have seen increased flows from Europe to the US East Coast and steady flows to West Africa

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

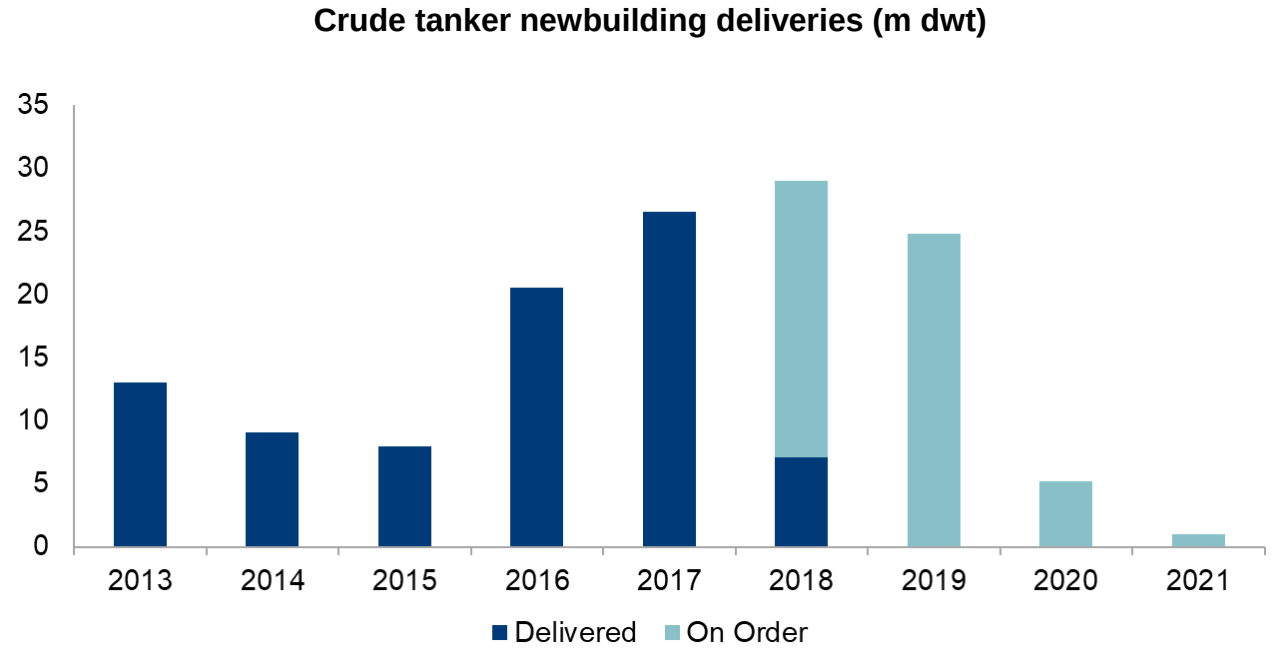
PRODUCT INVENTORIES BACK TO NORMAL BUT STILL DRAWING



- Stockdrawing continues despite global inventories being close to the 5-year average levels (and below based on days of forward cover)
- Price backwardation has reduced floating storage and removed inefficient sailing patterns
- Easing refinery maintenance in Asia in the coming months amid a tight diesel market in Europe could lead to better arbitrage economics from East to West

Source: JODI, TORM Research

CRUDE TANKER NEWBUILDINGS CANNIBALIZING TRADITIONAL LR TRADE IN THE EAST

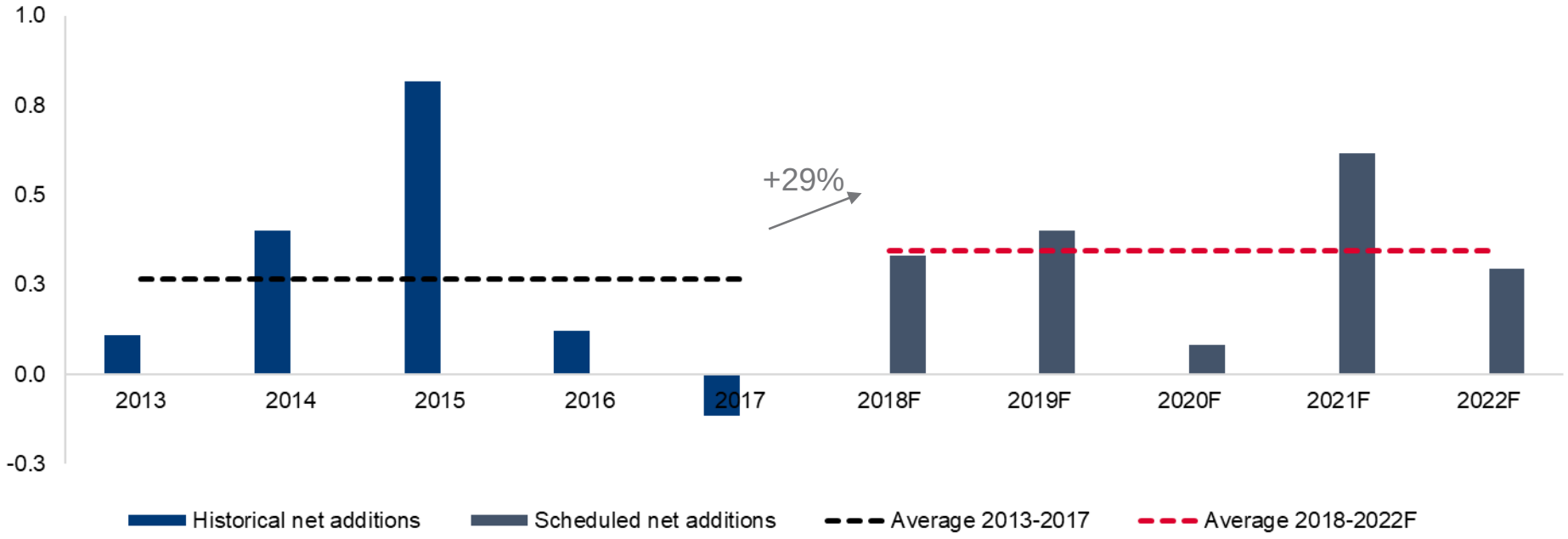


- Crude tanker newbuilding deliveries remain high in 2018 and 2019
- Crude tanker newbuildings are expected to continue to cannibalize traditional LR trades in the East
- LR net migration to dirty has reversed

Source: TORM Research

LONG TERM DEMAND FACTORS REMAIN POSITIVE

Middle East refinery capacity net additions (m b/d)

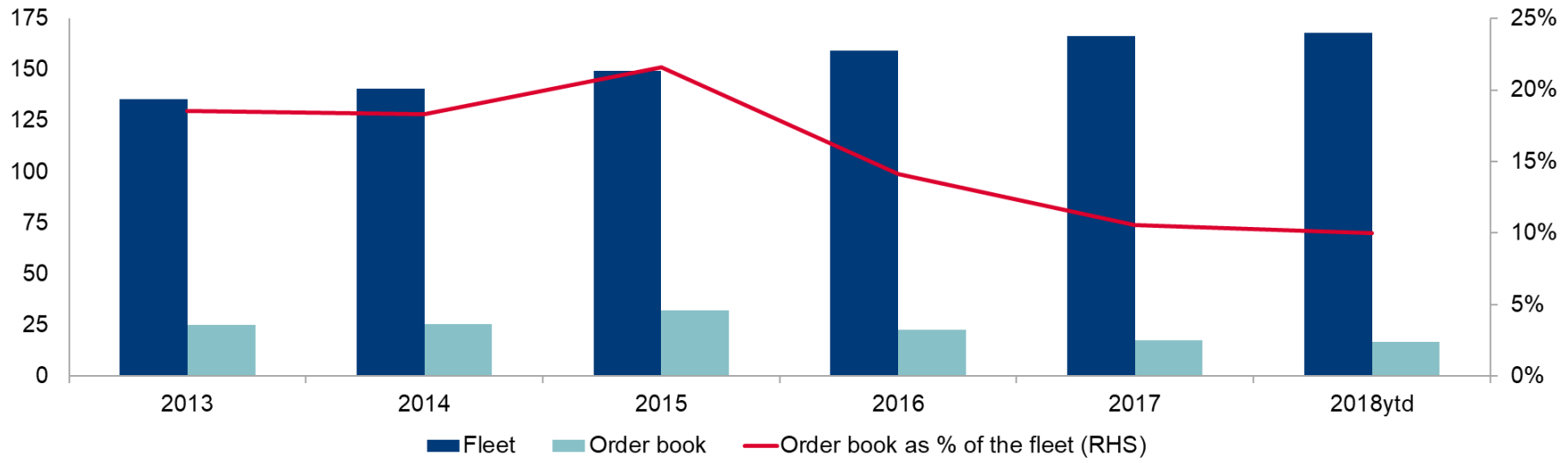


- Oil product demand is increasing and the ton-mile demand is positively impacted by an increasing geographic dislocations between the demand for and supply of clean petroleum products
- Middle East refinery capacity additions are expected to accelerate, placing a renewed pressure on less competitive refineries in e.g. Europe
- IMO 2020 Sulphur cap potentially leading to increased coated tanker trade

Source: IEA, WoodMackenzie, TORM Research

ORDER BOOK AT HISTORICAL LOWS

Product tanker order book as percentage of the fleet

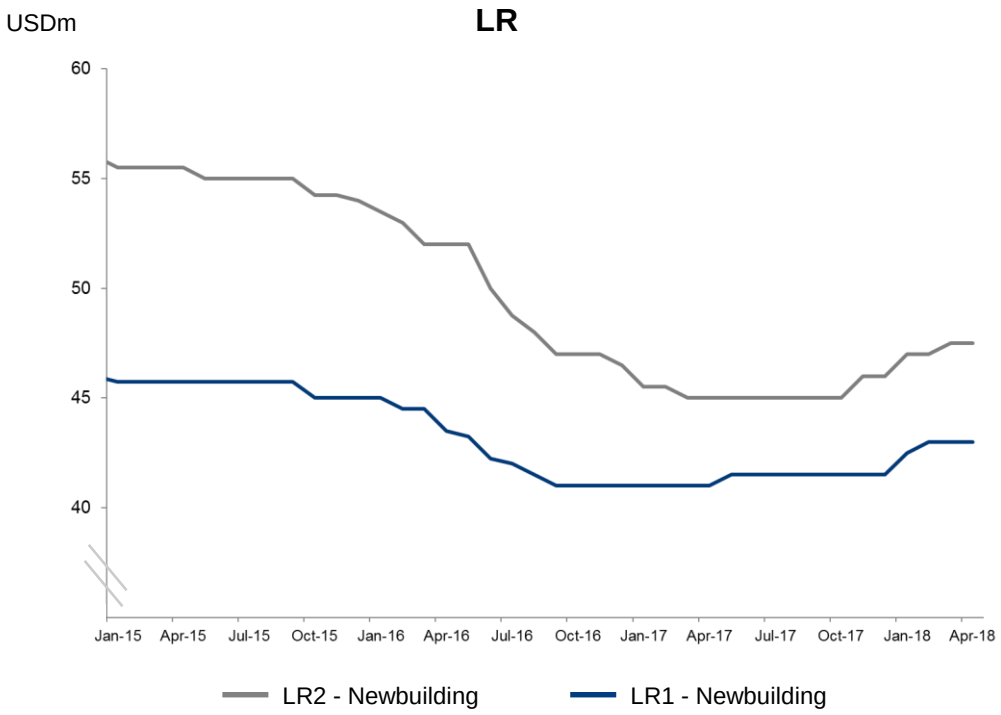


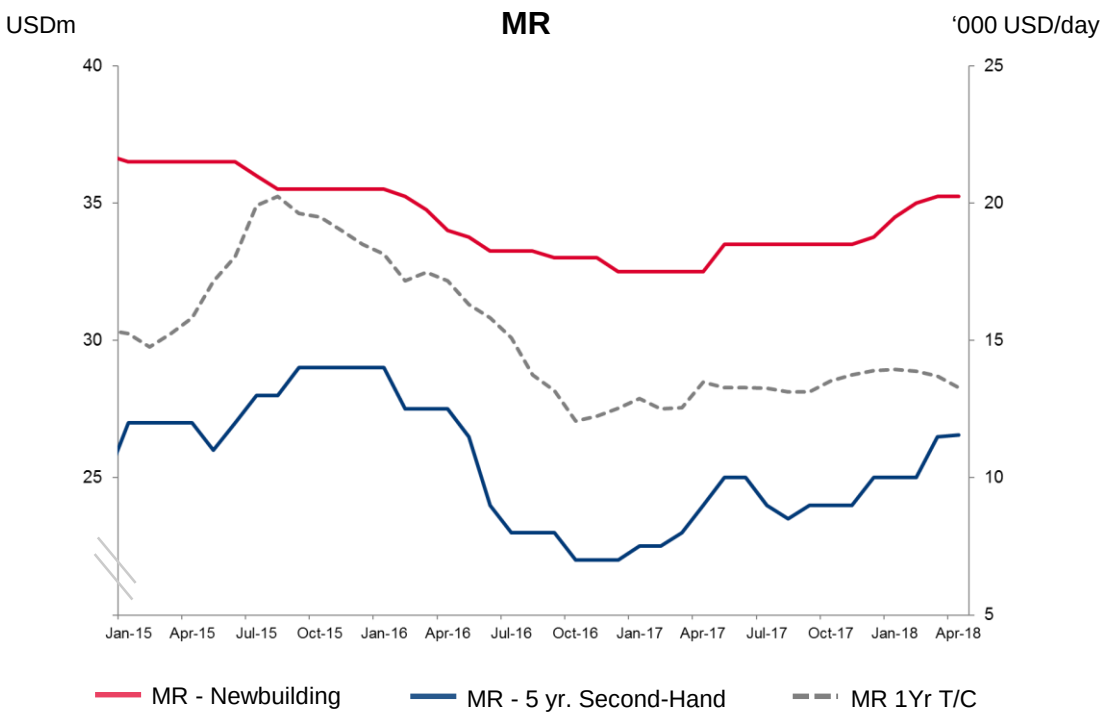
- The product tanker order book to fleet ratio currently stands at just below 10%, the second lowest since 1995
- The order book to fleet ratio for the MR segment stands at 10.6% and for the LR2 segment at 14.0%
- TORM estimates that the product tanker order book will fall to 8% of the fleet by the end of 2018 and to 6% by the end of 2019*

* Note: These calculations are based on the known order book and TORM's estimates for additional ordering

Source:TORM Research

NEWBUILDING PRICES ARE COMING OF THE LOWS





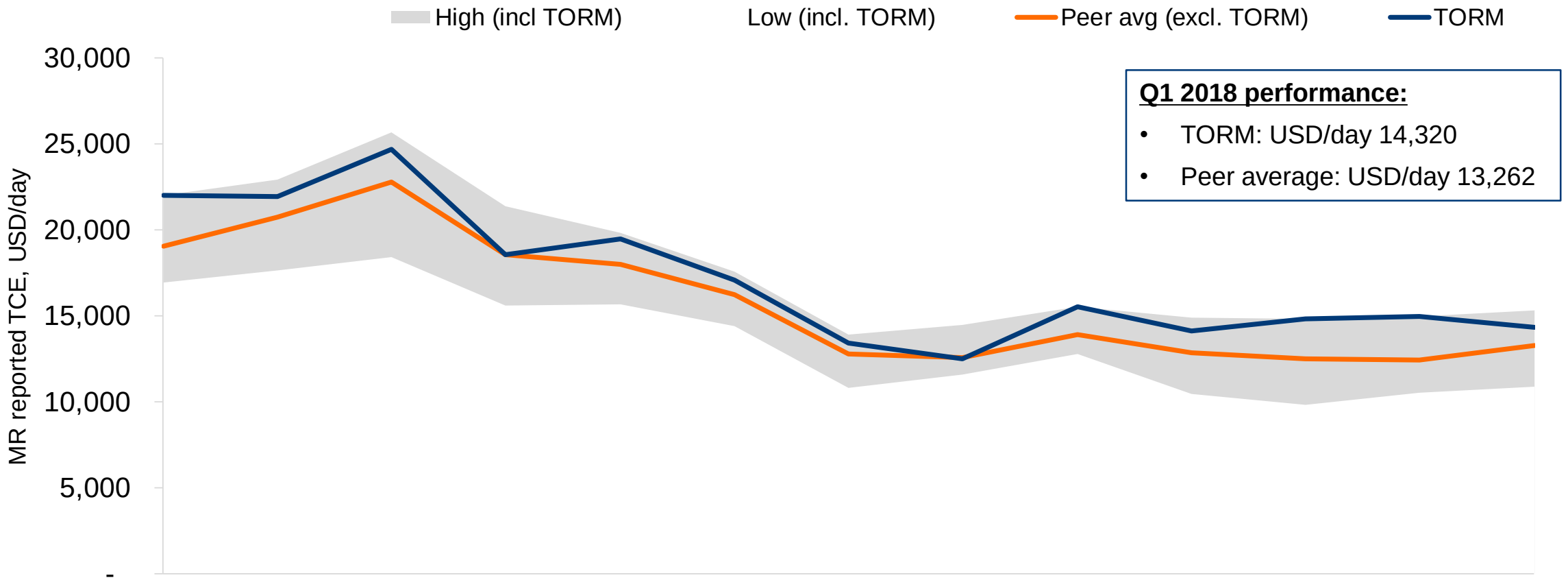
- Newbuilding prices increased in Q1 2018 despite relatively low newbuilding activity for product tankers. Long order books for main vessel types and increasing costs at yards are important factors
- Vessel values for modern product tankers increased during Q1 2018. Prices for older tonnage came under pressure due to a high number of candidates for sale and an absence of buyers
- In Q2 2018, limited activity is expected in both the second hand market and newbuilding ordering

Source: Clarksons

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TORM COMMERCIALLY OUTPERFORMS PEERS IN ITS KEY MR SEGMENT

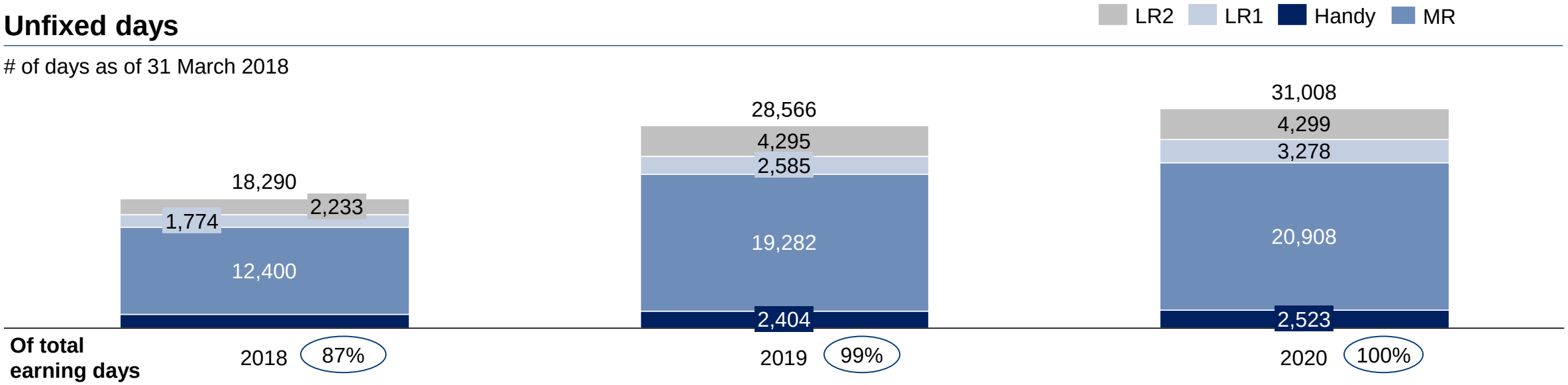


Note: Peer group is based on Ardmore, d'Amico (composite of MR and Handy), Frontline 2012, Hafnia Tankers, NORDEN, Maersk Tankers, Teekay Tankers, Scorpio and International Seaways
Q1 2018 excludes: Frontline, Teekay Tankers and Maersk Tankers
*TORM premium calculation is based on a TORM MR fleet of 50 vessels earning TORM's TCE rate compared to the peer average

SIGNIFICANT OPERATING LEVERAGE

Unfixed days

of days as of 31 March 2018



Illustrative change in cash flow generation potential for the TORM fleet

USDm

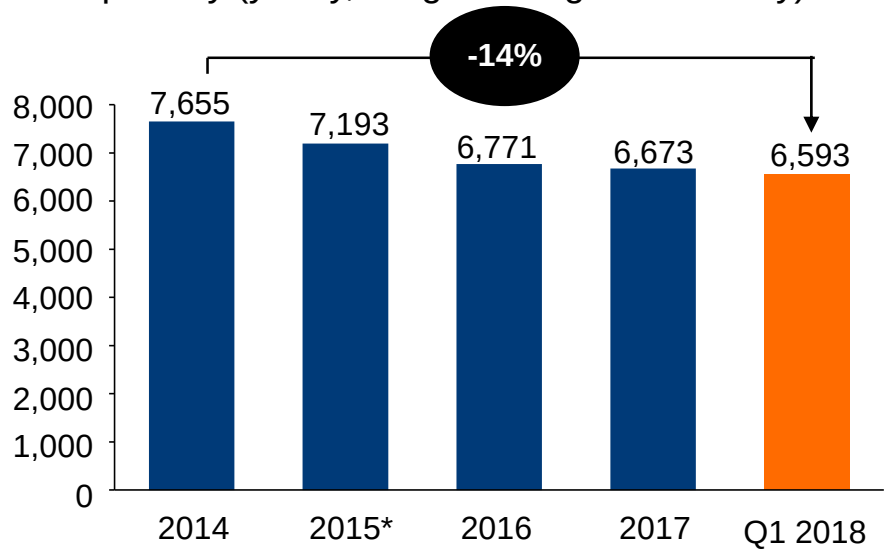
Δ Average TCE/day	2018	2019	2020
+/- USD 1,000	18.3	28.6	31.0
+/- USD 2,000	36.6	57.1	62.0
+/- USD 2,500	45.7	71.4	77.5
+/- USD 5,000	91.5	142.8	155.0

As of 11 May 2018, TORM has covered 61% of the Q2 2018 earning days at a blended rate of USD/day 14,244 compared to an average 2017 rate of USD/day 14,621

FULLY INTEGRATED BUSINESS MODEL WITH COMPETITIVE COST STRUCTURE

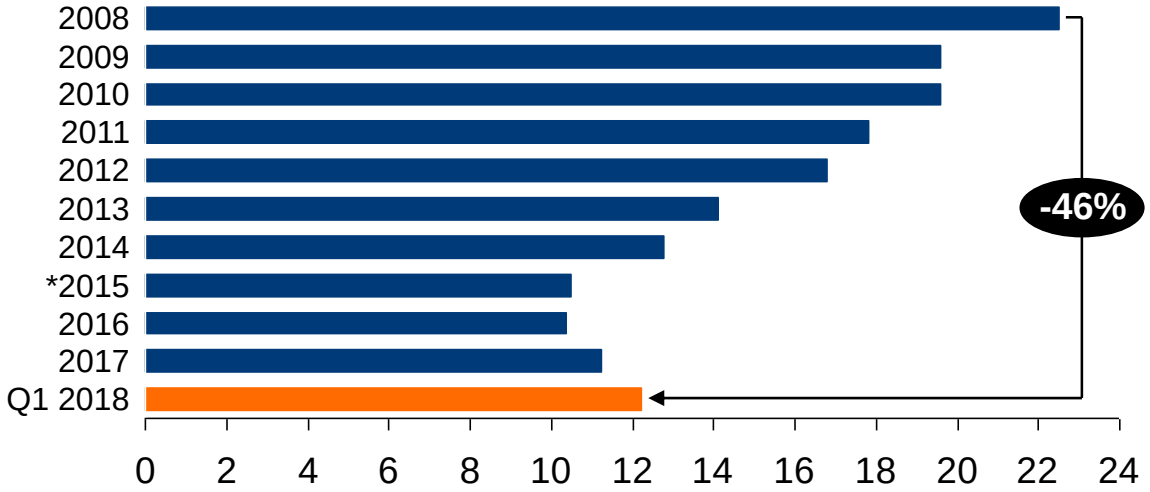
Significant reduction in OPEX

OPEX per day (yearly, weighted avg. in USD/day)



TORM has trimmed administration expenses

Admin. expenses (quarterly avg. in USDm)



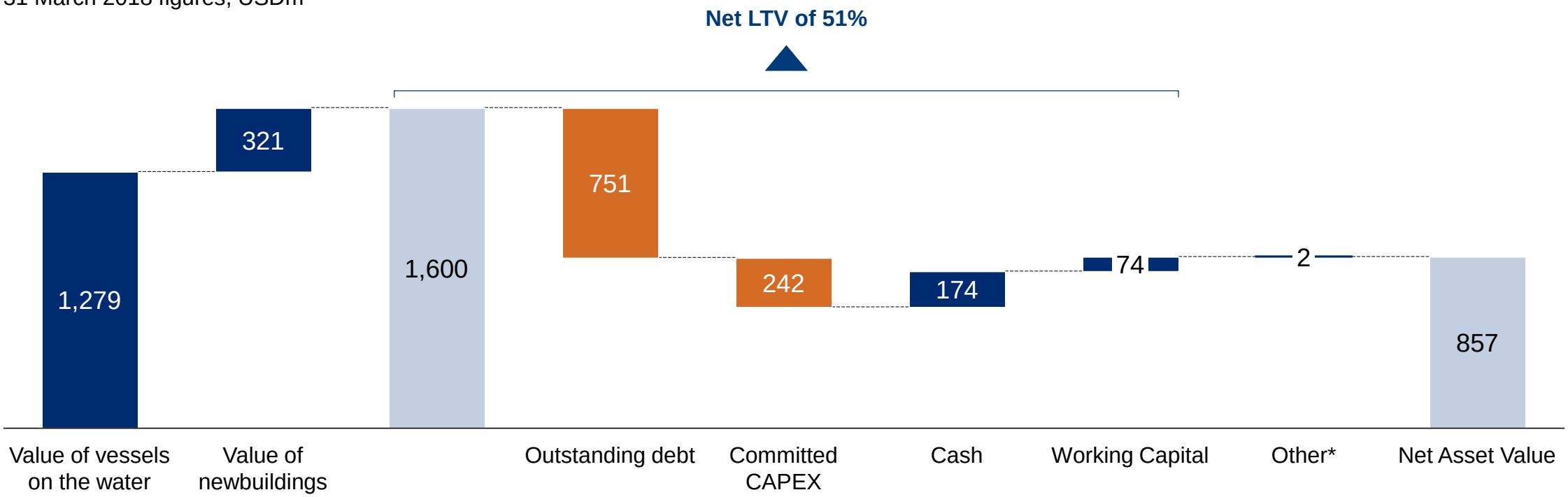
TORM operates a fully integrated commercial and technical platform

- TORM's operational platform handles commercial and technical operations in-house
- The integrated One TORM business model provides TORM with the highest possible trading flexibility and earning power
- Average admin. cost per earning day for 2017 of USD/day ~1,650
- Outsourced technical and commercial management would affect other line items of the P&L

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

NET ASSET VALUE ESTIMATED AT USD 857M

31 March 2018 figures, USDm



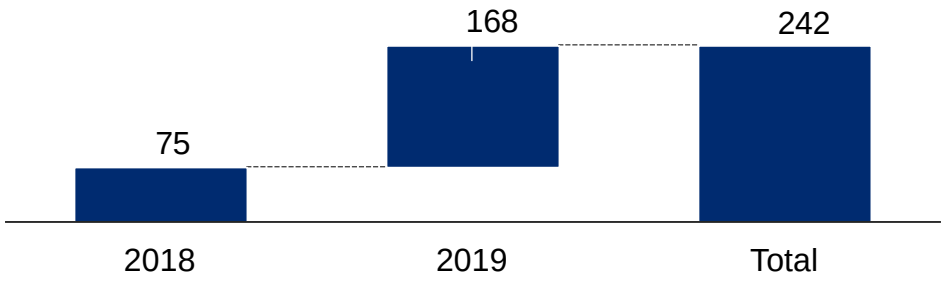
- Net loan-to-value was 51% ensuring a strong capital structure
- Net Asset Value (NAV) was estimated at USD 857m (USD 11.6 / DKK 69.7 per share)
- Market cap as of 16 May 2018 was USD 589m, or DKK 50.40 per share

* Calculated based on 73,985,975 shares (excluding 312,871 treasury shares) and USD/DKK FX rate of 6.0; Other includes Other plant and operating equipment and total financial assets

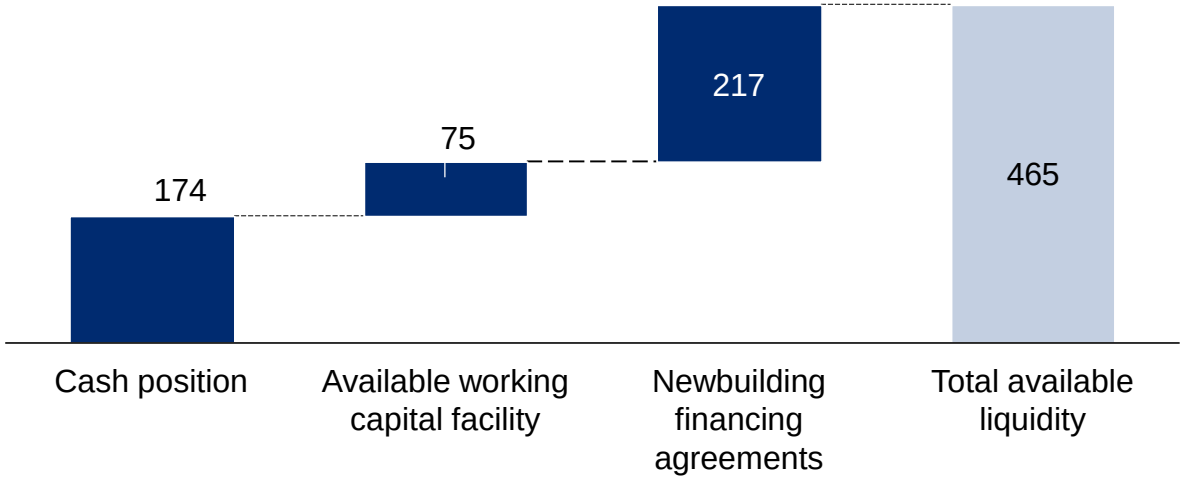
WELL-POSITIONED TO SERVICE FUTURE CAPEX COMMITMENTS

CAPEX and liquidity as of 31 March 2018 (USDm)

CAPEX commitments

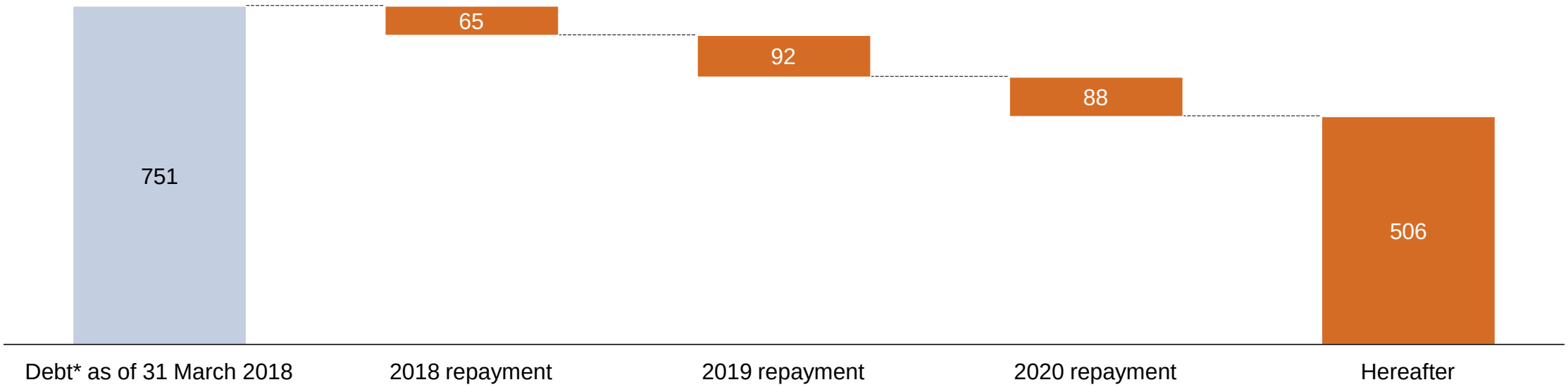


Available liquidity



FAVORABLE FINANCING PROFILE WITH NO NEW NEAR-TERM MATURITIES

Scheduled debt repayments as of 31 March 2018 (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

APPENDIX

TORM AT A GLANCE

A world-leading product tanker company

- A leading pure-play product tanker owner
- Large commercial footprint with presence in all key product tanker segments
- Strong capital structure to support disciplined growth strategy
- Dual listed on NASDAQ Copenhagen and NASDAQ New York

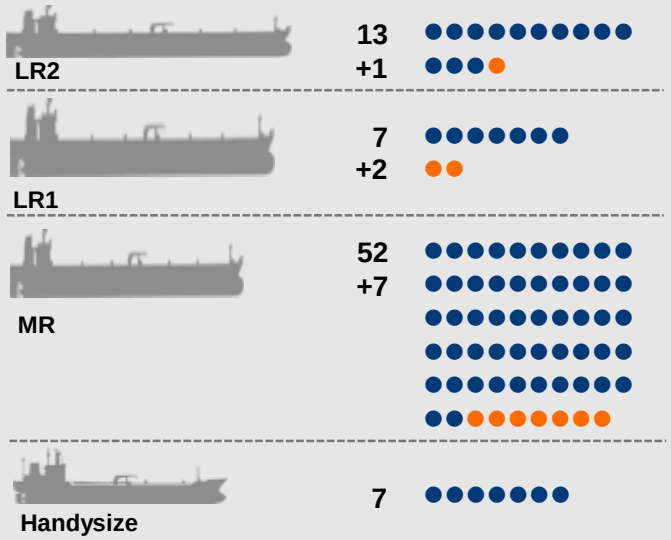
One TORM

- Large, global organization with ~300 on-shore employees and ~3,000 seafarers
- Integrated in-house operating and technical platform
- Focused on maintain highest safety, environment and CSR standards, while delivering cost-efficient operations
- Driving performance improvements and creating value for stakeholders

Fleet Overview

71 Owned **10** On order

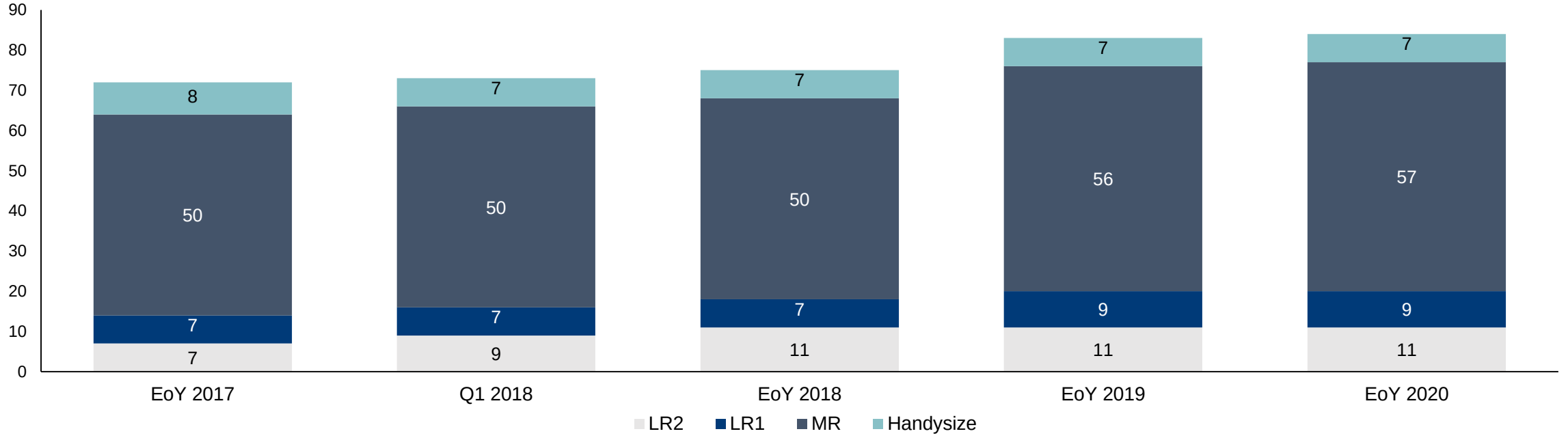
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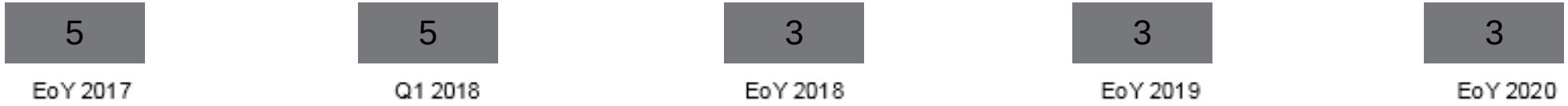
FLEET UPDATE

As of 31.03.2018

of Owned Vessels



Charter-in and Leaseback Vessels



THE REFERENCE COMPANY IN THE PRODUCT TANKER SEGMENT

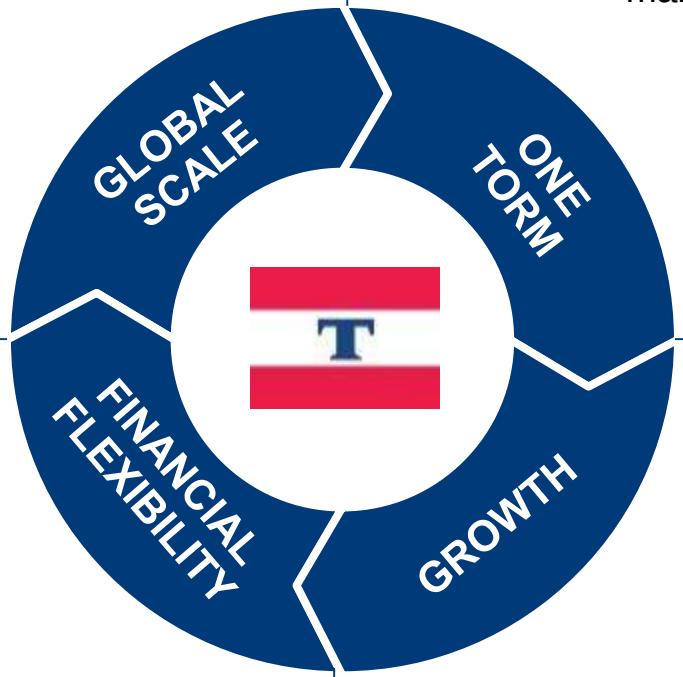
TORM is a large scale, **pure-play product tanker owner**, active in all key product tanker segments in order to meet customer needs

Our ~80 product tankers are primarily deployed in the spot market

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

Enhanced responsiveness to TORM's customers, resulting in higher TCEs

Scale and focus driving cost-efficient results



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

Competitive advantage when pursuing vessel acquisitions from yards

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

TORM pursues **selective growth based on rigorous financial hurdles**

Well-positioned to grow at market lows and to be a consolidator

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

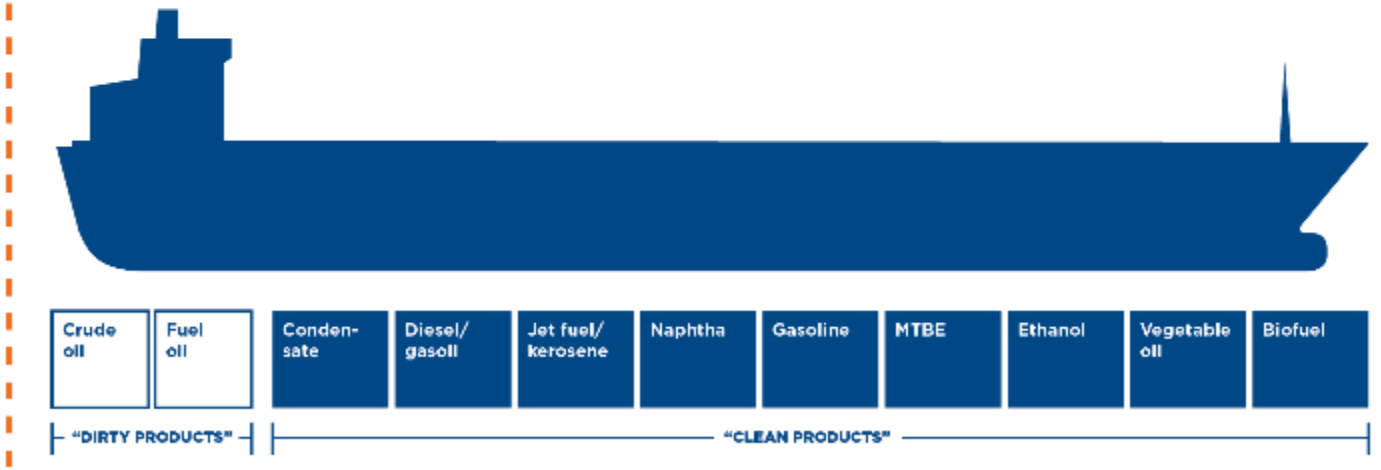
FLEXIBILITY TO TRANSPORT A WIDE RANGE OF DIFFERENT PRODUCTS

TORM

VALUE CHAIN

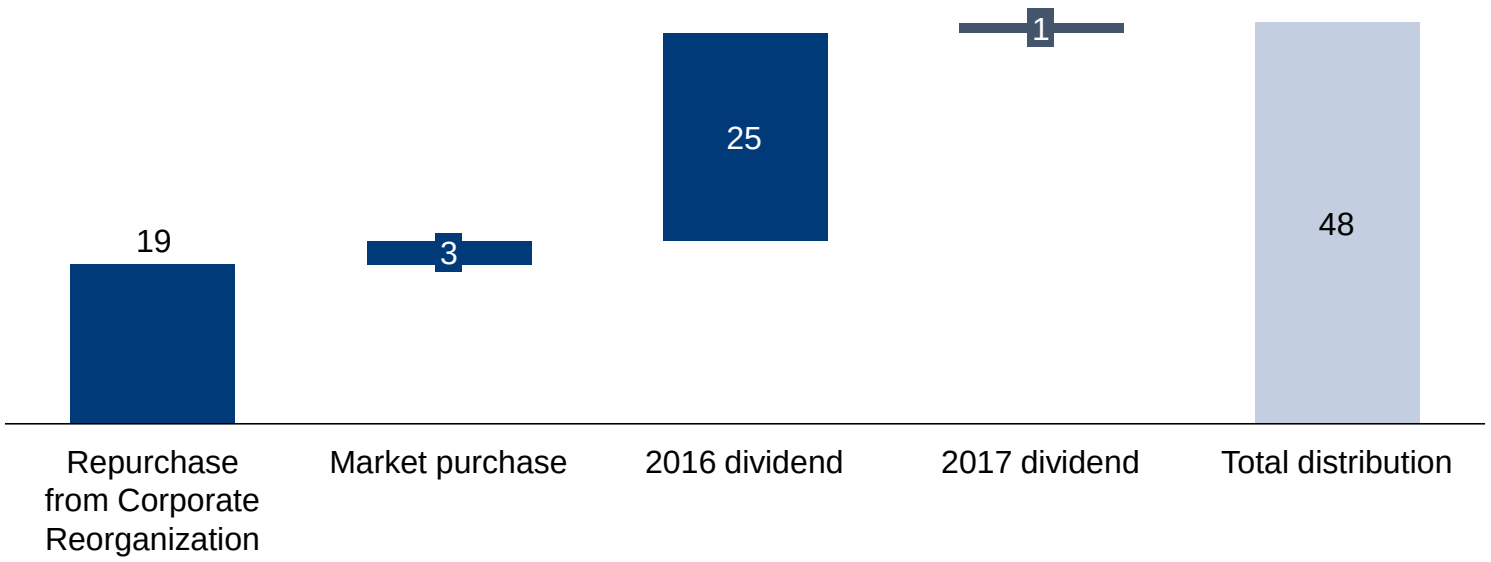


TYPICAL REFINED OIL PRODUCTS CARRIED ON TORM'S VESSELS



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

Distribution to shareholders (USDm)



- On 12 September 2017, TORM paid a dividend of USD 1.2m, corresponding to a dividend per share of USD 0.02 or DKK ~0.13
- During 2016, TORM distributed a total of USD 47m to shareholders, corresponding to a yield of 8%*

TORM's Distribution Policy from 2017

- 25-50% 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

OAKTREE IS THE MAJORITY SHAREHOLDER AND OWNERSHIP HAS BECOME MORE DISPERSED

Share information

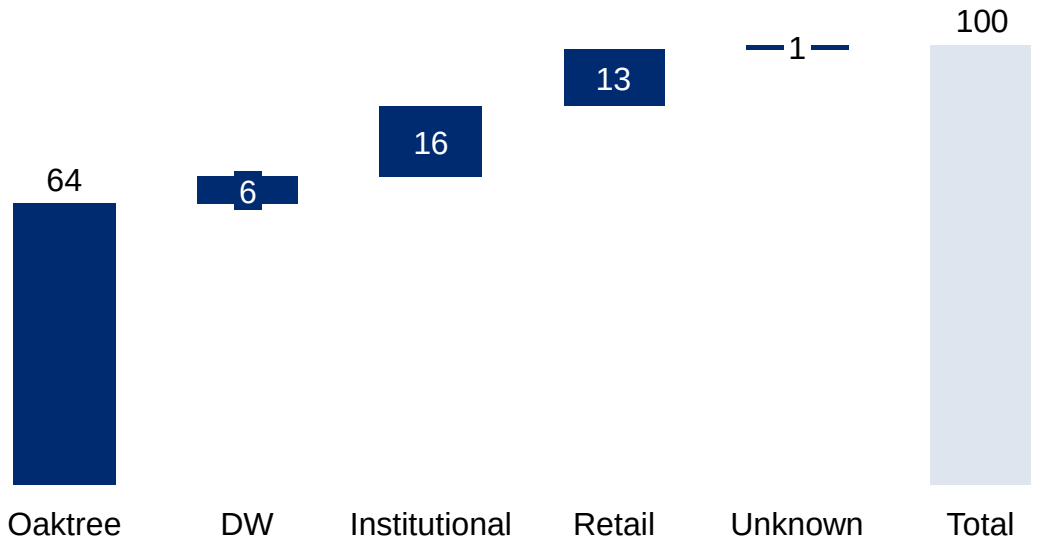
TORM's shares are listed on NASDAQ Copenhagen and NASDAQ New York under the tickers TRMD A and TRMD, respectively.

Shares

- 74.2m A-shares, one B-share and one C-share
- The B- and the C-shares have certain voting rights
- A-shares have a nominal value of USD/share 0.01

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

Estimated shareholdings as of 31 January 2018, %



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

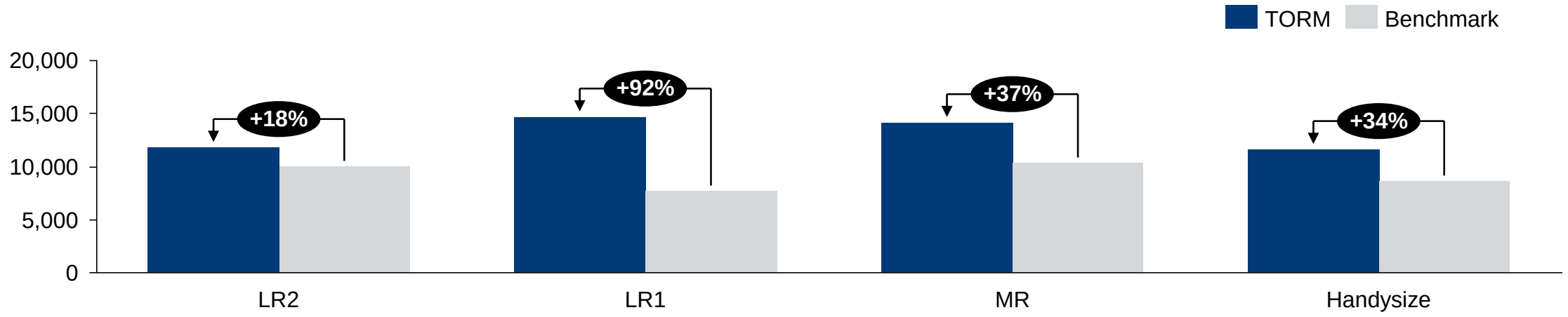
- Head of Technical Division

KEY FIGURES

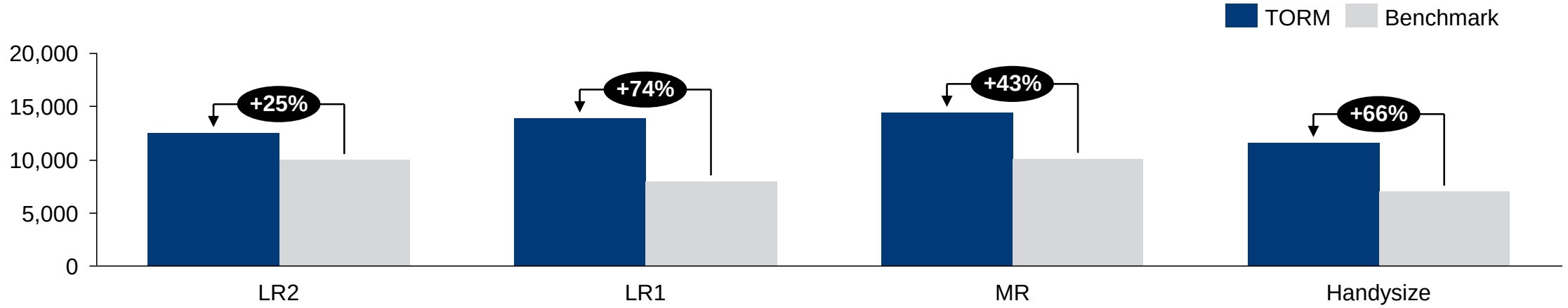
USDm	Q1 2018	Q1 2017	2017	2016	Proforma 2015
Revenue	163	173	657	680	854
EBITDA	37	44	158	200	319
Profit/(loss) before tax	1	5	3	-142	188
Net profit/(loss) excluding impairment charges	1	6	2	43	187
Balance sheet					
Total assets	1,737	1,699	1,647	1,571	1,867
Equity	892	786	791	781	976
NIBD	577	596	620	609	613
Cash and cash equivalents	174	215	134	76	168
Cash flow statement					
Operating cash flow	18	27	110	171	-
Investment cash flow	-73	-11	-114	-119	-
Financing cash flow	94	123	62	-144	-
Financial related key figures					
EBITDA margin	23%	26%	24%	29%	37%
Equity ratio	51%	46%	48%	50%	-
Return on Invested Capital (RoIC)	2%	4%	3%	-7%	14%

TORM TANKER SPOT RATES VERSUS INDUSTRY BENCHMARK

TORM spot vs. industry benchmark Q1 2018 (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 sulfur 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 WITH SIGNIFICANT LEVERAGE TO MARKET UPSIDE

As of 31.03.2018

Owned days

	2018	2019	2020	2018	2019	2020
		Owned days				
LR2	2,757	3,957	3,978			
LR1	1,883	2,585	3,278			
MR	13,496	18,706	20,295			
Handysize	1,913	2,404	2,523			
Total	**20,049**	**27,652**	**30,074**			

T/C-in days at fixed rate

		Charter-in and leaseback days at fixed rate				
LR2	273	363	321			
LR1	-	-	-			
MR	547	726	613			
Handysize	-	-	-			
Total	**821**	**1,089**	**934**			

T/C-in days at floating rate

		Charter-in days at floating rate				
LR2	159	-	-			
LR1	-	-	-			
MR	-	-	-			
Handysize	-	-	-			
Total	**159**	**-**	**-**			

Total physical days

		Total physical days			Covered days	
LR2	3,189	4,320	4,299	956	25	-
LR1	1,883	2,585	3,278	109	-	-
MR	14,044	19,432	20,908	1,644	150	-
Handysize	1,913	2,404	2,523	30	-	-
Total	**21,029**	**28,741**	**31,008**	**2,739**	**175**	**-**

Coverage

		Covered, %			Coverage rates, USD/day	
LR2	30%	1%	0%	22,083	24,287	-
LR1	6%	0%	0%	13,270	-	-
MR	12%	1%	0%	16,366	17,367	-
Handysize	2%	0%	0%	8,601	-	-
Total	**13%**	**1%**	**0%**	**18,152**	**18,339**	**-**

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 Danish Shipping,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:

- In 2017, TORM has continued its efforts and achieved improvements bringing the fuel efficiency to **5.2%** compared to the 2015 baseline
- The target for 2018 is to improve fuel efficiency by a further **1.5%**