



# International Seaways, Inc.



Annual Meeting of Stockholders

June 6, 2023

**INSW**  

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**LISTED**  

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**NYSE**





# Rules of Conduct (1/2)

Welcome to our 2023 Annual Meeting. In fairness to all stockholders in attendance, please observe the following Rules of Conduct.

1. All attendees must register at the registration desk before entering the room or, if attending virtually, you will need the 16-digit control number included on your proxy card or in the instructions that accompanied your proxy materials (or in other communications you may have received from the broker, bank or other nominee in whose name your shares are held).
2. The use of cameras, recording devices or similar equipment to record or take screenshots of the Annual Meeting and discussions thereafter is prohibited without the express written permission of the Company. The redistribution of meeting materials is also prohibited without the express written permission of the Company.
3. The business of the Annual Meeting will, unless otherwise determined by the Chair of the Annual Meeting, be taken up as set forth in the Agenda. We will strictly follow the Agenda as we conduct the Annual Meeting. Questions and comments should be confined to the time allocated for questions in the Agenda.
4. Certain advance notification requirements apply regarding matters submitted by stockholders for a vote at the Annual Meeting, including the nomination of directors. Accordingly, only matters for which notification requirements have been met will be brought before the meeting. No nominations or proposals from stockholders will be accepted or acted upon at this Annual Meeting other than those submitted in accordance with advance notice requirements.
5. We welcome your questions and comments but ask that you not address the meeting until recognized by the Chair or another presiding officer. Upon recognition by the Chair or another presiding officer, the stockholder or proxy holder will be entitled to the floor. Speakers are requested to state their name, city and state of residence and status as a stockholder or proxy holder (and, if a proxy holder, the name of the stockholder you represent).
6. To allow us to answer questions from as many stockholders as possible, we will limit each stockholder to one question. We ask that questions be succinct and cover only one topic per question. Please confine your comments and questions to matters relevant to all stockholders and be as brief as possible. There will be a time limit of two minutes per question.
7. Questions from multiple stockholders on the same topic or that are otherwise related may be grouped and answered together.
8. Stockholder questions are welcome, but conducting the business set out in the Agenda for the benefit of all stockholders will be paramount and we do not intend to address questions that are irrelevant to the business of the Annual Meeting or relate to a personal matter. The Company does not intend to address any questions that are, among other things:
  - irrelevant to the business of the Company or to the business of the Annual Meeting;
  - related to material non-public information of the Company;
  - related to personal grievances;
  - derogatory references to individuals or that are otherwise in bad taste;
  - repetitious statements already made by another stockholder;
  - in furtherance of the stockholder's personal or business interests; or
  - out of order or not otherwise suitable for the conduct of the Annual Meeting as determined by the Chair of the Annual Meeting in his reasonable judgment.

The Chair of the Annual Meeting will determine whether questions are out of order. If there are any matters of individual concern to a stockholder and not of general concern to all stockholders, or if a question posed was not otherwise answered, such matters may be raised separately after the Annual Meeting by contacting the Corporate Secretary of the Company.



## Rules of Conduct *(continued 2/2)*

9. The Chair of the Annual Meeting may answer the question directly or invite another Company representative or the Company's independent registered public accountants to respond.
10. Banners, posters, buttons, leaflets, articles of clothing or other methods of presenting information other than orally as provided under these Rules of Conduct are not permitted.
11. The violation of these Rules of Conduct will be considered cause for expulsion from the Annual Meeting. In the event of disorder, the Chair of the Annual Meeting may immediately adjourn the meeting and declare the polls open for such period of time as he may determine to receive votes on items of business properly brought before the Annual Meeting.
12. In the event of a technical malfunction that disrupts the Annual Meeting, the Chair of the Annual Meeting may recess the Annual Meeting, or take such other action that the Chairman of the Annual Meeting determines is appropriate in light of the circumstances.

Thank you for your cooperation and for joining the Company at the Annual Meeting.



# Agenda

1. Welcome Remarks and Introduction of Directors and Management Team
2. Call to Order and Opening of Polls
3. Introduction of Items to be Presented to Stockholders
  - A. Election of Directors
  - B. Ratification of Appointment of Independent Registered Public Accountants
  - C. Advisory Vote to Approve Named Executive Officer Compensation
  - D. Advisory Vote on the Preferred Frequency of Advisory Vote to Approve Named Executive Office Compensation: 1 year, 2 year, or 3 years
  - E. Ratification of the Amended and Restated Shareholder Rights Agreement
4. Closing of Polls
5. Adjournment of Formal Meeting
6. Remarks by Lois K. Zabrocky, President and CEO
7. Questions and Answers
8. Conclusion of Meeting

# Business Review

Lois K. Zabrocky  
President & CEO





# 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,” “guidance,” “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, plans to issue dividends, 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 carefully consider the risk factors outlined in more detail in the Annual Report on Form 10-K for 2022 for the Company, the Quarterly Report on Form 10-Q for the quarter ended March 31, 2023, and in similar sections of other filings made by the Company 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](http://www.sec.gov), or from the Company’s website at [www.intlseas.com](http://www.intlseas.com)





# Highlights & Recent Developments

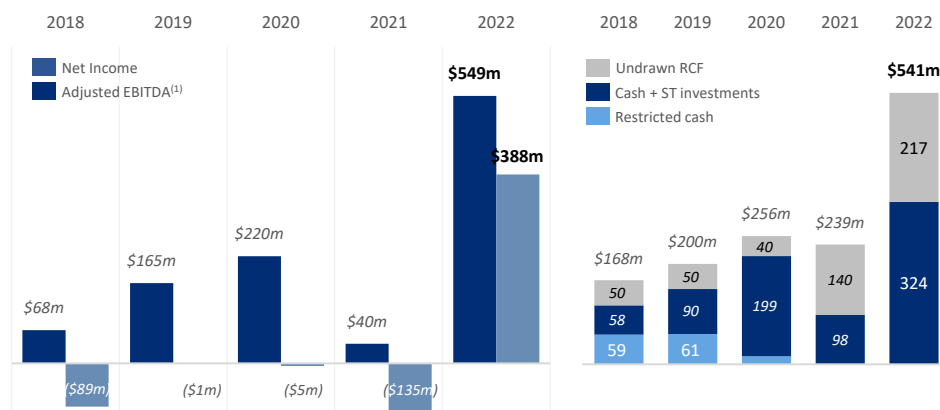
2022: A Banner Year for International Seaways

## Key Statistics for 2022

### Market Strength in Segments Where We Just Expanded in Prior Year...

Spot Earnings \$ per day	2018	2019	2020	2021	2022
VLCC	\$18,900	\$31,700	\$46,900	\$13,600	\$29,400
Revenue days	3,854	4,254	3,072	2,948	3,220
Suezmax	\$19,000	\$29,800	\$32,500	\$12,600	\$32,600
Revenue Days	730	729	725	2,193	3,901
Aframax	\$12,800	\$20,000	\$20,500	\$10,800	\$36,500
Revenue Days	2,020	1,386	1,369	1,087	1,283
LR1	\$14,900	\$21,500	\$25,700	\$14,800	\$38,700
Revenue Days	1,416	1,766	1,872	2,052	3,113
MR	\$10,100	\$12,600	\$16,400	\$10,500	\$30,300
Revenue Days	4,257	3,013	1,787	6,492	13,262

### ...Led to Record Earnings & Liquidity



International Seaways has a **proven track record of investing at low points in the cycle** with about \$2 billion on the books in assets and current values are above \$3 billion. **During 2022, the Company recorded its highest earnings in our history** after investing in the fleet in 2021 with the Diamond S Merger, particularly in asset classes that saw the highest uplift in earnings in the last 20 years. In turn, the Company returned more to shareholders.

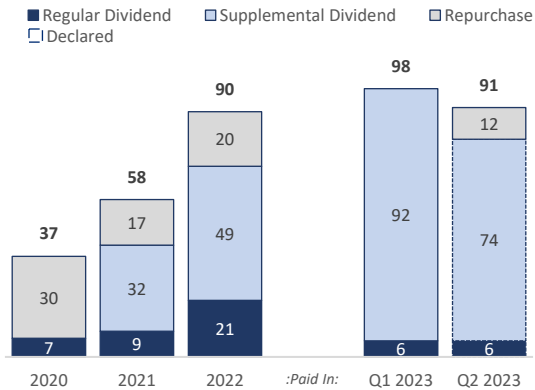


# Capital Allocation

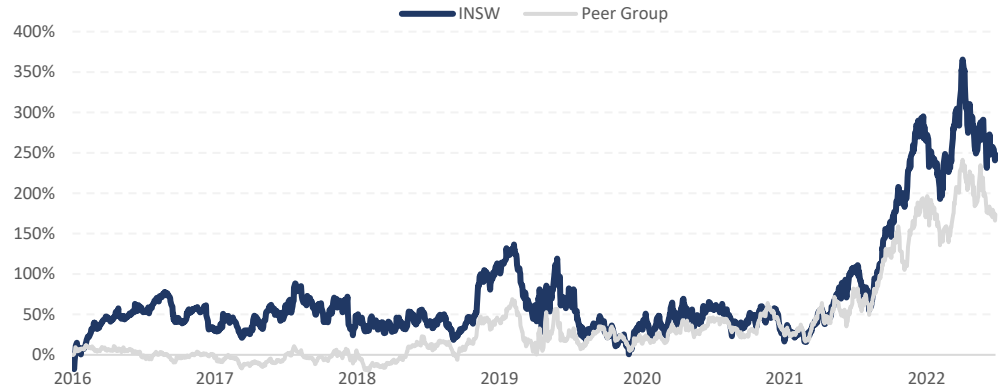
Building a Track Record in a Balanced Approach

## Returns to Shareholders

### OVER \$370 MILLION IN RETURNS SINCE 2020

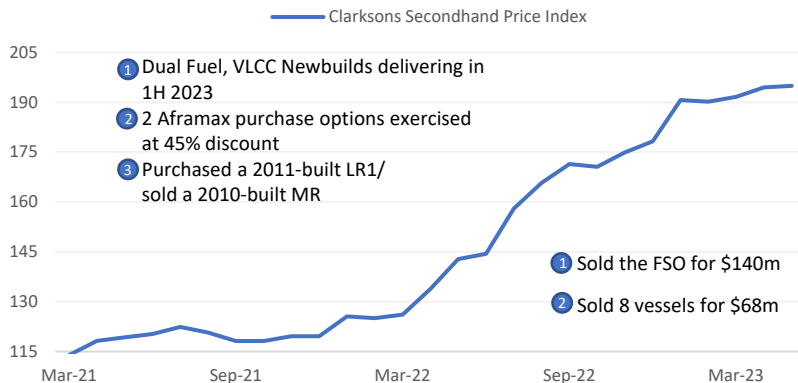


### LONG-TERM OUTPERFORMANCE: TOTAL SHAREHOLDER RETURN<sup>(1)</sup>



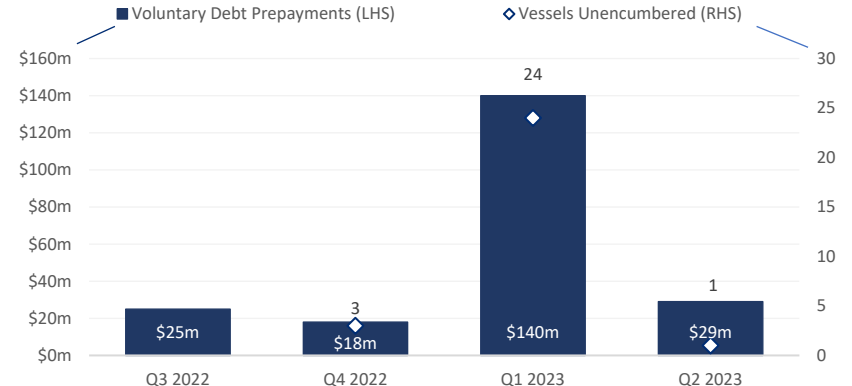
## Fleet Renewal

### OPPORTUNISTIC PURCHASES & SALES



## Debt Reduction

### UNENCUMBERING OF 28 VESSELS IN LAST 6 MOS



(1) Source: Bloomberg. Total shareholder return defined as compound total return, with dividends reinvested on the ex-date. Performance calculated since December 1, 2016 on a weighted average basis of market capitalization. Peer group consists of Ardmore Shipping Corporation (NYSE: ASC); DHT Holdings, Inc. (NYSE: DHT); Euronav NV (NYSE: EURN); Frontline LTD (NYSE: FRO); Scorpio Tankers Inc. (NYSE: STNG); Tsakos Energy Navigation Limited (NYSE: TNP); Teekay Tankers Ltd. (NYSE: TNK); and TORM plc (NYSE: TRMD).



# Market Outlook Summary

<b>Strong Tanker Markets</b>	Near	<ul style="list-style-type: none"><li>• Tanker revenues around mid-cycle levels</li><li>• Oil demand above pre-pandemic levels; recessionary concerns could curb global oil demand</li><li>• Sanctions on Russian crude and refined products driving ton-mile demand</li><li>• Inventories around 10-year averages</li></ul>
<b>Disconnect of oil supply growth &amp; oil demand growth creates further demand for tankers</b>	Medium	<ul style="list-style-type: none"><li>• Oil production growth driven largely from Americas</li><li>• Oil demand growth principally from Far East</li><li>• Displaced tonnage from WAF/EU establishes more ton-miles from Americas</li><li>• Additional distance creates higher tanker utilization</li></ul>
<b>Changes to the refinery landscape establishes further regional imbalances</b>	Medium	<ul style="list-style-type: none"><li>• Simple, less complex refineries unable to compete with high conversion capacity</li><li>• Upgrading and grass roots growth mostly from East of Suez</li><li>• Mothball or conversion candidates likely West of Suez</li><li>• New capacity building for export purposes</li></ul>
<b>Tanker fleet under pressure as aging vessels face removal from commercial trading</b>	Medium	<ul style="list-style-type: none"><li>• Average fleet ages have grown substantially over last 10 yrs</li><li>• Vessels aged 15+ face different trading patterns, over 30% of tanker fleet</li><li>• Scrapping, recycling, removal candidates significant over next few years</li><li>• Candidates substantially higher than scheduled newbuildings</li></ul>
<b>Lack of investment in fleet growth due to decarbonization</b>	Long	<ul style="list-style-type: none"><li>• Uncertainty remains on the next viable fuel alternative on a vessel that trades nearly 25 years</li><li>• Shipping industry, due to its worldwide reach, facing attention in global environmental efforts</li><li>• Strength of other shipping sectors has led to further consumption of newbuild yard capacity</li><li>• Previous weakness in tankers has created lack of investment</li></ul>



# Investment Highlights

## Disciplined Capital Allocator

- Transformed company from spin-off & approximately \$0.4bn market cap in 2016 through today into one of the top 3 US publicly traded tanker companies by DWT with \$1.9bn in market cap<sup>(1)</sup>
- Invested approximately \$2bn in assets at low points in the cycle (valued at over \$3bn today)
- Returned over \$370 million to shareholders in share repurchases and dividends since the start of 2020
- Total Shareholder Return of approximately 248% since inception<sup>(2)</sup>

## Industry Leader in ESG

- Majority independent and diverse board
- Consistently at the top of Webber Research ESG rankings
- Commitment to environment demonstrated by \$288m dual-fuel VLCC order
- Over 50% of debt portfolio has sustainability linked features on reducing our carbon footprint and safety

## Hybrid Operating Model *focused on safety & flexibility*

- Focused on safety and environmental performance
- Sector leading commercial pools, many with INSW ownership
- Ability to scale up and down quickly with the tanker cycles

## Quality Capital Structure

- Liquidity at Q1 2023: \$519 million
- 21% Net Loan to Asset Value<sup>(3)</sup>
- Diverse debt portfolio: Split of low-cost senior debt and leases with fixed interest (64% interest is fixed or hedged)
- 35% of the fleet is unencumbered
- Fleetwide break-even costs including capex and debt service are below \$17,000 per day<sup>(4)</sup>

## Compelling Tanker Fundamentals

- Regional imbalances of crude oil and refined products: low worldwide inventories and oil reserves, expanding distances between growth in oil production, refinery throughput and end-user oil demand
- Limited fleet growth: Orderbook is less than 4% of current fleet, asset prices at 15-year highs, pending regulatory changes and shipyards at capacity with other shipping sectors

(1) Average Last 30 days

(2) From December 1, 2016 to May 26, 2023.

(3) Senior debt plus all sale leasebacks less cash divided by fleet value extracted from VesselsValue.com at March 31, 2023, including the incremental value on the VLCC newbuilds less their remaining capex..

(4) Estimate for next 12 months



# Appendix





# Adjusted EBITDA Reconciliation

<i>\$000s</i>	2018	2019	2020	2021	2022
Net income / (loss)	(88,940)	(830)	(5,531)	(134,660)	387,891
Income tax provision	(105)	1	1	1,618	88
Interest expense	60,231	66,267	36,712	36,796	57,721
Depreciation and amortization	72,428	75,653	74,343	86,674	110,388
Noncontrolling Interest	-	-	-	(174)	-
<b>EBITDA</b>	<b>43,614</b>	<b>141,091</b>	<b>105,525</b>	<b>(9,746)</b>	<b>556,088</b>
Amortization of time charter contracts acquired	-	-	-	2,428	842
Third-party debt modification fees	1,306	30	232	110	1,158
(Gain)/Loss on sale of investment in affiliated companies	-	(3,033)	-	-	9,378
Release of other comprehensive loss upon sale of investment in affiliated company	-	21,615	-	-	-
Merger and intergration related costs	-	-	-	50,740	-
Gain on disposal of vessels, net of impairments	19,680	308	100,087	(9,753)	(19,647)
Write-off of deferred financing costs	2,400	3,558	13,073	2,113	1,266
Loss on extinguishment of debt	1,295	1,100	1,197	4,465	-
<b>Adjusted EBITDA</b>	<b>68,295</b>	<b>164,669</b>	<b>220,114</b>	<b>40,357</b>	<b>549,085</b>