

130 YEARS
SERIOUSLY GOOD AT SHIPPING

12 MARCH 2019

FULL-YEAR AND Q4 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	Introduction to TORM and 2018 highlights
2	Product tanker market overview and outlook
3	IMO 2020
4	Financial metrics

TORM AT A GLANCE

A world-leading product tanker company

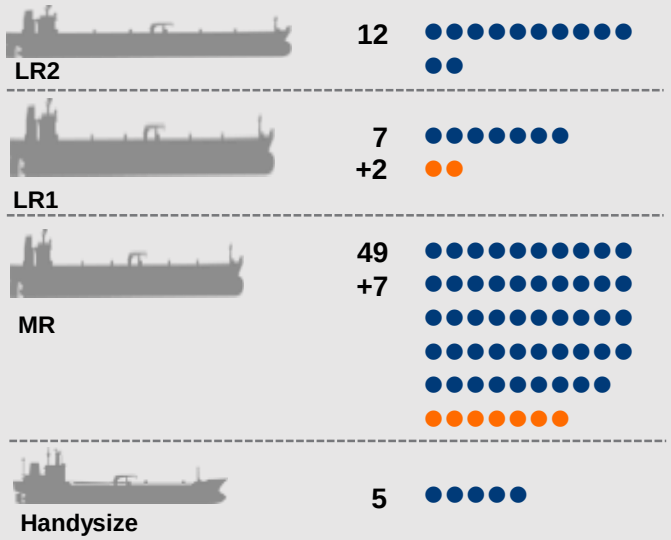
- A leading pure-play product tanker owner
- Large commercial footprint with presence in all key product tanker segments
- Strong capital structure to support disciplined growth strategy
- Dual-listed on Nasdaq Copenhagen and Nasdaq New York

One TORM

- Large, global organization with ~300 on-shore employees and ~3,100 seafarers
- Integrated in-house operating and technical platform
- Focused on maintaining highest safety, environment and CSR standards, while delivering cost-efficient operations
- Driving performance improvements and creating value for stakeholders

Fleet overview*

73 Owned **9** On order



* As of 12 March 2019. Owned vessels include three finance lease vessels.

2018 FINANCIAL HIGHLIGHTS

TORM

HISTORICAL PERFORMANCE

TIME CHARTER EQUIVALENT
Decrease in time charter equivalent is driven by general market development

USD/day 12,982
2018

USD/day 14,621
2017

EBITDA
Decrease in EBITDA is driven by lower freight rates

USD 121m	USD 158m
2018	2017

ROIC
Decrease in RoIC is driven by lower EBITDA

0.1%	2.8%
2018	2017

CAPITAL STRUCTURE
as of 31 December 2018

LIQUIDITY
Well-positioned to service future commitments

USD 406m
2018

NET ASSET VALUE
Broker-based valuation of TORM's assets

USD 856m
2018

NET LOAN TO VALUE
Strong capital structure

53%
2018

OPERATIONAL LEVERAGE
as of 5 March 2019

OPEN DAYS

20,539
2019

COVERED DAYS

6,440
2019

COVERAGE RATES

USD/day 18,193
2019

THE REFERENCE COMPANY IN THE PRODUCT TANKER SEGMENT

TORM

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

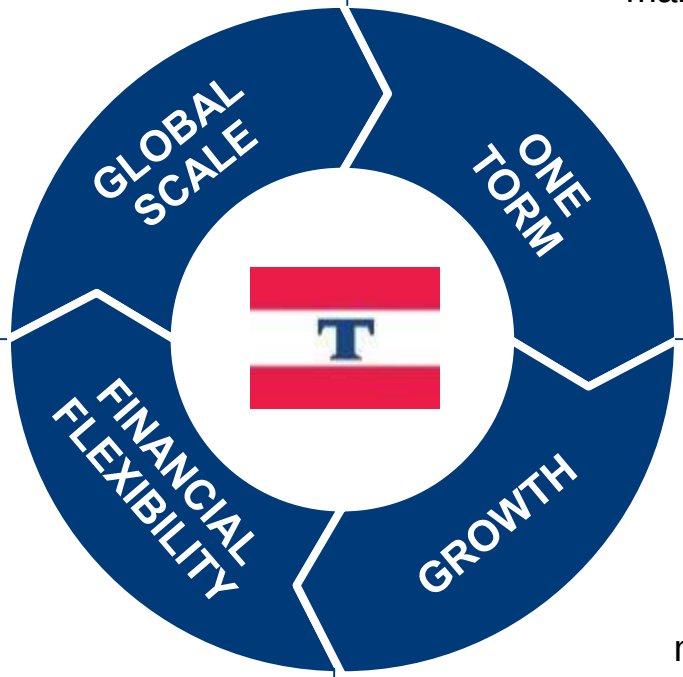
Our ~80 product tankers are primarily deployed in the spot market

Limited charter- in commitment (off-balance sheet)

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

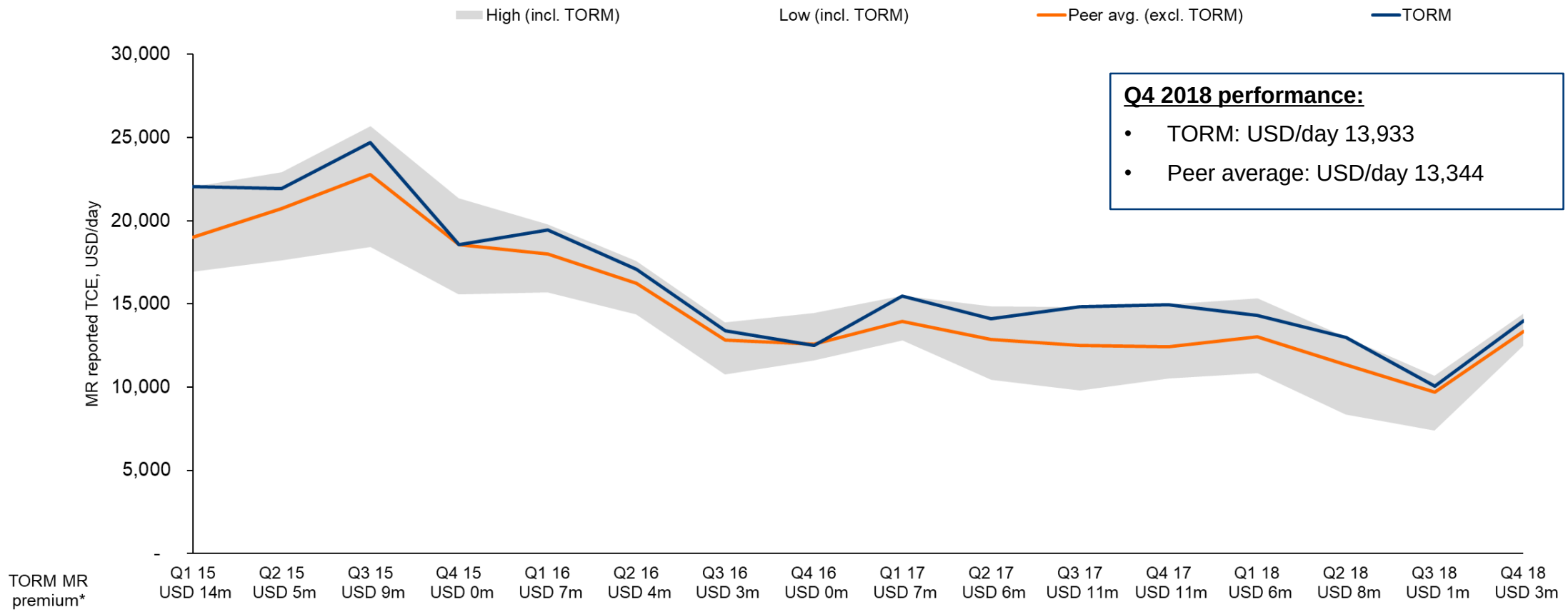
Semi-annual distribution policy of 25-50% of net income

TORM pursues **selective fleet growth and renewal through rigorous financial hurdles**

Well-positioned to increase competitiveness through asset management, scrubber installations and market consolidation

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

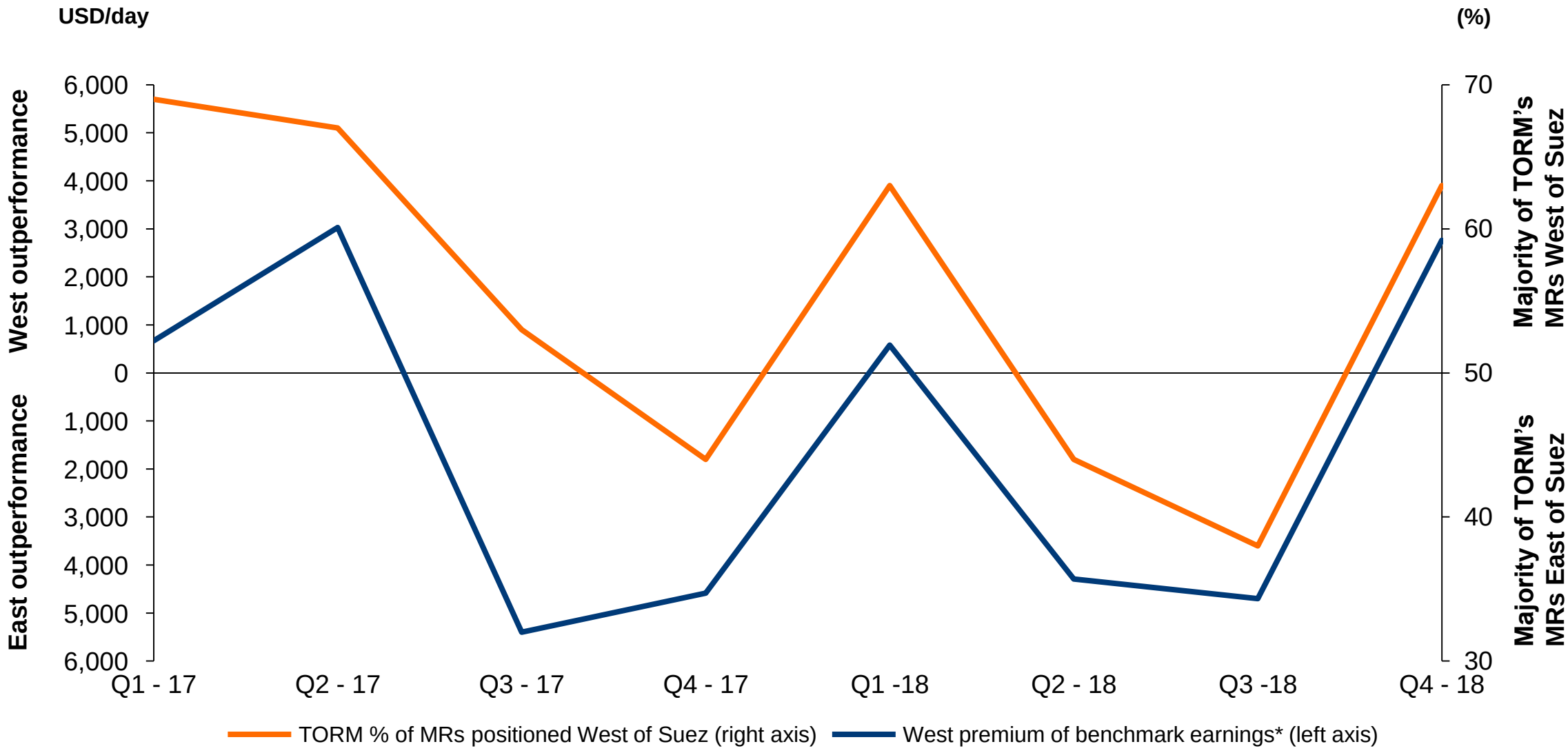
TORM COMMERCIALLY OUTPERFORMS PEERS IN ITS KEY MR SEGMENT



Note: Peer group is based on Ardmore, d'Amico (composite of LR1, MR and Handy), Frontline 2012, Hafnia Tankers, NORDEN, Maersk Tankers, Teekay Tankers, Scorpio and International Seaways. For Q4 2018, the peer group only consists of Scorpio Tankers, Ardmore and NORDEN. Earning releases from other peers are pending.

* TORM premium calculation is based on a TORM MR fleet of 50 vessels earning TORM's TCE rate compared to the peer average.

TORM'S COMMERCIAL CAPABILITIES ARE FOCUSED ON OPTIMIZING GEOGRAPHICAL POSITIONING

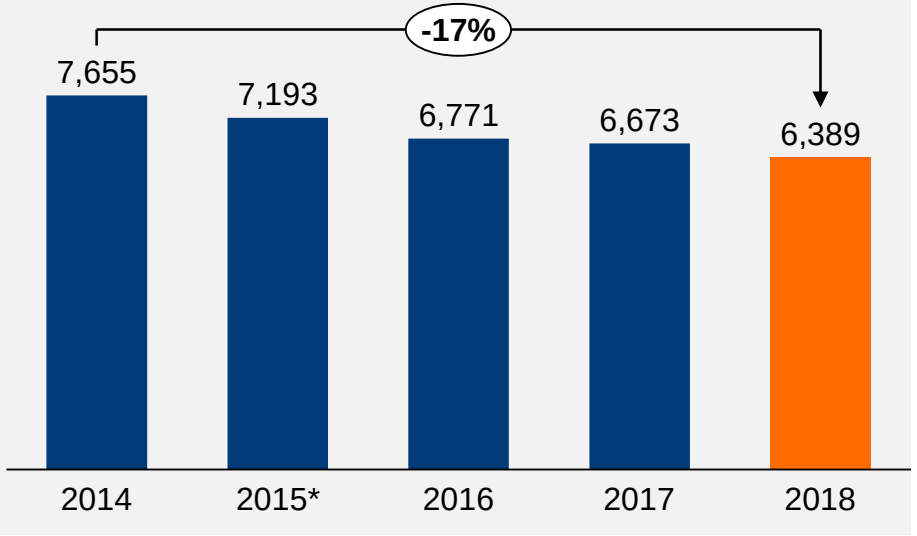


* West premium calculated as spread between Atlantic triangulation (TC2 & TC14) and Transpacific voyage (TC10).
Source: Clarksons, TORM.

FULLY INTEGRATED BUSINESS MODEL WITH COMPETITIVE COST STRUCTURE

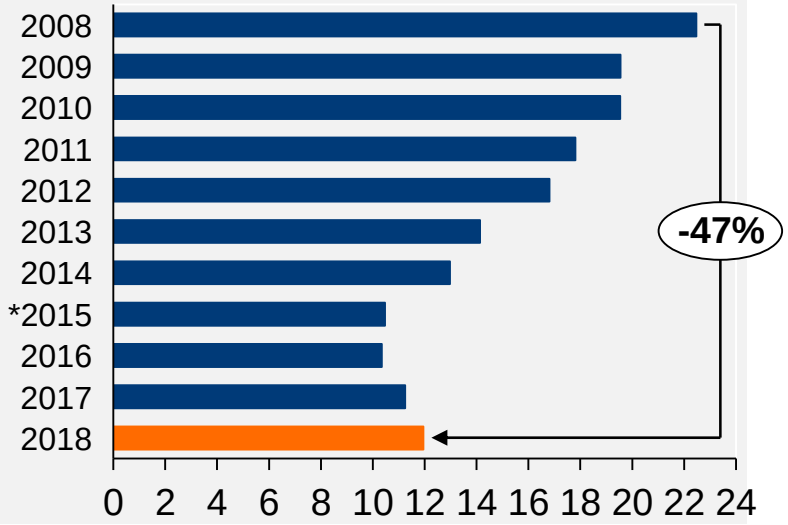
Significant reduction in OPEX

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



TORM has trimmed administration expenses

Admin. expenses (quarterly avg. in USDm)



TORM has reduced the cost base of approx. USD 40m per annum since 2014 with an OPEX per day reduction of USD/day 1,266 while at the same time reducing Admin by USD 4m

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
- 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.

FLEET UPDATE AND SCRUBBER PROGRAM

Sales & Purchase

- TORM has taken delivery of four LR2 newbuildings during 2018
- During 2018, TORM executed three newbuilding options for three MR vessels and the remaining newbuilding program covers two LR1 and seven MR vessels with expected deliveries in 2019 and the first quarter of 2020
- TORM sold five older vessels in 2018 and first quarter of 2019 - three MRs and two Handysize

Scrubber update

- TORM established the JV ME Production China with ME Production and GSI
- TORM has committed to 21 scrubbers and signed a letter of intent for up to an additional 18 scrubbers
- One newbuilding delivered with a scrubber and one retrofit installation conducted to gain operational experience in advance of 2020 deadline

Capital structure

- USD 100m Private Placement completed in 2018
- USD 203m of new secured loan facilities and extensions secured in 2018

INVESTMENT HIGHLIGHTS

Pure-play product tanker exposure	~80 vessels deployed in the spot market across all four larger product tanker segments
Superior commercial performance	One TORM approach of having in-house commercial and technical management provides superior earnings while maintaining a balanced cost structure without leakage
Solid capital structure	Conservative balance sheet and a strong liquidity position provides room for potential growth while maintaining break-even rates at low levels
Significant operating leverage	Significant operating leverage through spot-orientation allowing TORM to benefit from the recent increase in TCE rates
Balanced approach towards IMO 2020	Ready for IMO 2020 compliance with a balanced approach and with up to half of the fleet having scrubbers installed
Positive market fundamentals	Prospective market outlook impacted by increased demand from upcoming IMO 2020 sulfur regulations, Middle East refinery expansions and low order book

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STRONG MARKET RECOVERY IN Q4 2018 FOLLOWING TOUGH HEADWINDS

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Solid trade volumes but shorter trading distances and cannibalization from crude newbuildings on maiden voyages in the Eastern markets

Consistent inventory draws reduce transported volumes

Higher oil prices and weaker currencies in emerging market economies negatively impact oil demand and trading volumes

Crude cannibalization continues

~12% of clean trading LR2s moving to the dirty market

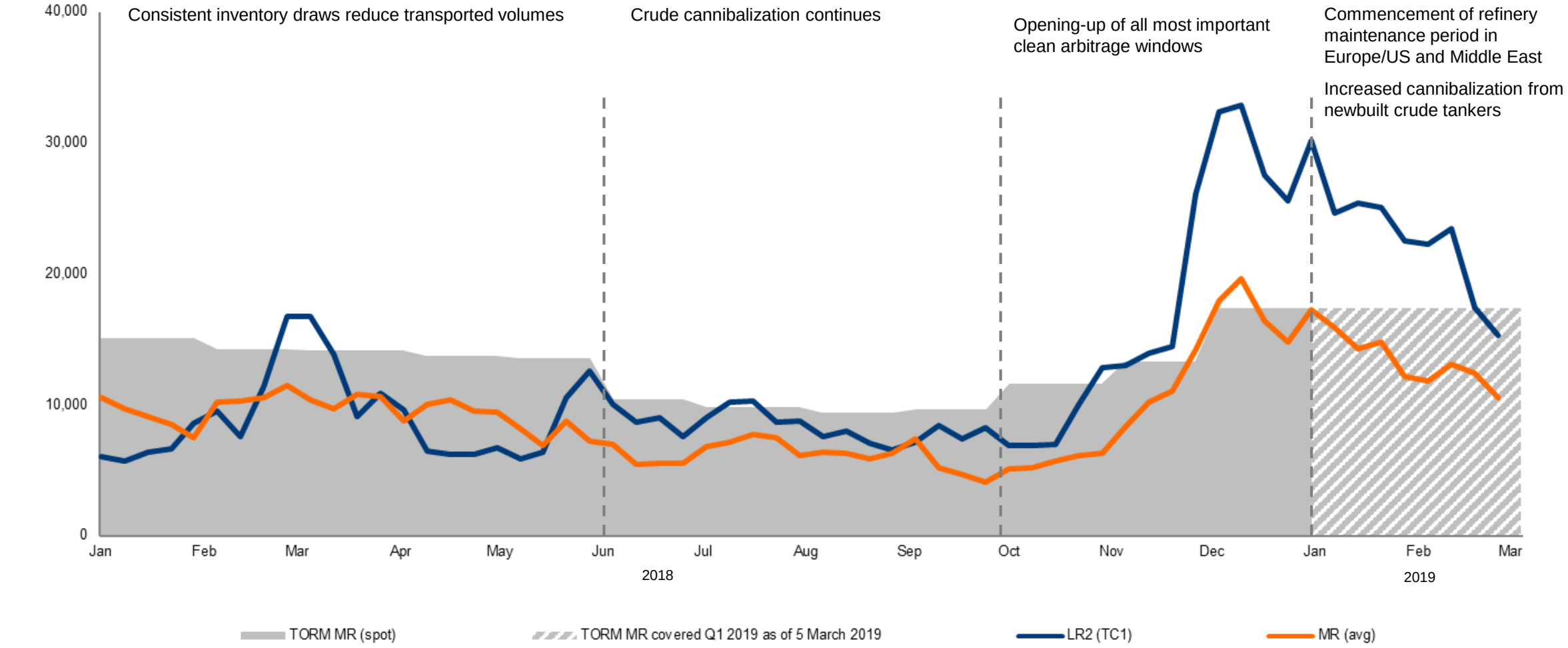
Limited crude cannibalization

Opening-up of all most important clean arbitrage windows

Arbitrage windows remain open and generally healthy trade patterns

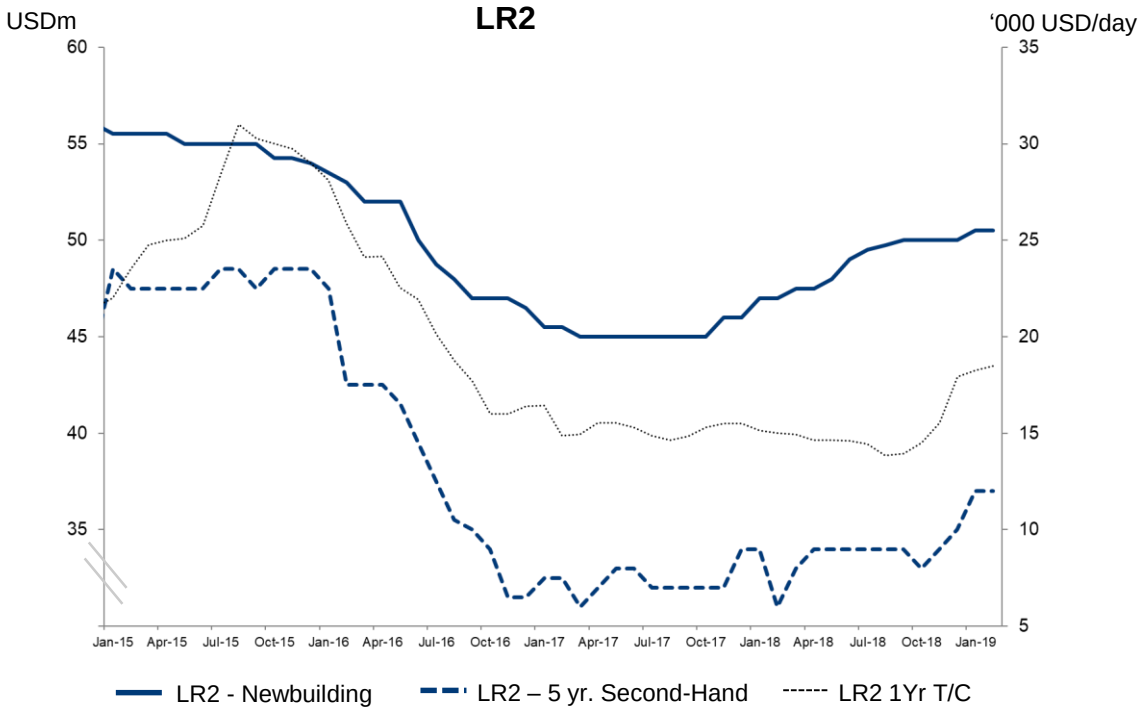
Commencement of refinery maintenance period in Europe/US and Middle East

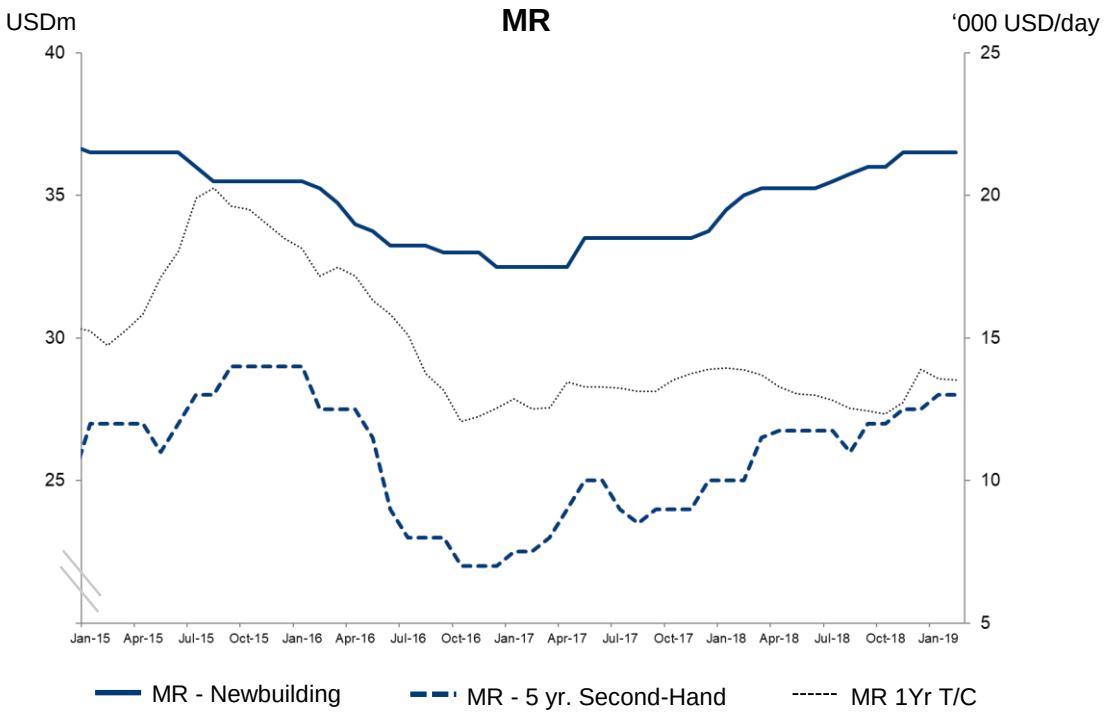
Increased cannibalization from newbuilt crude tankers



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->Sydney.

VESSEL VALUES INCREASED WITH IMPROVED MARKET





- While the second-hand market has generally remained inactive, vessel value for modern tonnage is up 10% year-on-year
- Product tanker newbuilding activity has remained low in Q1-to-date, similarly to the previous three quarters. Only the MR segment has so far seen activity this year
- Currently concluded prices are around 12% above the lows seen in 2017, with no immediate softening expected

Source: Clarksons.

MEDIUM- TO LONG-TERM MARKET DRIVERS REMAIN POSITIVE

Key medium- to long-term market drivers

- Global oil demand growth remains positive albeit slower than in previous years
- Global CPP stockpiles have returned to normal levels, with diesel stocks below average levels in main importing regions
- Refinery capacity addition in the Middle East potentially increasing sailing distances
- Product tanker order book to fleet ratio at historically low level
- IMO 2020-induced increase in inter-and intra-regional product tanker trade

- Macroeconomic uncertainty
- High gasoline stocks in main importing regions

The market drivers are expected to result in a 2019-2021 CAGR of:

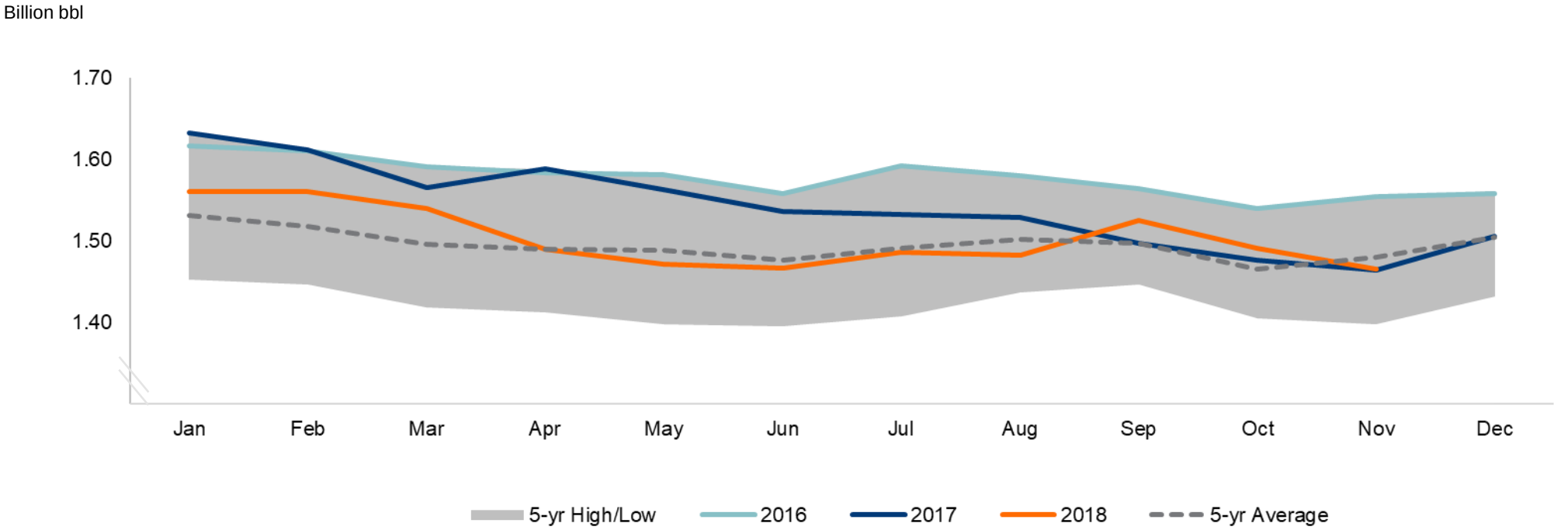
- 5% for demand
- 3% for supply

Source: TORM

PRODUCT INVENTORIES BACK TO NORMAL LEVELS

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Aggregated global CPP inventories*

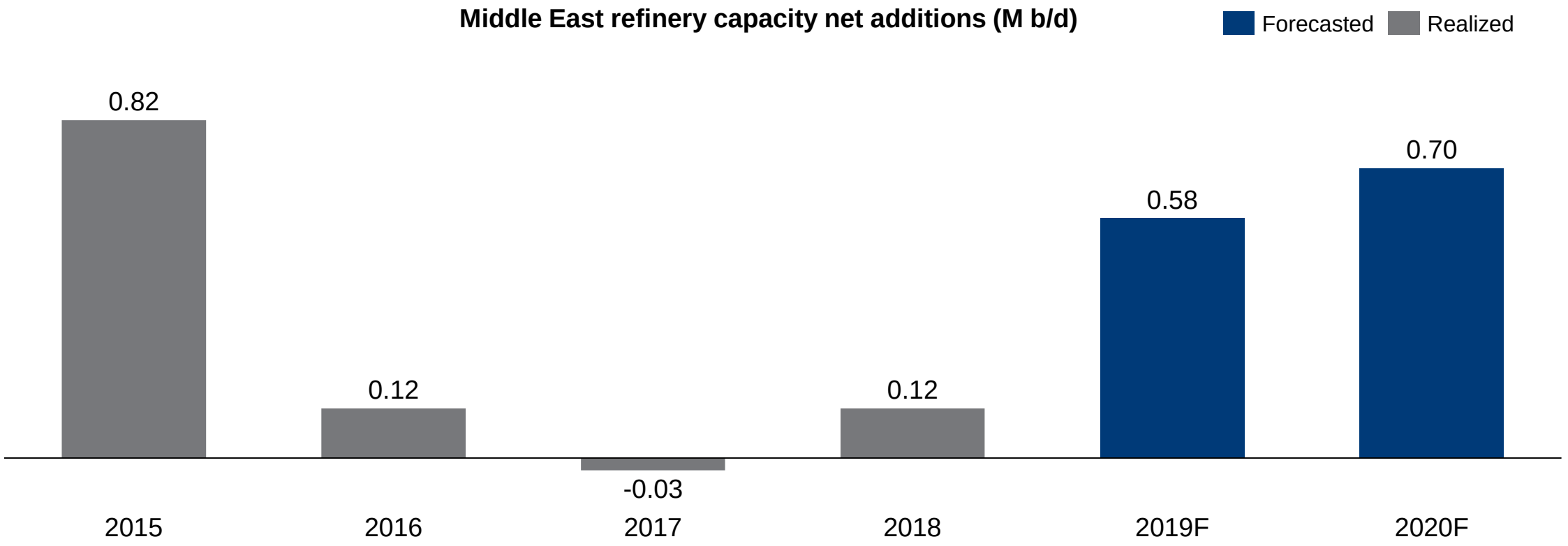


- Global CPP inventories are back to 5-year average levels
- Before a seasonal build-up in Q3, global CPP stocks drew during 1H 2018 by a volume equivalent to a loss of potential trade of ~4% each month
- Diesel inventories in main import areas continue to be below historical average levels, indicating a potential future inventory build-up
- Abundant gasoline inventories in main import areas potentially limiting trade

Note: Includes countries for which November 2018 data is available. These account for approximately 86% of global visible CPP (naphtha, gasoline, jet/kero, diesel/gasoil) stocks.
Source: JODI, TORM.

MIDDLE EAST REFINERY CAPACITY ADDITIONS CONTINUE AND INCREASE TO LEVELS COMPARABLE TO 2015

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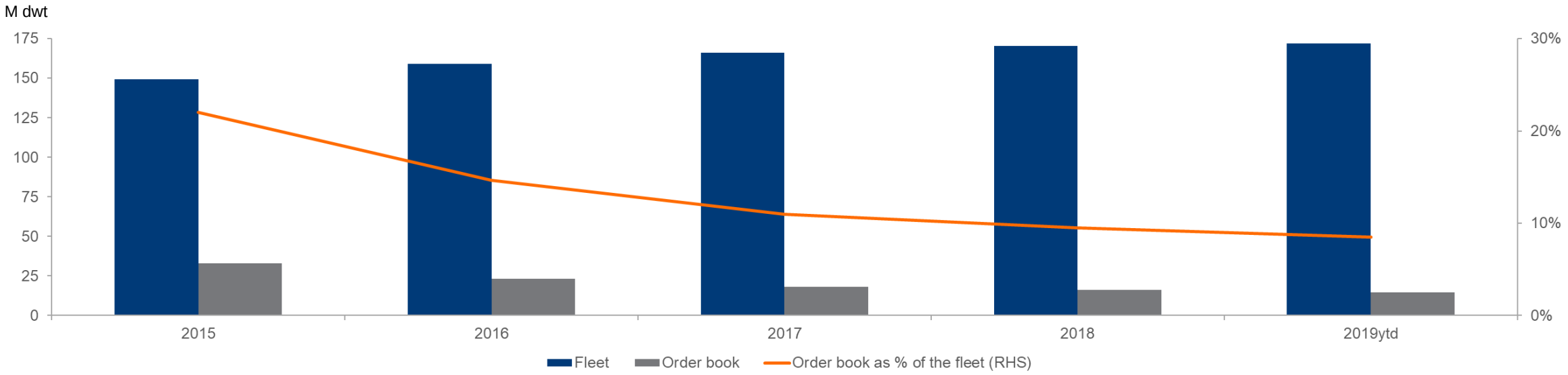
- As oil product demand increases, the ton-mile demand is positively impacted by increasing geographic dislocations between the demand for and supply of clean petroleum products (CPP)
- Middle East refinery capacity additions are expected to accelerate in 2019 and 2020, placing a renewed pressure on less competitive refineries in e.g. Europe and subsequently leading to increased CPP movements across regions

Source: WoodMackenzie, TORM.

PRODUCT TANKER ORDER BOOK CONTINUES TO SHRINK

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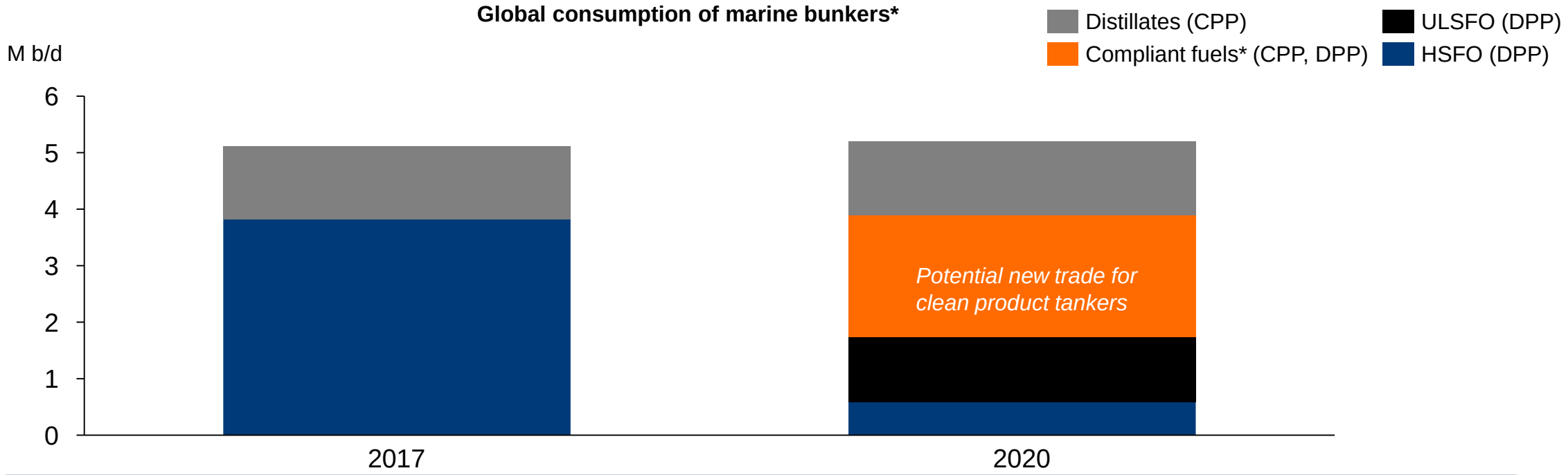
Product tanker order book as percentage of the fleet



- Product tanker order book to fleet ratio at a historical low level of 8.5% (11% for MRs, 4% for LR1s and 10% for LR2s)
- In 2018, the product tanker fleet grew by 2.4% (vs. 4.5% in 2017 and 6.5% in 2016)
- TORM conservatively estimates that the product tanker fleet will grow by an average of ~3.3% p.a. in the period 2019-2021, excluding any potential acceleration of scrapping in advance of new regulations*

Note: These calculations are based on the known order book and TORM's estimates for additional ordering and scrapping in line with historical average activity.
Source: TORM.

IMO 2020 SULFUR CAP WILL POTENTIALLY LEAD TO ~5% INCREMENTAL GROWTH IN THE PRODUCT TANKER TRADE



- From 1 January 2020, up to 2 mb/d of HSFO potentially shifting to MGO or other 0.5% sulfur fuels, leading to increased inter- and intra-regional product tanker trade
- TORM expects the IMO 2020 regulation to lead to around 5% incremental growth in the product tanker trade, subject to a downside in case of higher availability of low sulfur fuel oils from the refinery sector
- The effects are likely to start emerging already in 2H 2019
- Temporary capacity reduction expected due to increased off-hire time in connection with preparations for the IMO 2020, estimated at around 0.6% of total fleet capacity

* Compliant fuels include distillates (MGO), 0.5% sulfur fuel oil blends, desulfurized residual fuel oil, blended VGO streams for ULSFO production.
Source: TORM.

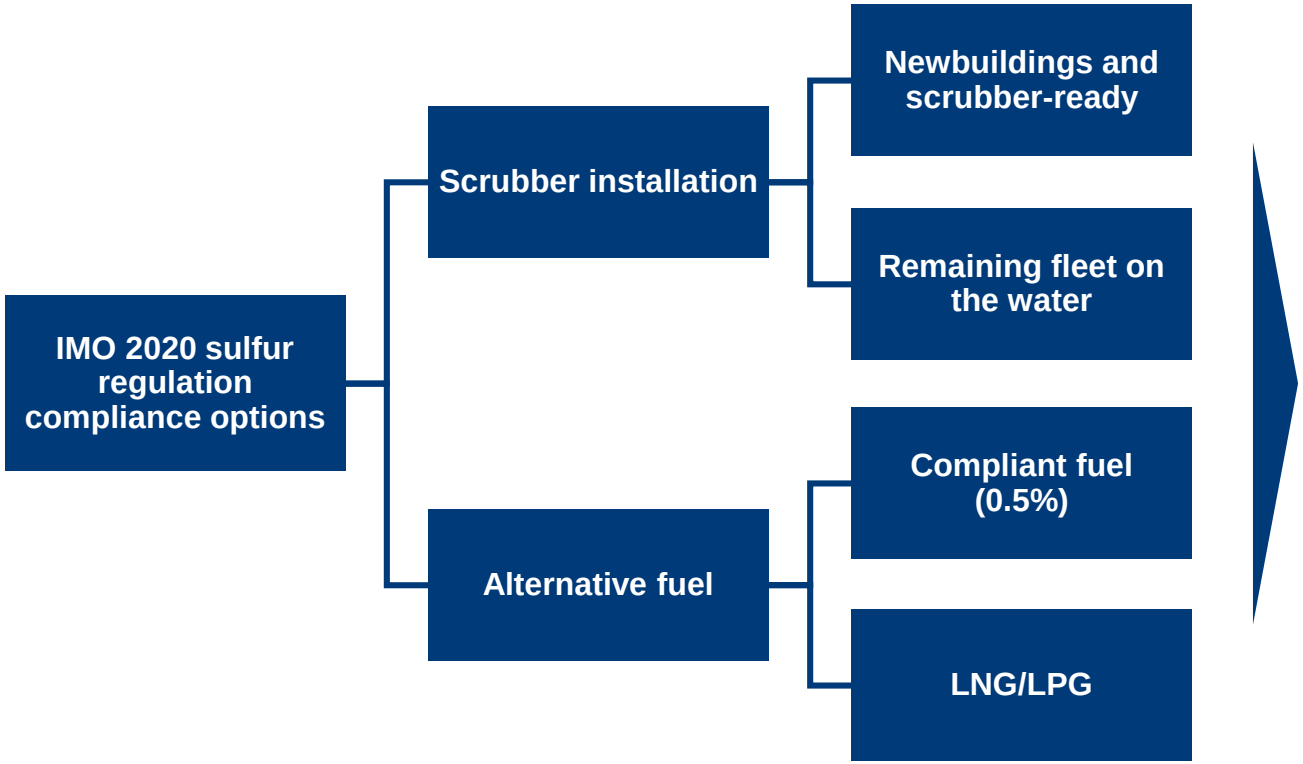
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3	**IMO 2020**
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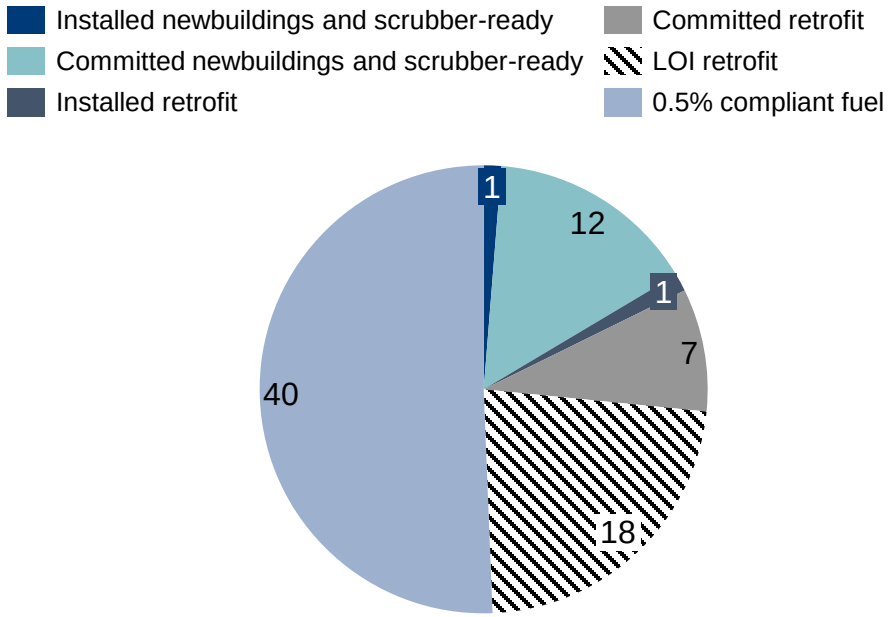
TORM HAS A STRONG COMMITMENT TOWARDS SCRUBBERS DUE TO ATTRACTIVE BUSINESS CASES

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IMO 2020 sulfur regulation compliance options



Significant number of vessels committed to scrubbers[1)]



- Additional retrofit installations are under consideration
- LNG/LPG is not applicable due to trading pattern

- Average scrubber price is below USD 2m
- Decided scrubber investments are based on attractive business cases with a short payback time and with corresponding high IRRs
- Further installations will be based on a business case assessment, e.g., remaining lifetime of vessel, fuel consumption, sailing pattern and investment costs

1. The current fleet consists of 70 vessels on the water and nine newbuildings. The three financial sale & leaseback vessels are excluded.

TORM HAS ENTERED INTO A SCRUBBER JV TO PRODUCE AND SELL SCRUBBERS

Risks to ship owners

- One of the largest risks with scrubber installations is the potential delay due to lack of quality and experienced manufacturers
- Yard and production capacity is slowly being tied up due to significant order surge in scrubbers in recent months
- Retrofit capacity is beginning to become a bottleneck which increases the risk of extended installation time

JV rationale

- Secure scrubber production slots with ME Production and the possibility to add additional scrubber retrofit vessels to the production list later
- Secure capacity and closer relationship with a long-standing partner
- Local production in China in cooperation with a Chinese state-owned company will improve access to repair yards that will carry out the retrofit installations
- Potential economic benefit from participating in JV

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Ownership share: 27.5%

ME Production China

MEPRODUCTION

Leading scrubber manufacturer

GSI 广船国际 广船国际有限公司 GUANGZHOU SHIPYARD INTERNATIONAL COMPANY LIMITED

Part of one of the largest shipyards groups



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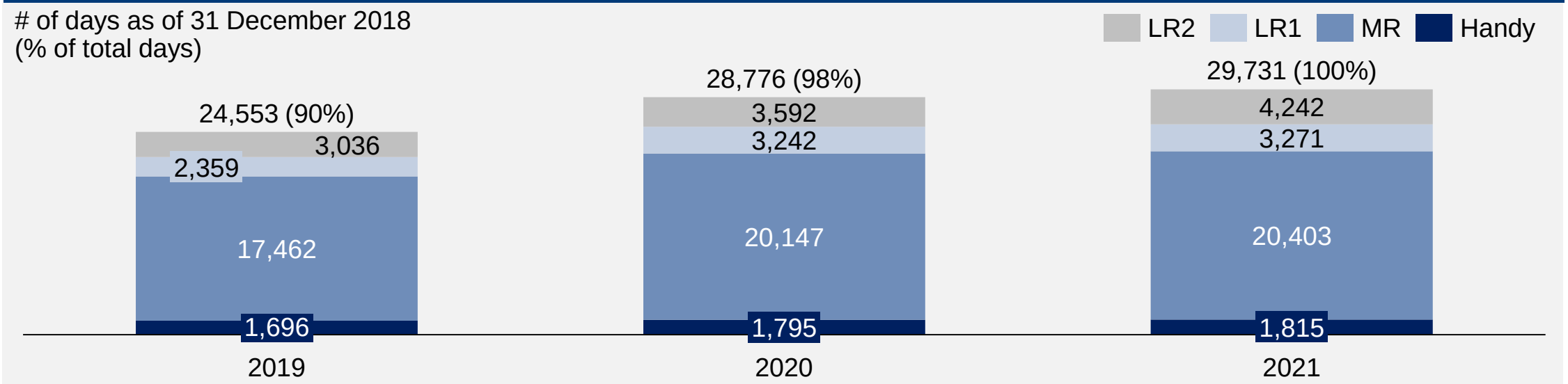
2018 FINANCIALS

USDm	2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	2018
P&L						
TCE Earnings	397	97	90	71	95	352
Gross profit	200	49	42	27	51	169
Sale of vessels	3	1	0	0	0	1
EBITDA	158	37	29	15	39	121
Profit before tax	3	1	-9	-25	-1	-33
Balance sheet						
Equity	791	892	882	859	847	847
NIBD	620	577	598	597	627	627
Cash and cash equivalents	134	174	159	163	127	127
Key figures						
Earnings per share (USD)	0.04	0.01	-0.12	-0.34	-0.10	-0.48
Return on Invested Capital	2.8%	2.4%	0.1%	-4.3%	2.6%	0.1%
Net Asset Value (NAV)	796	857	840	826	856	856
Number of vessels (#)	77	78	78	77	75	75
TCE/day (USD)	14,621	14,225	12,944	10,598	14,152	12,982
OPEX/day (USD)	6,673	6,593	6,573	6,209	6,181	6,389

SPOT ORIENTATION PROVIDES SIGNIFICANT OPERATING LEVERAGE

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Unfixed days



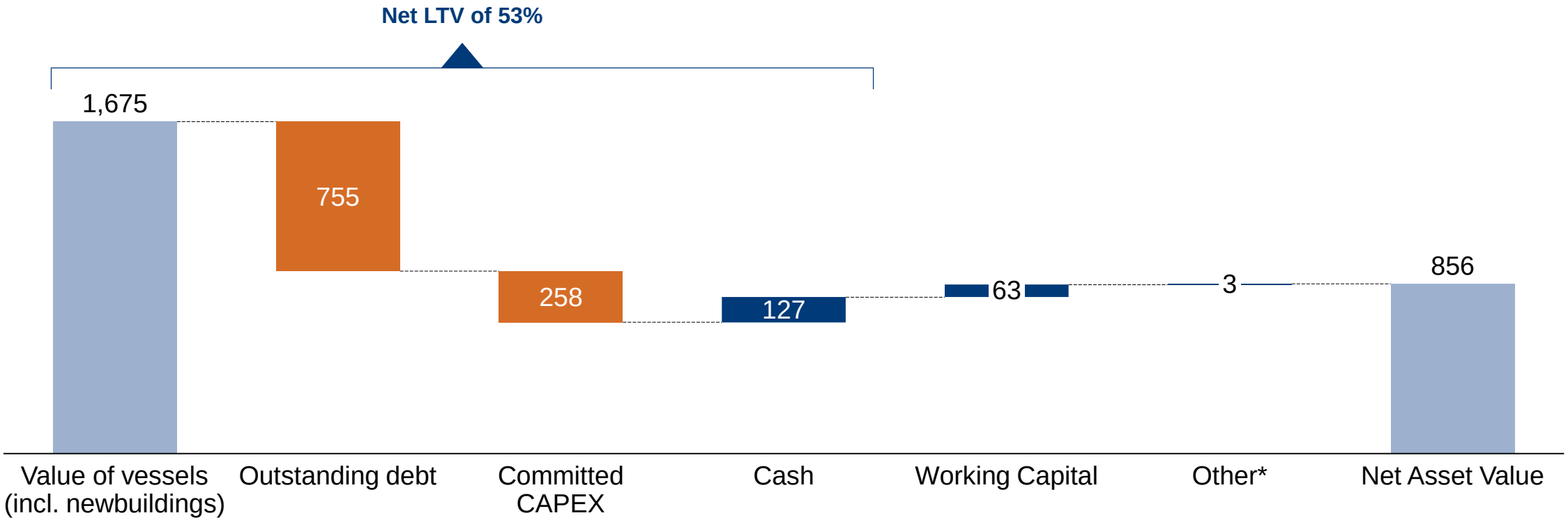
Illustrative change in cash flow generation potential for the TORM fleet

Change in average TCE/day	2019	2020	2021
+/- USD 1,000	24.6	28.8	29.7
+/- USD 2,500	61.4	71.9	74.3
+/- USD 5,000	122.8	143.9	148.7

- As of 31 December 2018, 10% of the total earning days in 2019 were covered at USD/day 17,306.
- As of 5 March 2019, 85% of the total earning days were covered at USD/day 18,522 for the first quarter of 2019. 24% of the total earning days in 2019 were covered at USD/day 18,193.

NET ASSET VALUE ESTIMATED AT USD 856M

31 December 2018 figures, USDm



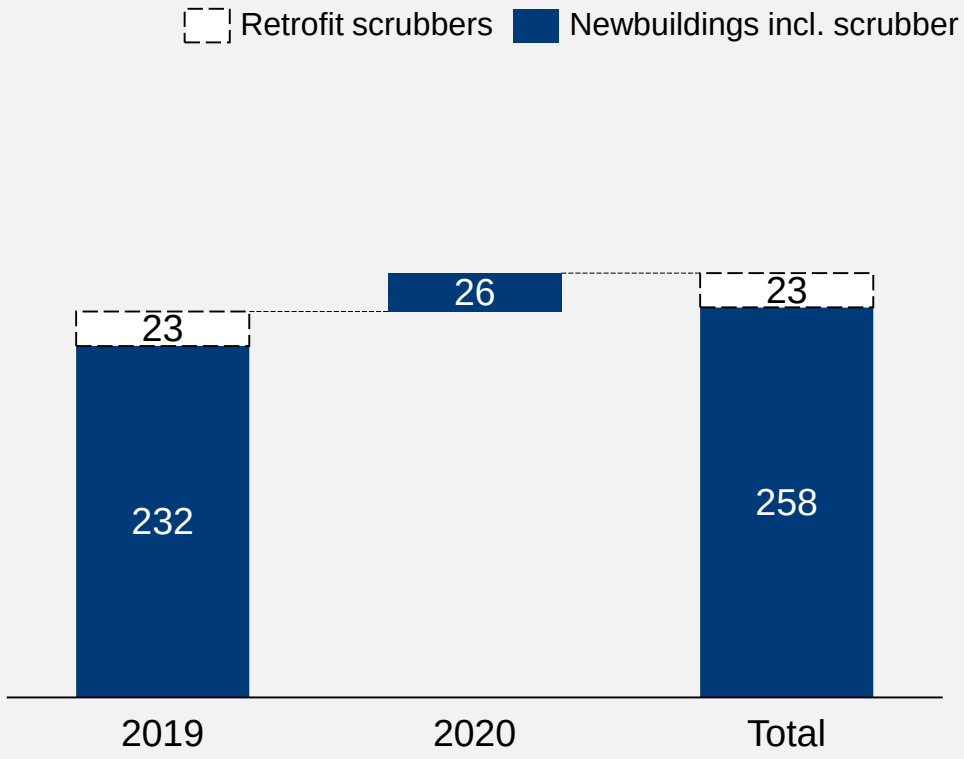
- Net Loan-to-Value was 53% ensuring a strong capital structure
- Net Asset Value (NAV) was estimated at USD 856m (USD 11.6/DKK 75.5 per share)
- Market cap as of 31 December 2018 was USD 516m, or DKK 43.85 per share**

* Other includes Other plant and operating equipment and total financial assets
** Calculated based on 74,218,846 shares and USD/DKK FX rate of 6.31

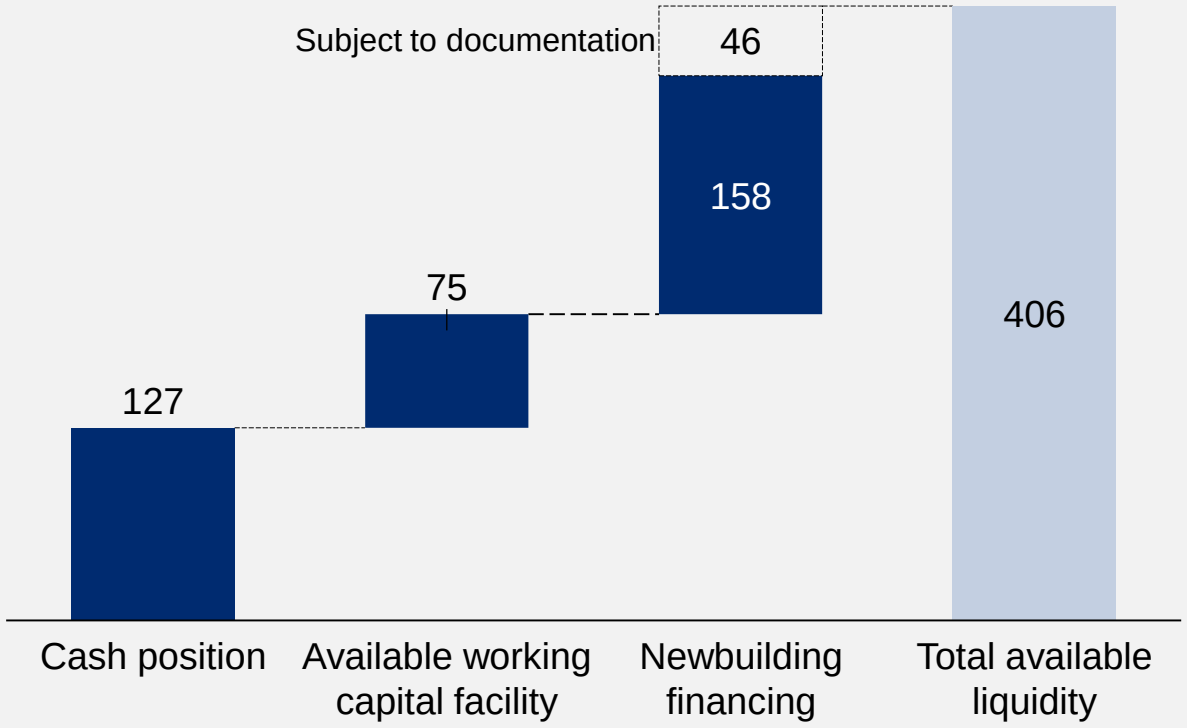
WELL-POSITIONED TO SERVICE FUTURE CAPEX COMMITMENTS

CAPEX and liquidity as of 31 December 2018
USDm

CAPEX commitments



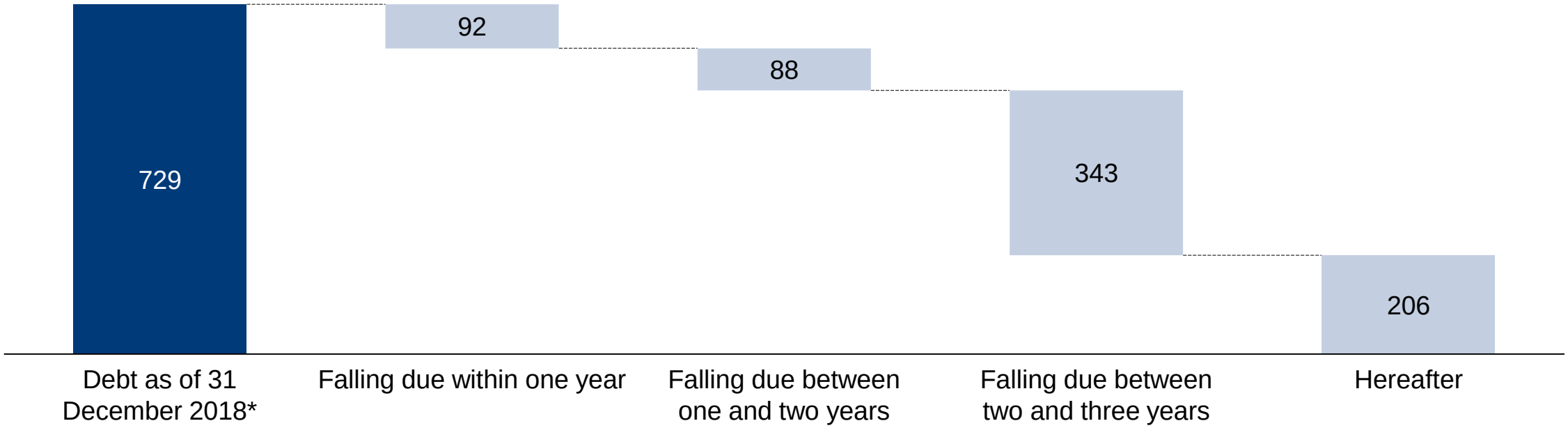
Available liquidity



2018 FINANCIALS

Scheduled debt repayments as of 31 December 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 does not include directly related costs arising from the issuing of the loans of USD 5.3m, which are amortized over the term of the loans. Debt figure excludes Financial lease liabilities of USD 25m

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



APPENDIX

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

TORM

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



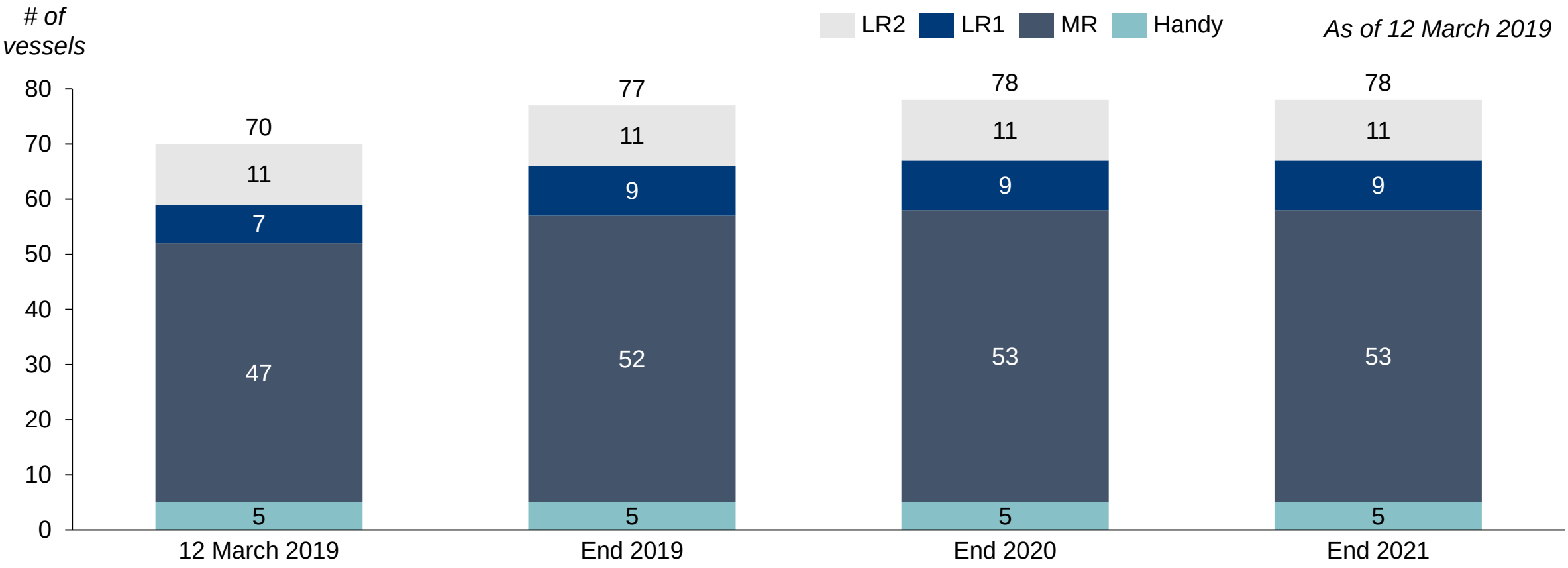
Jesper S. Jensen

- Head of Technical Division

KEY FIGURES

USDm	2018	2017	2016
Revenue	635	657	680
EBITDA	121	158	200
Profit/(loss) before tax	-33	3	-142
Net profit/(loss) excluding impairment charges	-35	2	43
Balance sheet			
Total assets	1,714	1,647	1,571
Equity	847	791	781
NIBD	627	620	609
Cash and cash equivalents	127	134	76
Cash flow statement			
Operating cash flow	71	110	171
Investment cash flow	-176	-114	-119
Financing cash flow	96	62	-144
Financial related key figures			
EBITDA margin	19%	24%	29%
Equity ratio	49%	48%	50%
Return on Invested Capital (RoIC)	0%	3%	-7%

FLEET OVERVIEW



	12 March 2019	End 2019	End 2020	End 2021
Chartered-in and leaseback vessels	3	3	3	3

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

TORM

TORM is committed to support…

UN Sustainable Development Goals	TORM supports the SDGs based on an assessment of our CSR activities and areas of impact
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
Clean Shipping Alliance 2020	TORM joined the CSA 2020 as one of the first shipping companies in Denmark and hereby supports the enforcement of the IMO 2020 Sulfur Directive as of 1 January 2020

SUPPORTING EDUCATION AND CLIMATE ACTION

TORM



- In 2018, TORM extended its support to the UN Sustainable Development Goals (SDGs) as a natural progression of its commitment to the UN Global Compact
- TORM focuses on two specific SDGs, which are linked to the Company's current CSR activities. Activities and efforts made within these areas also make good business sense for the Company



- Long-standing supporter of maritime education – supporting potential future employees of TORM and strengthening the overall competence level among seafarers
- Supporting education has positive effects on TORM's core business – developing the pipeline of available competences in the industry, and positively impacting retention and brand recognition
- Cooperating with educational institutions and universities – offering trainee and internship positions



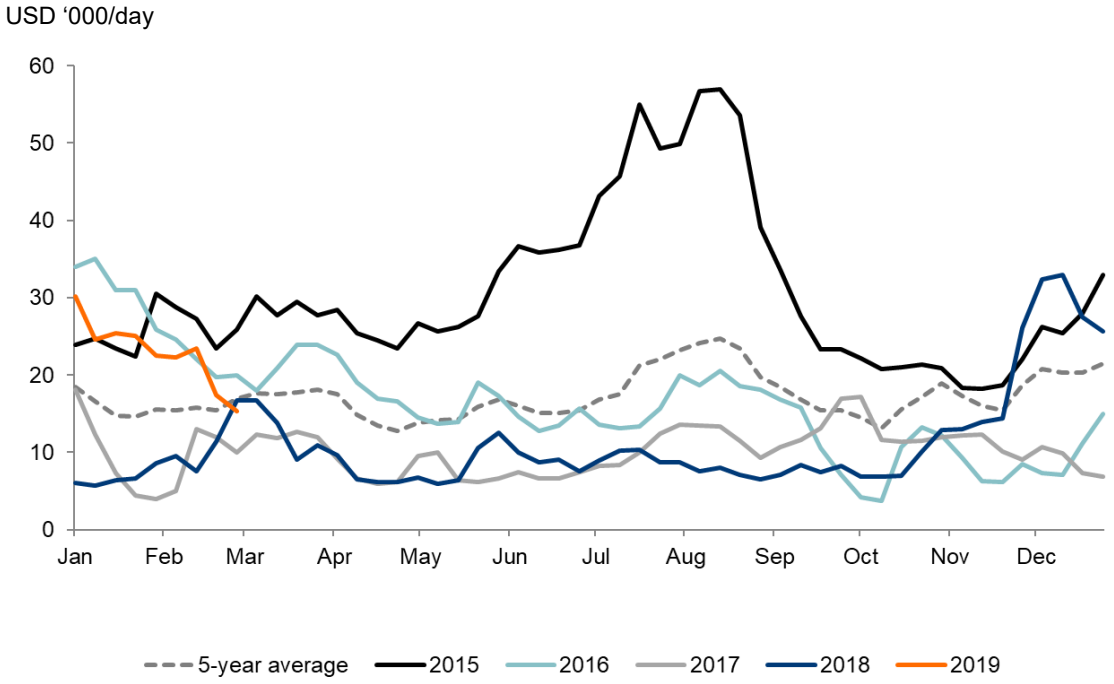
- Marine pollution constitutes the largest environmental risk in shipping. A key priority for TORM is to avoid pollution of the seas and the atmosphere
- Founding member of the Clean Shipping Alliance 2020 – supporting the enforcement of the global 0.5% sulfur cap as of 1 January 2020
- Fuel efficiency minimizes environmental impact while also making good business sense – TORM achieved fuel efficiency improvements of 6.9%* in 2018 and the target for 2019 is a 1% further improvement

* Compared to the 2015 baseline.

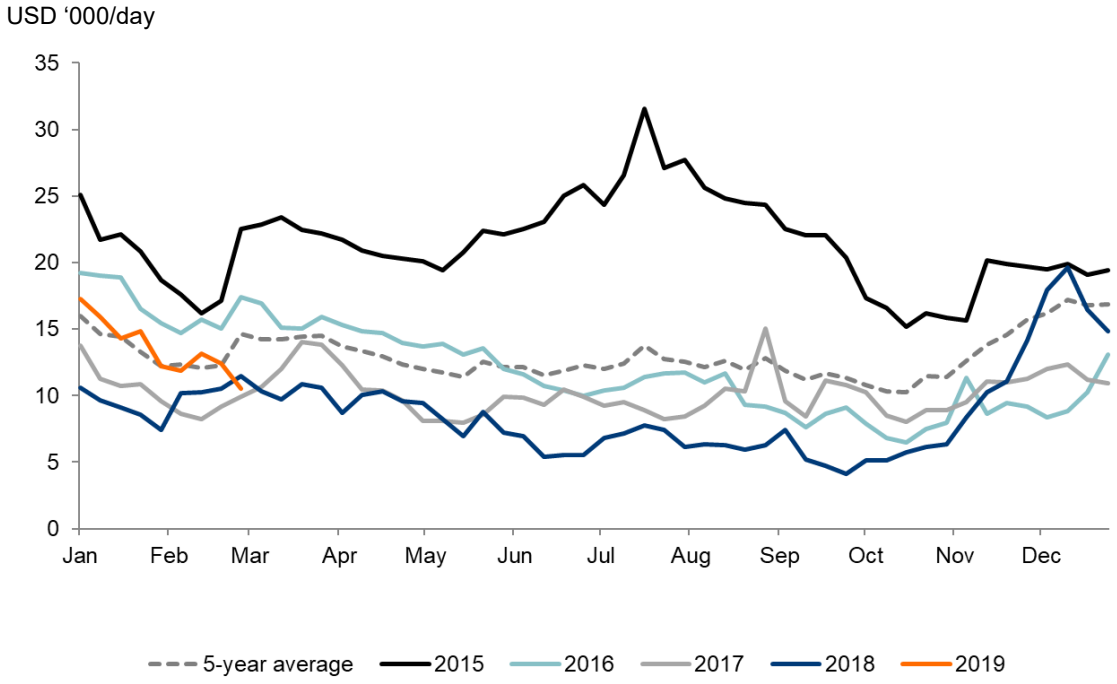
STRONG REBOUND IN RATES TOWARDS THE END OF 2018

TORM

LR2 (TC1)



MR (average)



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->Sydney.

OAKTREE IS THE MAJORITY SHAREHOLDER WITH A REMAINING FREE FLOAT OF 36%

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 February 2019 (%)

