

International Seaways, Inc.

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UBS Global Industrials and Transportation Conference

June 2020

INSW
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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. See Appendix for a reconciliation of certain non-GAAP measures to the comparable GAAP measures.

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.

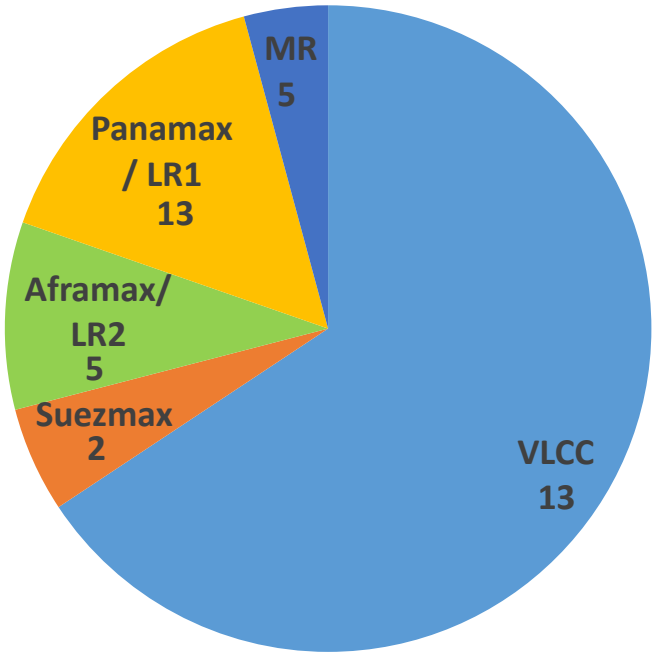
Additional Information

You should read the Company’s Annual Report on Form 10-K for the year ended December 31, 2018 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.

Introduction to International Seaways (NYSE: INSW)

- Leading diversified tanker owner with significant presence in crude and product sectors
- 40 vessel fleet with balanced mix of contracted cash flows and spot market upside
- Planning to install 10 scrubbers on VLCCs representing 40% of our fuel consumption
  - 5 scrubbers installed, 2 in the shipyard now, 3 postponed until 2021
- Approximate liquidity $150m (including $40m undrawn revolver) as of March 31, 2020
- Market cap $670m on June 1, 2020

Conventional Tanker Fleet – 38 Ships[1]



By Deadweight Tons

Joint Venture – 2 Ships

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FSO JV

2 Converted ULCCs

Lightering Operations

lightering llc

[1] Represents the number of vessels in each class as a percentage of the total fleet deadweight, as of May 31, 2020. Does not include JV vessels.

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Why Invest in International Seaways?

Disciplined Capital Allocator

- Invested $600 million, renewing fleet at bottom of cycle without issuing equity
- Sold LNG joint venture for $123 million in cash
- Prepaid $110 million of long term debt, saving about $9 million annual interest
- Installing 10 scrubbers on our modern VLCCs
- Current Capital Allocation Priorities:
  - Deleverage
  - Return cash to shareholders – share repurchase and/or dividend

Low Financial Leverage and Strong Balance Sheet

- Accomplished fleet upgrade while maintaining one of the industry's lowest leverage profiles
- Refinanced $390 million of debt in January 2020, saving an additional $15 million annually
- 41% Net Loan to Asset Value at December 31

Significant Operating Leverage

- 38 conventional tankers offer significant operating leverage to robust tanker market
- Every $5,000 improvement in the Time Charter Equivalent daily rate (TCE) provides $68 million in incremental EBITDA and $2.32 EPS per annum
- Q1 rates earned and Q2 bookings demonstrate strong upside potential

Best in Class Commercial and Technical Operations

- Best in class safety and environmental performance
- Sector leading commercial pools, many with INSW ownership
- New York representation in Tankers International VLCC pool

Strong Governance and ESG Footprint

- Experienced management team
- Majority independent and diverse board
- #1 tanker company in Wells Fargo Corporate Governance rankings two years running
- National Directors Institute Public Company Board of the Year - 2018

Coronavirus Update

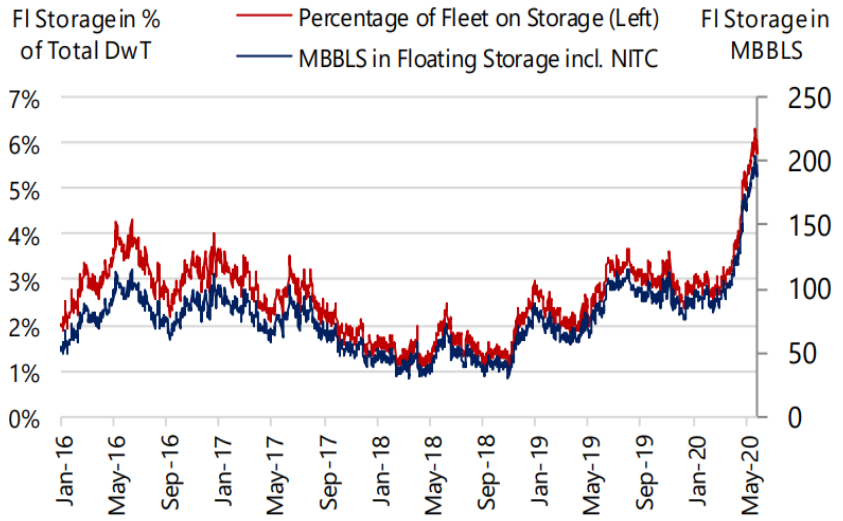
COVID - 19 RESPONSE

- **Crewing**
  - Strict measures are in effect on all of our ships for the health and safety of our seafarers
  - Test kits are being deployed to all ships
  - Global travel restrictions are making crew changes exceptionally difficult, although we see some movement towards opening up
- **Shoreside**
  - Advance planning enabled us to ensure business continuity
  - All New York and Houston Lightering office employees working remotely since March 16
  - Full staff capabilities maintained
  - No delays in closing books nor SEC filings
- **Operations**
  - We do see pressure on parts availability and logistics costs but these are not material impacts
  - SIRE and other inspections are remaining difficult to arrange
  - Drydockings and scrubber installations taking longer
  - Notwithstanding the above challenges, all key operations are working smoothly
- **Overall**
  - Our priorities are a safe environment for our employees ashore and at sea, and the continued safe, reliable service to our energy customers

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 19.9 million b/d for Q2 of 2020 and 8.6 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
  - Oil prices have since fluctuated, with Brent spot prices briefly dipping below $10/bbl before recovering to the mid $30's
  - Storage of excess production is increasingly becoming 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 180 million barrels being stored on ships currently

Contango Caused Demand for Storage Vessels



Source: Howe Robinson Partners

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Market Update – Ship Supply

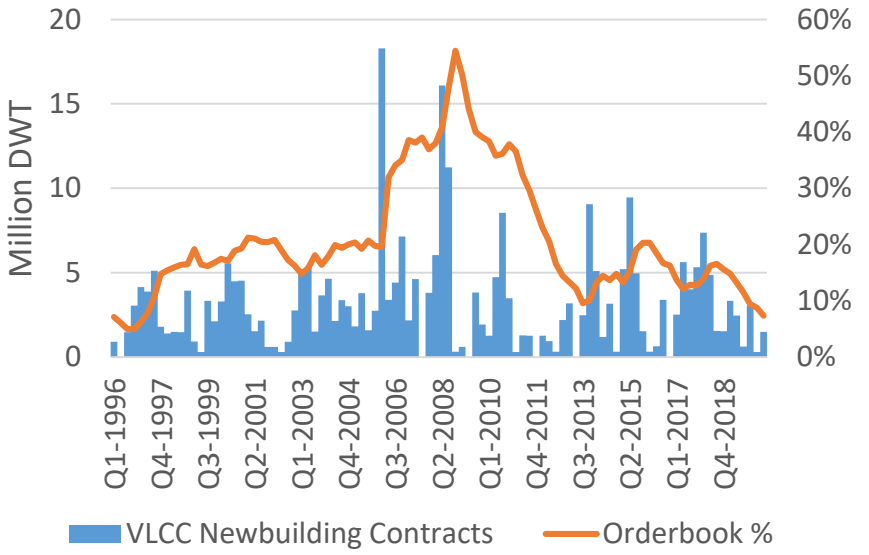
Orderbook Update

- Orderbook remains historically low:
  - VLCC 7.3%
  - Suezmax 11.0%
  - Aframax/LR2 8.4%
  - Panamax/LR1 4.3%
  - MR 6.9%
- 31 VLCCs ordered in 2019; YTD 2020 only six thus far
- Ordering tempered by uncertainty surrounding markets, decarbonization, and suitable propulsion systems
- Scrubber installations extended as yards understaffed
- Chinese newbuilding deliveries facing delays

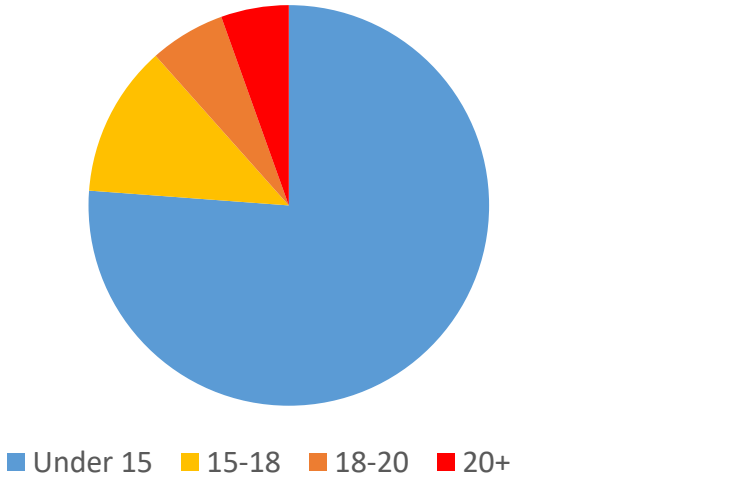
Scrapping potential

- 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



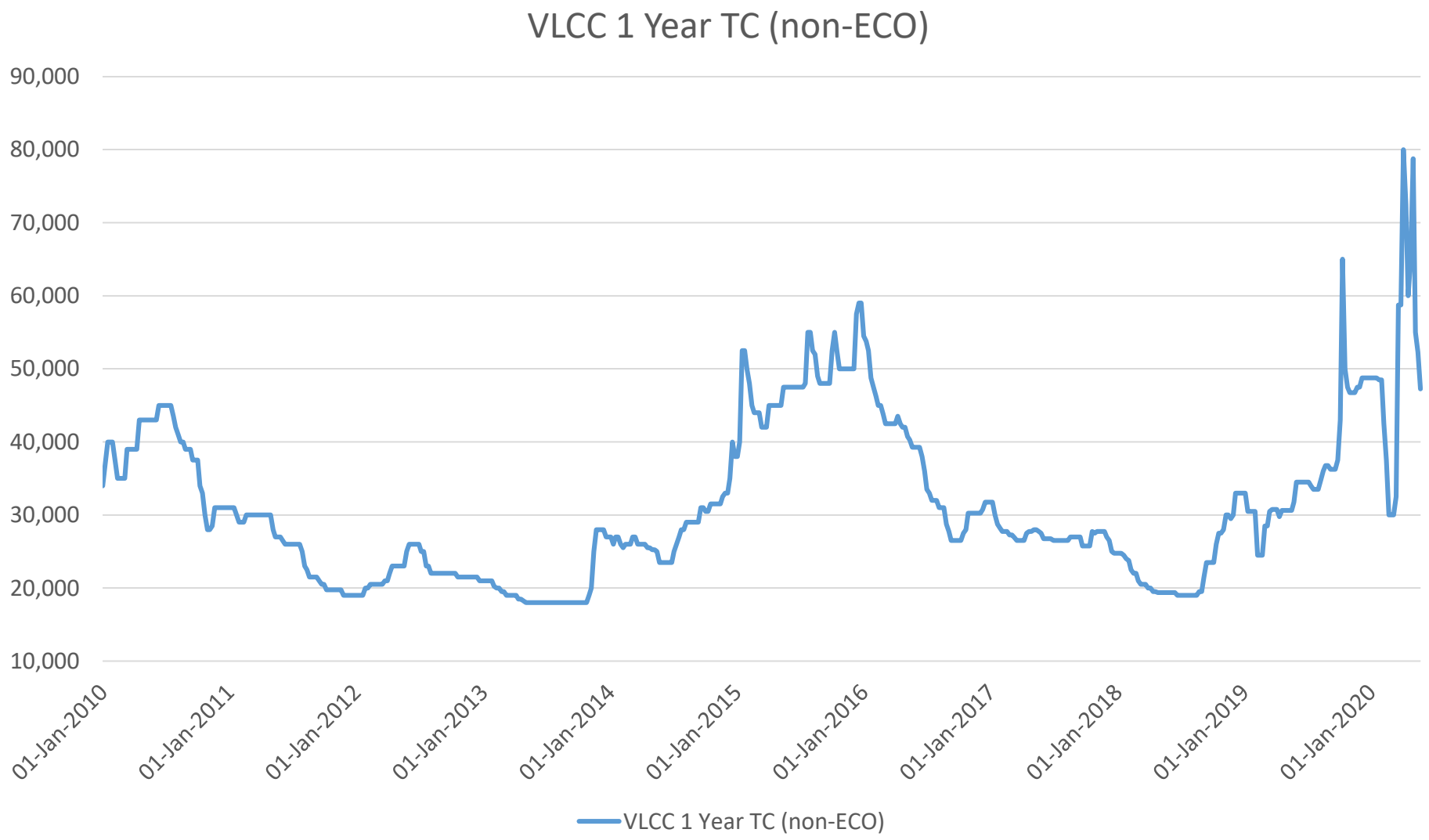
VLCC Fleet is Ageing



Source: Clarksons, INSW

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VLCC 1 Year TC Rates



Source: Clarksons Weekly VLCC 1 Year Timecharter Rate through May 22, 2020

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INSW Financial Highlights

Low Financial Leverage and Strong Balance Sheet

- Accomplished fleet upgrade while maintaining one of the lowest leverage profiles in the tanker space
- 43% Net Loan to Asset Value at March 31 (excludes the value of the FSO JV)
- Approximately $150 million in liquidity (including $40 million undrawn revolver)

Refinancing Brings Strong and Flexible Balance Sheet

- Refinanced Term Loan B and other instruments with traditional bank debt, completes balance sheet evolution from acquisition to long term capital allocation
- Lower margins and $110m debt prepayment yield savings of appr $25 million/yr
- Support of top tier shipping bank group
- Structured to provide capital allocation flexibility

Low Cash Breakeven

- Fleetwide cash breakeven $21,500/day for 2020
- Effectively $16,000/day when factoring in VLCC time charters & JV contributions
- Expected $30m drydock and $36m BWTS and Scrubber costs for 2020

Significant Operating Leverage

- 38 conventional tankers
- Every $5,000 improvement in the Time Charter Equivalent daily rate (TCE) provides $68 million in incremental EBITDA and $2.32 EPS annually

Disciplined Capital Allocator

- Invested $600 million, renewing fleet at bottom of cycle without issuing equity
- Sold LNG joint venture for $123 million in cash
- Prepaid $110 million of long term debt
- Current Capital Allocation Priorities:
  - Deleverage
  - Return cash to shareholders – share repurchase and/or dividend

Financial Summary – Q1 & Q2 Earnings Update

	1st Quarter 2020		2nd Quarter 2020[1]			
	Spot	Overall	**Spot**	% Fixed	Overall	% Fixed
VLCC[2]	**$63,800**	$63,800	**$87,900**	71%	$79,700	80%
Modern VLCC			**$90,600**	73%	$85,400	79%
15+ VLCC			**$68,800**	62%	$56,000	83%
Suezmax	**$42,800**	$42,800	**$63,100**	58%	$63,100	58%
Aframax/LR2	**$31,100**	$31,100	**$40,600**	63%	$40,600	63%
Panamax/LR1[3]	**$39,200**	$27,900	**$34,000**	51%	$23,300	68%
MR	**$20,700**	$20,700	**$20,000**	42%	$20,000	42%

1 As of May 6, 2020
2 Overall 2020 Q1 TCE has zero time charter days. Overall 2020 Q2 TCE includes 264 time charter days booked at approximately $64,700/day
3 Overall 2020 Q1 TCE includes 539 time charter days at $15,900/day. Overall 2020 Q2 TCE includes 543 time charter days booked at approximately $16,200/day
Rates exclude average pool fees of approximately $678/day

Refinancing Details – Lowers Cost of Capital

Pre-Refinancing Facilities

	Principal ($m)	Maturity	Rate	Annual Amortization
Term Loan B	$331.5	2022	L + 600	$18.4
ABN Term Loan	$23.2	2023	L + 325	$3.6
Sinosure Credit Facility	$269.7	2027-2028	L + 200	$23.6
8.5% Senior Notes	$25.0	2023	8.50%	$0.0
10.75% Subordinated Notes	$27.9	2023	10.75%	$0.0
TOTAL	**$677.4**		**6.48%**	**$45.6**

Net LTV 41%

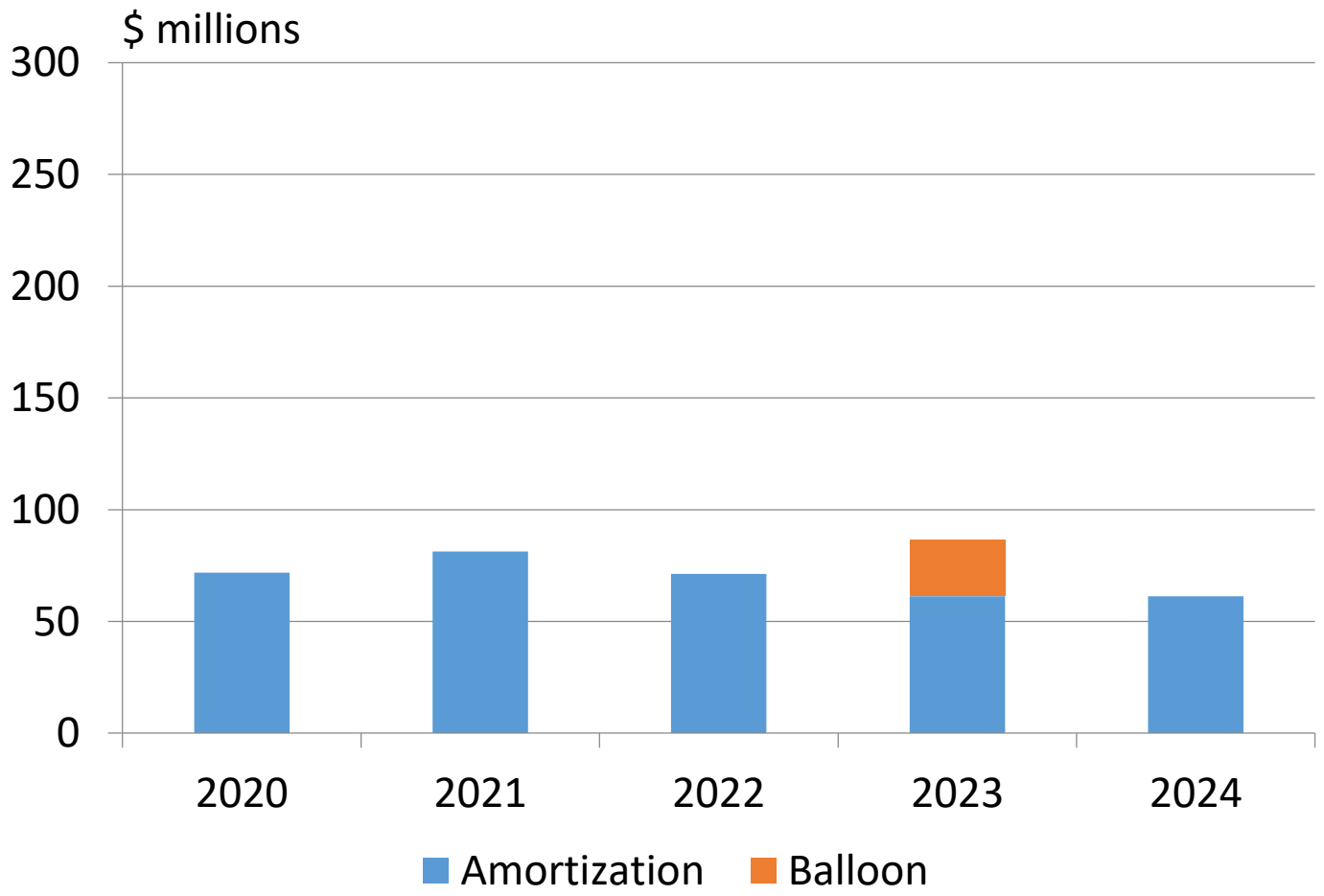
Pro Forma Post-Refinancing

	Principal ($m)	Maturity	Rate	Annual Amortization
Core Facility Term Loan	$300.0	2025	L + 260	$37.7
Transition Facility	$50.0	2023	L + 350	$20.0
Sinosure Credit Facility	$269.7	2027-2028	L + 200	$23.6
8.5% Senior Notes	$25.0	2023	8.50%	$0.0
Revolving Facility	$20.0	2025	L + 260	$0.0
TOTAL	**$664.7**		**4.48%**	**$81.3**

Net LTV 41%

Note: as of December 31, 2019

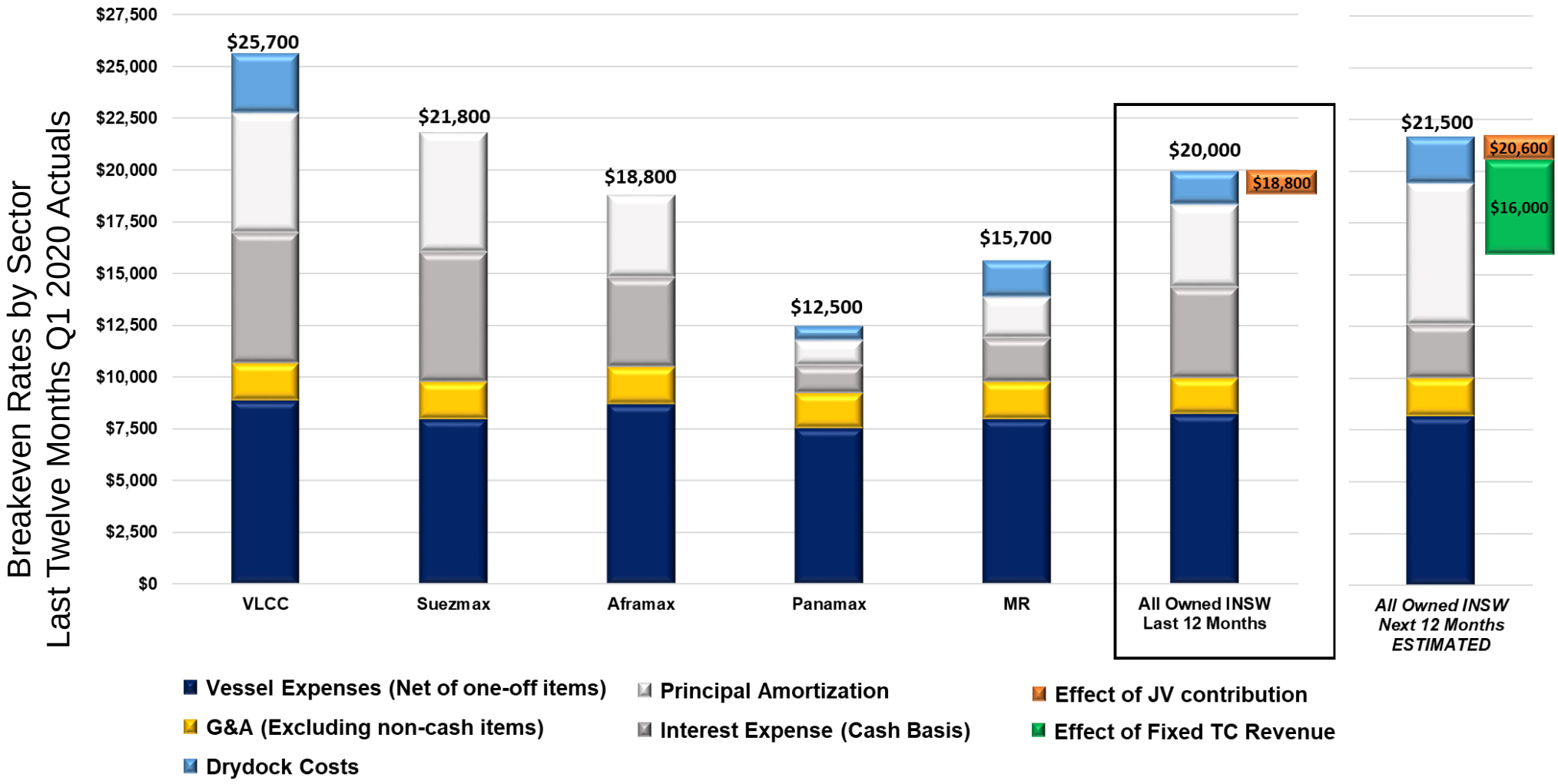
Refinancing Details – Debt Amortization



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Lean and Scalable Model – Cash Breakevens –Last 12 Months

TCE breakeven levels allow INSW to navigate low points in the tanker cycle while providing significant operating leverage in rising markets



- *INSW Daily OPEX excludes DDK deviation bunkers, insurance claims and one-off expenses*
- *G&A for the Lightering segment is excluded*
- *Vessels that have been sold are excluded*
- *Only includes owned vessels. Two bareboat-in Aframaxes vessels have charter hire and OPEX expenses of approx. $17,700 per day*
- *Breakevens are basis Revenue Days*

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Strong Environmental Social & Governance Culture

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

Environmental

- Commitment to minimizing risk of all forms of pollution and managing waste streams
- Sustainability-linked pricing feature of INSW's new debt facility
- Active and enhanced compliance programs for IMO 2020, ballast water treatment
- 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. 1.02 incidents[1] per million hours and 0.15 lost time injuries per million hours for last 12 months through October 2019
- 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

- Six members of Board of Directors 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
  - #2 of 56 shipping companies overall
- National Directors Institute Public Company Board of the Year