

International Seaways, Inc.

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Annual Meeting of Stockholders

June 22, 2020

INSW
LISTED
NYSE

Disclaimer

Forward-Looking Statements

During the course of this presentation, the Company (International Seaways, Inc. (INSW)) may make forward-looking statements or provide forward-looking information. All statements other than statements of historical facts should be considered forward-looking statements. Some of these statements include words such as ‘‘outlook,’’ ‘‘believe,’’ ‘‘expect,’’ ‘‘potential,’’ ‘‘continue,’’ ‘‘may,’’ ‘‘will,’’ ‘‘should,’’ ‘‘could,’’ ‘‘seek,’’ ‘‘predict,’’ ‘‘intend,’’ ‘‘plan,’’ ‘‘estimate,’’ ‘‘anticipate,’’ ‘‘target,’’ ‘‘project,’’ ‘‘forecast,’’ ‘‘shall,’’ ‘‘contemplate’’ or the negative version of those words or other comparable words. Although they reflect INSW’s current expectations, these statements are not guarantees of future performance, but involve a number of risks, uncertainties, and assumptions which are difficult to predict. Some of the factors that may cause actual outcomes and results to differ materially from those expressed in, or implied by, the forward-looking statements include, but are not necessarily limited to, vessel acquisitions, general economic conditions, competitive pressures, the nature of the Company’s services and their price movements, and the ability to retain key employees. The Company does not undertake to update any forward-looking statements as a result of future developments, new information or otherwise.

Non-GAAP Financial Measures

Included in this presentation are certain non-GAAP financial measures, including Time Charter Equivalent (“TCE”) revenue, EBITDA, Adjusted EBITDA, and total leverage ratios, designed to complement the financial information presented in accordance with generally accepted accounting principles in the United States of America because management believes such measures are useful to investors. TCE revenues, which represents shipping revenues less voyage expenses, is a measure to compare revenue generated from a voyage charter to revenue generated from a time charter. EBITDA represents net (loss)/income before interest expense, income taxes and depreciation and amortization expense. Adjusted EBITDA consists of EBITDA adjusted for the impact of certain items that we do not consider indicative of our ongoing operating performance. Total leverage ratios are calculated as total debt divided by Adjusted EBITDA. We present non-GAAP measures when we believe that the additional information is useful and meaningful to investors. Non-GAAP financial measures do not have any standardized meaning and are therefore unlikely to be comparable to similar measures presented by other companies. The presentation of non-GAAP financial measures is not intended to be a substitute for, and should not be considered in isolation from, the financial measures reported in accordance with GAAP.

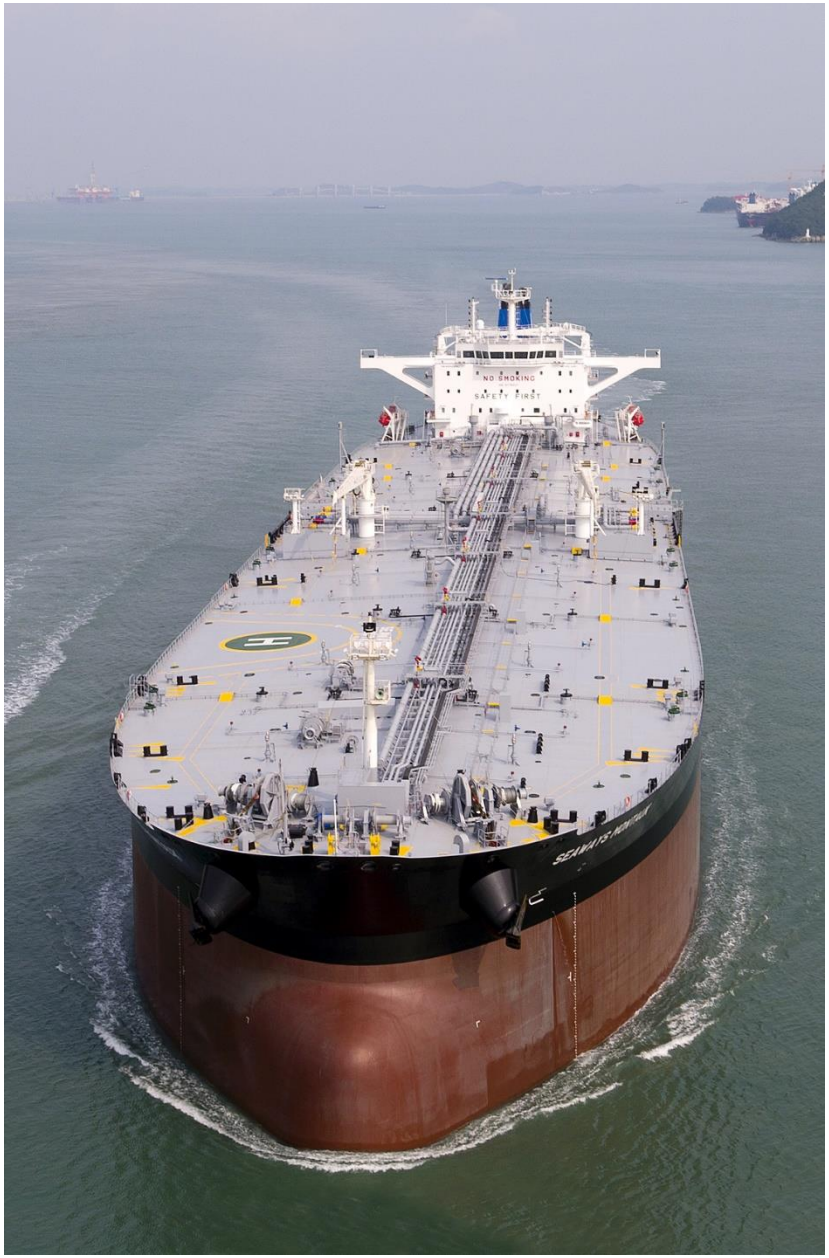
This presentation also contains estimates and other information concerning our industry that are based on industry publications, surveys and forecasts. This information involves a number of assumptions and limitations, and we have not independently verified the accuracy or completeness of the information.

Additional Information

You should read the Company’s Annual Report on Form 10-K for the year ended December 31, 2019, the Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, and the other documents the Company has filed with the SEC for additional information regarding the Company, its operations and the risks and uncertainties it faces. You may obtain these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov, or from the Company’s website at www.intlseas.com.

Corporate and Financial Highlights

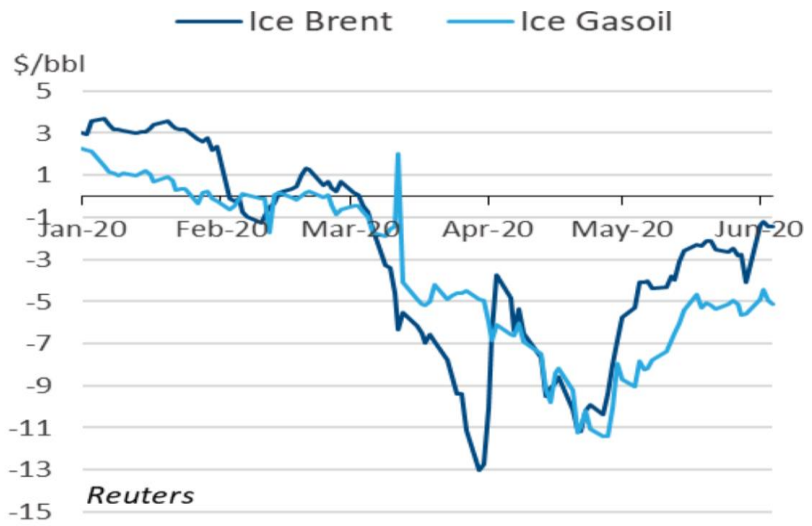
- **Executing on Capital Allocation Strategy**
  - Completed refinancing, saving $25 million in annual interest
  - Instituted $0.06/share quarterly dividend
  - Share repurchases totaling $10 million made during quarter
  - Revolver fully repaid. $40 million available
  - Purchased Seaways Guayaquil, an LR1, in February
  - Sold an older Aframax in January
- **Capitalized on Strong Market in First Half of Year**
  - 3 year VLCC time charter executed for a modern VLCC, Seaways Kilimanjaro for $45,000 per day with delivery in April
  - 1 year VLCC time charter executed for 2002-built VLCC, Seaways Tanabe for $53,000 per day with delivery in April
  - Two 7 month VLCC time charters executed at an average rate of $100,000 per day with delivery in May
  - Together with our JV income, reduces fleetwide breakeven on our spot revenue days to $16,000 per day over the next 12 months
- **Strongest Quarter Since Inception**
  - 2020 Q1 net income $33.0 million; $43.7 million ($1.49/share) when excluding items related to asset sales and debt refinancing
  - 2020 Q1 Adjusted EBITDA $74.2 million, an increase of $2.0 million from 2019 Q4 and $26.9 million from 2019 Q1
  - $110 million in cash and $150 million in liquidity at March 31



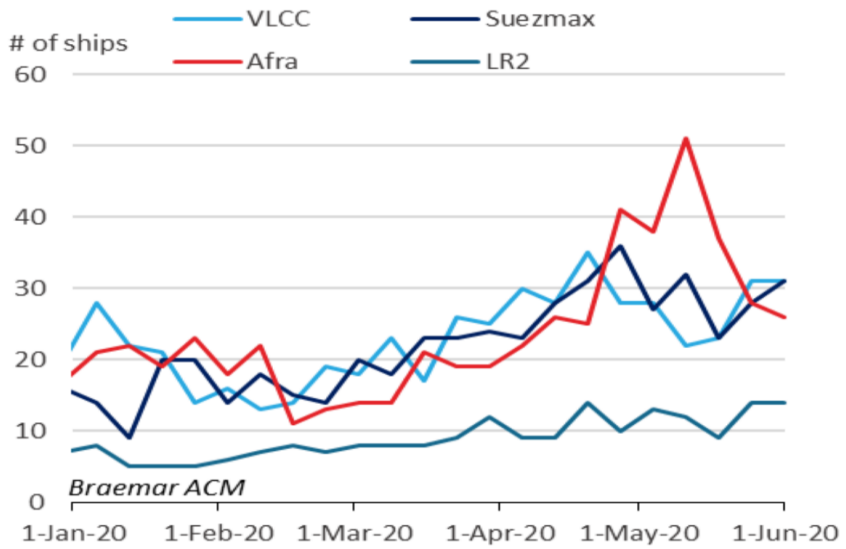
Market Update – Oil Supply, Demand and Market Implications

- **Oil Demand**
  - The Coronavirus (COVID-19) has negatively impacted oil demand. IEA currently forecasts reduced demand of 17.8 million b/d for Q2 of 2020 and 8.1 million b/d for 2020 as a whole
- **Oil Supply**
  - In March, OPEC and Russia failed to agree on production cuts and Saudi Arabia announced an increase in production
  - In April, OPEC+ reached agreement to curb production by in effect 10.7 million b/d
  - In June, OPEC+ agreed to continue the cuts for another month
  - Oil prices have fluctuated, with Brent spot prices briefly dipping below $10/bbl before recovering to $40/bbl
  - Storage of excess production is an issue
- **Tanker Market Implications**
  - The effects of overproduction, shortage of storage, and low oil prices are twofold:
  - First, we are seeing a large number of delays at discharge ports due to inadequate storage space to accept discharging cargoes. Ship delays at discharge ports create a ship supply shortage at load ports, pushing rates up
  - Second, there was a strong oil contango which made it profitable to store oil, creating a demand for time chartered ships for storage, further reducing ship supply and increasing rates
  - Estimates of 160-180 million barrels being stored on ships currently

Contango Has Decreased



Short-term Dirty Floating Storage Declining



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Market Update – Ship Supply

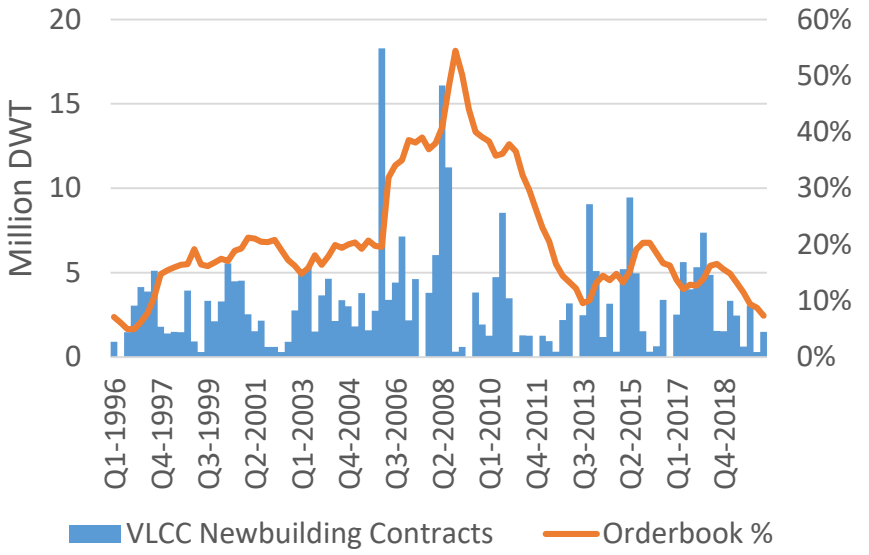
Orderbook Update

- Orderbook remains historically low:
  - VLCC 7.4%
  - Suezmax 10.8%
  - Aframax/LR2 9.5%
  - Panamax/LR1 4.3%
  - MR 7.2%
- 31 VLCCs ordered in 2019; YTD 2020 only ten thus far
- Ordering tempered by uncertainty surrounding markets, decarbonization, and suitable propulsion systems
- Scrubber installations extended as yards understaffed
- Chinese newbuilding deliveries facing delays

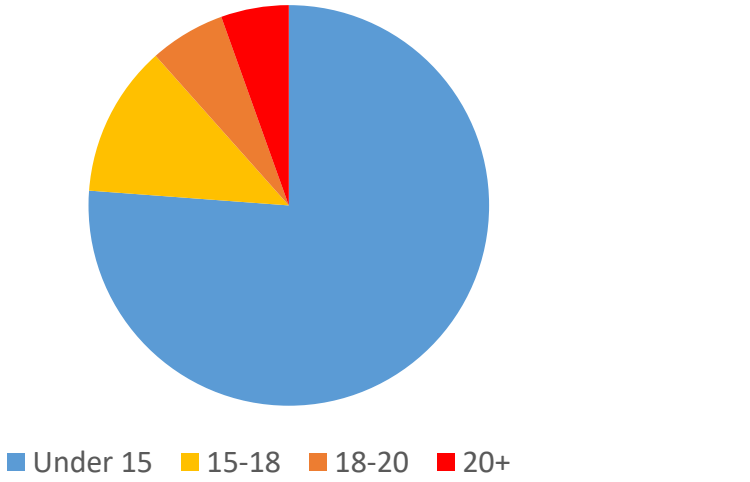
Scrapping potential

- The VLCC fleet is aging – nearly 200 ships out of a fleet of 822 are over 15 years old
- At age 15 and every 2.5 years thereafter significant investment required to continue to trade
- As ships reach ballast water treatment deadlines, even greater capital expenditure is required to keep trading
- After a record 31 scrappings in 2018, only four VLCCs were scrapped in 2019 and none YTD 2020. If rates moderate, we expect to see scrappings increase

Historically Low Orderbook



VLCC Fleet is Ageing



Source: Clarksons, INSW

International Seaways, Inc.

Strong Environmental Social & Governance Culture

- INSW is committed to implementing and advocating industry leading Environmental, Social and Governance practices

Environmental

- First shipping company to publish its CO2 emissions relative to the IMO 2050 trajectories
- Commitment to minimizing risk of all forms of pollution and managing waste streams
- Sustainability-linked pricing feature of INSW's new debt facility
- CEO Lois Zabrocky on the board of ITOPF, the International Tanker Owner's Pollution Federation
- NAMEPA Marine Environment Protection award, 2019

Social

- International Seaways meets, and when possible, exceeds compliance with all applicable rules and regulations governing the maritime industry
- Safe, healthy and secure working conditions for all employees on land and at sea, reinforced with strong safety statistics, e.g. 0.76 incidents[1] per million hours and 0.45 lost time injuries per million hours for the last 12 months through March 2020
- Member of the Marine Anti-Corruption Network

ITOPF

CLEANSHIPPINGALLIANCE2020

TRIDENT ALLIANCE

MACN
Maritime Anti-Corruption Network

[1] All injuries of any severity – first aid cases, medical treatment cases, lost time injuries

Strong Environmental Social & Governance Culture

Governance

- Seven of nine members of Board of Directors are fully independent
- Split non-Executive Chairman and CEO
- Commitment to diversity exemplified by two female Directors, one of whom is CEO
- Shareholder representation on Board
- Board includes former CEOs, former CFOs, and experts in shipping, compensation practices and compliance/governance
- Annual election for all Board Members
- Robust management and director stock ownership guidelines

External Validation

- Wells Fargo and Webber Research Governance Ranking:
  - #1 among tanker shipping companies in 2018, 2019 and 2020
  - #2 of 52 shipping companies overall
- National Directors Institute Public Company Board of the Year

Summary

- **Executing on Capital Allocation Strategy**
  - Completed refinancing, saving $25 million in annual interest
  - Instituted $0.06/share quarterly dividend
  - Share repurchases totaling $10 million made during quarter
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