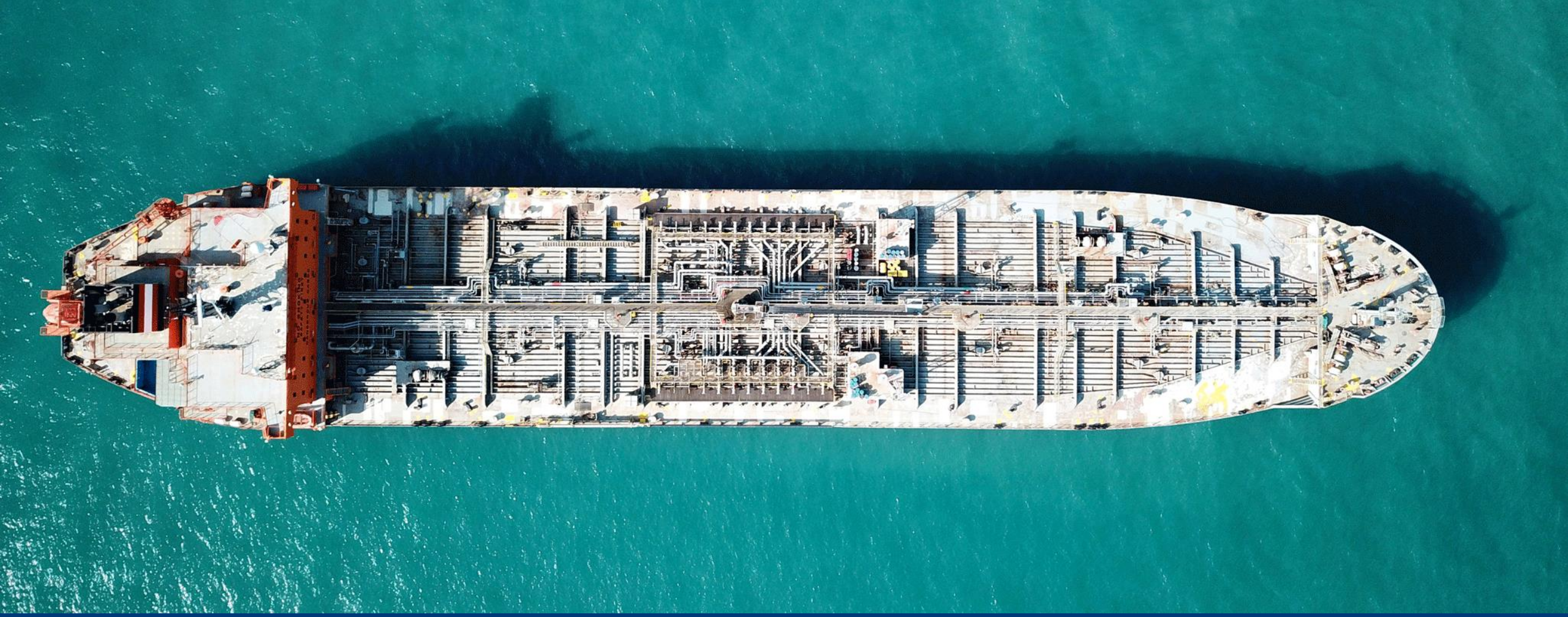


14 MAY 2020

Q1 2020 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, general market conditions, including fluctuations in charter hire rates and vessel values, the duration and severity of the COVID-19, including its impact on the demand for petroleum products and the seaborne transportation thereof, the operations of our customers and our business in general, changes in demand for "ton-miles" of oil carried by oil tankers and changes in demand for tanker vessel capacity, 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 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 including "trade wars," 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

TORM

1	Introduction to TORM and Q1 2020 highlights
2	Product tanker market overview and outlook
3	Financial metrics
4	Asset management & scrubber investments

SAFETY FIRST



- Safety is the top priority for TORM and an integral part of the One TORM platform
- Safety is especially important during the COVID-19 pandemic
- To safeguard employees during the COVID-19 pandemic, several precautionary measures were used, e.g. having all office-based employees working from home at an early stage
- Having integrated a larger part of the value chain, the One TORM platform has secured safe operations of our vessels without major operational issues

TORM AT A GLANCE

A world-leading product tanker company

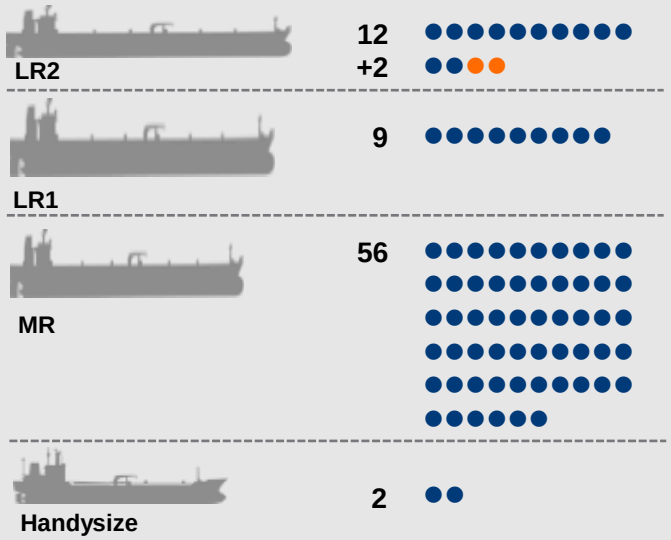
- A leading pure-play product tanker owner
- Large commercial footprint with presence in all key product tanker segments
- Strong capital structure to support disciplined growth strategy
- Dual-listed on Nasdaq in Copenhagen and Nasdaq in New York

One TORM

- Large, global organization with ~330 land-based 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*

79 Owned **2** On order



* As of 14 May 2020, owned vessels include financially leased vessels.

Q1 2020 FINANCIAL HIGHLIGHTS

TORM

PERFORMANCE

TIME CHARTER EQUIVALENT

Q1 2020	Q1 2019
USD/day 23,643	USD/day 17,949

EBITDA

Q1 2020	Q1 2019
USD 102M	USD 62M

ROIC

Q1 2020	Q1 2019
15.4%	8.8%

BALANCE SHEET

as of 31 March 2020

NET ASSET VALUE

Q1 2020	Q1 2019
USD 993M	USD 829M

NET LOAN TO VALUE

Q1 2020	Q1 2019
49%	52%

LIQUIDITY

Q1 2020	Q1 2019
USD 273M	USD 438M

OPERATIONAL LEVERAGE

as of 11 May 2020

OPEN DAYS

Q2 2020
2,335

COVERED DAYS

Q2 2020
4,688

COVERAGE RATES

Q2 2020
USD/day 29,188

THE REFERENCE COMPANY IN THE PRODUCT TANKER SEGMENT

TORM

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

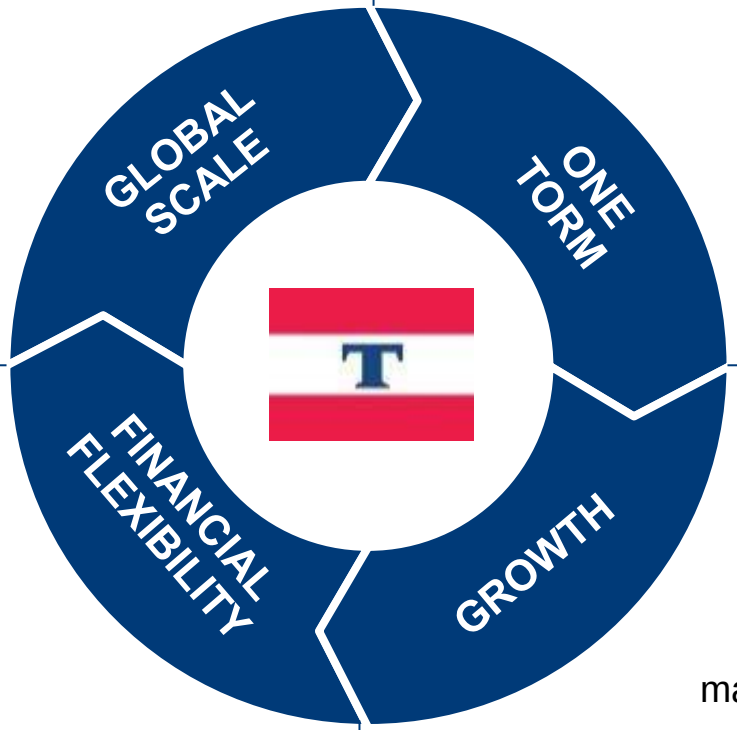
Our product tankers are primarily deployed in the spot market.

Limited charter-in commitment (off-balance sheet).

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's superior integrated operating platform includes in-house technical and commercial management as preferred by customers.

Second to none responsiveness to our customers, resulting in higher TCEs.

Scale and digitalization driving cost-efficient results.

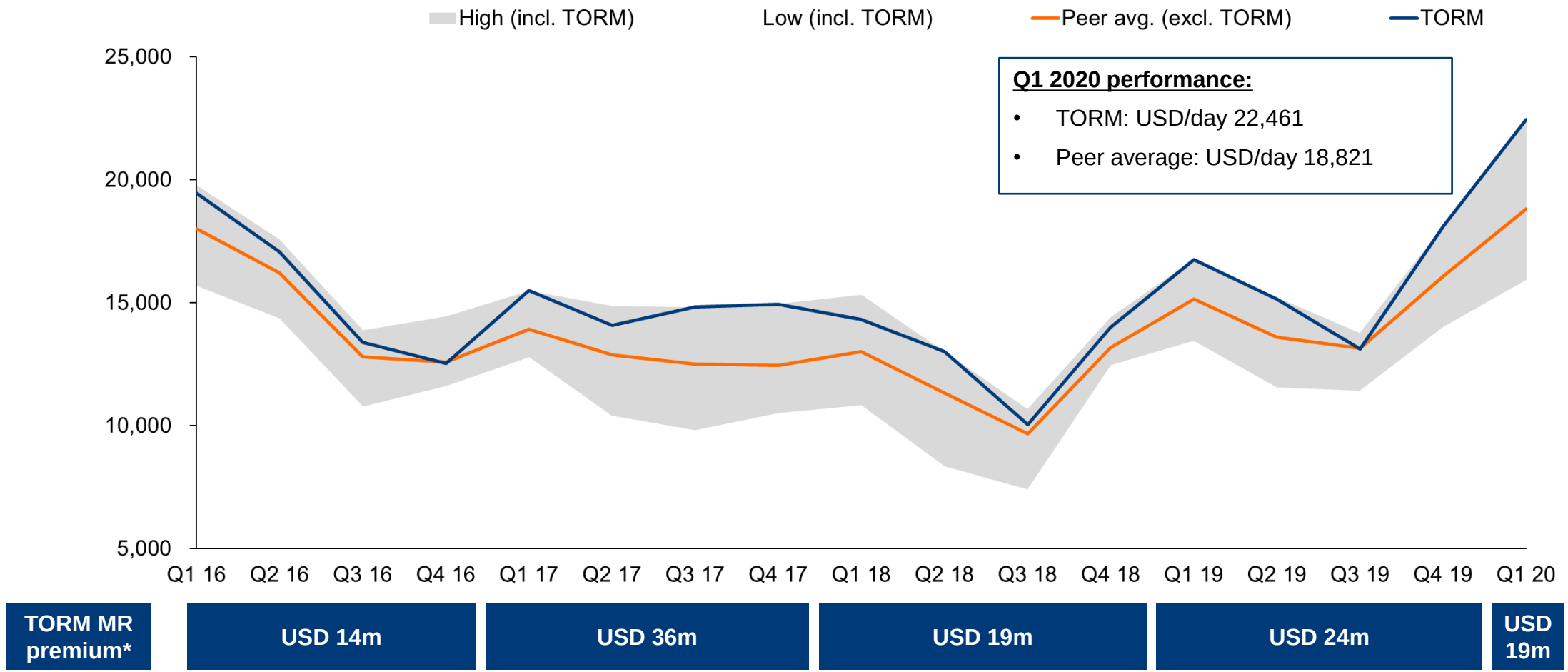
TORM utilizes financial thresholds to pursue **selective fleet growth and renewal.**

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

In-house S&P team with long-lasting relationships with brokers, yards, financial partners and shipowners.

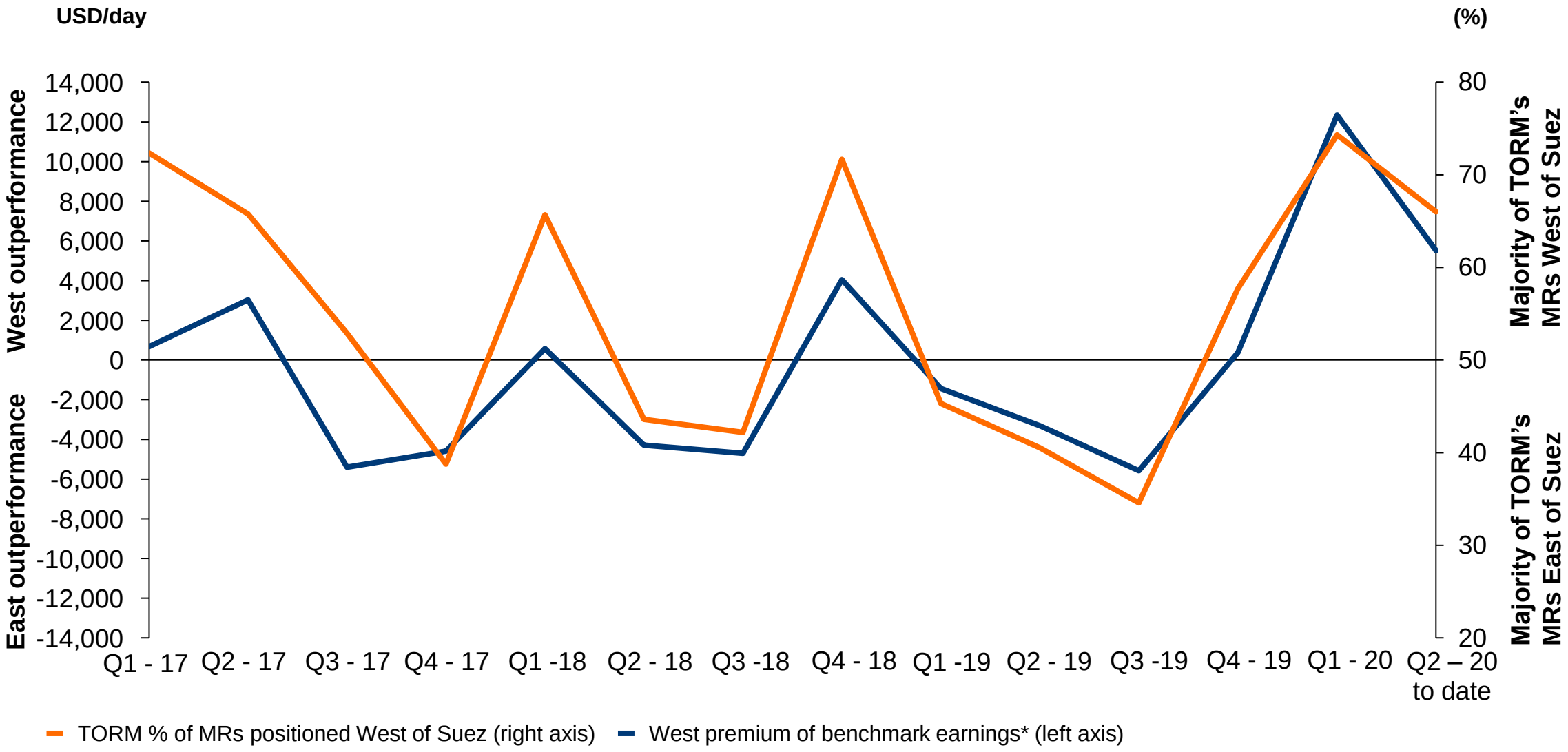
TORM COMMERCIALLY OUTPERFORMS PEERS IN ITS KEY MR SEGMENT CORRESPONDING TO USD 19M IN Q1 2020

MR reported TCE, USD/day



Note: Peer group is based on Ardmore, d'Amico (composite of LR1, MR and Handy), Diamond S, Frontline 2012, Hafnia Tankers, NORDEN, Maersk Tankers, Teekay Tankers, Scorpio and International Seaways.
For Q1 2020, the peer group only consists of Ardmore, d'Amico, Diamond S, NORDEN, Scorpio and International Seaways. Earning releases from other peers are pending.
* TORM premium calculation is based on the individual quarters with those vessels in TORM's MR fleet earning TORM's TCE rate compared to the peer average.

TORM'S COMMERCIAL CAPABILITIES ARE FOCUSED ON OPTIMIZING GEOGRAPHICAL POSITIONING



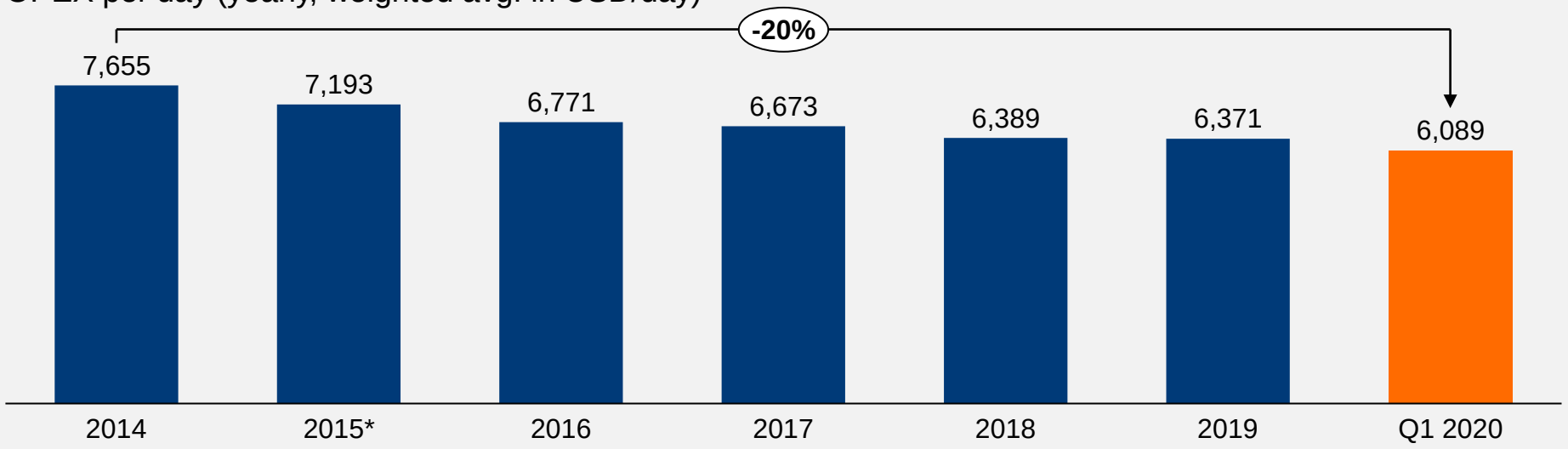
* West premium calculated as spread between Atlantic triangulation (TC2 & TC14) and Transpacific voyage (TC10).
Source: Clarksons, TORM.

FULLY INTEGRATED BUSINESS MODEL WITH COMPETITIVE COST STRUCTURE

TORM

Significant reduction in OPEX

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



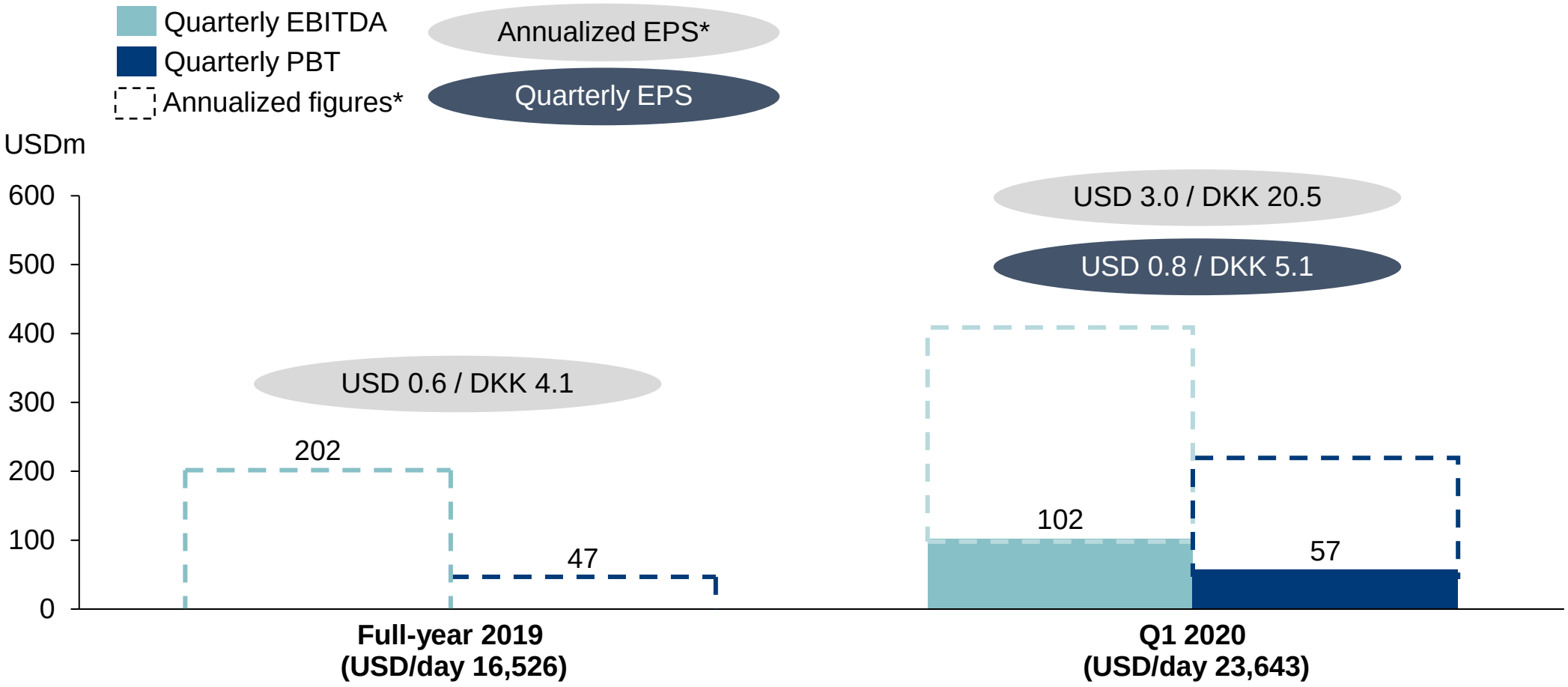
Compared to the full year of 2014, TORM has reduced the OPEX cost base of approx. USD 44m on an annualized basis by an OPEX/day reduction of USD/day 1,566.

TORM maintains a low cost base with an EBITDA break-even rate in Q1 2020 USD/day 8,800

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 while maintaining a low cost structure

TORM'S EARNINGS ARE VERY SENSITIVE TO REALIZATION OF FREIGHT RATES



* Annualized EBITDA, PBT and EPS for Q1 2020 realized is calculated by multiplying the results by four.

CSR HIGHLIGHTS

TORM

TORM remains committed to taking an active role in caring for communities and our environment. It is not just our shared duty, but our shared responsibility. Therefore, TORM continues the work to combat carbon, sulfur and other emissions and remains committed to enabling quality education, as this is a matter of concern for TORM and its employees. We believe that by having all involved stakeholders working together on this, great results can be achieved.





SUSTAINABLE DEVELOPMENT GOALS

GENDER DIVERSITY

34% WOMEN IN THE SHORE-BASED WORKFORCE

22% WOMEN IN LEADERSHIP POSITIONS



93 SCHOLARS SUPPORTED BY TORM AND OUR EDUCATION FOUNDATION

0.42 LOST TIME ACCIDENT FREQUENCY IN 2019

FUEL EFFICIENCY IMPROVEMENT



RESULTS

9.3%

compared to 2015 baseline



TARGET

1%

Additional savings

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

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.
Getting to Zero Coalition	TORM is supporting the efforts to make commercially viable zero-emission vessels a scalable reality by 2030.

HIGHLIGHTS

Q1 FINANCIAL HIGHLIGHTS

EBITDA of USD 102m

TCE Q1 2020 of USD/day 23,643

Profit before tax of USD 57m

MR TCE Q1 2020 of USD/day 22,461

RoIC of 15.4%

Q2 bookings of USD/day 29,188

Earnings per share of 76 US cents (5.1 DKK)

VESSEL INVESTMENTS

During Q1 2020, TORM took delivery of two LR1 newbuildings and one MR newbuilding

Ordered two LR2 newbuildings

After the quarter ended, TORM took delivery of one additional MR newbuilding

As of 14 May 2020, TORM has installed 37 scrubbers out of a total program of 49 scrubbers

REFINANCING

In early 2020, TORM refinanced USD 496m of existing debt, securing no major debt maturities until 2026

The refinancing supports our conservative finance structure and gives us financial flexibility

EQUITY INVESTMENT HIGHLIGHTS

TORM



PURE-PLAY PRODUCT TANKER EXPOSURE

~80 vessels deployed in the spot market across all larger product tanker segments.



SUPERIOR COMMERCIAL PERFORMANCE

One TORM approach with 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 provide room for potential growth while maintaining break-even rates at low levels and no near-term debt maturities.



SIGNIFICANT OPERATING LEVERAGE

Significant operating leverage through spot-orientation allowing TORM to benefit from strong TCE rates.



SHORT-TERM EARNINGS POTENTIAL

Current oil market supply/demand balance has ensured record freight rate levels so far in 2020.



POSITIVE MARKET FUNDAMENTALS

Despite market volatility caused by the COVID-19, the market fundamentals remain intact and the market outlook is positive.

AGENDA

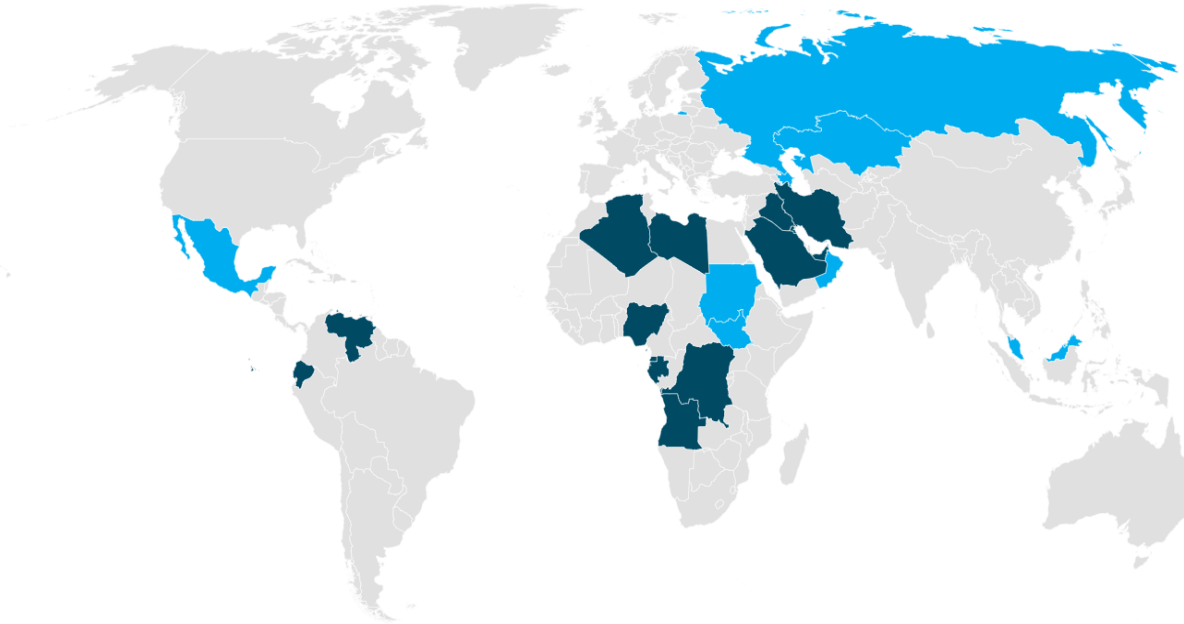
TORM

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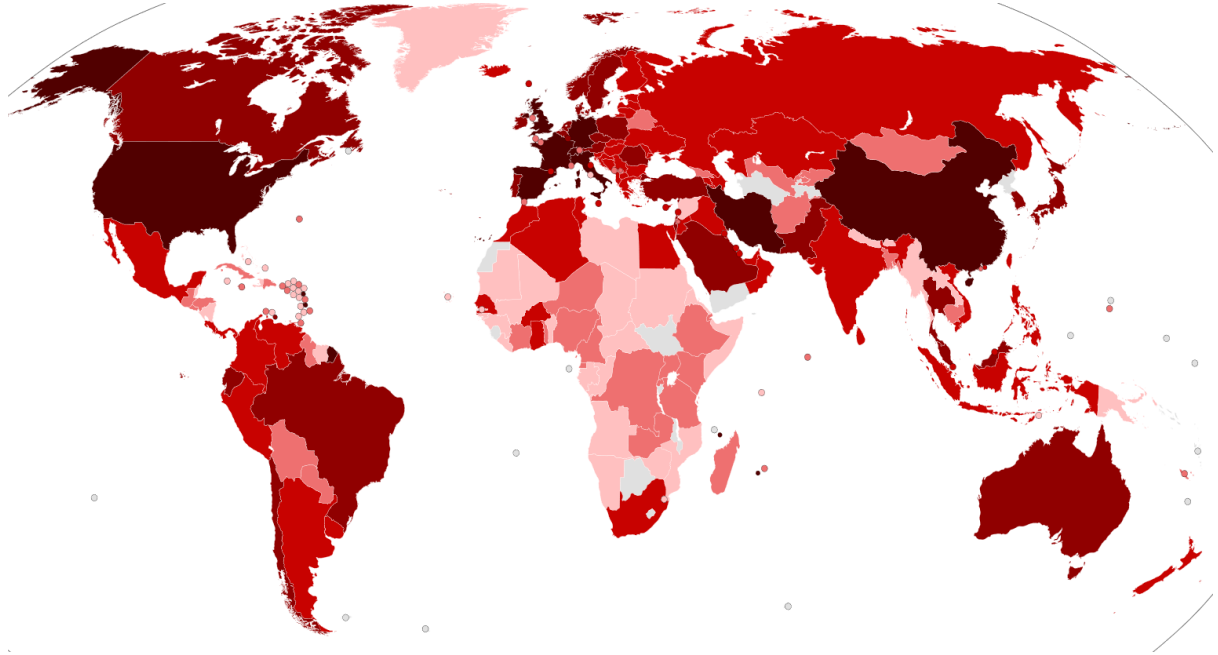
OPERATING IN A DYNAMIC ENVIRONMENT

TORM

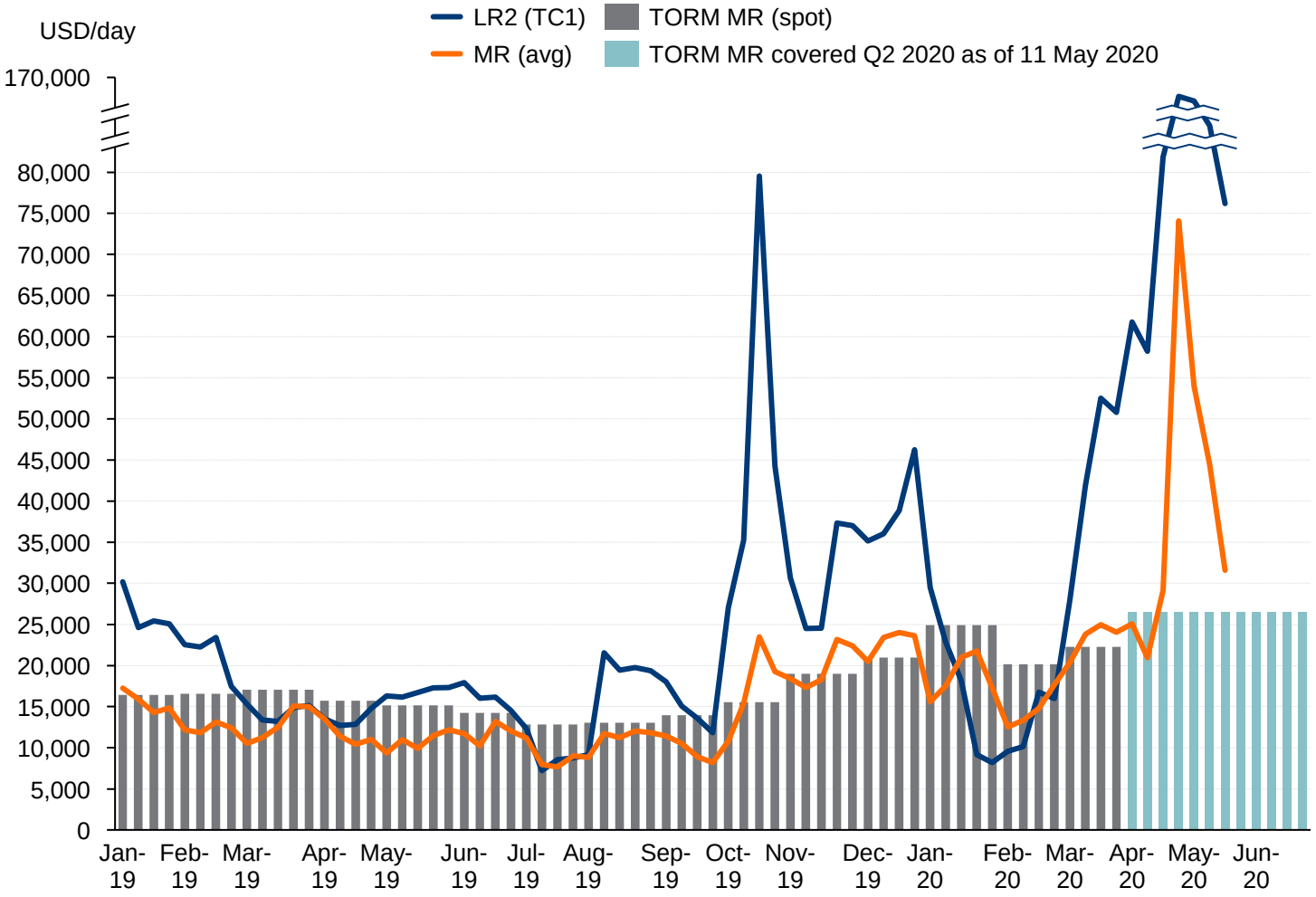
OPEC+
RUSSIA & SAUDI ARABIA



COVID-19
CHANGING DAILY



NUMEROUS MAJOR EVENTS DRIVING PRODUCT TANKER FREIGHT RATES TO AN ALL-TIME HIGH



Q1 2020

- Panama Canal delays
- Maintenance at Middle East export-oriented refineries
- High product exports from China amid lower demand due to COVID-19
- OPEC+ price war increasing oil supply
- Over 50% of LR2s in dirty trade

Q2 2020-to date

- Unprecedented declines in local oil demand leading to regional dislocations
- Floating storage of 14% of tonnage primarily from ullage issues at terminals
- Cargo discharge disabilities leading to inefficient trading patterns as charters are searching for new buyers
- OPEC cut not sufficient to avoid record high inventory build-up supporting crude market
- Some LR2 switch back to clean trade

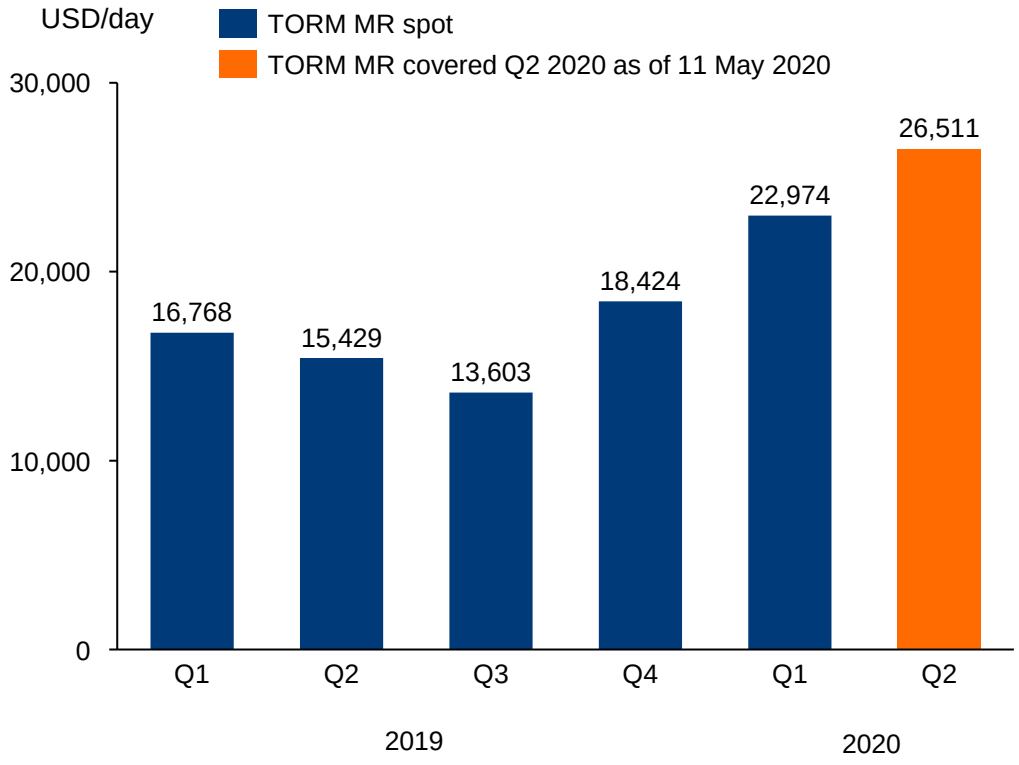
Source: TORM, Clarksons. Spot earnings: LR2: TC1 Ras Tanura-> Chiba, MR: average basket of Rotterdam->NY, Bombay->Chiba, Mina Al Ahmadi->Rotterdam, Amsterdam->Lome, Houston->Rio de Janeiro, Singapore->Sydney.

THE COVID-19 PANDEMIC HAS TIGHTENED TONNAGE SUPPLY AND LED TO MARKET INEFFICIENCIES

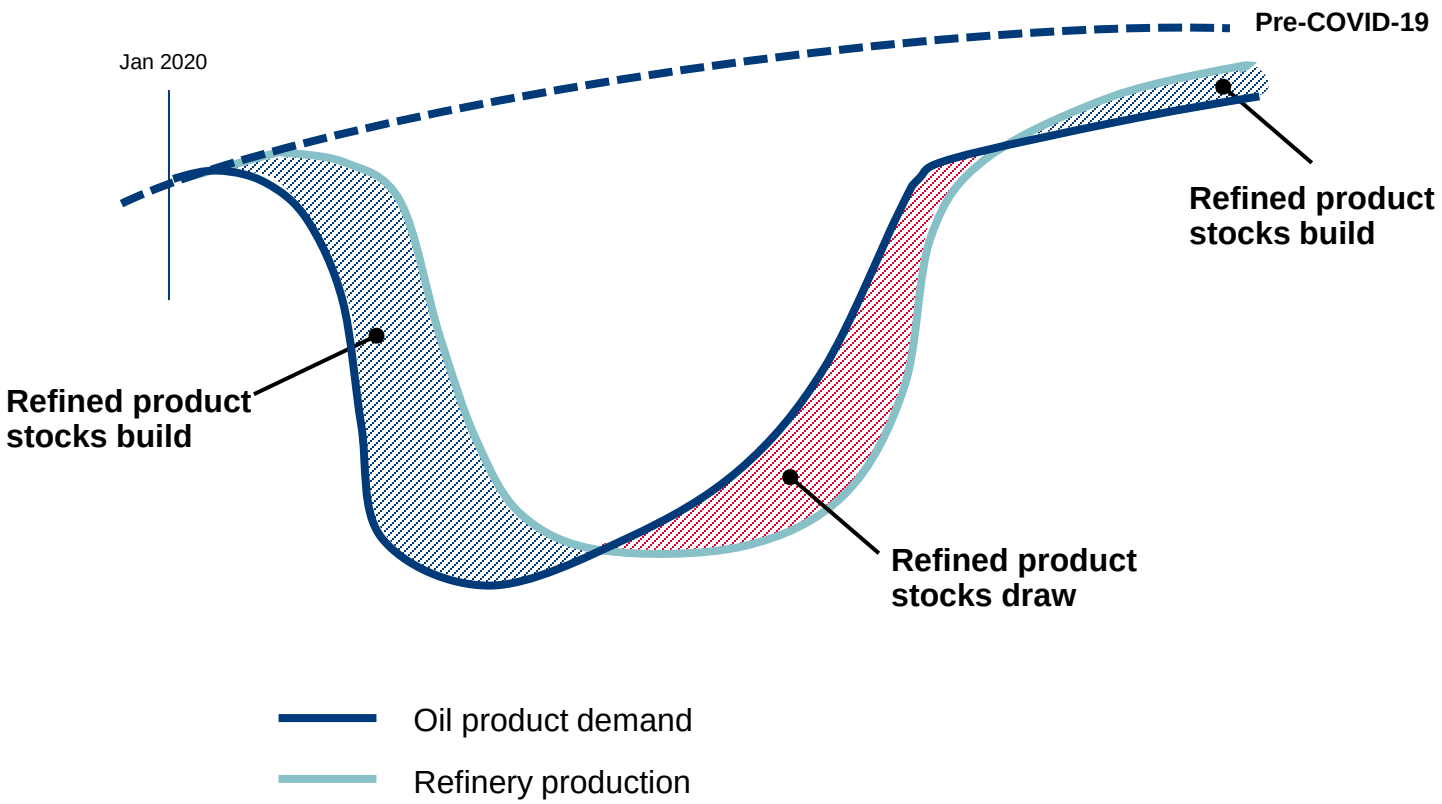
Fundamental effects on demand and supply from the COVID-19

	Short-term	Medium-term
Tonnage demand	➕ Increased product exports in initial phases of demand weakness ➗ As oil demand is negatively affected around the world, some trade flows will decline	➕ Potential economic stimulus in China and other countries will restore usual demand and trading patterns ➗ Once oil demand improves again, product will be released from storage and thereby likely negatively affecting trade flows
Tonnage supply	➕ Discharge delays as unprecedented product oversupply is resulting in full storage tanks at terminals (“logistical floating storage”) ➕ Full onshore storage capacity necessitating floating storage, removing tonnage from the market ➕ Delays with scrubber installations might temporarily reduce effective tonnage supply	➗ Release of vessels from floating storage once oil demand starts to recover ➕ Newbuilding delivery delays from the Chinese shipyards and lower ordering interest lead to lower fleet growth in the medium and long term, at a time when the order book is already historically low

MR rates have been strong despite COVID-19



COVID-19 INDUCED DEMAND DESTRUCTION HAS LED TO AN UNPRECEDENTED OVERSUPPLY OF OIL PRODUCTS

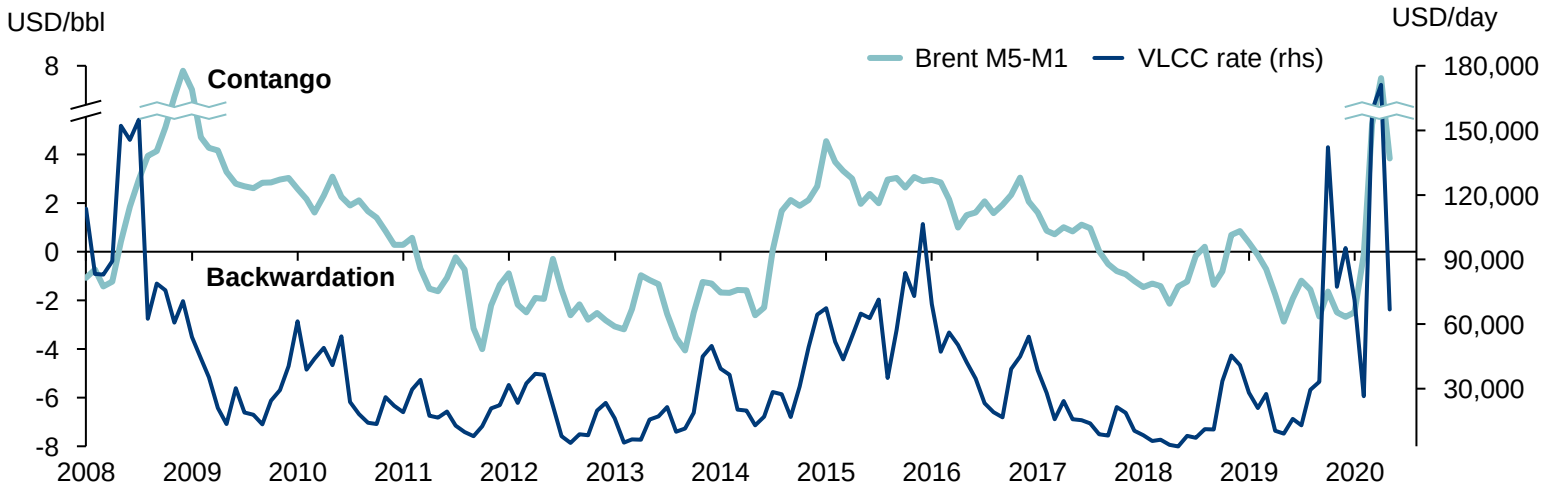


- The COVID-19 pandemic has led to an unprecedented oil demand destruction
- Refinery runs have been lagging declines in demand, leading to unprecedented inventory builds bringing the onshore spare storage capacity to its limits
- Inventory draws once demand starts to recover, however, the timing and speed remain uncertain

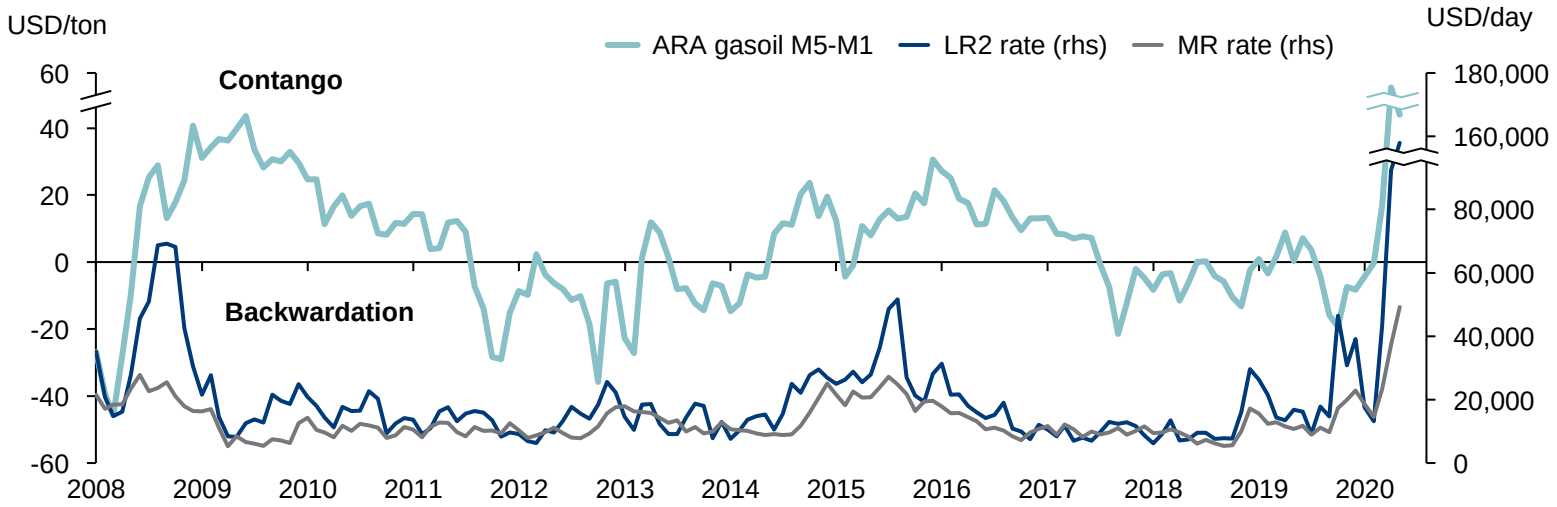
Sources: TORM.

CONTANGO IN OIL PRICES SUPPORT FLOATING STORAGE IN THE MEDIUM TERM

Brent forward spreads and VLCC rates



ARA gasoil forward spreads and LR2/MR rates



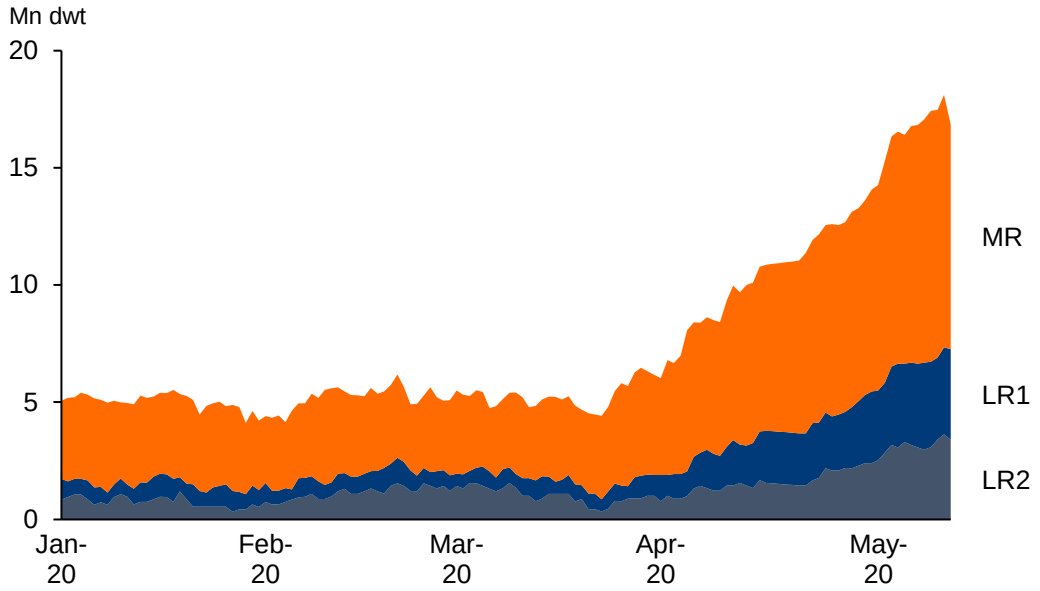
Source: Clarksons, Reuters, TORM.

- "Too little, too late": the unprecedented OPEC+ output cuts due from May will not be enough to avoid onshore inventories hitting tank tops
- In some regions, this can happen earlier than global storage capacity reaches its limits (e.g. products in Europe)
- This has sent some of the crude benchmarks to all-time lows and resulted in "super contango" last seen in 2008
- Contango is supporting floating storage of both crude and products over the coming months, but this effect is likely unwinding once demand recovers

14% OF PRODUCT TANKER TONNAGE CLASSIFIED AS FLOATING STORAGE FOLLOWING A RECENT RAMP-UP

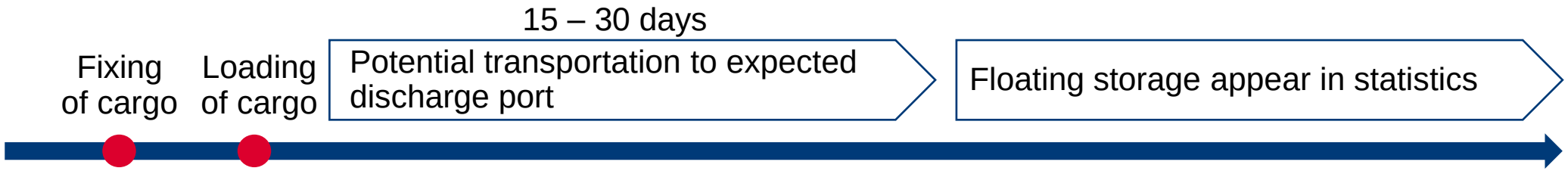
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Vessels in floating storage



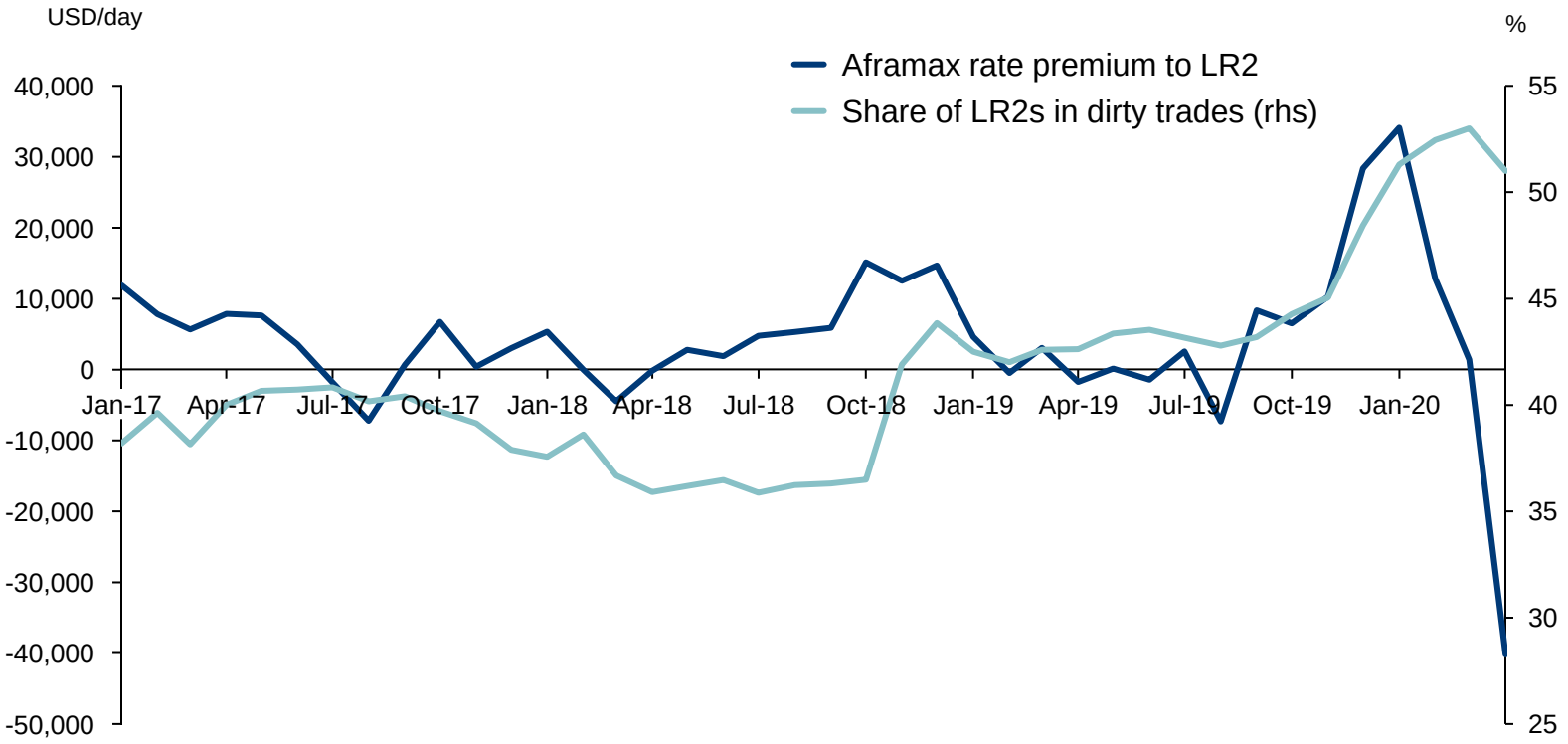
- The unprecedented decline in oil product demand has resulted in ullage issues at terminals and refineries, resulting in a spate of logistical floating storage
- Given the time lag between fixture date and when a vessel enters storage service, the number of vessels engaged in the longer-term floating storage is set to increase in the near future
- Currently, 14% of the clean-trading tonnage (16% of LR2, 21% LR1 and 11% of the MR fleet) is in floating storage, 90-95% of this is tied up in logistical floating storage

Example of floating storage scenario



Source: TORM. Vessels idle for at least seven days with cargo on board. Latest data as per 13 May 2020.

PRODUCT TANKER MARKET STRENGTH HAS RECENTLY TRIGGERED SOME LR2 VESSELS TO SWITCH BACK TO CLEAN



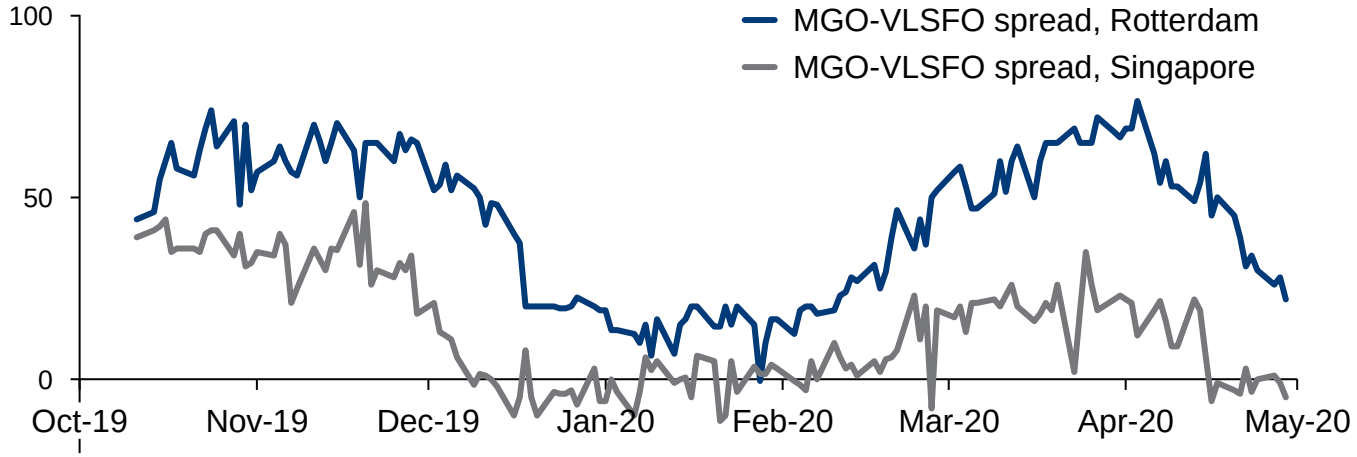
- Over the past six months, the product tanker market has been supported by around 40 LR2s switching to dirty trades, resulting in more than 50% of the LR2 fleet trading in dirty
- With the clean tanker rates presently at all-time high, and LR2 benchmark rates on par with or even exceeding VLCC earnings, a few LR2s have recently switched back to clean, and this number is likely to increase should the current market conditions hold
- This is nevertheless from a multi-year low number of LR2s in the clean trade, last seen in mid-2015

Source: Industry sources, Clarksons, TORM.

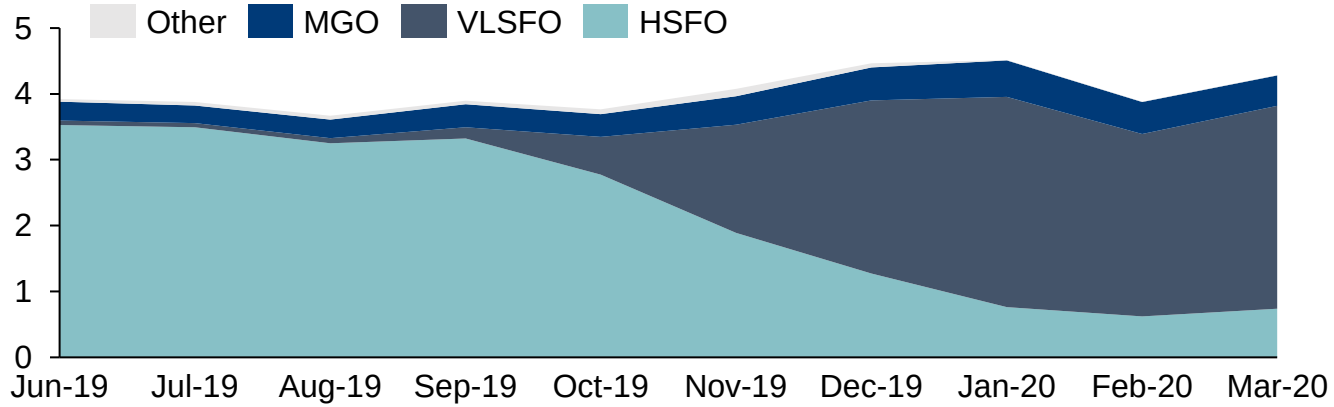
IMO 2020 EFFECTS ON CLEAN TRADING HAVE NOT FULLY UNFOLDED YET

TORM

MGO and VLSFO price spreads (USD/t)



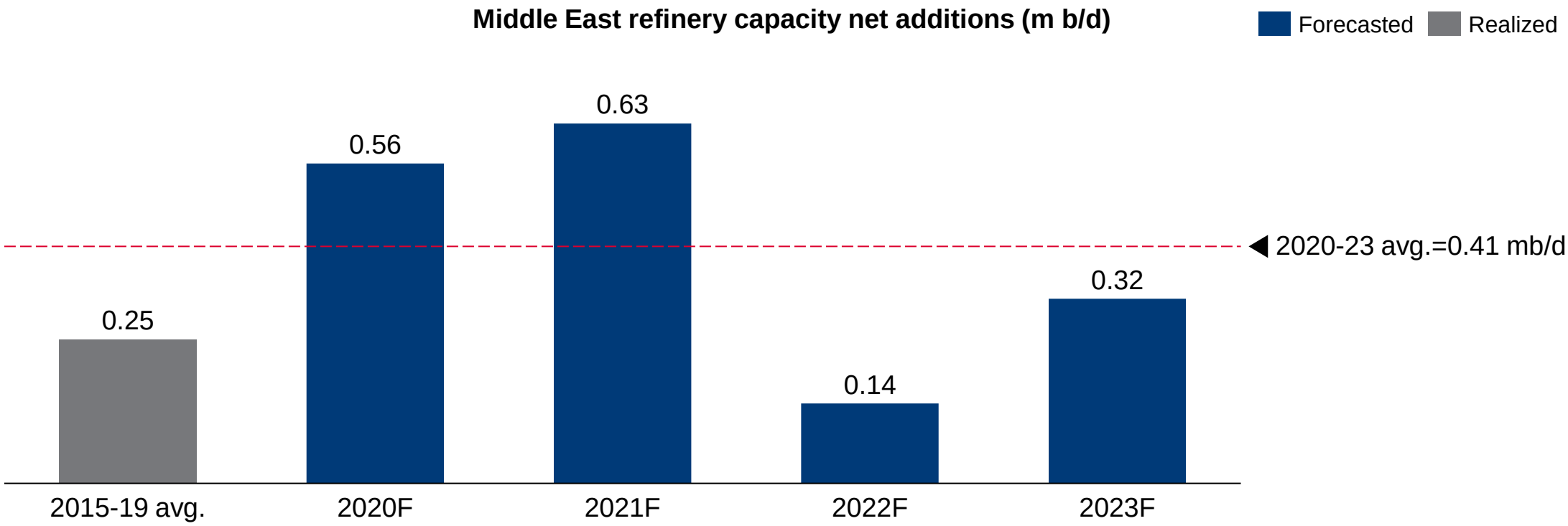
Bunker sales in Singapore (million tons)



- The tight price spread between MGO and VLSFO in early 2020 incentivized the use of MGO in Europe, with MGO share in bunker sales increasing to 31% in January from 21% a year earlier
- VLSFO uptake in Singapore has been larger than expected, partly due to high inventories built up towards the end of 2019
- China's issuance of fuel oil export quotas will significantly contribute to the VLSFO availability in the region
- Post-COVID-19, increasing competition for feedstocks during peak gasoline demand season can lead to lower VLSFO supplies and increased demand for MGO during that period

Source: Reuters.

MIDDLE EAST REFINERY CAPACITY ADDITIONS EXPECTED TO HAVE A POSITIVE LONG-TERM IMPACT

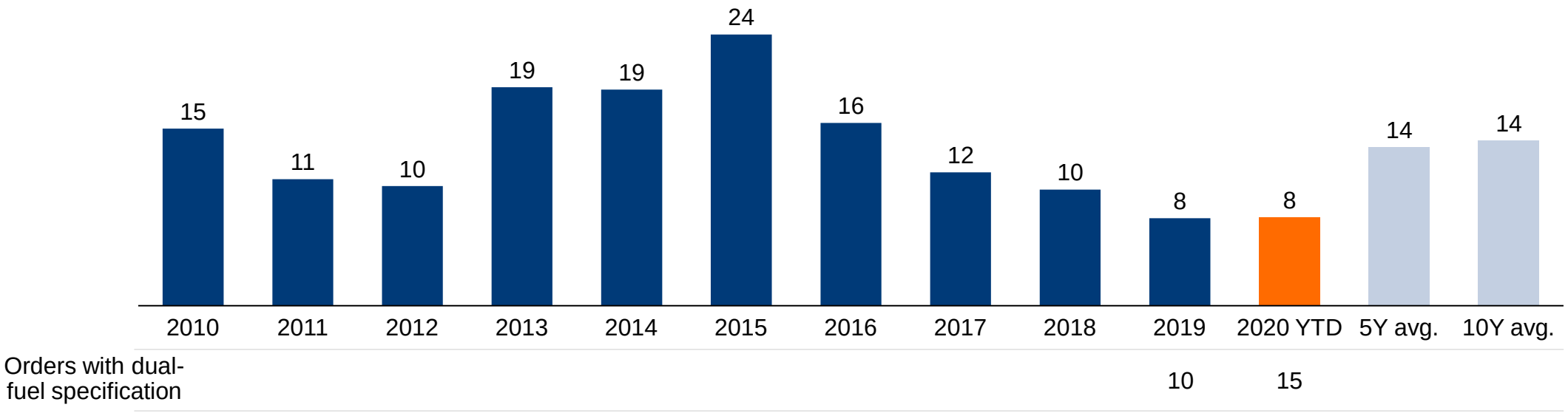


- As oil product demand increases, the ton-mile demand is positively impacted by increasing geographic dislocations between the demand for and supply of clean petroleum products (CPP)
- Middle East refinery capacity additions are expected to accelerate in 2020-2021, placing a renewed pressure on less competitive refineries in e.g. Europe and subsequently leading to increased CPP movements across regions

Source: WoodMackenzie, TORM.

PRODUCT TANKER ORDER BOOK REMAINS AT HISTORICAL LOW LEVEL

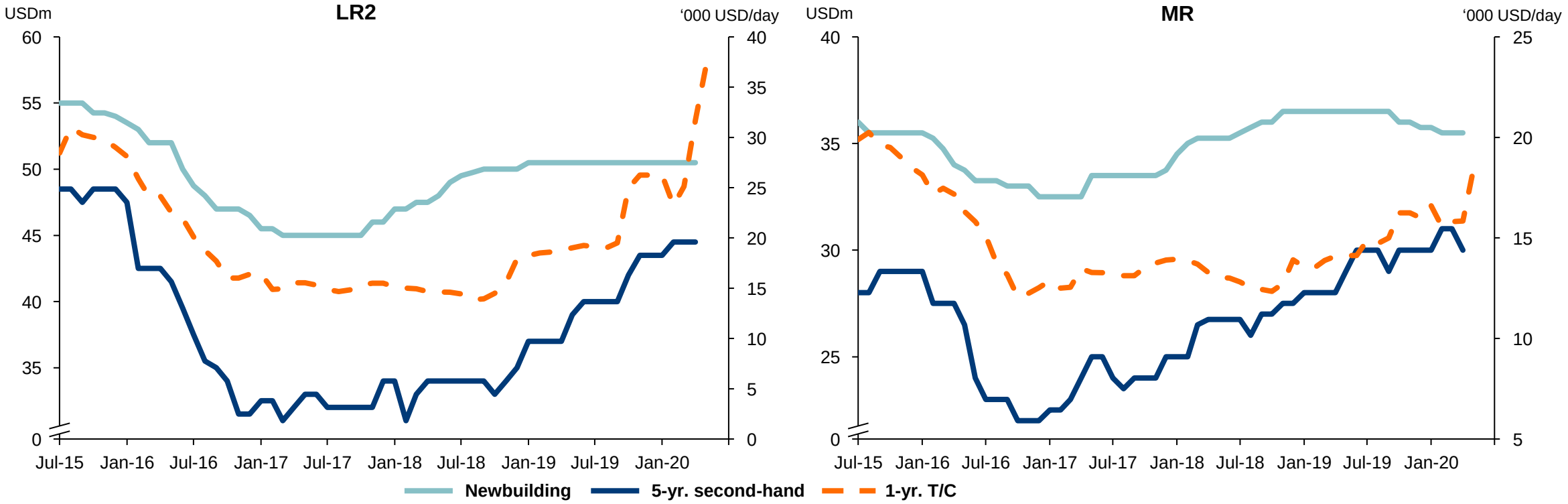
Product tanker order book as percentage of the fleet (%)



- The product tanker order book to fleet ratio is currently at 8% (9% for MRs, 1% for LR1s and 12% for LR2s)
- In Q1 2020, the product tanker fleet capacity grew by 0.9%, with newbuilding deliveries 15% below expectations at the beginning of the year
- TORM estimates that the product tanker fleet will grow by an average of ~3% p.a. in the period 2020-2022, excluding any potential acceleration of scrapping in response to new regulations*

* 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.

VESSEL VALUES AND MARKET RATES DISCONNECTED DUE TO THE COVID-19 UNCERTAINTY



- The COVID-19 uncertainty is currently weighing on the sentiment. Prompt vessels are seeing increased interest, however, with an abundance of sale candidates, prices are continuously flat or downward
- Despite unprecedented strength experienced in the freight market, product tanker newbuilding activity has been low so far this year, affected by COVID-19 uncertainties

Source: Clarksons. T/C rate for non-eco, non-scrubber vessels.

COVID-19 LEADING TO MEDIUM-TERM MARKET VOLATILITY

Key medium- to long-term market drivers

- The unprecedented oversupply of crude and oil products, due to the COVID-19 induced demand destruction, has led to onshore storage filling up fast and keeping increasing number of vessels tied up in floating storage
- Economic stimulus supporting recovery in oil demand in H2 2020, and restoring some of the trades distorted by the COVID-19 once the initial stock draw is over
- Product tanker order book to fleet ratio at historically low level, and ordering activity expected to remain limited
- Refinery capacity addition in the Middle East potentially increasing sailing distances
- IMO 2020 fuel shift adding support to the product tanker demand

- Macroeconomic uncertainty related to the fall out of the COVID-19
- LR2s have recently started to switch to clean, although from a multi-year low base
- The release of floating storage once the global oil demand recovers and inventories start to draw down
- Geopolitical situation in the Middle East
- Potential new climate-related regulations

Source: TORM.

AGENDA

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Q1 2020 FINANCIALS

USDm	Q1 2020	Q1 2019	2019
P&L			
TCE earnings	158	117	425
Gross profit	115	74	252
Sale of vessels	0	0	1
EBITDA	102	62	202
Profit before tax	57	23	167
Profit before tax excl. impairment reversal	57	23	47
Balance sheet			
Equity	1,046	867	1,008
NIBD	798	584	786
Cash and cash equivalents	129	155	72
Key figures			
Earnings per share (USD)	0.76	0.31	0.62[1)]
Return on Invested Capital	15.4%	8.8%	4.9%[1)]
Net Asset Value (NAV)	993	829	1,016
Number of vessels (#)[2)]	78	70	76
Tanker TCE/day (USD)	23,643	17,949	16,526
Tanker OPEX/day (USD)	6,089	6,448	6,371

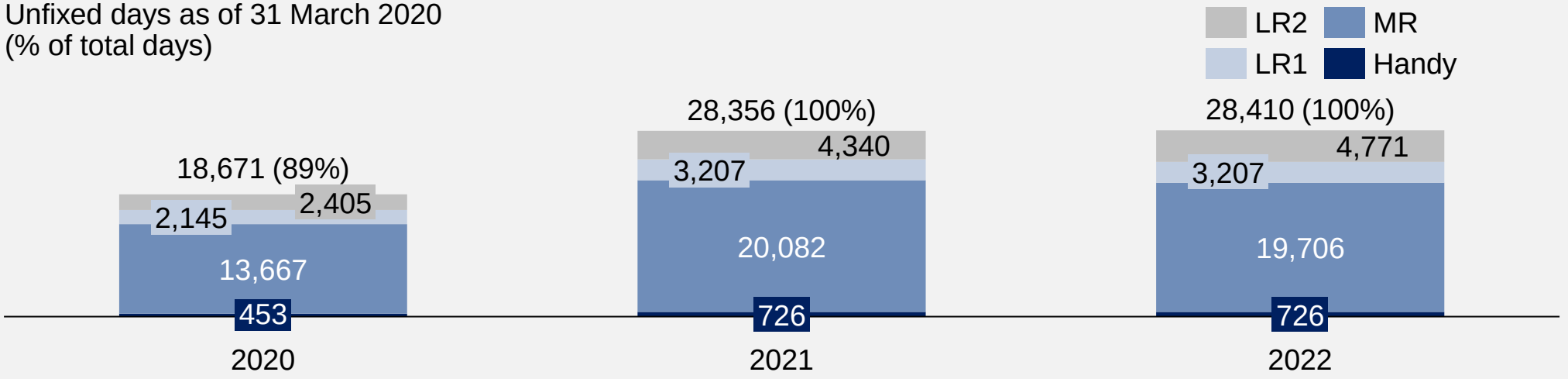
1) Adjusted for impairment reversal of USD 120m.
2) Including financially leased vessels.

SPOT-ORIENTATION PROVIDES SIGNIFICANT OPERATING LEVERAGE WITH HIGH NEAR-TERM COVERAGE

TORM

Significant operational leverage

Unfixed days as of 31 March 2020
(% of total days)

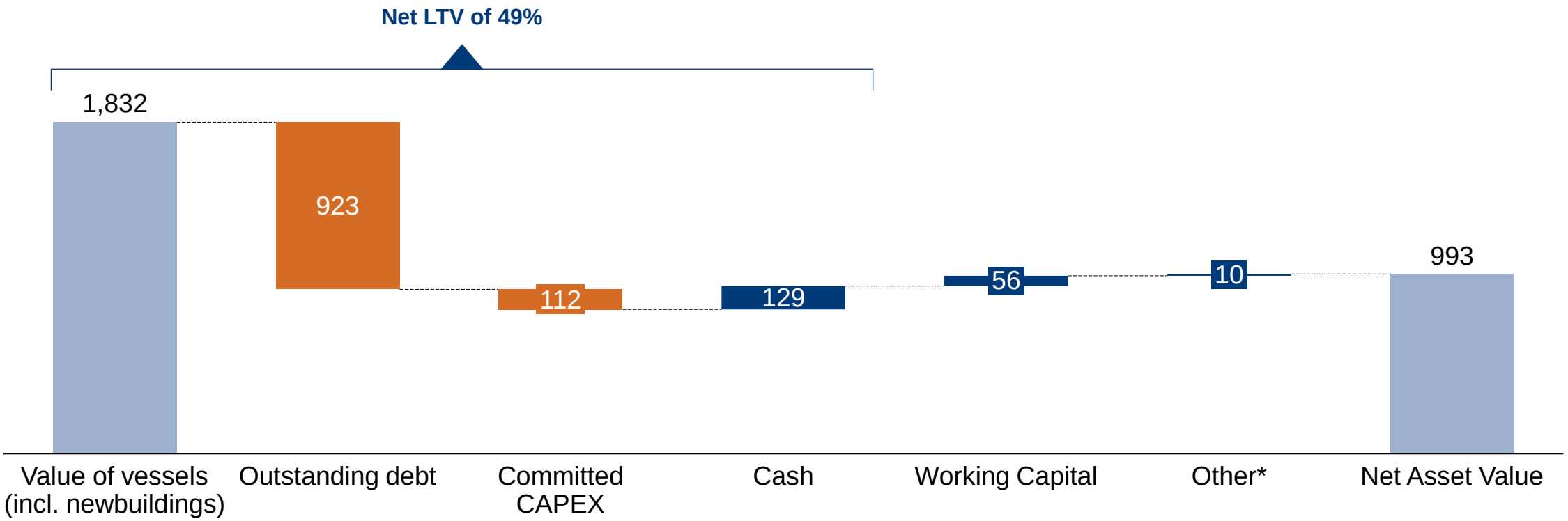


Q2 2020 coverage above Q1 realized freight rates (USD/day)

	Q1 2020 TCE per day	Q2 2020 cover as of 11 May 2020	
		% of total days	TCE per day
LR2	29,108	89%	35,639
LR1	24,329	65%	36,068
MR	22,461	65%	26,511
Handy	20,649	58%	19,145
Total	**23,643**	**69%**	**29,188**

NET ASSET VALUE ESTIMATED AT USD 993M

31 March 2020 figures, USDm



- Net Loan-to-Value was 49% ensuring a strong capital structure
- Net Asset Value (NAV) was estimated at USD 993m (USD 13.3/DKK 90.5 per share)
- Market cap as of 31 March 2020 was USD 630m, or DKK 57.8 per share**
- Market cap as of 11 May 2020 was USD 620m, or DKK 57.6 per share***

* Other includes Other plant and operating equipment and total financial assets.
** Calculated based on 74,267,282 shares and USD/DKK FX rate of 6.82.
*** Calculated based on 74,267,282 shares and USD/DKK FX rate of 6.90.

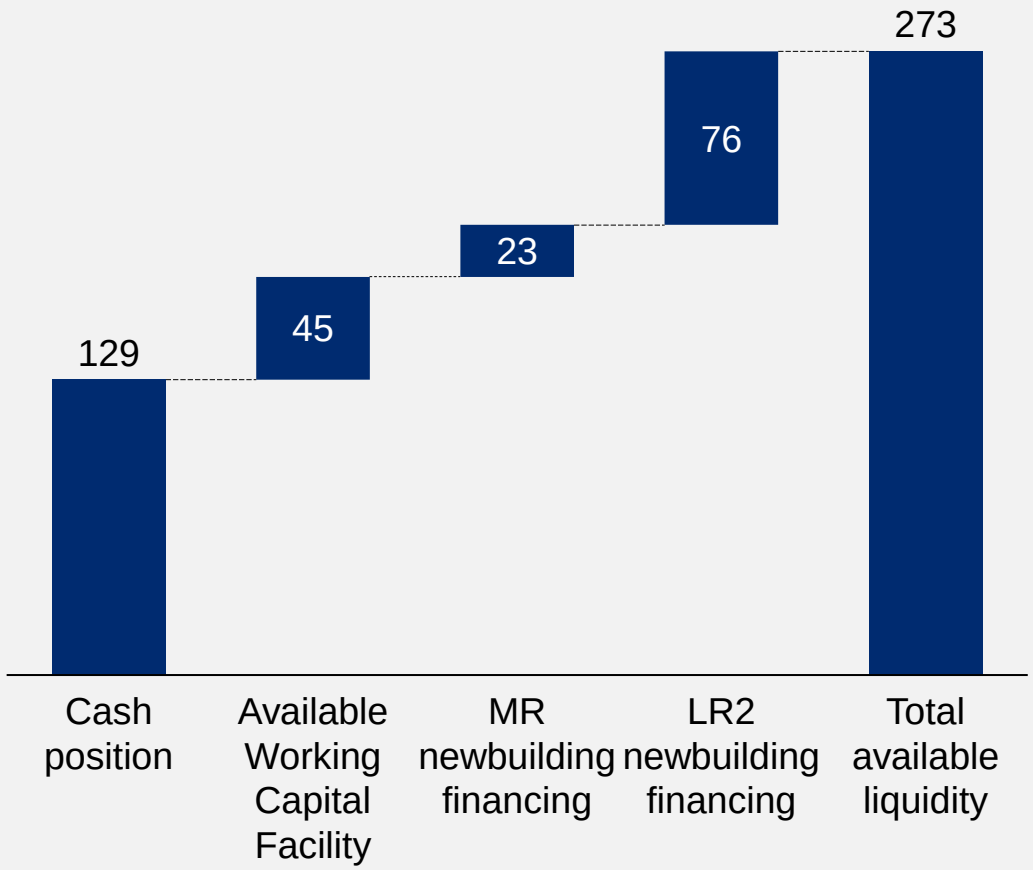
WELL-POSITIONED TO SERVICE FUTURE CAPEX COMMITMENTS

TORM

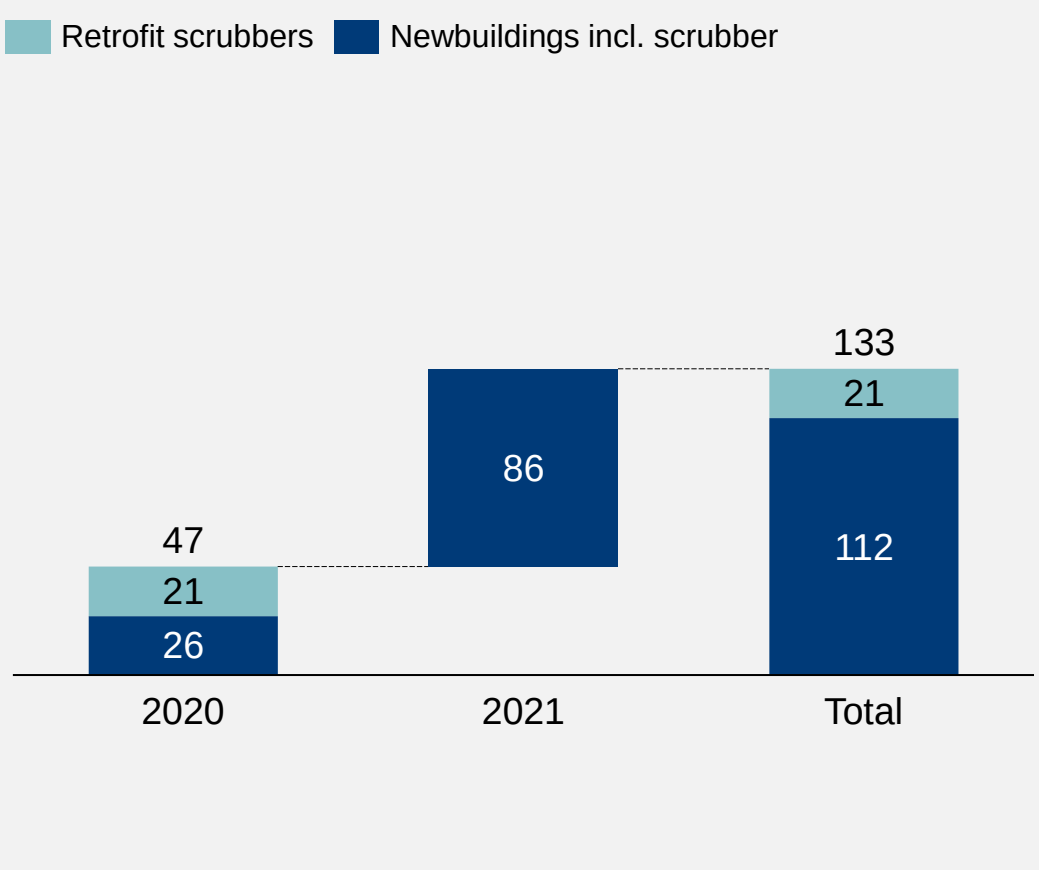
Liquidity and CAPEX as of 31 March 2020

USDm

Available liquidity



CAPEX commitments

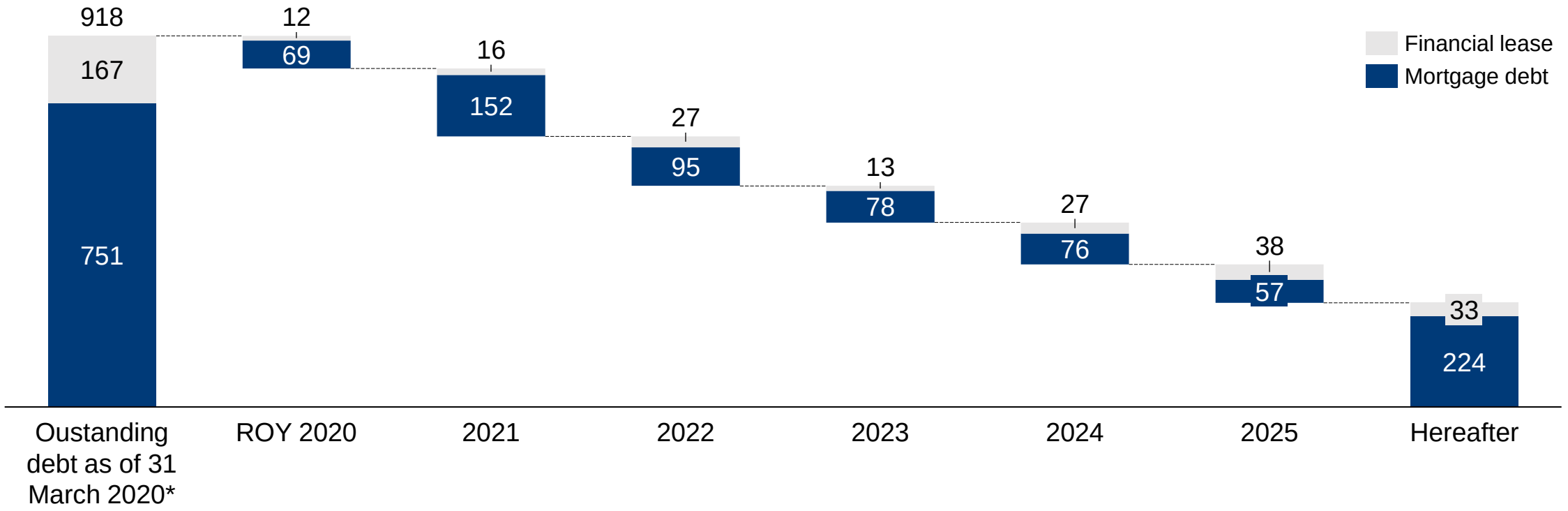


FAVOURABLE FINANCING PROFILE WITH NO MAJOR NEAR-TERM MATURITIES

TORM

Scheduled debt repayments as of 31 March 2020

USDm



Ample headroom under our attractive covenant package:

- Minimum liquidity: USD 45m**
- Minimum book equity ratio: 25% (adjusted for market value of vessels)

* Financial lease excludes non-vessel related IFRS16 liabilities of USD 9.0m and is adjusted for loan receivables of USD 4.6m.
** Subject to final approval

AGENDA

TORM

1	Introduction to TORM and 2019 highlights
2	Product tanker market overview and outlook
3	Financial metrics
4	Asset management & scrubber investments

TORM IS A LONG-TERM INDUSTRIAL PLAYER WITH FOCUS ON SUPERIOR OPERATIONAL PERFORMANCE

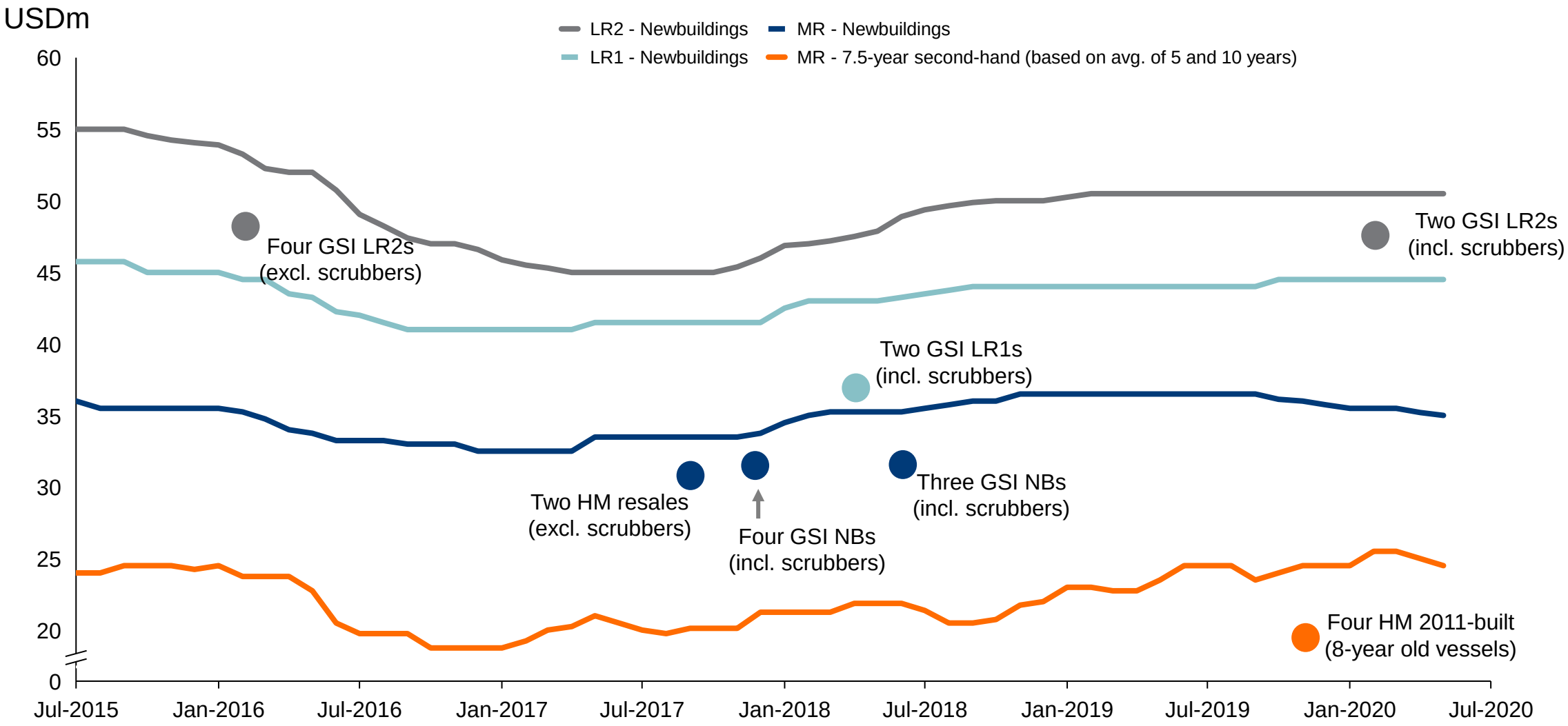
TORM

Long-term industrial player with an integrated operational platform



- Industrial player with a long-term time horizon in the product tanker market
- Prevalent platform through several cycles with superior financial returns
- Optimized asset acquisitions and disposals at market
- Sufficient scale of the integrated One TORM operational platform allows for great benefits
- Long-term relationships with key customer segments:
  - International oil majors
  - State-owned oil companies
  - Trading houses

HISTORICAL TRANSACTIONS AND VESSEL VALUE DEVELOPMENT



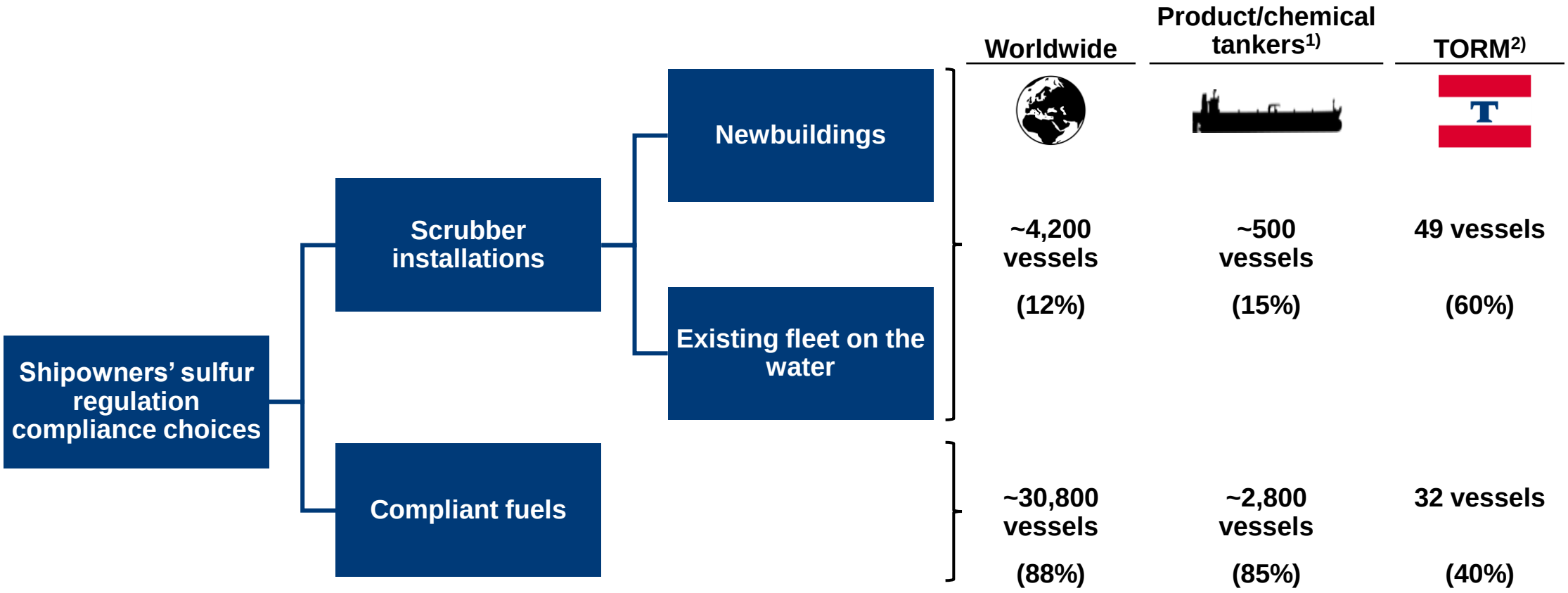
Source: Clarksons, TORM.

TORM'S RECENT VESSEL SALES ARE DONE AT BROKER VALUE

Vessel name	Vessel segment	Date	Age	Sales price, net of commission, USDm	Broker values, USDm
TORM Ohio	Handy	Q3-18	16.7		
TORM Neches	MR	Q3-18	18.0		
TORM Clara	MR	Q4-18	17.9		
TORM Charente	Handy	Q4-18	17.2		
TORM Amazon	MR	Q1-19	17.1		
TORM Cecilie	MR	Q1-19	18.1		
TORM Gunhild	MR	Q2-19	20.0		
TORM San Jacinto	MR	Q3-19	17.0		
TORM Saone	Handy	Q3-19	15.0		
TORM Garonne	Handy	Q4-19	15.7		
TORM Rosetta	MR	Q4-19	16.7		
TORM Loire	Handy	Q1-20	15.9		
Total			**17.1**	**~91**	**~93**

- Since Q3 2018, TORM has sold 12 vessels at broker value
- Proceeds from vessel sales used for fleet modernization and scrubber investments
- Transactions at broker value support TORM's Net Asset Value assessment

THERE ARE TWO MAIN OPTIONS FOR OCEAN-GOING VESSELS TO COMPLY WITH THE UPCOMING IMO 2020 SULFUR REGULATION



- As of 14 May 2020, TORM has installed 37 scrubbers
- The scrubber installations have been conducted on three LR2 vessels, six LR1 vessels and 28 MR vessels
- Ten additional scrubbers are expected to be installed within 2020, and two will be installed on TORM's two LR2 newbuildings with expected delivery in the fourth quarter of 2021

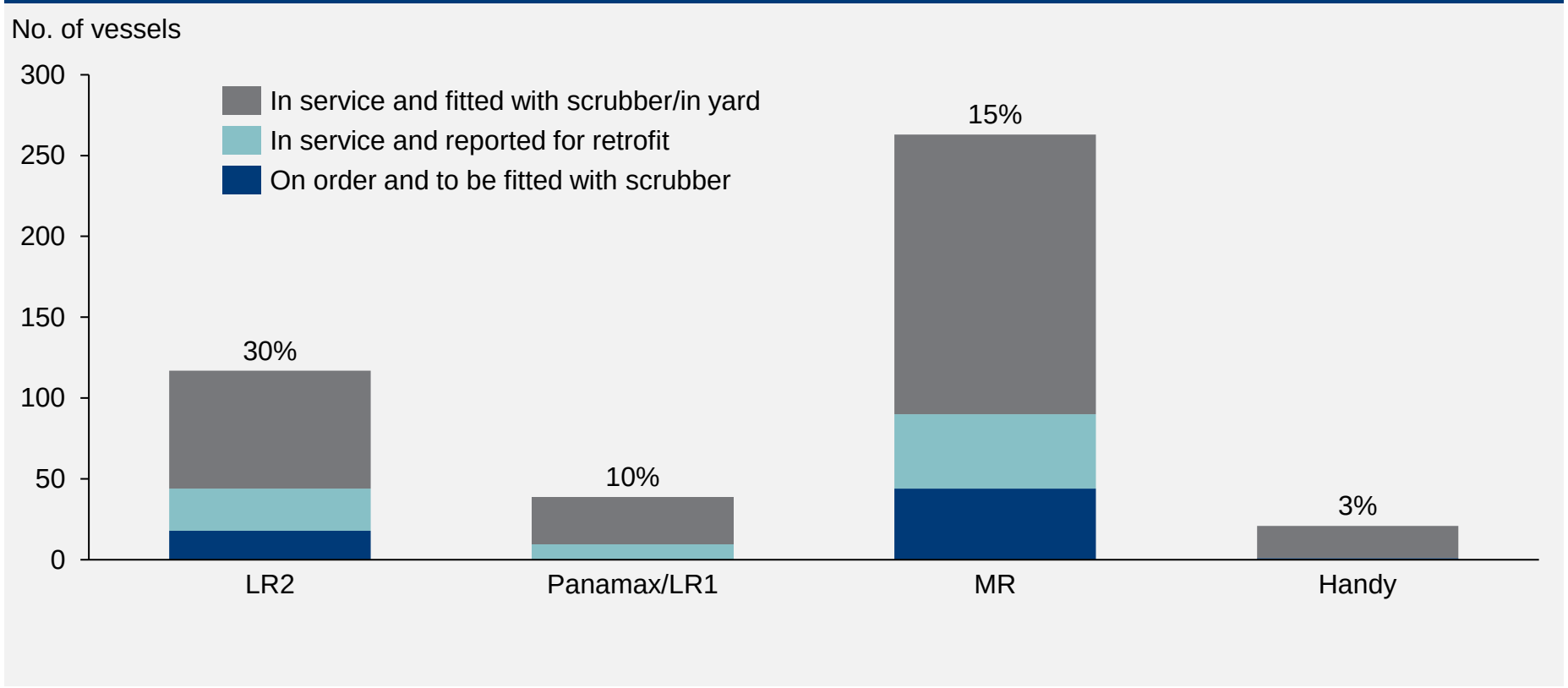
1. Product tankers and chemical tankers 25k dwt+.
2. As of Q4 2021 where the two LR2 newbuildings will be delivered.

Source: IHS, DNV GL's Alternative Fuels Insight platform.

SCRUBBER INSTALLATIONS ACROSS SHIPPING SEGMENTS

TORM

Product tankers to be fitted with scrubbers (% of current fleet)

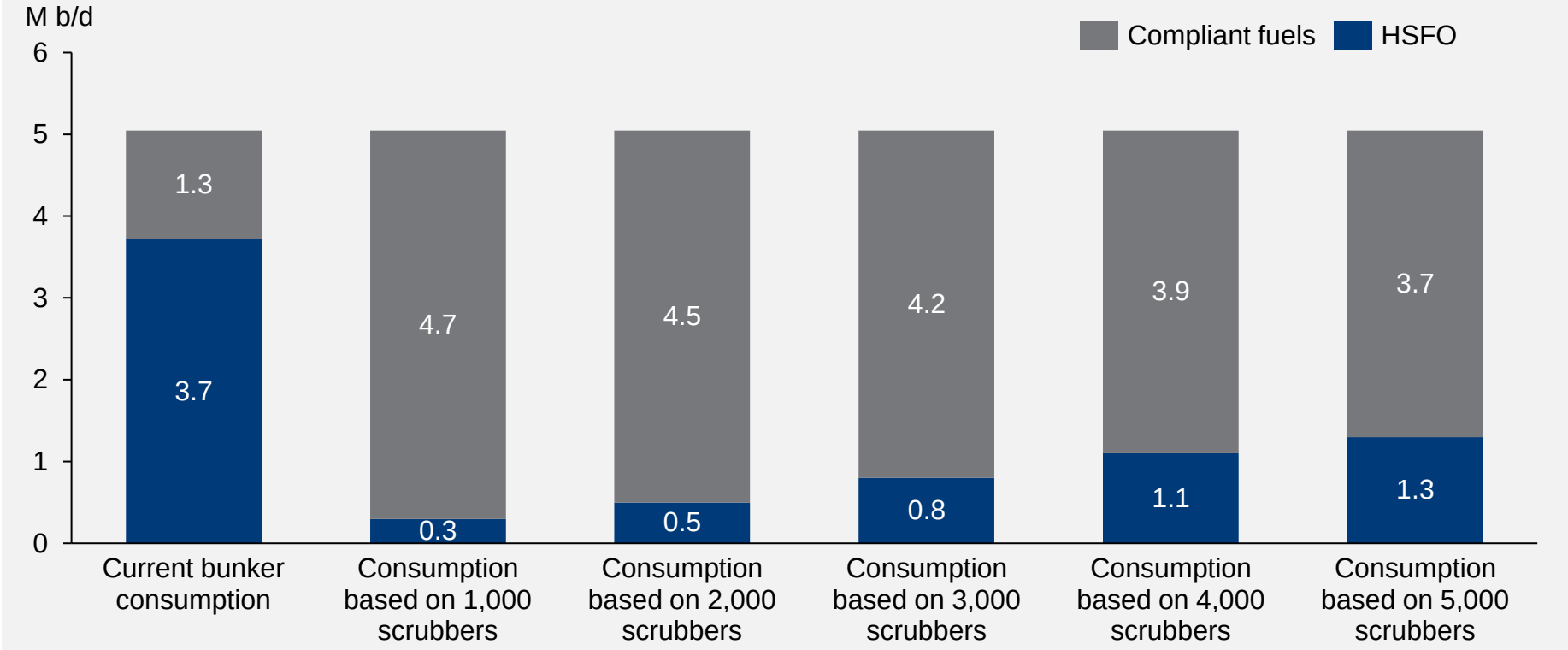


Source: Clarksons, compiled by TORM.
Note: Product tanker segment does not cover chemical tankers. Data as of 4 May 2020.

SCRUBBER INSTALLATIONS IMPACT TIMING OF SUPPLY EFFECT AND FUEL MIX FOR MARINE TRANSPORTATION

TORM

Bunker consumption – scrubber sensitivity



Source: Clarksons and TORM.

49 SCRUBBER INSTALLATIONS WILL BE CONDUCTED SUPPORTED BY TORM'S SCRUBBER JV

TORM's scrubber JV, ME Production China

TORM

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

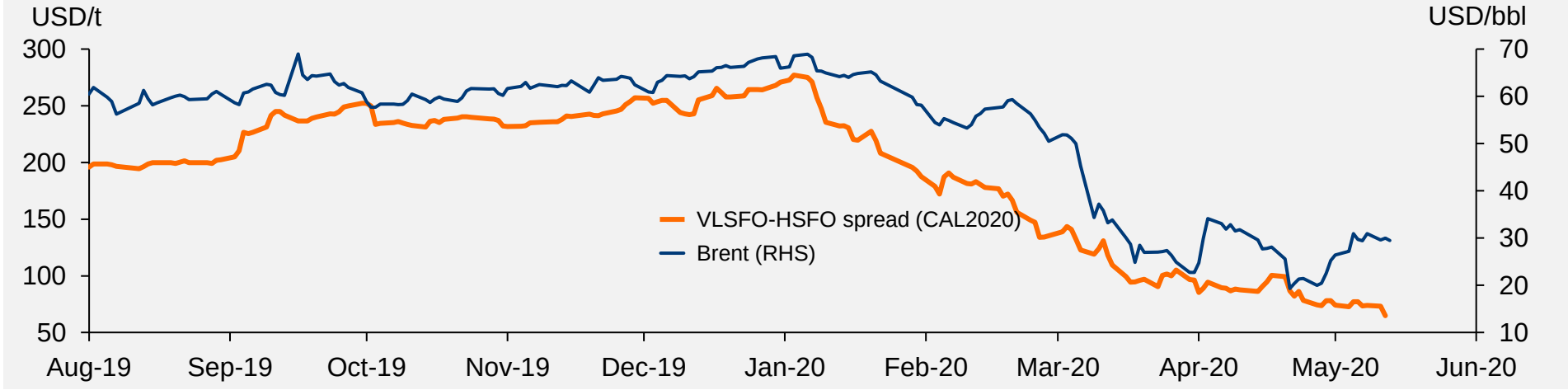


- One of the largest risks with scrubber installations is the potential delay during both the production and the installation phase
- Due to the strategic partnership with ME Production and GSI, TORM has secured production slots at ME Production China
- 43 out of the 49 scrubbers will be delivered from TORM's scrubber JV, ME Production China

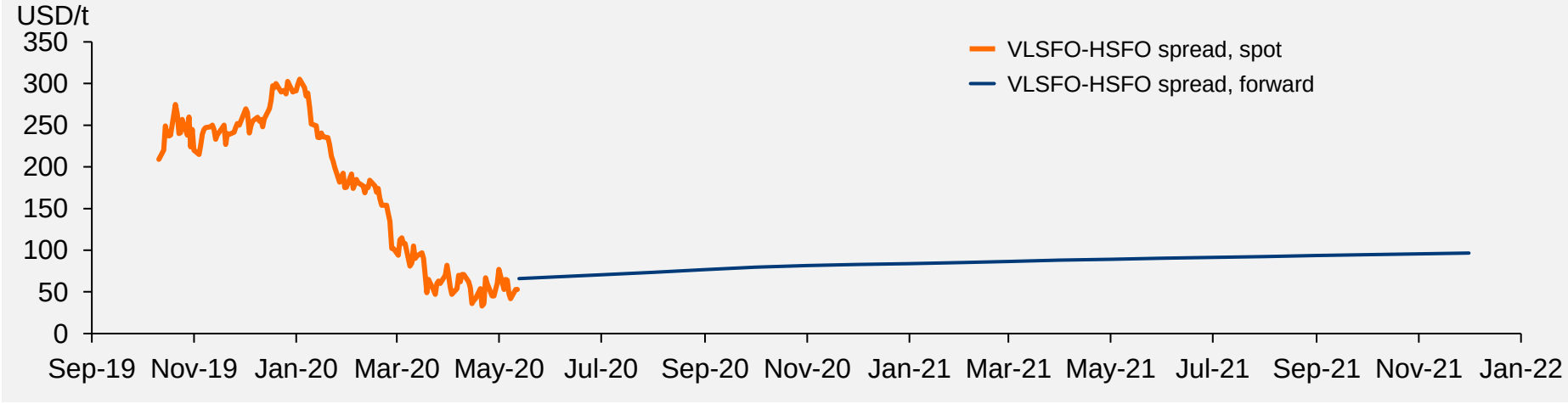
FUEL SPREAD HAS NARROWED ALONG WITH DECLINE IN CRUDE OIL PRICE

TORM

Cal2020 price spread between 0.5% compliant fuels and 3.5% HSFO, Rotterdam delivery vs Brent



Spot and forward price spread between 0.5% compliant fuels and 3.5% HSFO, Rotterdam delivery



- The spread between 0.5% compliant fuel and 3.5% HSFO is currently trading at USD 73 for the calendar year 2020, and USD 91 for the calendar year 2021[1)]
- The recent narrowing of the spread reflects lower crude price as well as lower bunker demand due to the COVID-19 and is likely temporary

1. Clarksons - Rotterdam data as of 11 May 2020.

Source: Industry sources.



APPENDIX

TORM

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

Executive Director



Jacob Meldgaard

- Executive Director of TORM plc
- CEO of TORM A/S since April 2010
- Chairman of the Board of Danish Shipping and member of the Board of Danish Ship Finance
- 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. Moller-Maersk
- More than 25 years of shipping experience

Senior Management



Kim Balle

- Chief Financial Officer
- With TORM since 1 December 2019
- Previously CFO of CASA A/S and DLG
- More than 25 years of finance experience



Lars Christensen

- Head of Projects
- With TORM since 2011
- Previously with Navita Ship, Maersk Broker and EA Gibson
- More than 25 years of shipping experience



Jesper S. Jensen

- Head of Technical Division
- With TORM since 2014
- Previously with Clipper and Maersk
- More than 25 years of shipping experience

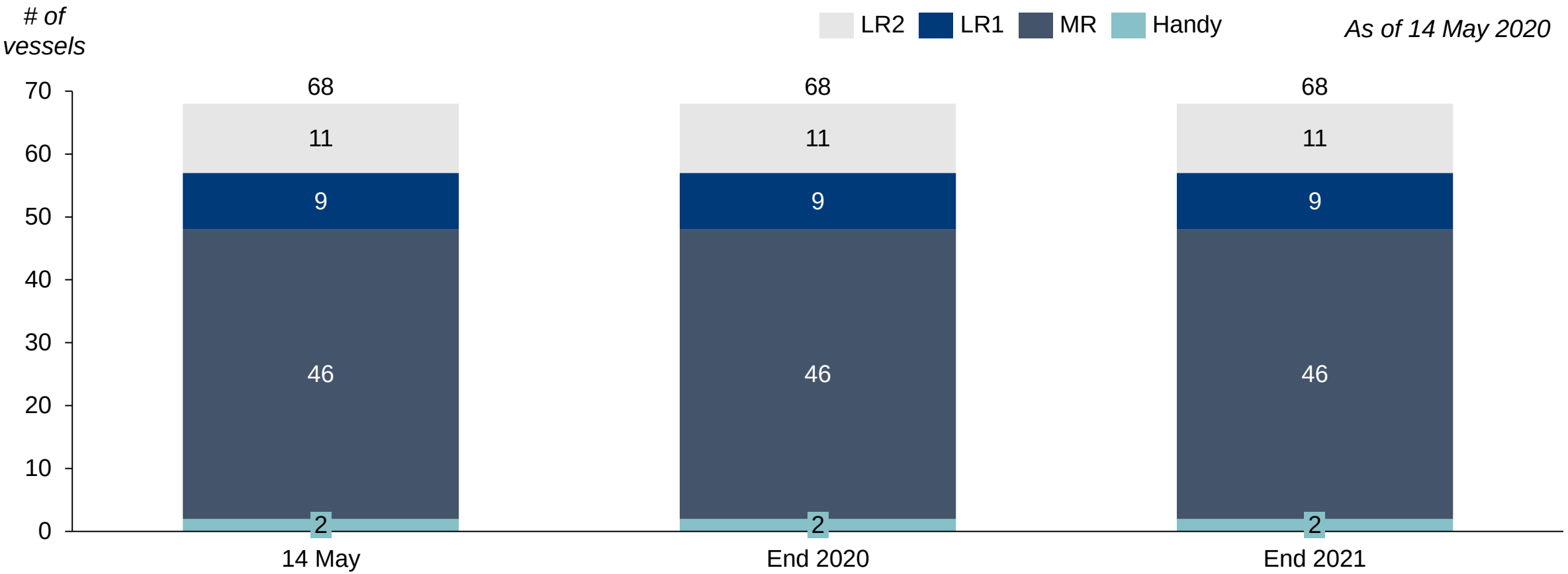
KEY FIGURES

USDm	Q1 2020	Q1 2019	2019	2018
Revenue	246	186	693	635
EBITDA	102	62	202	121
Profit/(loss) before tax	57	23	167	-33
Net profit/(loss) excluding impairment charges	56	23	46	-35
Balance sheet				
Total assets	2,101	1,717	2,004	1,714
Equity	1,046	867	1,008	847
NIBD	798	584	786	627
Cash and cash equivalents	129	155	72	127
Cash flow statement				
Operating cash flow	50	55	171	71
Investment cash flow	-59	-12	-323	-176
Financing cash flow	63	-15	84	96
Financial related key figures				
EBITDA margin	41%	33%	29%	19%
Equity ratio	50%	51%	50%	49%
Return on Invested Capital (RoIC)	15%	9%	5%*	0%

* Adjusted for impairment reversal of USD 120m.

FLEET OVERVIEW

TORM



Graph excluding sale and leaseback vessels

11

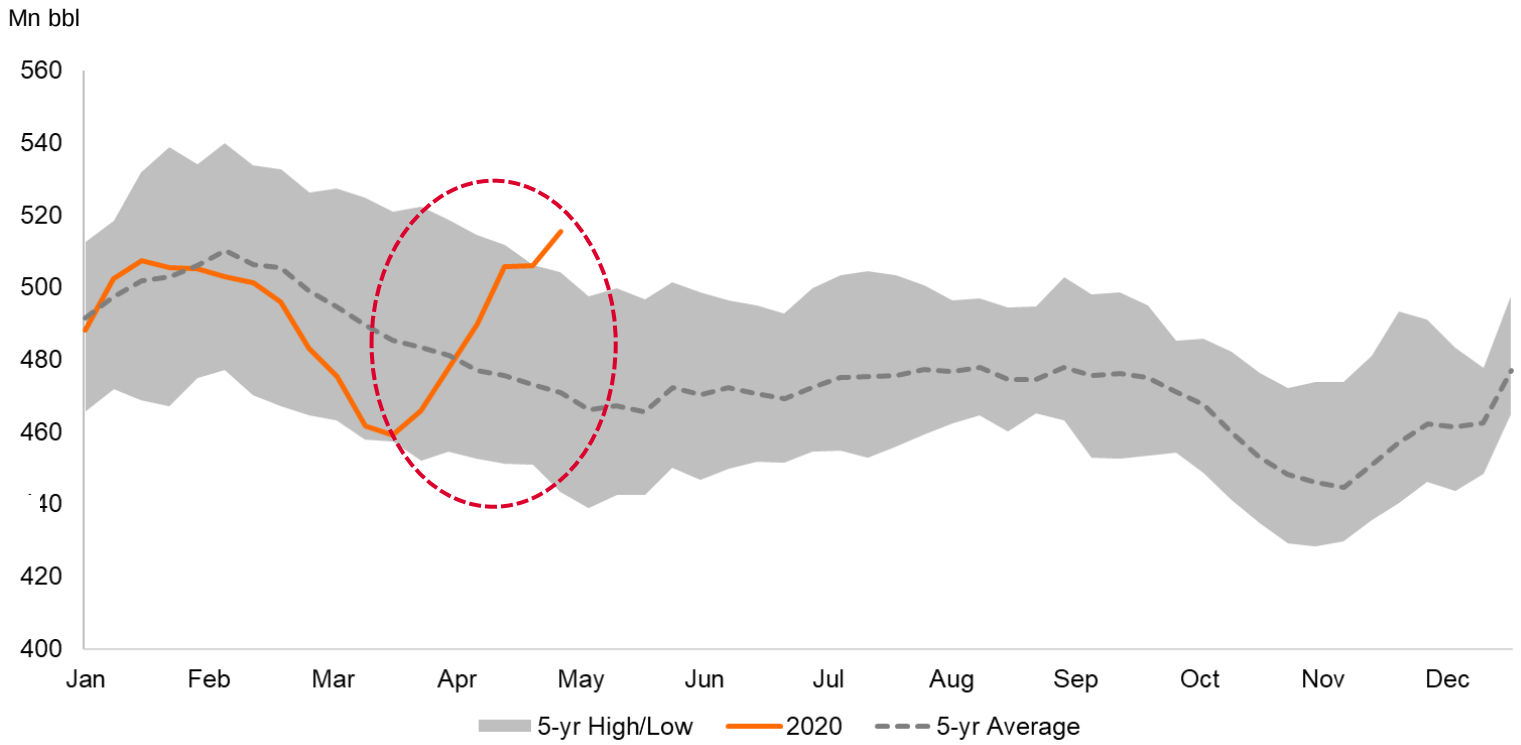
11

13

UNPRECEDENTED OIL MARKET OVERSUPPLY IS BRINGING THE ONSHORE SPARE STORAGE CAPACITY TO ITS LIMITS

TORM

CPP inventories in key trading hubs*



- As a result of COVID-19 caused demand destruction, CPP inventories in the US, ARA and Singapore combined have grown counter-seasonally in April and are currently above 5-year high levels, with similar developments seen globally
- This has put the onshore storage capacity under pressure

Note: Based on weekly data for the US, Amsterdam-Rotterdam-Antwerp (ARA) area and Singapore.
Sources: EIA, Reuters, TORM.

BOTH MEDIUM-HAUL REGIONAL TRADE AND LONG-HAUL TRADE ARE SUPPORTED BY THE IMO 2020 REGULATION

Examples of trade routes impacted by the IMO 2020 sulfur regulation

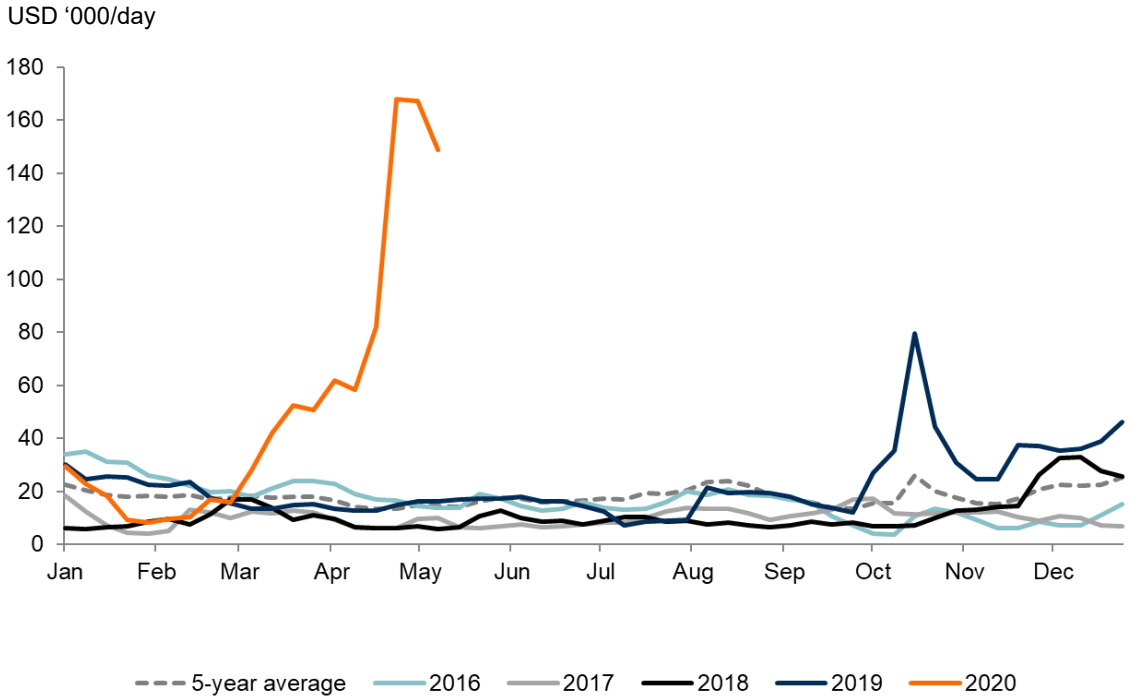


- Increased flexibility to produce additional diesel in net exporting regions and refinery expansion support long-haul and medium-haul trade routes across the world
- Additional routes will be impacted including shorter distance regional and coastal trades

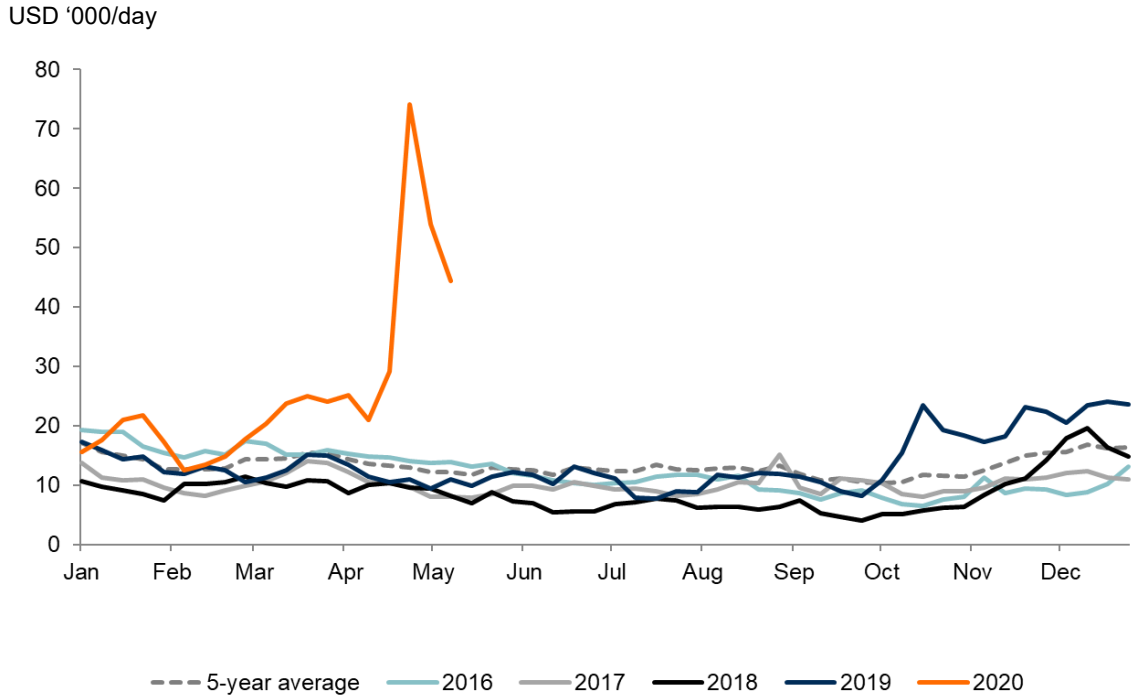
PRODUCT TANKER FREIGHT RATES AT AN ALL-TIME HIGH

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.

TORM EXPECTS A POSITIVE TCE IMPACT ON THE TORM FLEET DUE TO THE SCRUBBER INVESTMENTS

TORM

Vessel type	Avg. fuel consumption, tons/day[1)]		Compliant fuel and HSFO fuel spread assumption, USD/t		TCE impact per vessel, USD/day[2)]	Annual TCE impact per vessel, USDm
MR Eco vessel	~11	×	100 (Example)	=	~1,100	0.4
MR Non-eco vessel	~14	×	100 (Example)	=	~1,400	0.5

- Scrubber vessels are expected to have lower fuel costs which, in turn, will positively impact the TCE compared to non-scrubber vessels
- The financial effect will be bigger for the larger vessels with higher fuel consumption
- Decided scrubber investments are based on attractive business cases with a short payback time and with corresponding high IRRs

1) Assumptions: 365 operational days per year, MR scrubber utilization of 90%; based on 2018 actual fuel consumption; assuming 55% steaming ratio.
2) Calculation includes an extra scrubber fuel consumption of 2%.

OAKTREE IS THE MAJORITY SHAREHOLDER WITH A REMAINING FREE FLOAT OF 34%

Share information

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

Shares

- 74.8m 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 May 2020 (%)

