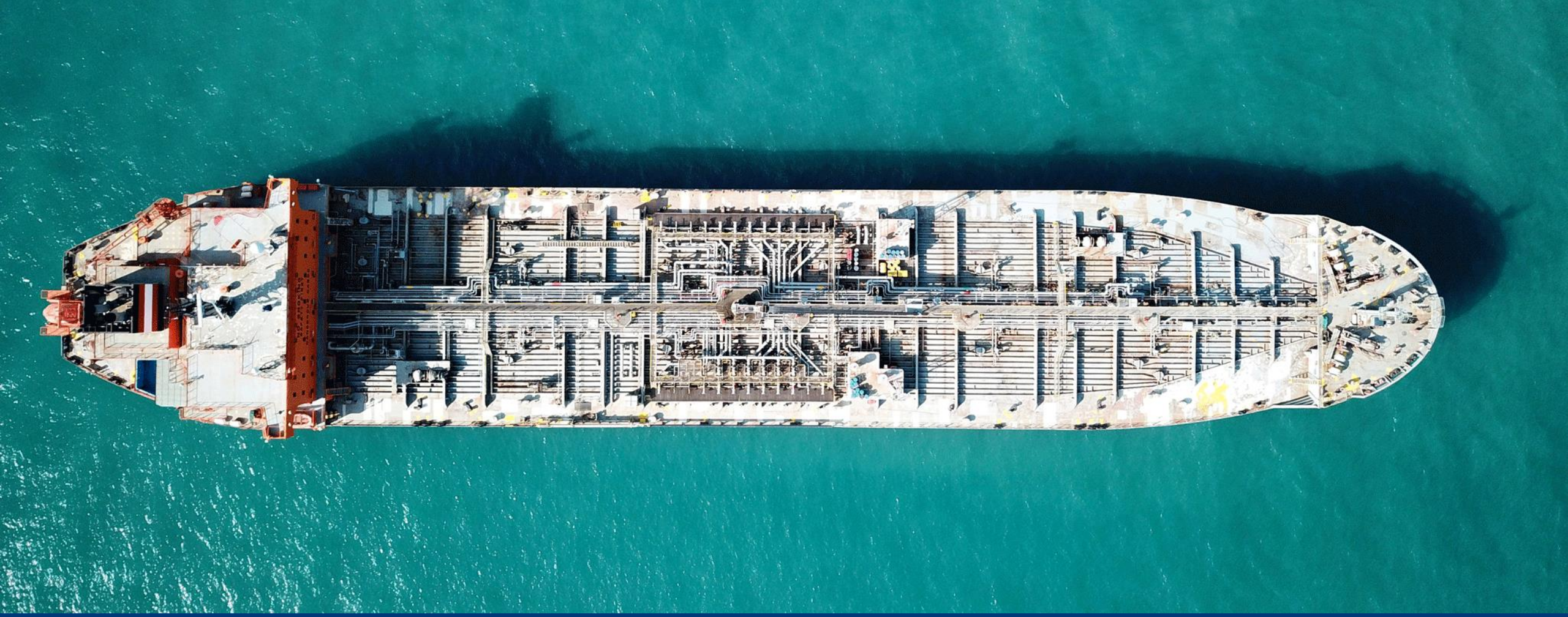


11 MARCH 2020

FULL-YEAR AND Q4 2019 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

TORM

1	**Introduction to TORM and 2019 highlights**
2	**Product tanker market overview and outlook**
3	**IMO 2020**
4	**Financial metrics**
5	**Asset management**

TORM AT A GLANCE

A world-leading product tanker company

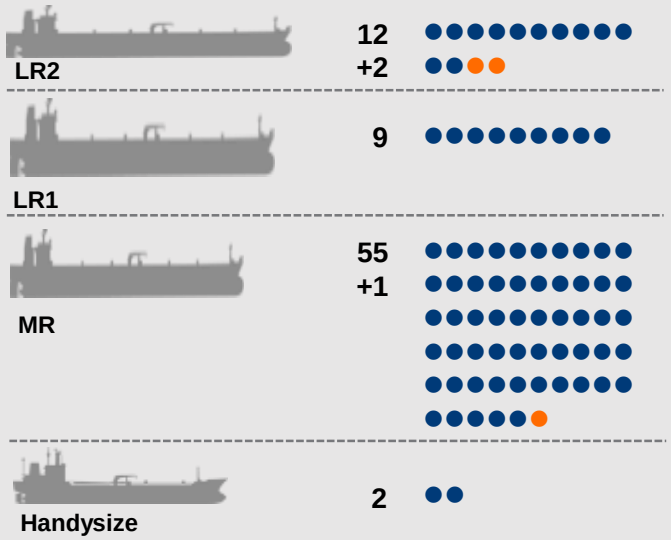
- A leading pure-play product tanker owner
- Large commercial footprint with presence in all key product tanker segments
- Strong capital structure to support disciplined growth strategy
- Dual-listed on Nasdaq in Copenhagen and Nasdaq in New York

One TORM

- Large, global organization with ~300 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*

78 Owned **3** On order



- On the water
- Contracted newbuildings

* As of 11 March 2020, owned vessels include financially leased vessels.

2019 FINANCIAL HIGHLIGHTS

TORM

PERFORMANCE

TIME CHARTER EQUIVALENT

USD/day	USD/day
16,526	12,982
2019	2018

EBITDA

USD	USD
202M	121M
2019	2018

ADJUSTED ROIC

4.9%	0.1%
2019	2018

BALANCE SHEET
as of 31 December 2019

NET ASSET VALUE

USD	USD
1,016M	856M
2019	2018

NET LOAN TO VALUE

46%	53%
2019	2018

LIQUIDITY

USD	USD
246M	406M
2019	2018

OPERATIONAL LEVERAGE
as of 5 March 2020

COVEDRED DAYS

5,828
Q1 2020

OPEN DAYS

840
Q1 2020

COVERAGE RATES

USD/day
23,818
Q1 2020

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.

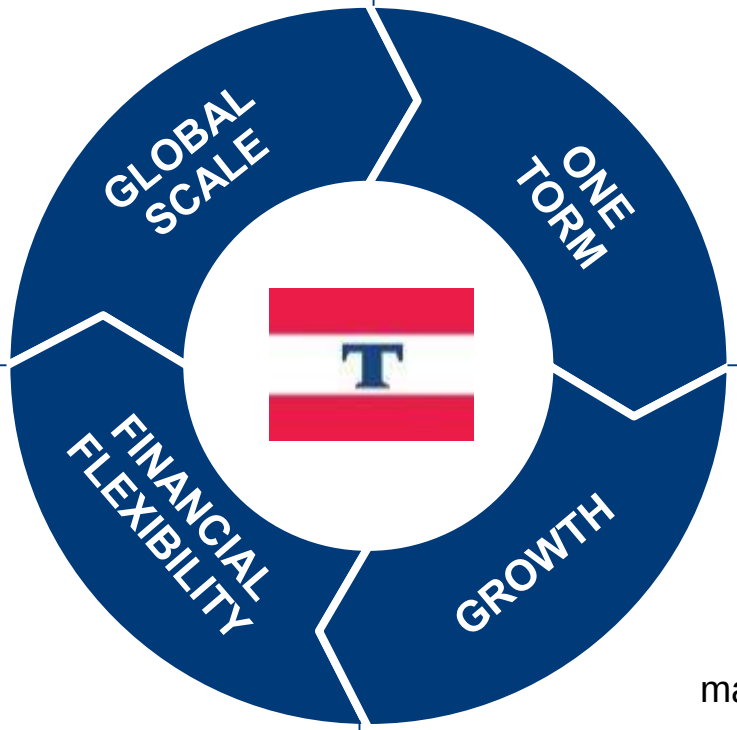
Our product tankers are primarily deployed in the spot market.

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.

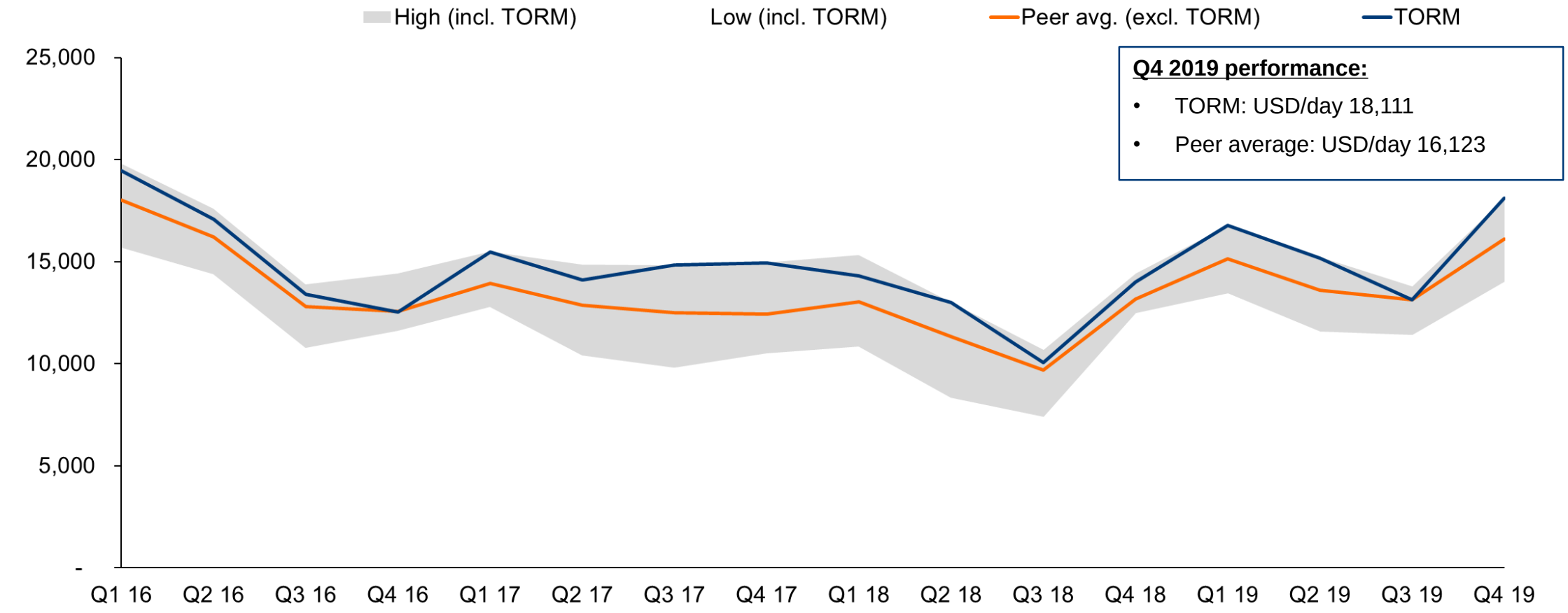
TORM utilizes financial thresholds to pursue **selective fleet growth and renewal.**

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.

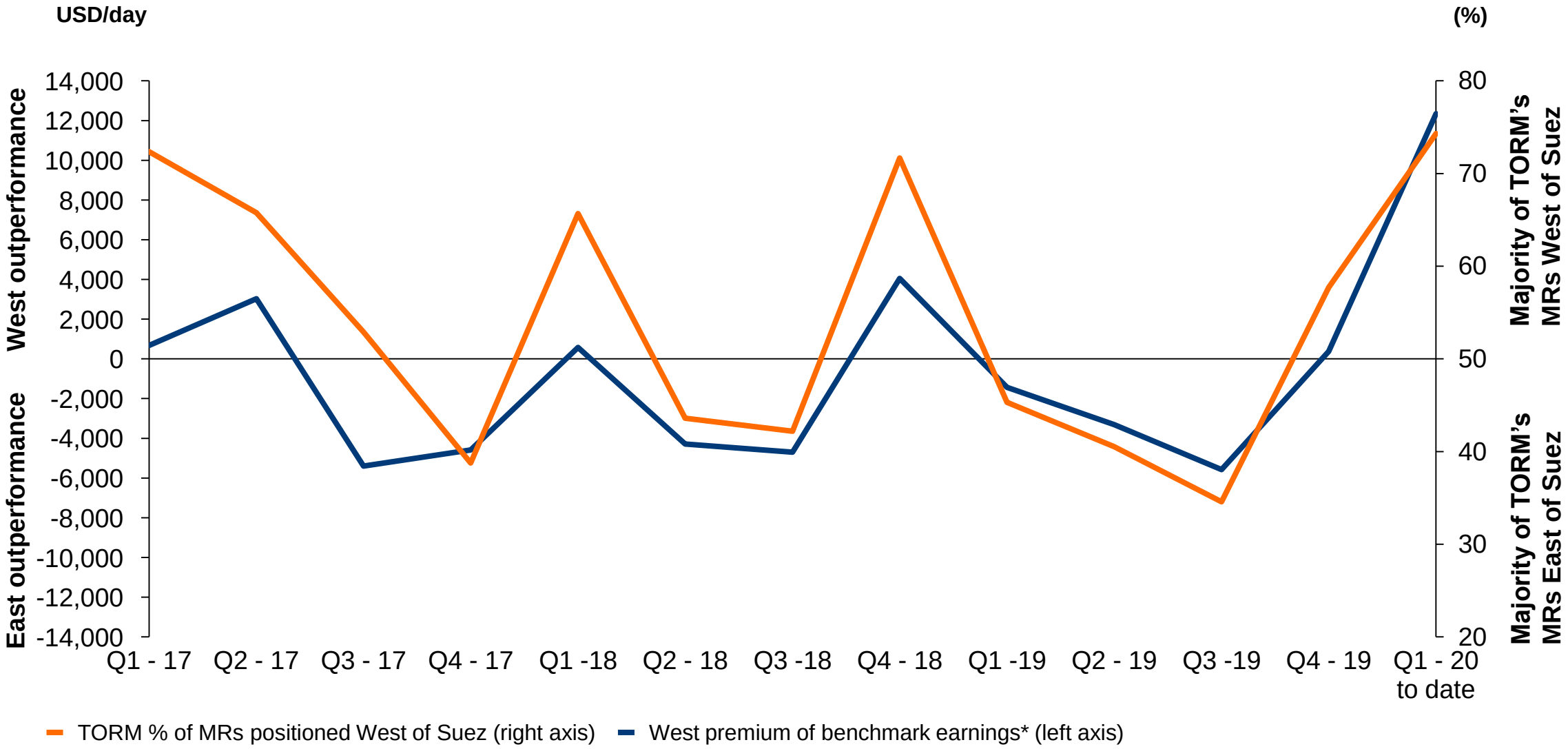
TORM COMMERCIALLY OUTPERFORMS PEERS IN ITS KEY MR SEGMENT

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 Q4 2019, the peer group only consists of Ardmore, Diamond S, Hafnia, NORDEN, Scorpio and International Seaways. 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



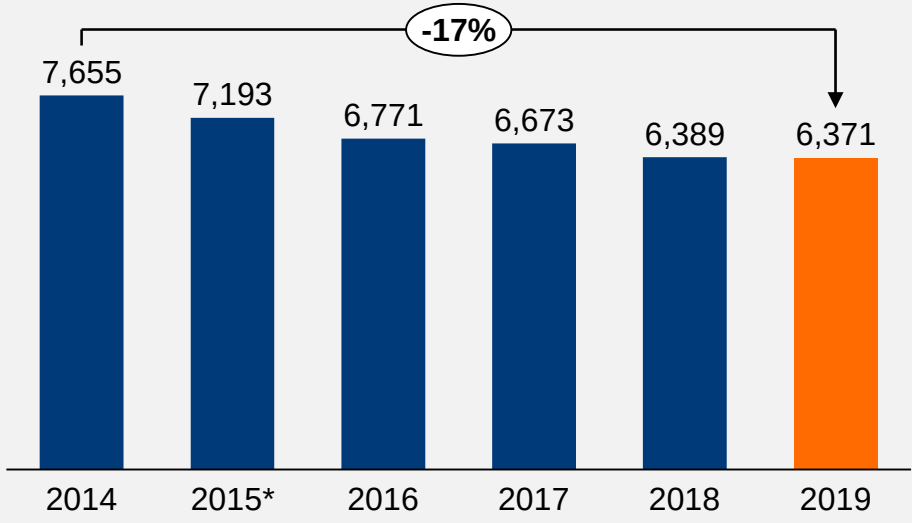
* West premium calculated as spread between Atlantic triangulation (TC2 & TC14) and Transpacific voyage (TC10).
Source: Clarksons, TORM.

FULLY INTEGRATED BUSINESS MODEL WITH COMPETITIVE COST STRUCTURE

TORM

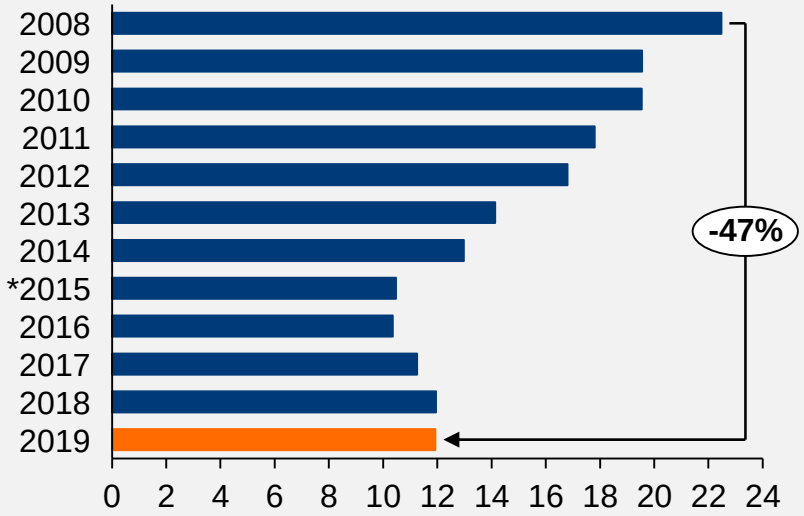
Significant reduction in OPEX

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



TORM has trimmed administration expenses

Admin. expenses (quarterly avg. in USDm)



Compared to 2014, TORM has reduced the annual OPEX cost base of approx. USD 33m by an OPEX/day reduction of USD/day 1,284

EBITDA break-even rate 2019: USD/day 8,700

Profit before tax break-even rate 2019: USD/day 14,700

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.

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.

2019 AND 2020 TO DATE HIGHLIGHTS

2019 FINANCIAL HIGHLIGHTS

- EBITDA of USD 202m
- Profit before tax of 47m*
- RoIC of 4.9%*
- NAV of USD 1,016m
- TCE 2019: USD/day 16,526
- TCE Q4 2019: USD/day 19,234
- Distribution of up to 8.8m
- Loan-to-Value: 46%

IMO 2020

Five additional scrubbers being installed, bringing the new total to 49 scrubber-fitted vessels

As of 11 March 2020, TORM has installed 30 scrubbers

TORM has so far achieved a premium for the scrubber-fitted vessels supporting the attractive business case

VESSEL TRANSACTIONS

Delivery of 12 vessels (six MR newbuildings, two LR1 newbuildings and four 2011-built MR second-hand vessels)

Ordered two LR2 newbuildings

Eight vessels sold since the beginning of 2019

Executed sale and leaseback agreements for a total of eight vessels

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 to pursue growth options

Adjusted for impairment reversal of USD 120m.

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.

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 increases in TCE rates.

BALANCED APPROACH TOWARDS IMO 2020

IMO 2020 sulfur compliant with a balanced approach and committed to scrubber installations on 49 vessels, just above half of our fleet.

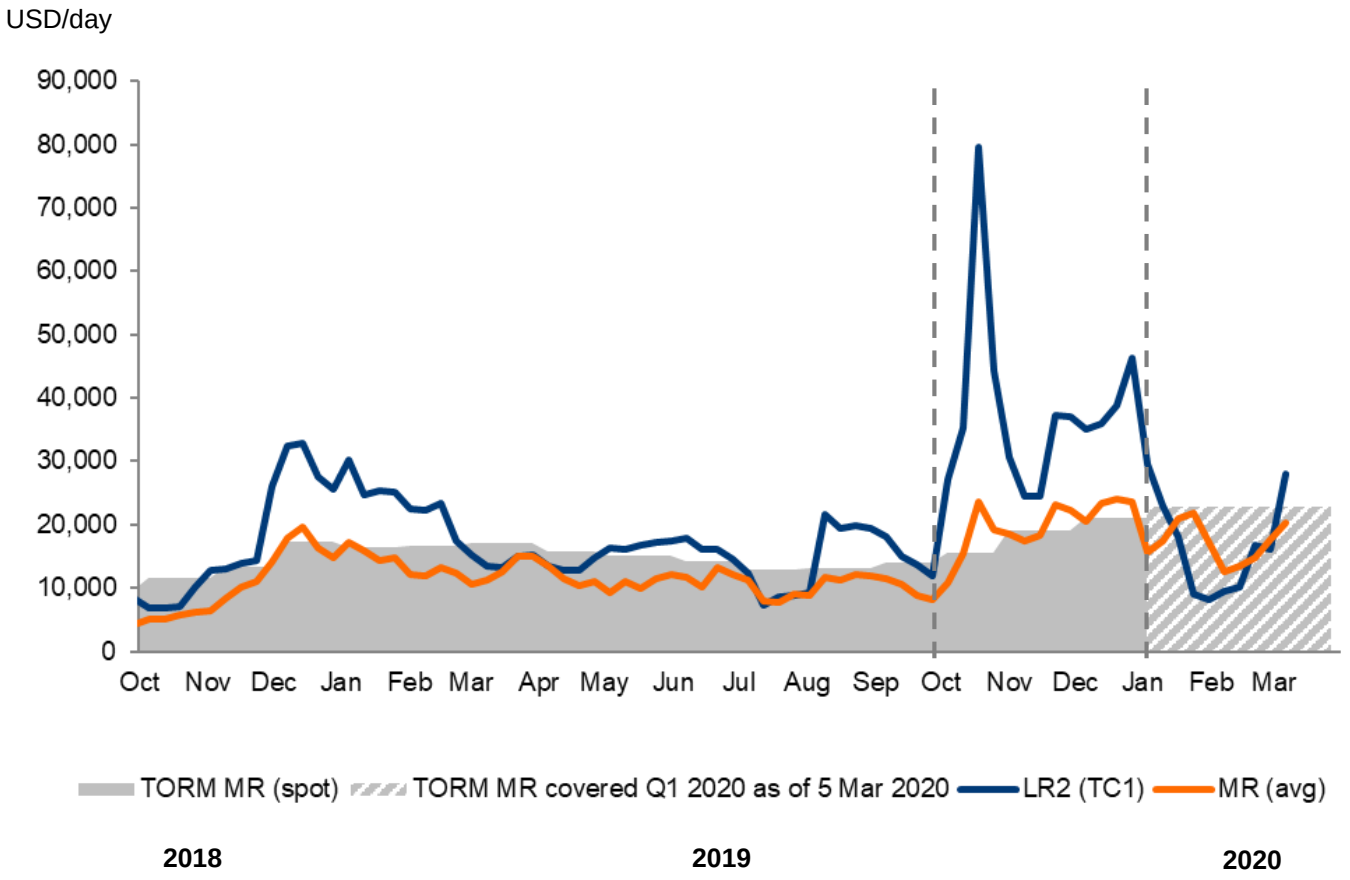
POSITIVE MARKET FUNDAMENTALS

Promising market outlook impacted by increased demand from IMO 2020 sulfur regulation, Middle East refinery expansion and low order book.

AGENDA

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THE STRONG YEAR-END 2019 CONTINUED INTO 2020



Q4 2019

- Large product tankers in particular benefitted from the very strong sentiment in the crude tanker market induced by sanctions on the COSCO fleet
- Product tanker rates supported by seasonal demand and multiple open product arbitrage possibilities
- Peak scrubber retrofitting and LR2 shifting to dirty reduced effective tonnage supply

Q1 2020 to date

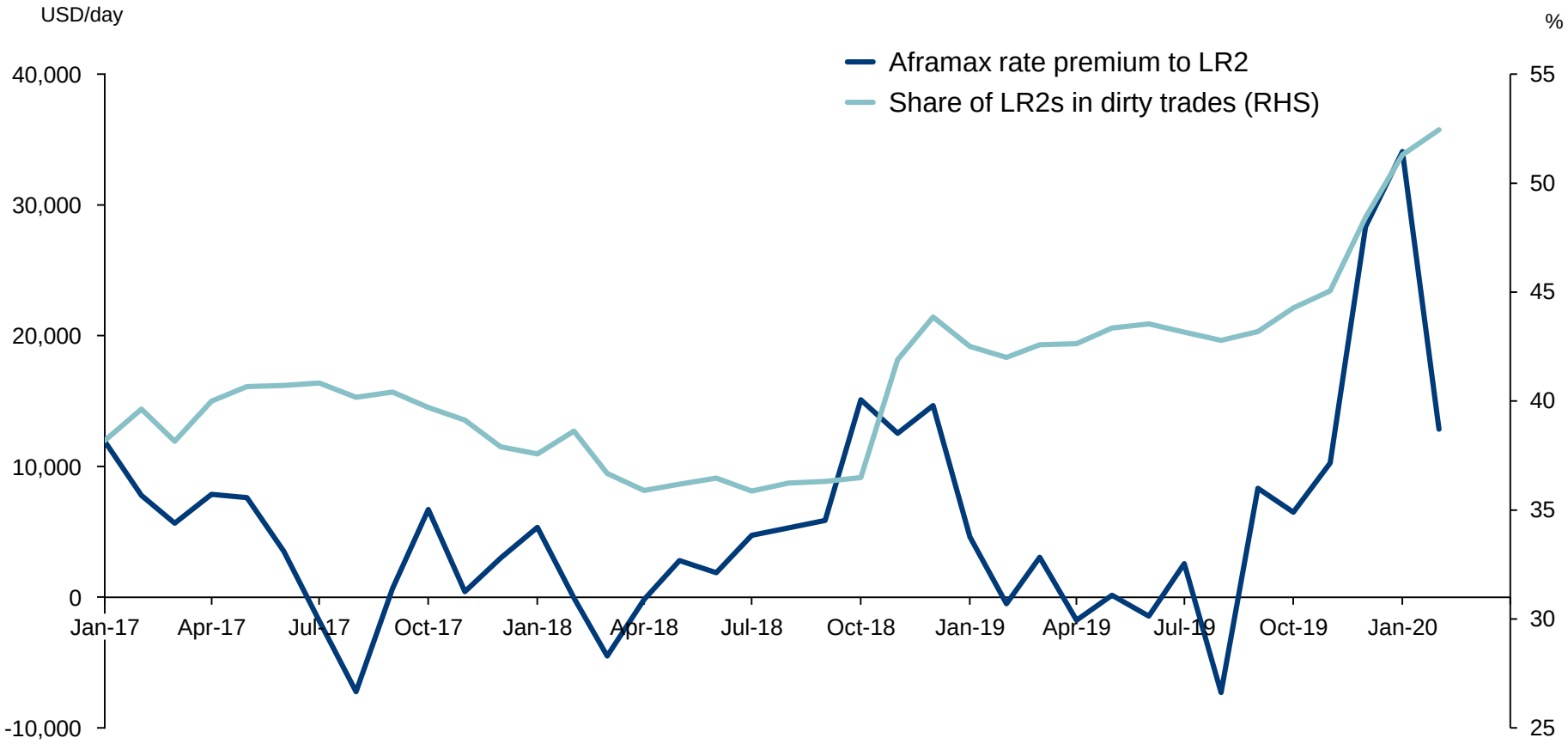
- Continued LR2 migration to dirty with ~40 vessels (~15% of clean-trading LR2 fleet) having switched since the start of Q4
- Rates in the US Gulf currently at nearly USD/day 28-29,000 supported by massive delays in the Panama Canal, tying up tonnage supply and creating new longer-haul trading patterns
- Rates in the East supported by record high product exports from China amid lower domestic demand due to COVID-19

COVID-19

- COVID-19 is creating uncertainty around global GDP growth and oil demand

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.

LR2 MIGRATION TO DIRTY SUPPORTING PRODUCT TANKER MARKET IN MEDIUM-TERM



- The last time 50% of the LR2 fleet was trading in dirty was in March 2013
- The number of LR2s trading clean is currently 184, the lowest level since 2H 2015

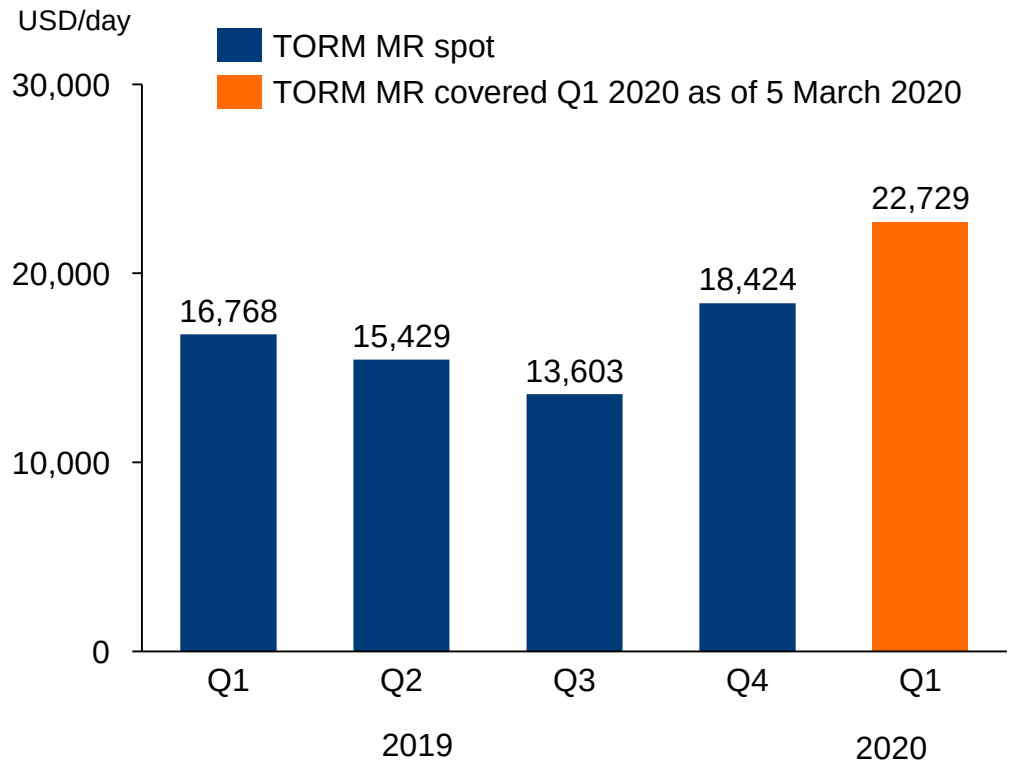
Source: Industry sources, Clarksons, TORM.

PRODUCT TANKER MARKET FUNDAMENTALS REMAIN INTACT DESPITE THE COVID-19

Fundamental effects on demand and supply from the COVID-19

	Short-term	Medium-term
Tonnage demand	➕ Increased product exports from China as a result of lower domestic demand ➗ Indirect negative effect from lower economic activity and lower demand for crude oil in China ➗ Negative effect on oil demand in other regions	➕ Potential economic stimulus in China and other countries will restore usual demand and trading patterns
Tonnage supply	➕ Delays with scrubber installations might temporarily reduce effective tonnage supply	➕ Newbuilding delivery delays from the Chinese shipyards lead to lower fleet growth in the medium term

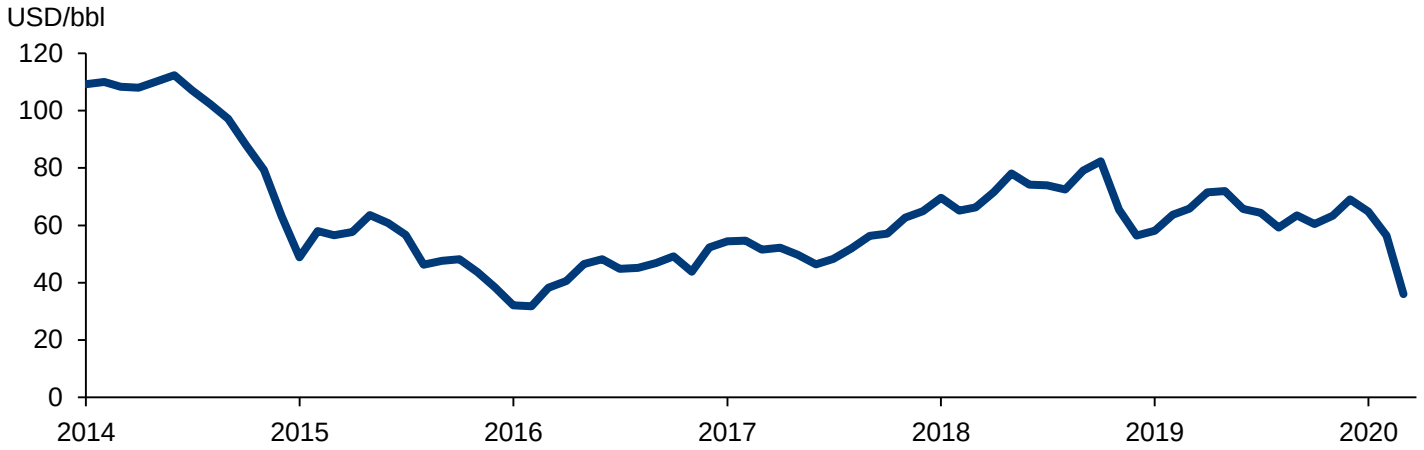
TORM rates are higher today than 12 months ago



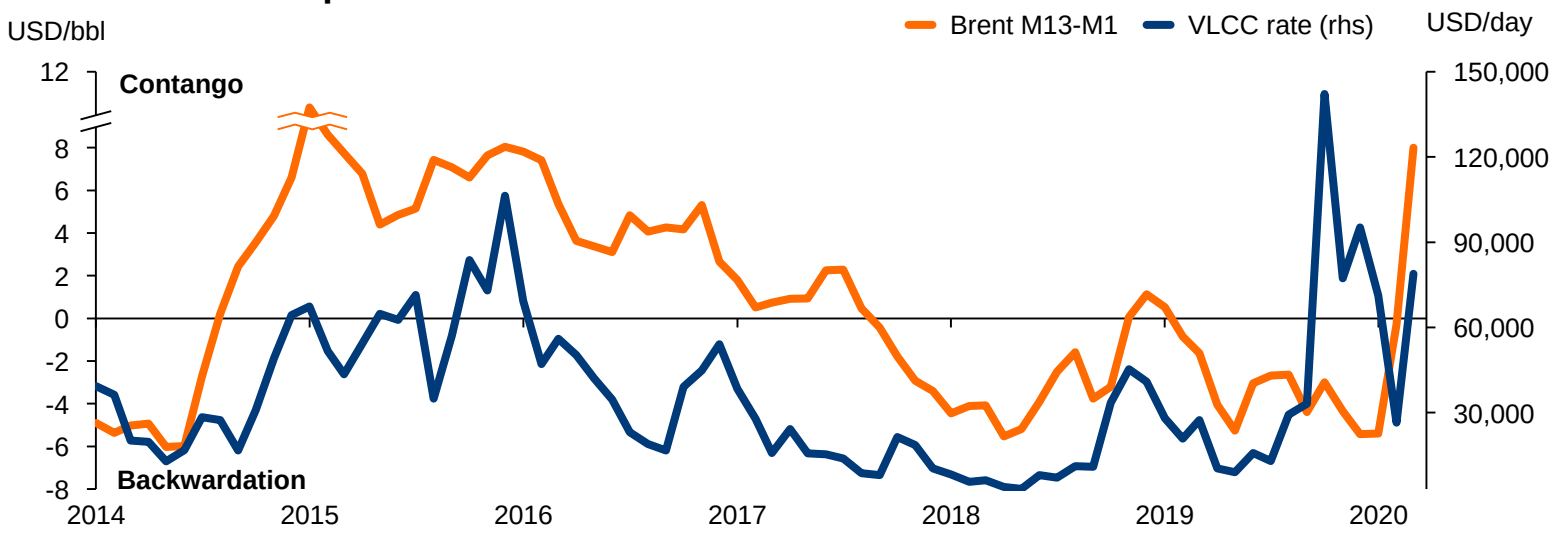
LOWER OIL PRICE AND HIGHER OIL PRODUCTION ARE SUPPORTING THE TANKER MARKET

TORM

Brent crude price



Brent forward spreads and VLCC rates



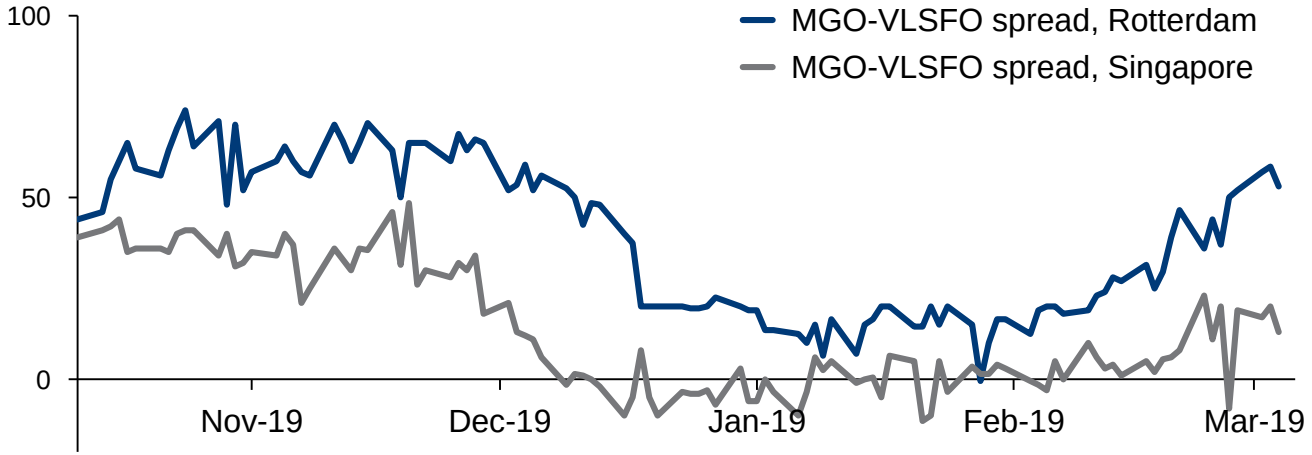
- A collapse in OPEC+ collaboration has led the oil price to drop to around USD 35 per barrel
- Saudi Arabia's crude output of 9.7 mb/d will potentially rise to 11.3 mb/d. The 1.6 mb/d increase corresponds to a demand for extra 37 VLCCs if all is exported to the Far East
- The current price contango further incentivizes inventory building and can lead to floating storage once the onshore storage is fully utilized
- Decline in oil prices likely to boost refinery margins and refinery runs, which is expected to increase demand for transportation of refined oil products and potentially demand for storage in case the underlying demand does not support the increase in production

Source: Clarksons, Reuters.

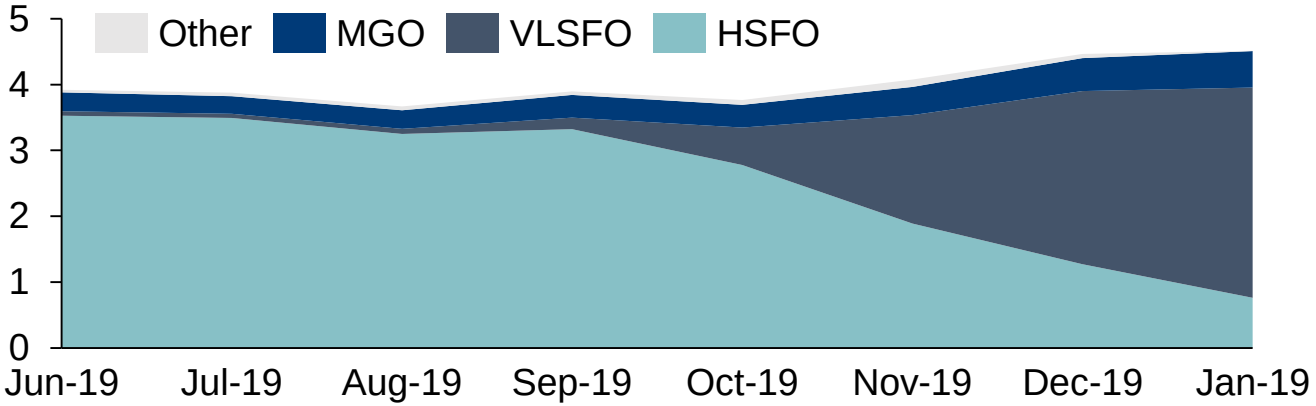
IMO 2020 EFFECTS ON CLEAN TRADING HAVE NOT FULLY UNFOLDED YET

TORM

MGO and VLSFO price spreads (USD/t)



Bunker sales in Singapore (million tons)



- MGO demand in Europe increased by 30% in November 2019
- The tight price spread between MGO and VLSFO in early 2020 has further incentivized the use of MGO in Europe
- VLSFO initial uptake in Singapore has been larger than expected
- Potential run-down of VLSFO inventories and increasing competition for feedstocks during peak gasoline demand season can lead to lower VLSFO supplies and increased demand for MGO during Q2/Q3

Source: Reuters.

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

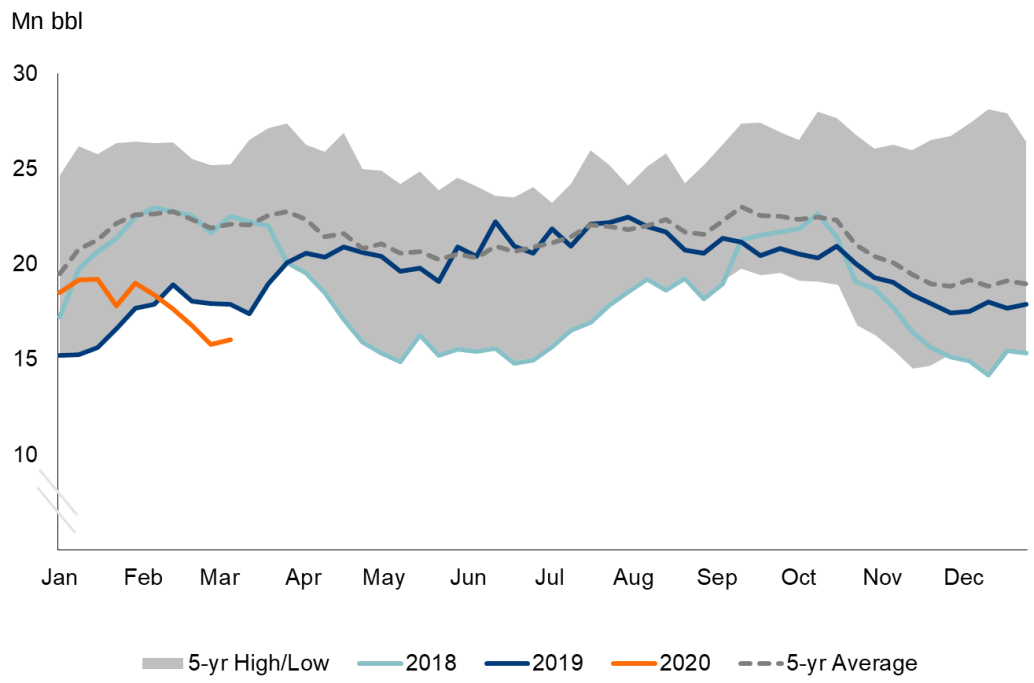
Examples of trade routes impacted by the IMO 2020 sulfur regulation



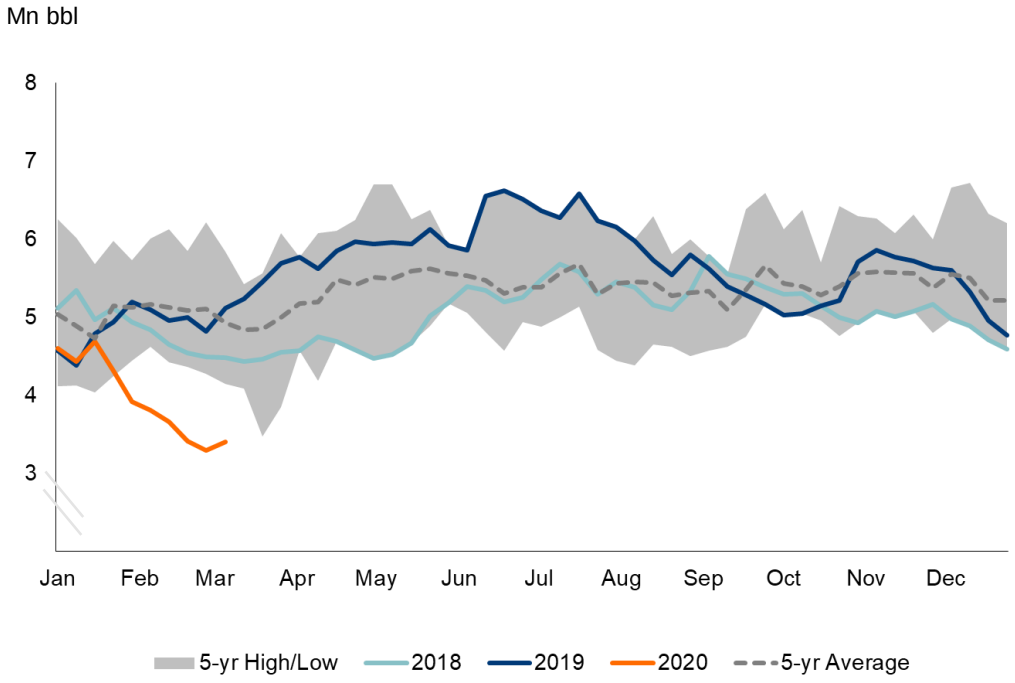
- Increased flexibility to produce additional diesel in net exporting regions and refinery expansion support long-haul and medium-haul trade routes across the world
- Additional routes will be impacted including shorter distance regional and coastal trades

ARA PRODUCT INVENTORIES AT 6-YEAR LOW

ARA diesel/gasoil inventories



ARA jet fuel inventories



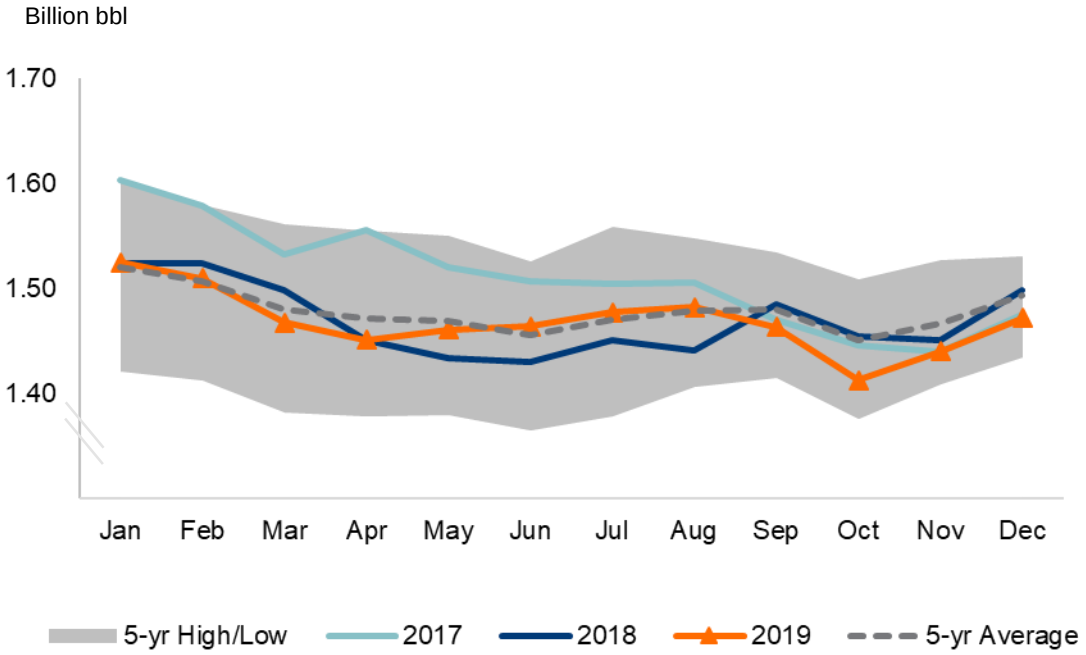
- Inventories of diesel/gasoil and jet fuel at ARA are currently at 6-year low, indicating a need for higher imports as European refineries enter the spring maintenance season

Note: ARA stands for Amsterdam-Rotterdam-Antwerp.
Sources: Reuters, TORM.

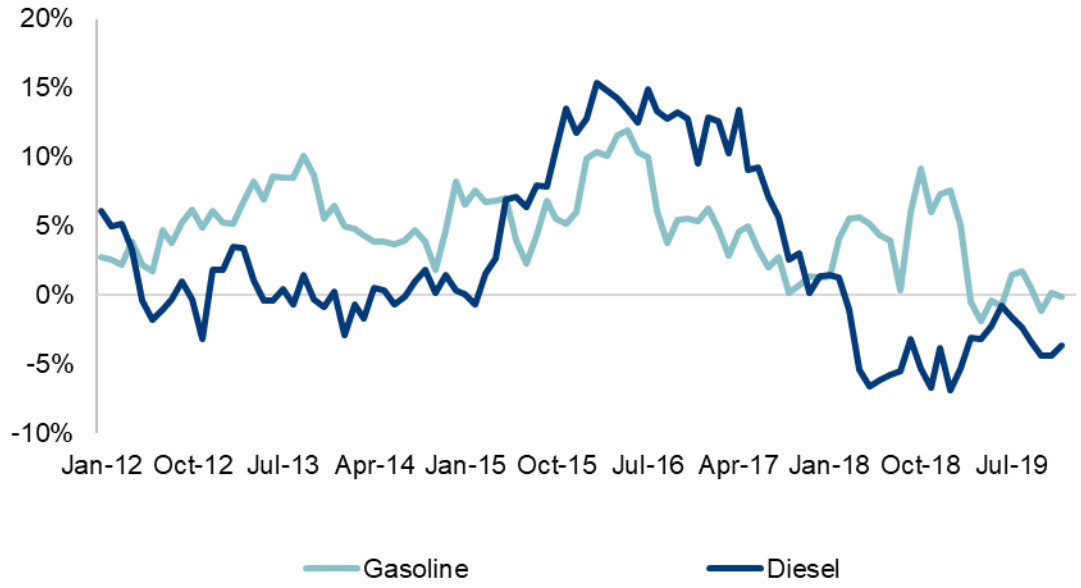
PRODUCT INVENTORIES BACK TO NORMAL LEVELS

TORM

Aggregated global CPP inventories*



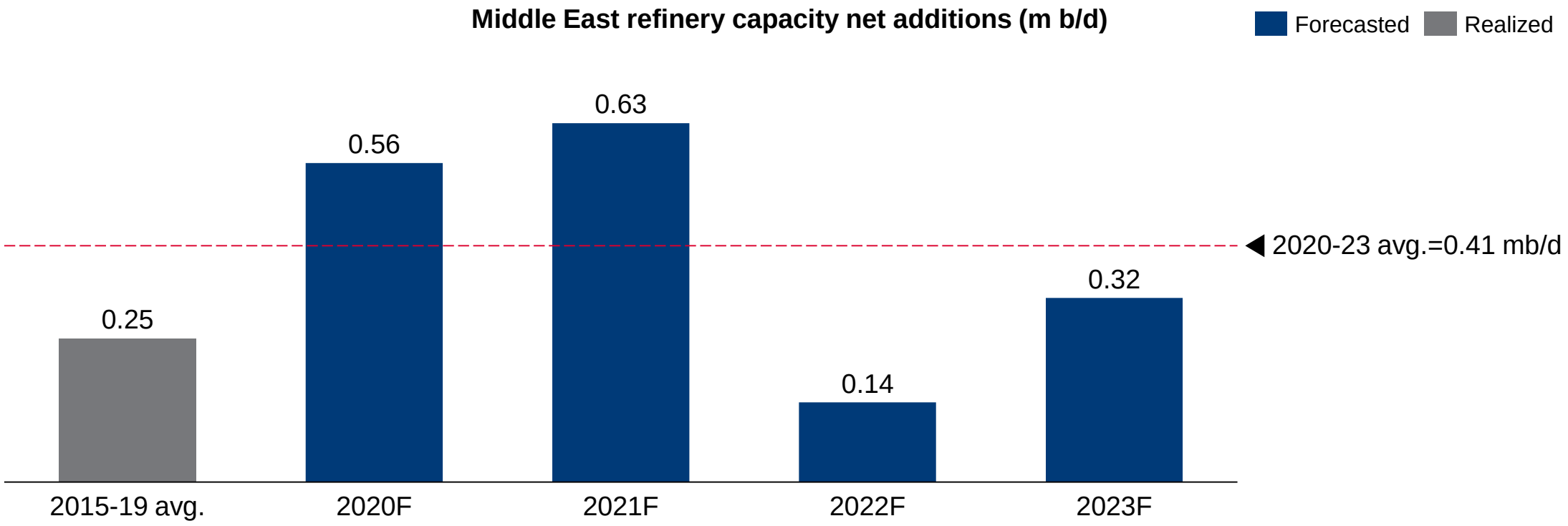
Global inventories compared to 5-year average levels



- Global CPP inventories have been at around 5-year average levels until Q4, where inventories dropped below average levels

Note: Includes countries for which December 2019 data is available. These account for approximately 87% of global visible CPP (naphtha, gasoline, jet/kero, diesel/gasoil) stocks.
Sources: JODI, TORM.

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



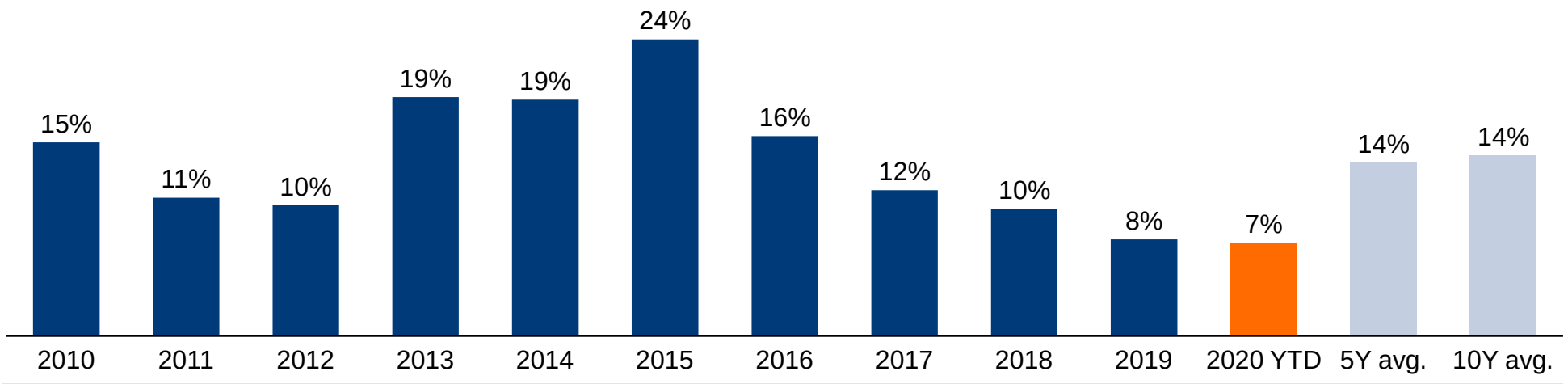
- As oil product demand increases, the ton-mile demand is positively impacted by increasing geographic dislocations between the demand for and supply of clean petroleum products (CPP)
- Middle East refinery capacity additions are expected to accelerate in 2020-2021, placing a renewed pressure on less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

Source: WoodMackenzie, TORM.

PRODUCT TANKER ORDER BOOK REMAINS AT HISTORICALLY LOW LEVEL

TORM

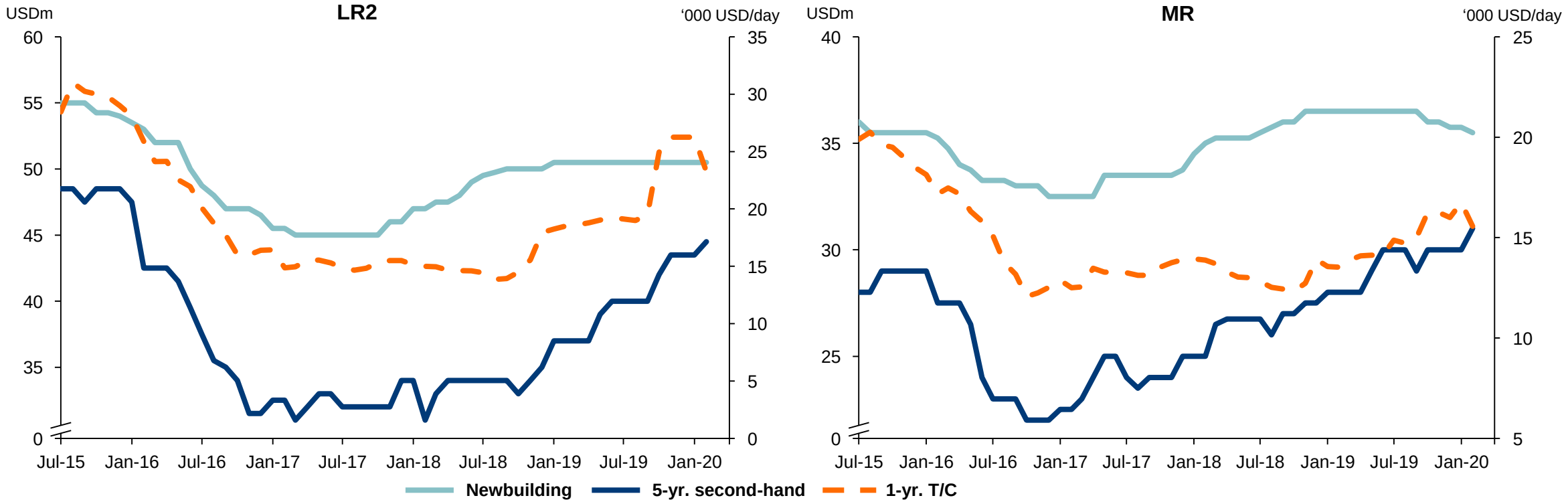
Product tanker order book as percentage of the fleet



- The product tanker order book to fleet ratio is at a historically low level of 7% (9% for MRs, 2% for LR1s and 10% for LR2s)
- In FY 2019, the product tanker fleet grew by 4.7% (vs. 2.5% in FY 2018, 4.5% in FY 2017 and 6.5% in FY 2016)
- 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 INCREASED IN 2019 FOLLOWED BY SUBDUED ACTIVITY IN Q1



- Vessel values for modern tonnage were positively affected by a stronger freight market in Q4 2019, but COVID-19 uncertainty is currently weighing on the sentiment. Year to date, values of older tonnage have been under pressure while activity for modern tonnage is very low
- After a relatively low product tanker newbuilding activity in the first half of 2019, ordering picked up from the end of Q3 along with the improved freight market. Some early orders of LNG-based dual-fueled vessels emerged in 2019. Year to date, newbuilding activity has been low

Source: Clarksons.

MEDIUM- TO LONG-TERM MARKET DRIVERS REMAIN POSITIVE

Key medium- to long-term market drivers

- Global oil demand growth remains positive despite short-term impact of the COVID-19
- Product tanker order book to fleet ratio at historically low level
- Strength in the crude tanker market has led to LR2 switching from clean to dirty trades
- Saudi Arabia's recent pricing cuts and announced increase in crude production will potentially lead to floating storage and higher refinery runs
- Refinery capacity addition in the Middle East potentially increasing sailing distances
- IMO 2020-induced increase in inter- and intra-regional product tanker trade still unfolding

- Macroeconomic uncertainty, particularly related to the fallout of the COVID-19
- Geopolitical situation in the Middle East
- Potential new climate-related regulations

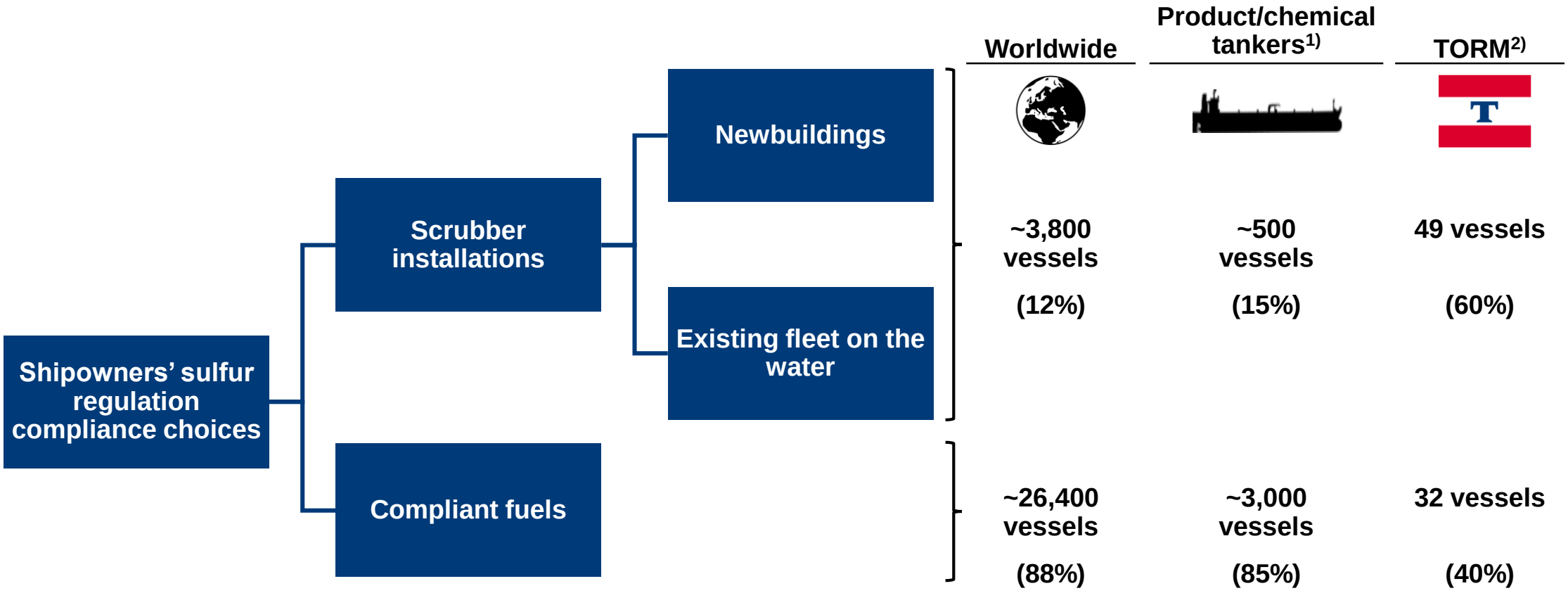
Source: TORM.

AGENDA

TORM

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



- As of 11 March 2020, TORM has installed 30 scrubbers
- The scrubber installations have been conducted on two LR2 vessels, six LR1 vessels and 22 MR vessels
- 17 additional scrubbers are expected to be installed within the first nine months of 2020, and two will be installed on TORM's two LR2 newbuildings with expected delivery in the fourth quarter of 2021

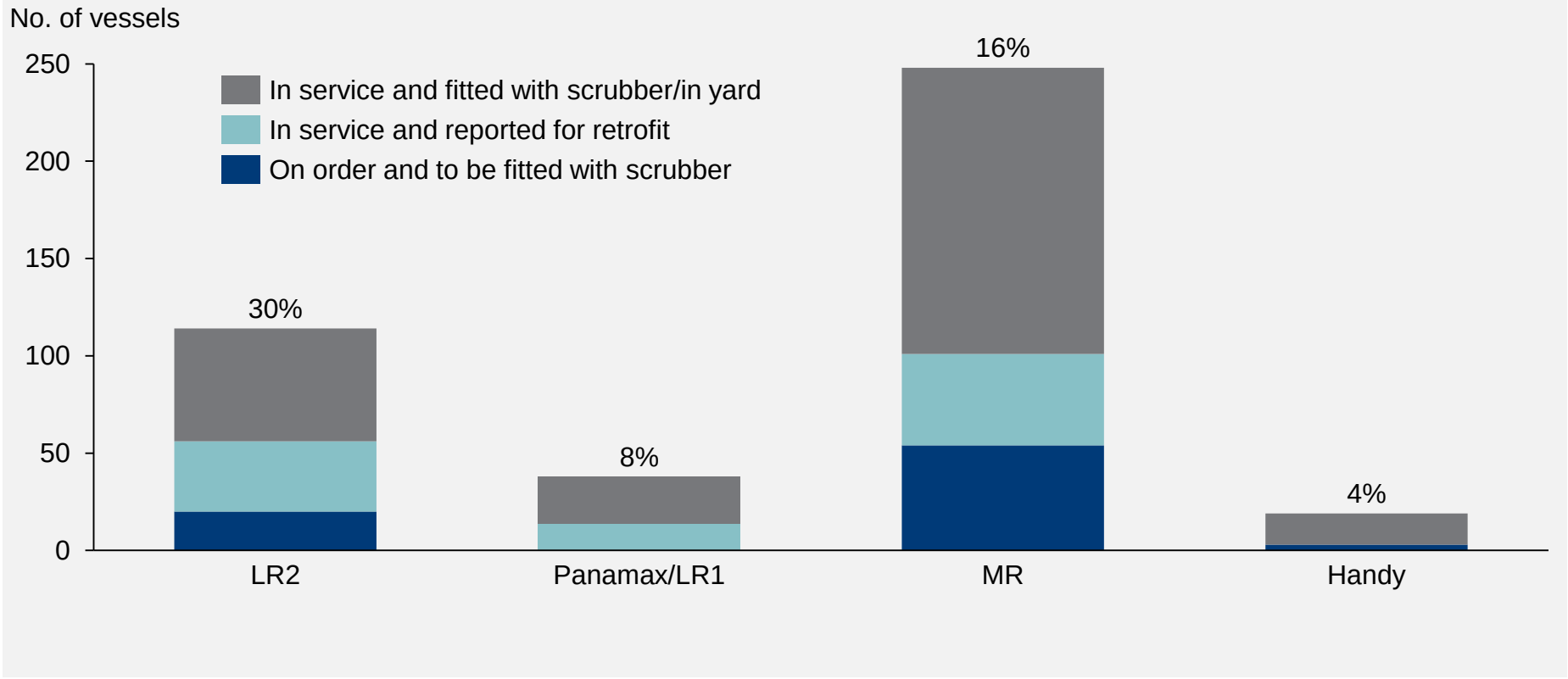
1. Product tankers and chemical tankers 25k dwt+.
2. As of Q4 2021 where the two LR2 newbuildings will be delivered.

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)

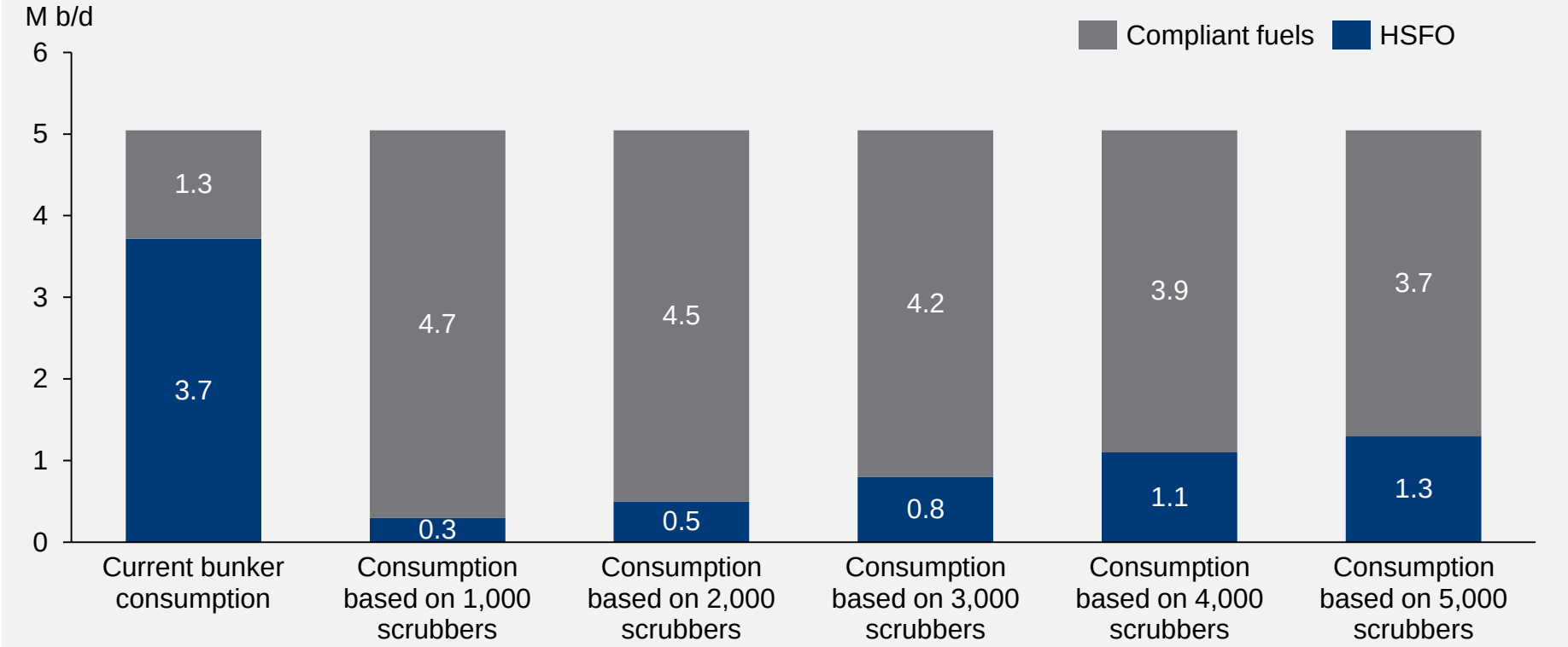


Source: Clarksons, compiled by TORM.
Note: Product tanker segment does not cover chemical tankers. Data as of 27 February 2019.

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

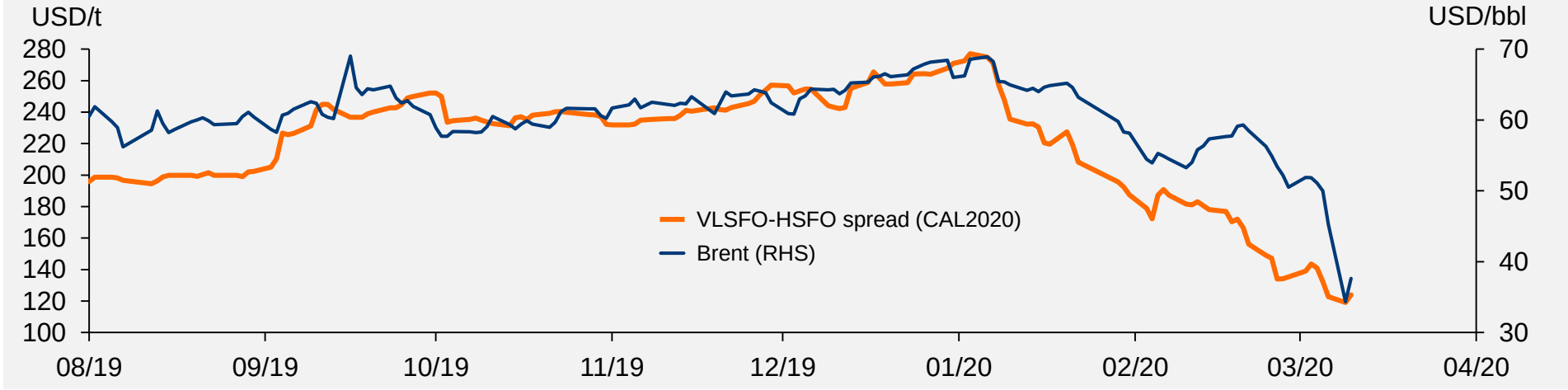


- One of the largest risks with scrubber installations is the potential delay during both the production and the installation phase
- Due to the strategic partnership with ME Production and GSI, TORM has secured production slots at ME Production China
- 43 out of the 49 scrubbers will be delivered from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

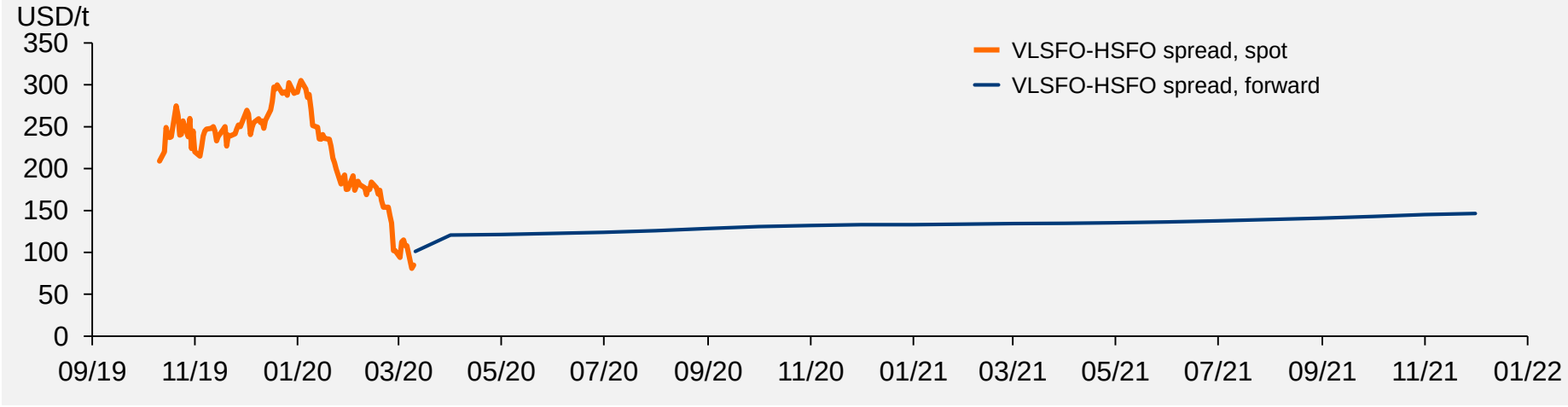
DESPITE RECENT NARROWING OF THE FUEL SPREAD, PRICES STILL SUPPORT THE SCRUBBER BUSINESS CASES

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 124 for the calendar year 2020 and USD 138 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 10 March 2020.

Source: Industry sources.

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	×	200 (Example)	=	~2,000	0.7
MR Non-eco vessel	~14	×	200 (Example)	=	~2,400	0.9

- 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%.

AGENDA

1	Introduction to TORM and 2019 highlights
2	Product tanker market overview and outlook
3	IMO 2020
4	Financial metrics
5	Asset management

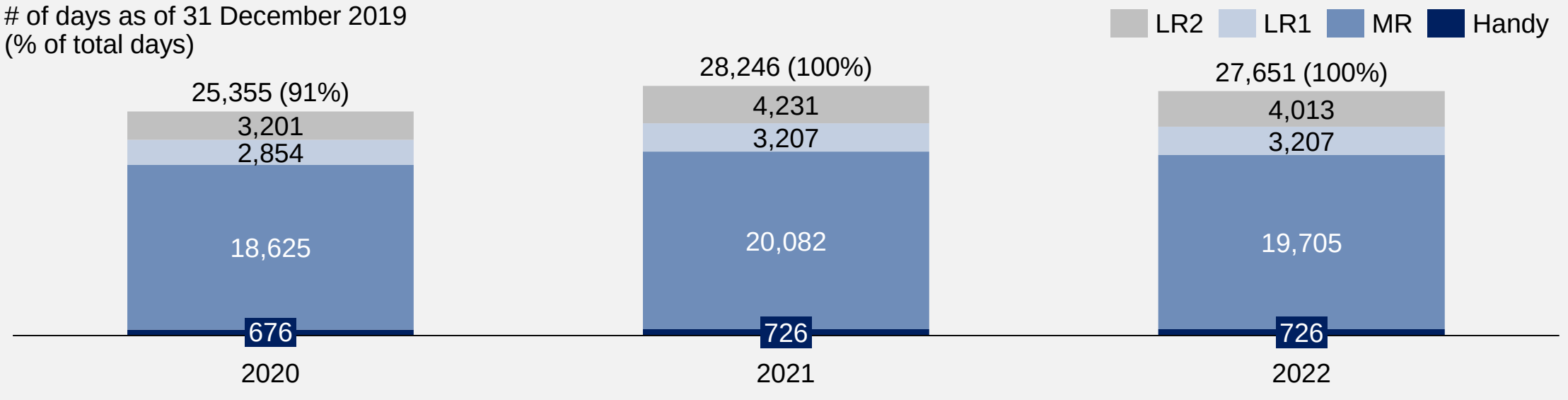
2019 FINANCIALS

USDm	2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	2019
P&L						
TCE earnings	352	117	98	84	126	425
Gross profit	169	74	55	43	80	252
Sale of vessels	1	0	0	0	1	1
EBITDA	121	62	41	32	68	202
Profit before tax	-33	23	5	-9	147	167
Profit before tax excl. impairment reversal	-33	23	5	-9	27	47
Balance sheet						
Equity	847	867	864	852	1,008	1,008
NIBD	627	584	623	733	786	786
Cash and cash equivalents	127	155	106	121	72	72
Key figures						
Earnings per share (USD)	-0.48	0.31	0.07	-0.12	0.36[1)]	0.62[1)]
Return on Invested Capital	0.1%	8.8%	3.9%	0.4%	8.4%[1)]	4.9%[1)]
Net Asset Value (NAV)	856	829	897	887	1,016	1,016
Number of vessels (#)[2)]	75	70	70	77	76	76
Tanker TCE/day (USD)	12,982	17,949	15,405	13,392	19,234	16,526
Tanker OPEX/day (USD)	6,389	6,448	6,580	6,103	6,365	6,371

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

SPOT-ORIENTATION PROVIDES SIGNIFICANT OPERATING LEVERAGE

Unfixed days



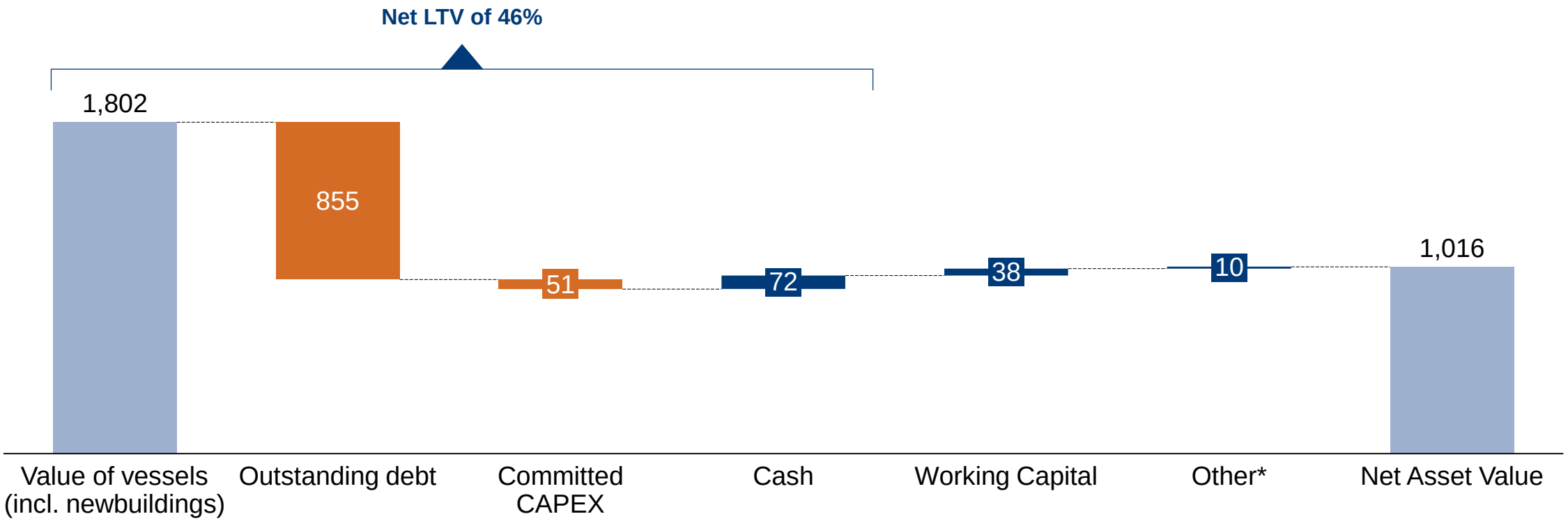
Illustrative change in cash flow generation potential for the TORM fleet

Change in average TCE/day	2020	2021	2022
+/- USD 1,000	25.4	28.2	27.7
+/- USD 2,500	63.4	70.6	69.1
+/- USD 5,000	126.8	141.2	138.3

- As of 31 December 2019, 9% of the total earning days in 2020 were covered at USD/day 23,399
- As of 5 March 2020, the coverage for the first quarter of 2020 was 87% at USD/day 23,818
- For the individual segments, the coverage was 92% at USD/day 28,353 for LR2, 83% at USD/day 25,185 for LR1, 87% at USD/day 22,729 for MR and 92% at USD/day 19,963 for Handy.

NET ASSET VALUE ESTIMATED AT USD 1,016M

31 December 2019 figures, USDm



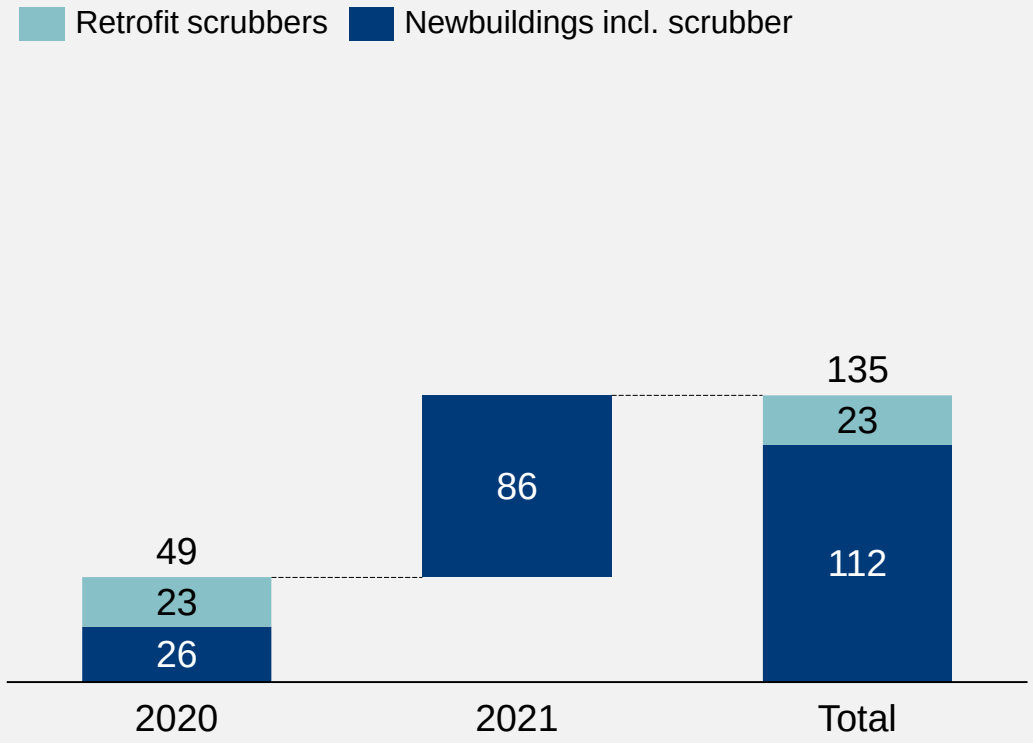
- Net Loan-to-Value was 46% ensuring a strong capital structure
- Net Asset Value (NAV) was estimated at USD 1,016m (USD 13.6/DKK 91.1 per share)
- Market cap as of 31 December 2019 was USD 836m, or DKK 74.5 per share**
- Market cap as of 9 March 2020 was USD 532m, or DKK 46.6 per share***

* Other includes Other plant and operating equipment and total financial assets.
** Calculated based on 74,748,248 shares and USD/DKK FX rate of 6.66.
*** Calculated based on 74,760,653 shares and USD/DKK FX rate of 6.55.

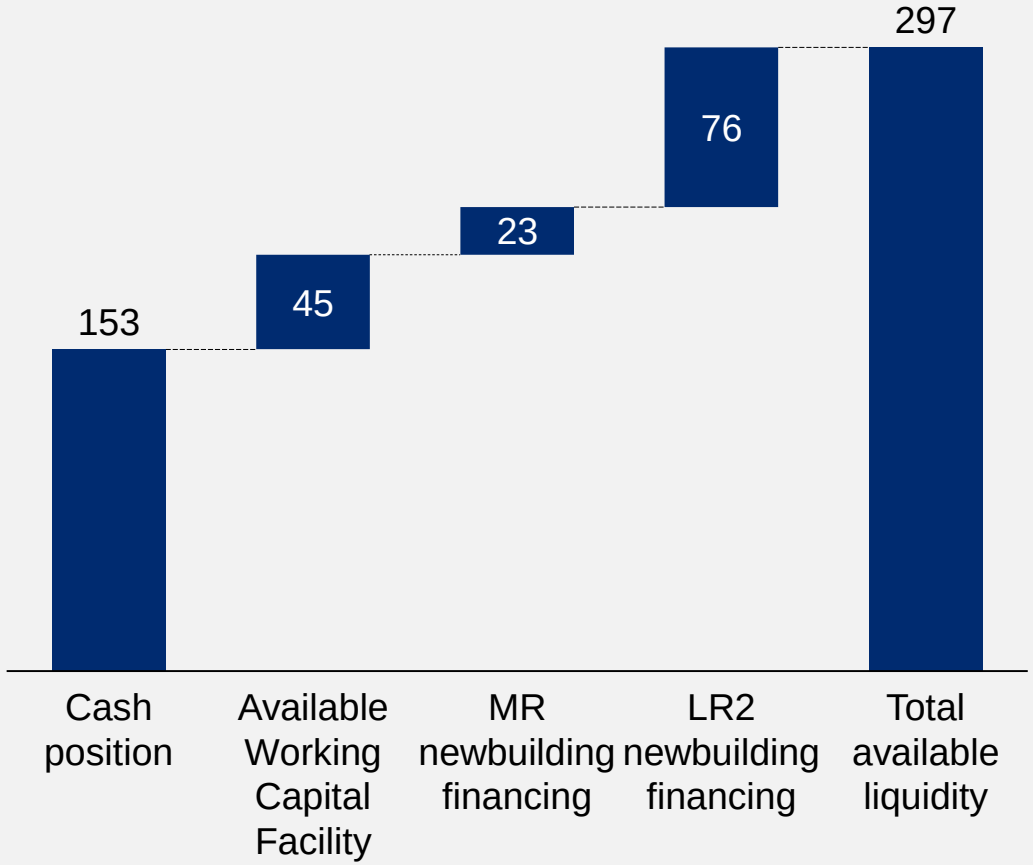
WELL-POSITIONED TO SERVICE FUTURE CAPEX COMMITMENTS

CAPEX and liquidity as of 29 February 2020
USDm

CAPEX commitments



Available liquidity

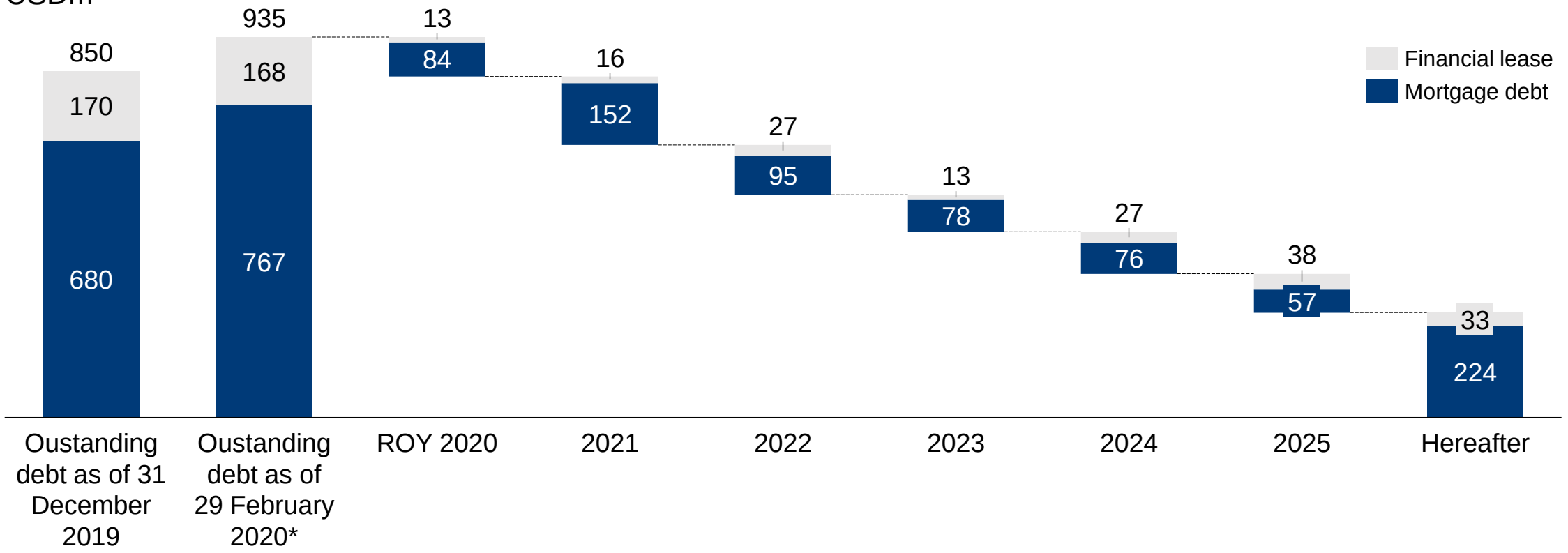


FAVOURABLE FINANCING PROFILE WITH NO MAJOR NEAR-TERM MATURITIES

TORM

Scheduled debt repayments as of 29 February 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 IFRS16 liabilities of USD 9.2m and is adjusted for loan receivables of USD 4.6m.
** Subject to final approval

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

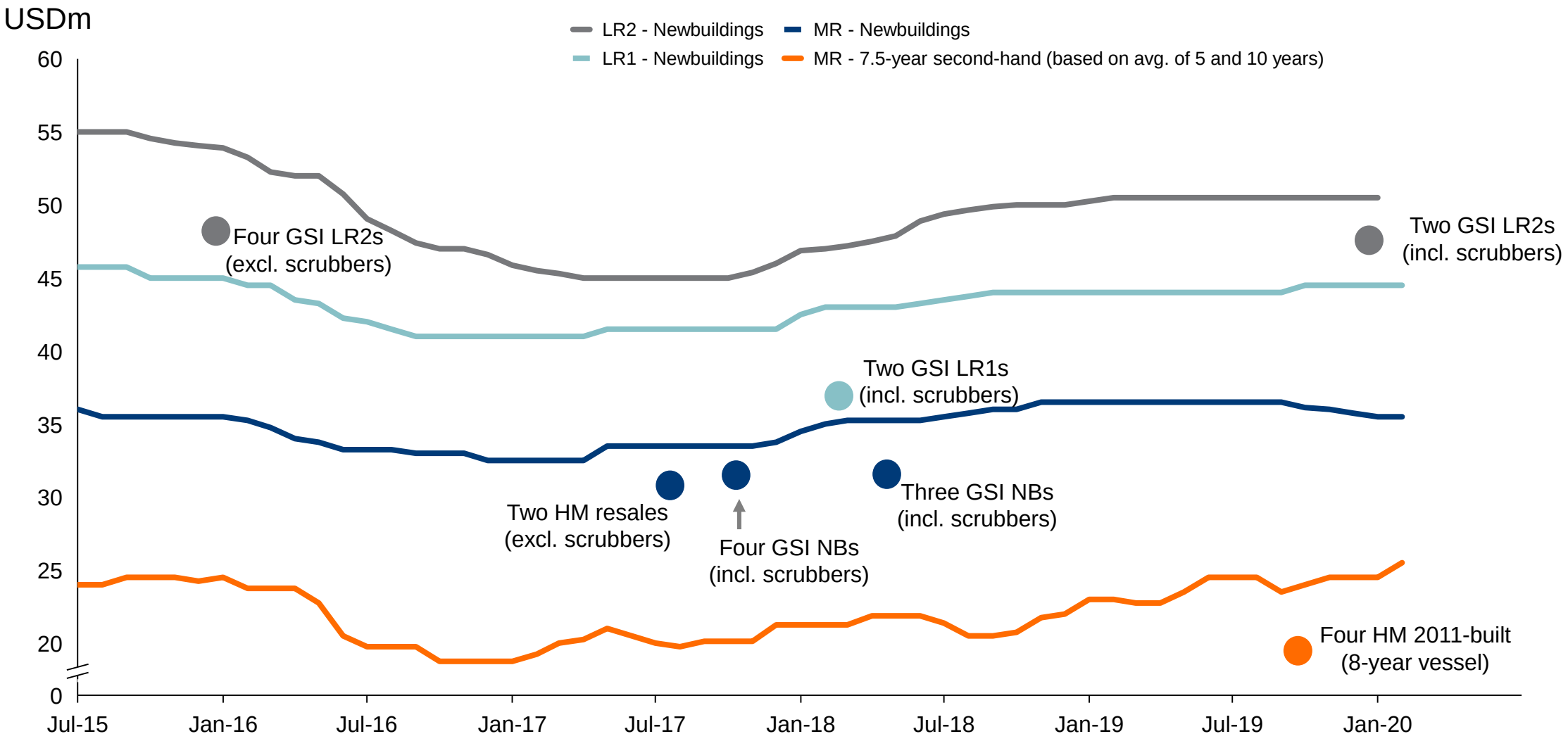
TORM

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 VALUES

TORM

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 values
- Proceeds from vessel sales used for fleet modernization and scrubber investments
- Transactions at broker values support TORM's Net Asset Value assessment



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 banking 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

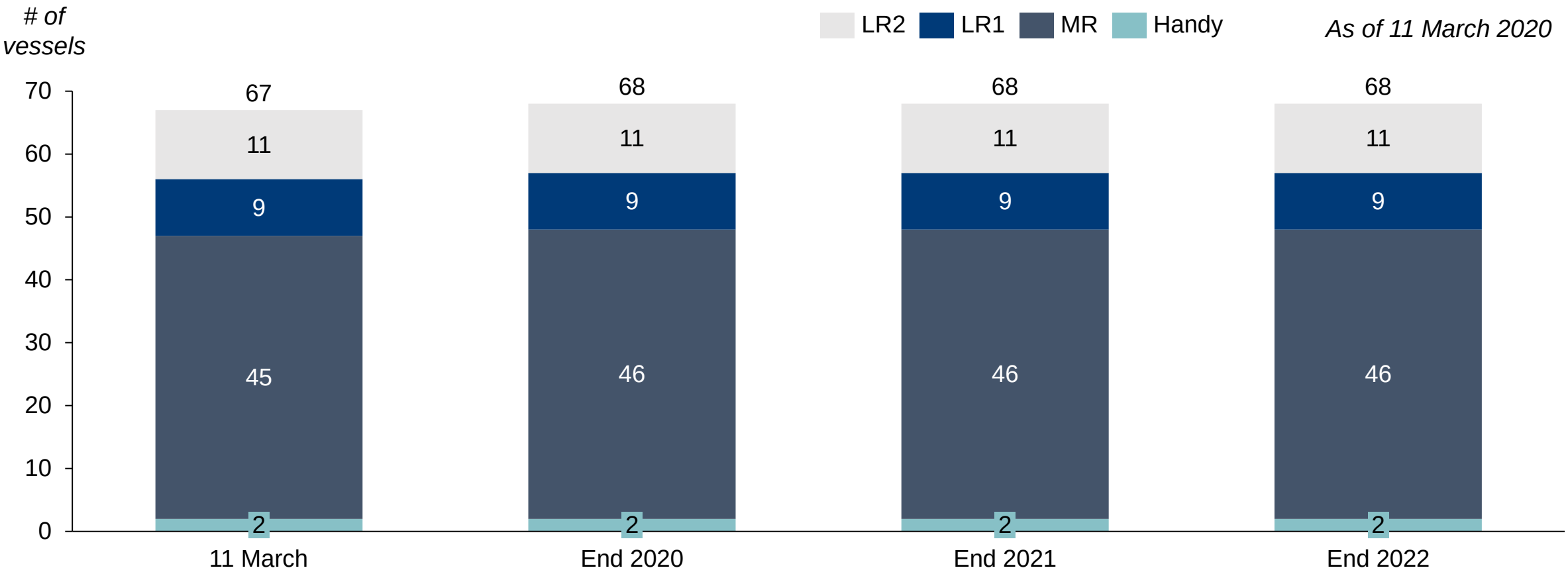
- Head of Technical Division
- With TORM since 2014
- Previously with Clipper and Maersk
- More than 25 years of shipping experience

KEY FIGURES

USDm	2019	2018	2017
Revenue	693	635	657
EBITDA	202	121	158
Profit/(loss) before tax	167	-33	3
Net profit/(loss) excluding impairment charges	46	-35	2
Balance sheet			
Total assets	2,004	1,714	1,647
Equity	1.008	847	791
NIBD	786	627	620
Cash and cash equivalents	72	127	134
Cash flow statement			
Operating cash flow	171	71	110
Investment cash flow	-323	-176	-114
Financing cash flow	84	96	63
Financial related key figures			
EBITDA margin	29%	19%	24%
Equity ratio	50%	49%	48%
Return on Invested Capital (RoIC)	5%*	0%	3%

* Adjusted for impairment reversal of USD 120m.

FLEET OVERVIEW



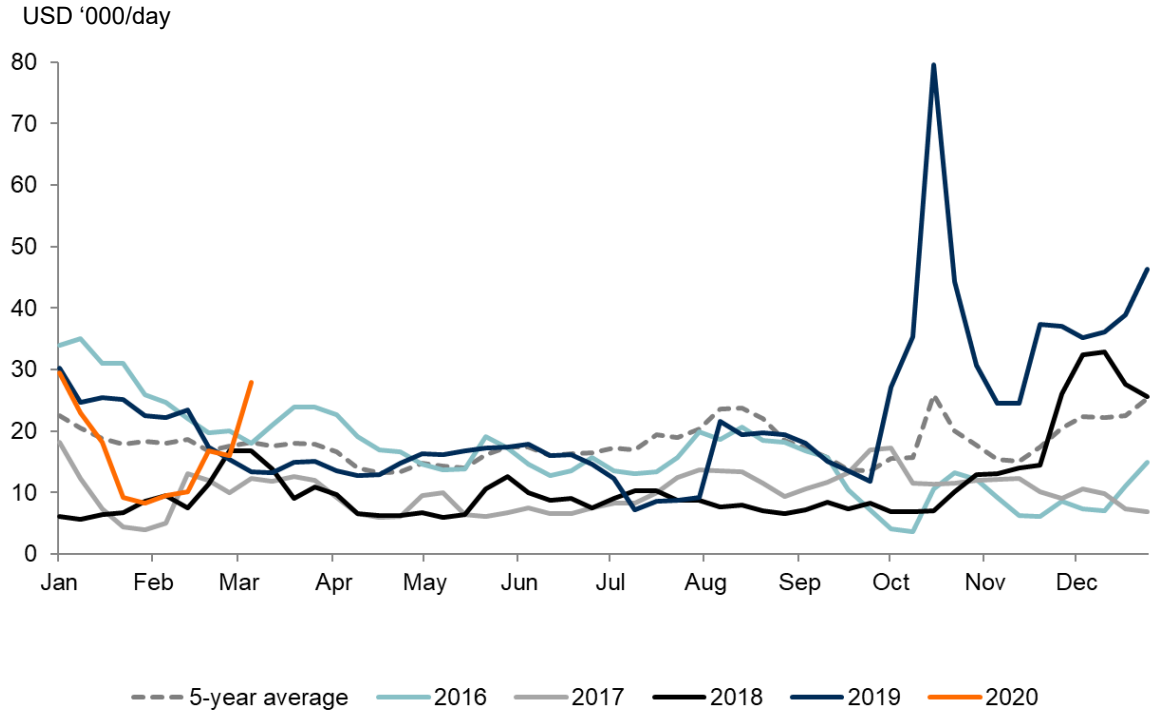
Graph excluding sale and leaseback vessels

11 March	End 2020	End 2021	End 2022
11	11	13	10

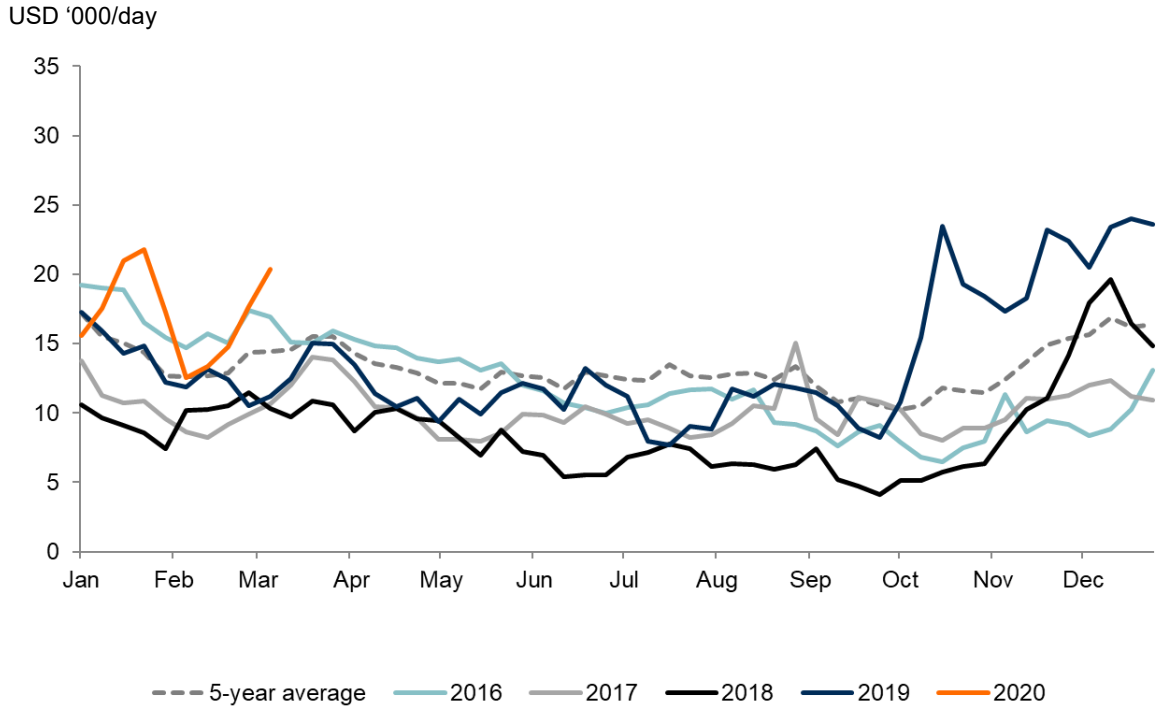
SOFT RATES DURING Q3 FOLLOWED BY A STRONG UPTICK IN Q4

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 35%

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

- 74.7m 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 January 2020 (%)

