



# Team Tankers International

3<sup>rd</sup> Quarter 2019 Results, Earnings call, 15 November 2019



# Disclaimer

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This presentation may contain forward looking statements. These statements are based upon various assumptions, many of which are based, in turn, upon further assumptions, including Team Tankers International's management's examination of historical operating trends. Although Team Tankers International (the "Company") believes that these assumptions were reasonable when made, because assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond its control, the Company cannot give assurance that it will achieve or accomplish these expectations, beliefs or intentions.

Important factors that, in the Company's view, could cause actual results to differ materially from those discussed in this report include the strength of world economies and currencies, general market conditions including fluctuations in charter hire rates and vessel values, changes in demand in the chemical tanker market, changes in the Company's operating expenses including bunker prices, dry-docking and insurance costs, changes in governmental rules and regulations or actions taken by regulatory authorities, potential liability from pending or future litigation, general domestic and international political conditions, potential disruption of shipping routes due to accidents or political events, and other important factors described from time to time in the reports filed by the Company. Neither Team Tankers International nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements.

# Agenda

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## Company overview and highlights

Financials

Market Fundamentals and Outlook

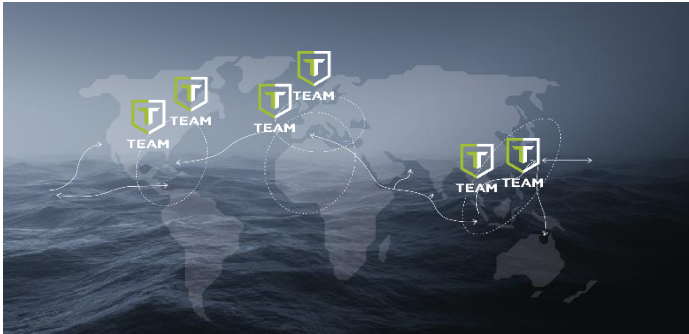
Summary

# TEAM | A Leading Chemical Tanker Company

## Fleet and Global Network

46 Vessels (33 owned, 13 charters).

91 onshore employees.



Westport | Houston | Copenhagen  
Singapore | Marbella | Manila

## Strategic focus

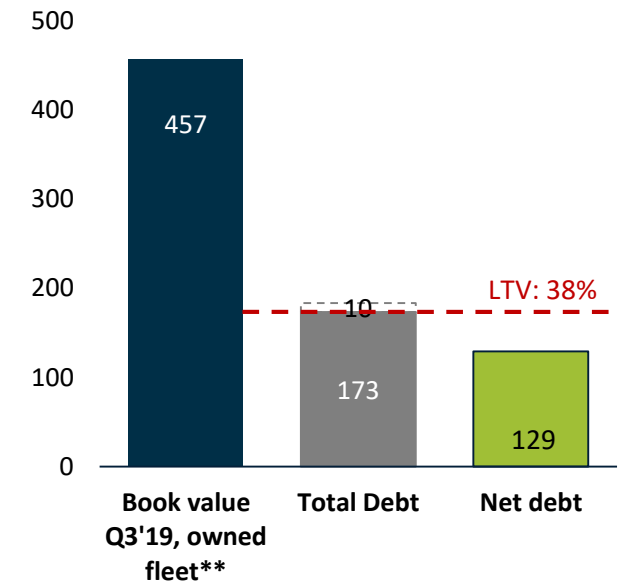
The Company's strategic focus is on:

- **Global Coated fleet** (33 vessels).
- **Regional Stainless-Steel fleet** (13 vessels).

## Strong Balance Sheet

55.3% Book equity ratio.

\$54 million in liquidity.\*



\*Cash plus undrawn credit of \$10 million, as of Q3 2019.

\*\*Book value includes held-for-sale vessels

# Highlights Q3 2019

**\$11,406** TCE (Q2 '19: 11,611).

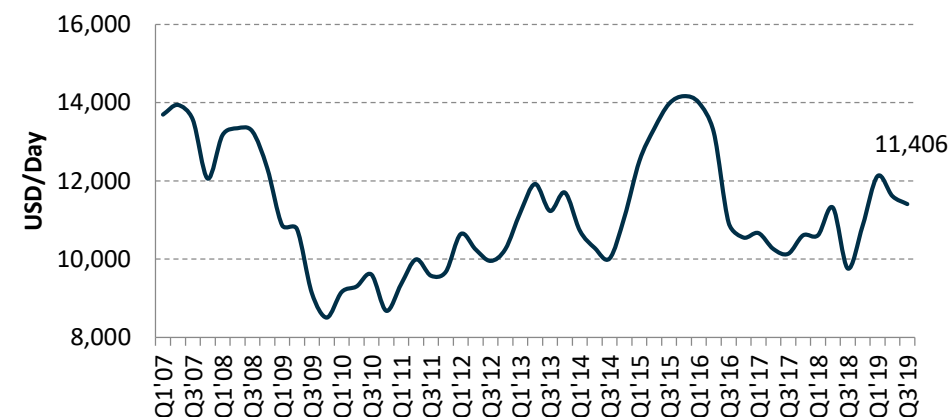
**\$13.4** EBITDA (Q2 '19: 11.8).

**\$-15.1** Net loss (Q2 '19: -17.4 net loss).

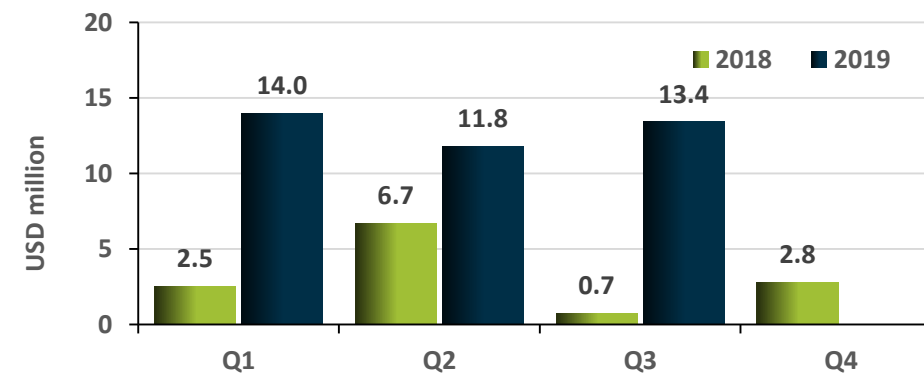
**55.3%** Equity ratio.

## Average Time Charter Equivalent

Team Tankers Index (TTI)



## EBITDA development





# Focused Fleet

TEAM has focused its business around three core vessel classes:

The Global Coated fleet consists of:



- Deep sea coated fleet (25-54k dwt IMO 2 focused).

- Top 10 in the world

- Ships in fleet: 22



- Regional coated fleet (10-16k dwt).

- #3 in the world

- Ships in fleet: 11



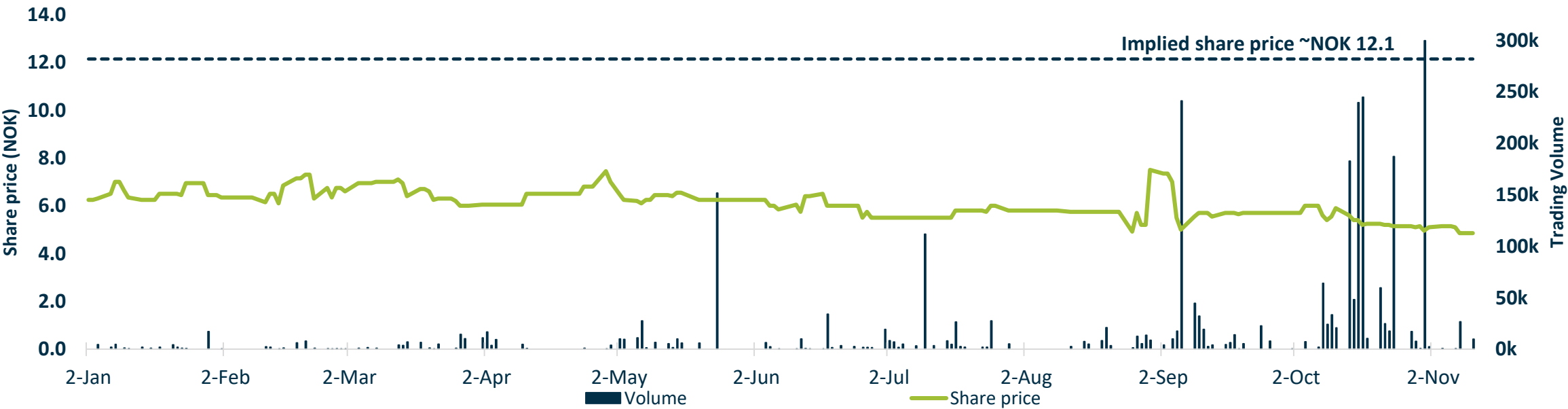
- Regional stainless steel fleet (7-12k dwt).

- #1 in the world

- Ships in fleet: 13

# Fleet Changes

Fleet disposals, owned	Vessel	DWT	Built	Tanks	Transaction
May 2019	Team Tapatio	44,999	2003	Coated	Sale and TC back
July 2019	Sichem Paris	13,079	2008	Coated	Sale and TC back
August 2019	Tambourin	44,999	2004	Coated	Sale
August 2019	Sichem Montreal	13,056	2008	Coated	Sale and TC back (short-term)
Est. Q4 2019 delivery	Team Tarantella	44,999	2002	Coated	Sale, pending delivery
Est. Q1 2020 delivery	Team Tosca	44,999	2004	Coated	Sale, pending delivery
Est. Q2 2020 delivery	Team Toccata	44,999	2004	Coated	Sale, pending delivery



*Note: 9.06 USDNOK per 30 September. Implied share price basis net sales value discount to book of past 7 sold ships: Team Tapatio, Sichem Paris, Tambourin, Sichem Montreal, Team Tarantella, Team Tosca, and Team Toccata.*

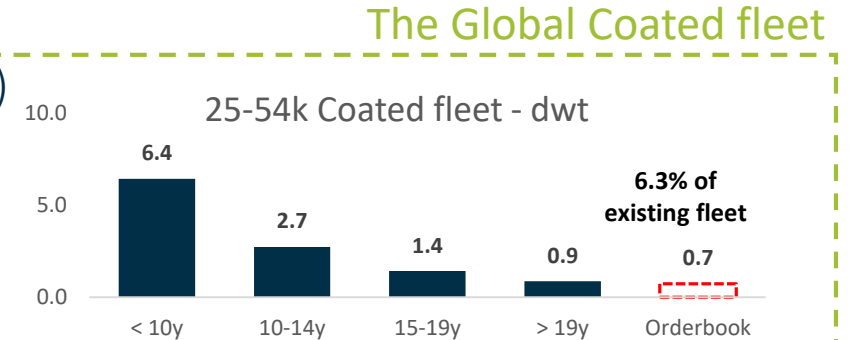
# Favorable Orderbook

## Favorable orderbook for TEAM's core vessel classes



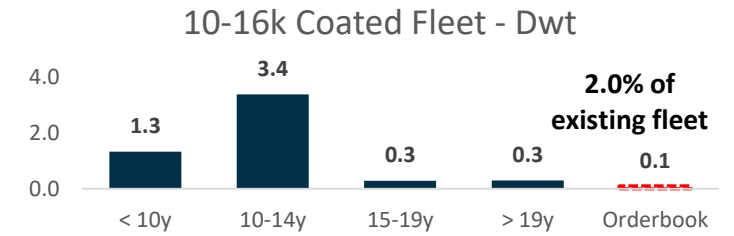
### ■ Deep Sea Coated IMO 2 focused (25 - 54k dwt)

- Existing fleet: 11.5 million dwt
- Orderbook: 6.3%
- Team fleet average age – 10.7 years
- World fleet average age – 10.1 years



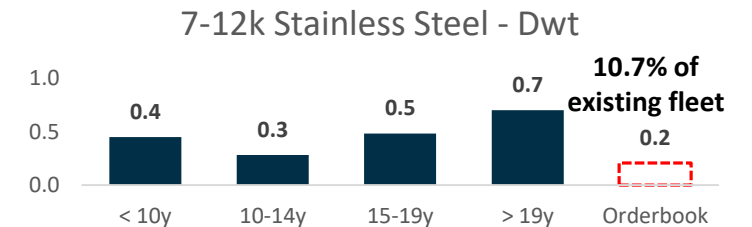
### ■ Regional Coated (10 - 16k dwt)

- Existing fleet: 5.3 million dwt
- Orderbook: 2.0%
- Team fleet average age – 12.2 years
- World fleet average age – 11.4 years



### ■ Regional Stainless Steel (7 - 12k dwt)

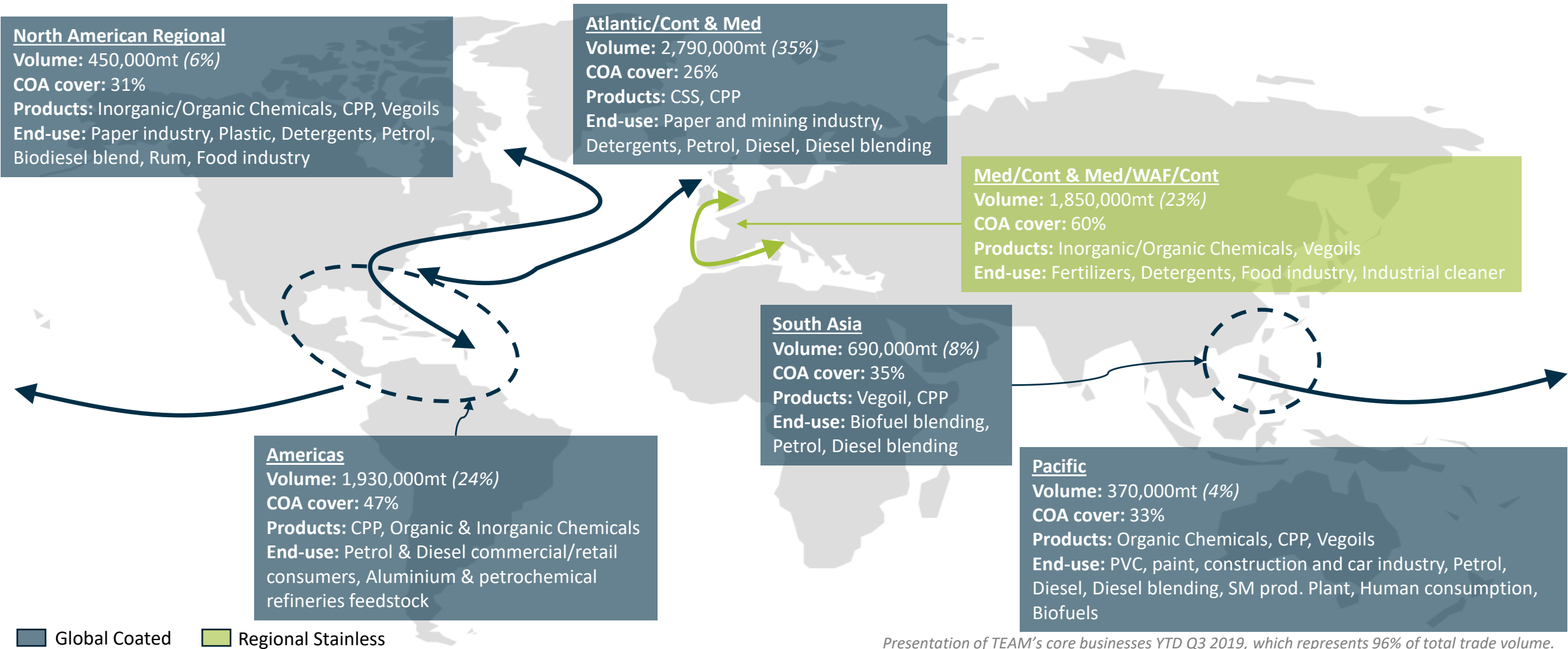
- Existing fleet: 1.9 million dwt
- Orderbook: 10.7%
- Team fleet average age – 13.5 years
- World fleet average age - 15.6 years



Source: Drewry & TEAM



# Customer Focus Through Global Network



Presentation of TEAM's core businesses YTD Q3 2019, which represents 96% of total trade volume.

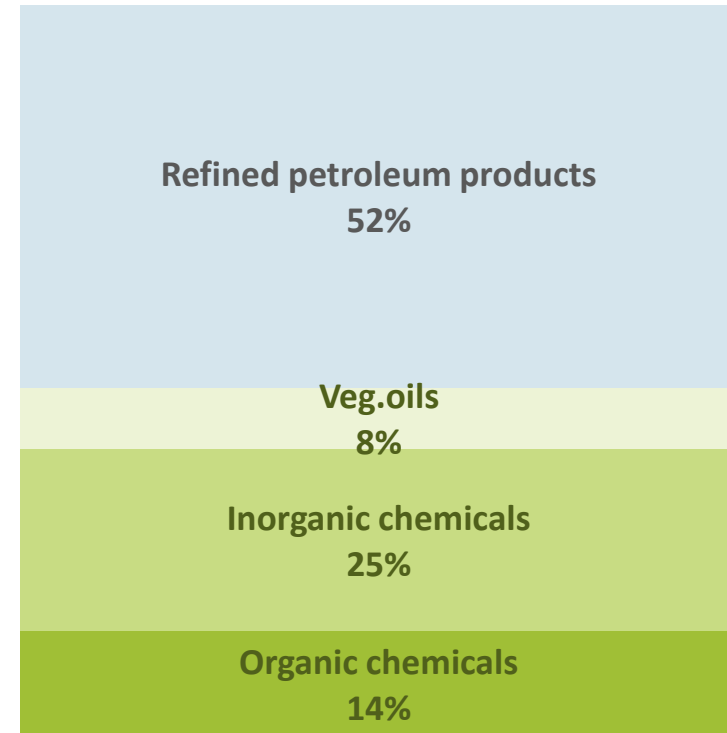
# Customer Focus

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- We have blue-chip customer support with strong contract coverage, many on evergreen basis, and additional volumes from preferred supplier relationships.
- 66 different products carried for our customers in YTD 2019.
- We can carry chemicals, veg.oils and refined petroleum products to optimize utilization and swing between strong markets.

## Cargo lifting YTD Q3 2019

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# Income Statement

USD million	Q3 2019	Q2 2019	Q3 2018
Freight revenue	80.0	81.1	78.9
Voyage expenses	-31.5	-31.7	-35.3
<b>Freight income on T/C basis</b>	<b>48.5</b>	<b>49.4</b>	<b>43.6</b>
Ship operating expenses	-27.7	-30.3	-27.0
Charterhire expenses	-2.2	-1.7	-10.0
G&A expenses	-5.2	-5.6	-5.8
<b>EBITDA</b>	<b>13.4</b>	<b>11.8</b>	<b>0.7</b>
Depreciation and amortization	-17.3	-17.3	-11.3
Other gains / (losses)	-6.4	-6.9	0.0
<b>EBIT</b>	<b>-10.3</b>	<b>-12.4</b>	<b>-10.6</b>
Interest income	0.1	0.0	0.1
Interest expenses	-4.0	-4.1	-3.0
Other financial items	-1.0	-0.9	-1.1
<b>Profit / (loss) before taxes</b>	<b>-15.1</b>	<b>-17.4</b>	<b>-14.5</b>
<b>Net profit / (loss)</b>	<b>-15.1</b>	<b>-17.4</b>	<b>-14.5</b>
Earnings per share - basic (USD)	-0.07	-0.08	-0.07
Earnings per share - diluted (USD)	-0.07	-0.08	-0.07

- Freight income on T/C basis of \$48.5 million (\$49.4 million in Q2'19).
  - TCE of \$11,406 pd, down 1.8% from Q2'19.
- IFRS 16 regulation implemented 1 Jan 2019.
  - Replaces straight-line operating lease expenses with depreciation charges for the lease asset and interest expenses on the lease liability in the P&L.
- EBITDA of \$13.4 million (\$11.8 million in Q2'19).
  - Decreased operating expenses of \$3.6 million.
- Other gains/(losses) includes the sale of three ships.
  - Two 45k coated vessels, one 13k coated vessel.
- Interest expenses of \$4.0 million (\$4.1 million in Q2'19).
- Net loss of \$15.1 million (net loss of \$17.4 million in Q2'19).

# Balance Sheet

USD million	Q3 2019	Q2 2019
Vessels	423.3	468.7
Right-of-use assets, Vessels	55.0	57.7
Right-of-use assets, Office Leases	3.5	3.7
Other equipment	1.1	1.3
Other non-current assets	0.7	1.0
<b>Total non-current assets</b>	<b>483.7</b>	<b>532.3</b>
Inventories	11.9	13.2
Trade and other receivables	51.0	51.4
Other current assets	1.4	2.1
Cash and cash equivalents	44.0	37.0
<b>Total current assets</b>	<b>108.4</b>	<b>103.7</b>
Vessels held for sale	33.5	24.9
<b>TOTAL ASSETS</b>	<b>625.6</b>	<b>660.9</b>
<b>Total Equity</b>	<b>345.8</b>	<b>360.9</b>
Long-term debt	128.6	155.9
Long-term lease obligations	36.1	38.7
Other non-current liabilities	0.1	0.1
<b>Total non-current liabilities</b>	<b>164.8</b>	<b>194.7</b>
Trade and other payables	33.8	34.7
Short-term debt	33.0	33.7
Short-term lease obligations	26.2	26.7
Other current liabilities	10.2	10.3
<b>Total current liabilities</b>	<b>103.2</b>	<b>105.3</b>
Liabilities associated with vessels held for sale	11.8	0.0
<b>Total liabilities</b>	<b>279.8</b>	<b>300.0</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>625.6</b>	<b>660.9</b>

- Strong balance sheet and adequate liquidity position.
  - \$54.0 million liquidity.
  - Low leverage.
- Equity ratio of 55.3%.
- IFRS 16 regulation.
  - Require recognition of right-of-use assets and lease liabilities for long-term operating leases.
- Fleet changes in Q3:
  - One MR delivered to new owner.
  - Two 13k coated vessels delivered to new owners and chartered back to Team as operational leases.
  - Three MRs held for sale.

# Cash Flow Statement

USD million	Q3 2019	Q2 2019
<b>Operating activities</b>		
Profit / (loss) before taxes	-15.1	-17.4
Depreciation and amortization	17.3	17.3
Loss/(gain) on sale of vessels	6.4	6.9
Net interest expenses	3.9	4.1
Foreign currency (gain) / loss, net	0.1	0.0
Share based incentive expenses	0.5	0.4
Working capital and other adjustments	0.7	7.7
<b>Net cash flow from operating activities</b>	<b>13.8</b>	<b>19.0</b>
<b>Investing activities</b>		
Vessel sale proceeds	23.7	12.2
Capitalized dry dock expenditures, owned vessels	-2.1	-9.8
Capital expenditures, other equipment	0.0	0.0
Interest received	0.1	0.0
<b>Net cash flow from investing activities</b>	<b>21.7</b>	<b>2.3</b>
<b>Financing activities</b>		
Credit facility proceeds	0.0	10.0
Repayment of long term debt	-16.3	-9.0
Repayment of obligations under leases	-8.2	-7.5
Interest paid	-3.6	-3.8
Payment of other financial costs, net	-0.1	0.0
Loan commitment fee	0.0	-0.1
<b>Net cash flow from financing activities</b>	<b>-28.2</b>	<b>-10.3</b>
<b>Net change in cash and cash equivalents</b>	<b>7.3</b>	<b>11.0</b>
Cash balance at beginning of period	37.0	25.8
Net foreign exchange difference on cash	-0.2	0.1
<b>Cash and cash equivalents at end of period</b>	<b>44.0</b>	<b>37.0</b>
Undrawn portion of revolving credit facility	10.0	10.0

- Positive cash flow from operating activities of \$13.8 million.
- Positive investment cash flow of \$21.7 million.
  - Sold and delivered three vessels in Q3 '19.
- Total net financing cash impact of \$28.2 million.
  - \$16.3 million repayment of long-term debt.
  - \$8.2 million lease repayment.
  - \$3.6 million interest expense.
- Liquidity (cash and undrawn) \$54.0 million.
  - Cash of \$44.0 million, undrawn revolver of \$10.0 million.



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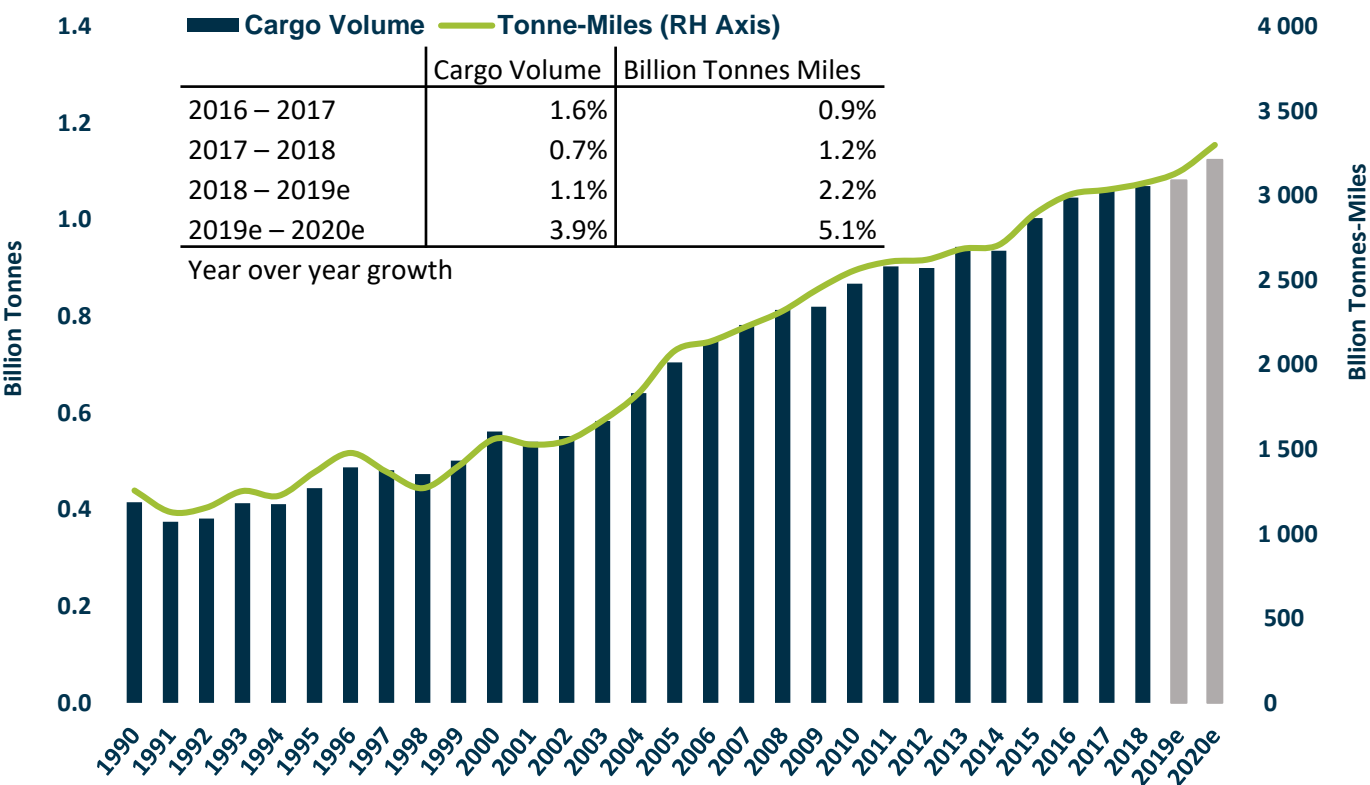
## Market Fundamentals and Outlook

Summary

# Positive Demand Trends

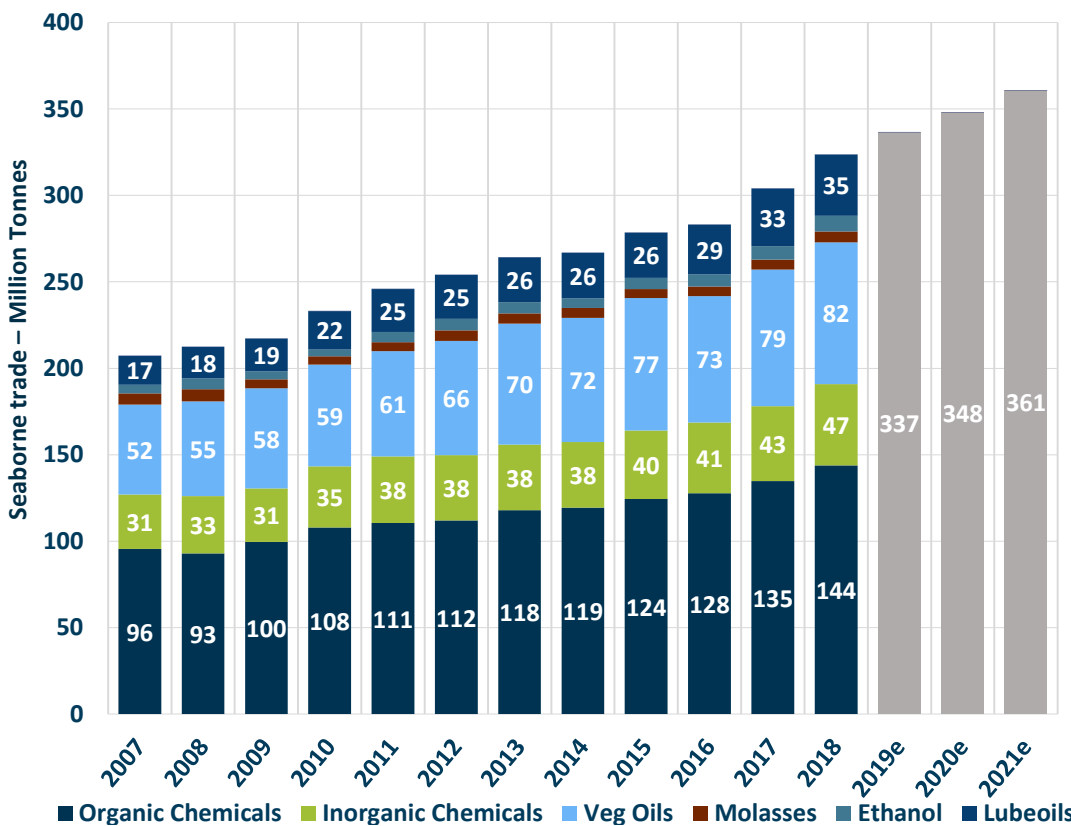
Demand for both refined petroleum products and specialty chemicals continues to show robust growth.

## World Seaborne Oil Products Trade



Source: Clarksons Platou

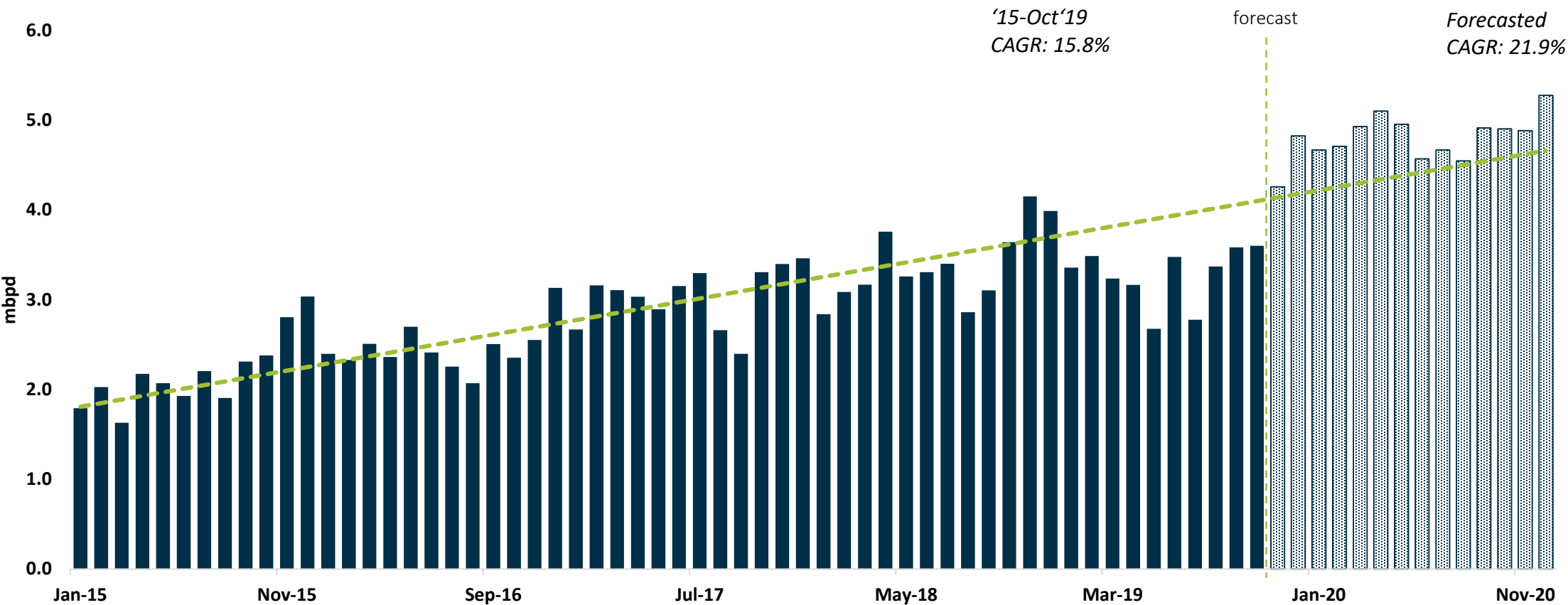
## Seaborne Trade Growth by Sub-Group



Source: Clarksons Platou

# US Net Product Exports – No Signs of Stopping

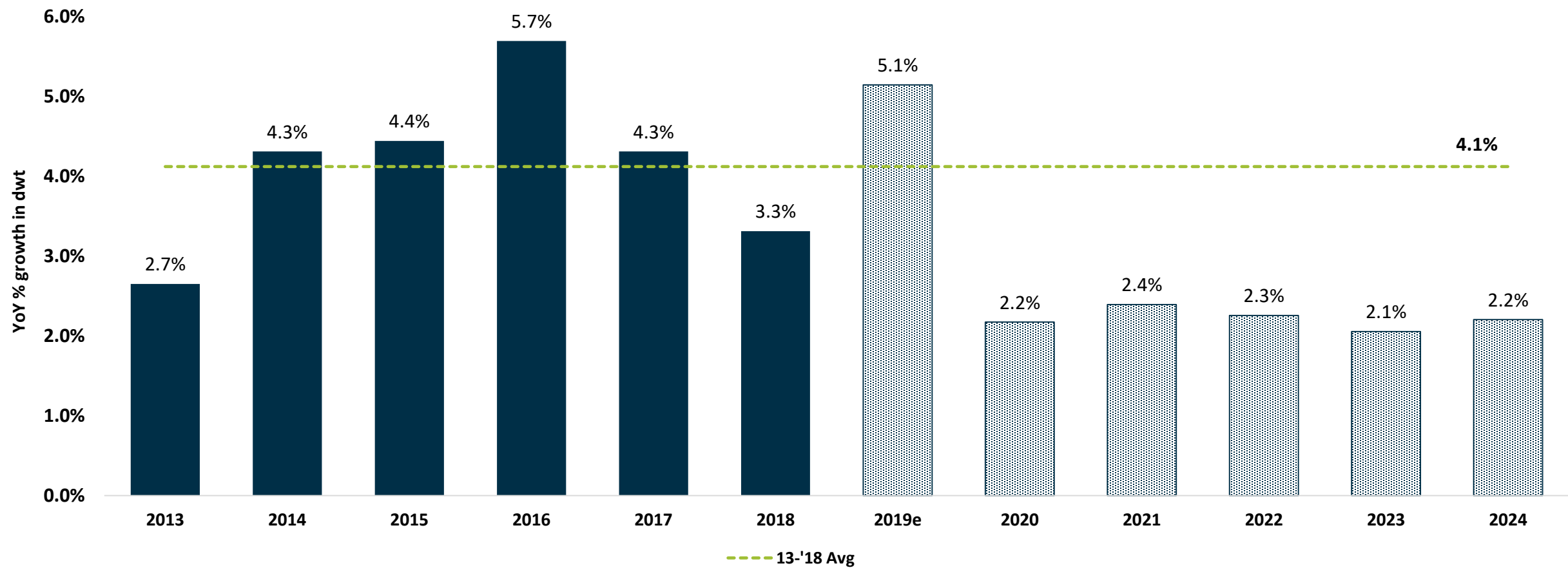
Annual US product net exports expected to reach 5.27 mbpd by end of 2020



Source: EIA

# Fleet Outlook – Tighter Supply

Chemical Tanker Fleet Growth Forecasted to Remain Low, Contributing to a Tighter Supply Side Picture



Source: Drewry Maritime Research

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# Summary

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- Third quarter 2019 results - TCE of \$11,406 per day and EBITDA of \$13.4 million.
  - Continued softness in Q3'19 with signs of a firming market into Q4'19.
- Market improvements expected through Q4 2019 and into 2020.
- Well positioned for rate recovery and industry consolidation.
  - Strong long-term market fundamentals.
- Team is actively seeking further strategic opportunities.





# Team Tankers International

15 November 2019



# Fleet Overview

Vessel	Built	Age	DWT	Coating	Tanks	Flag	Ownership	Lease
Sichem Croisic	2001	18.7	7,721	Stainless Steel	18	Malta	Owned	
Sichem Lily	2009	10.7	8,109	Stainless Steel	12	Malta	Owned	
Sichem Orchid	2008	10.9	8,115	Stainless Steel	12	Malta	Owned	
Sichem Iris	2008	11.1	8,139	Stainless Steel	12	Malta	Operational lease	BB
Sichem Palace	2004	15.0	8,807	Stainless Steel	12	Malta	Owned	
Sichem Ruby	2006	13.0	8,824	Stainless Steel	12	Malta	Owned	
Sichem Amethyst	2006	13.0	8,817	Stainless Steel	12	Malta	Owned	
Team Sapphire	2004	14.9	8,907	Stainless Steel	16	Malta	Owned	
Black Star	2011	7.8	9,438	Stainless Steel	20	Malta	Operational lease	TC
Blue Star	2011	8.3	9,438	Stainless Steel	20	Malta	Operational lease	TC
Tour Pomerol	1998	21.0	10,379	Stainless Steel	31	Malta	Owned	
Sichem Challenge	1998	20.8	12,180	Stainless Steel	22	Bermuda	Owned	
Sichem Mississippi	2008	10.8	12,273	Stainless Steel	20	Panama	Operational lease w/P.O.	BB
Sichem Marseille	2007	12.2	12,927	Coated	14	Bermuda	Owned	
Sichem New York	2007	12.5	12,945	Coated	14	Bermuda	Owned	
PVT Neptune	2008	10.9	13,056	Coated	14	Bermuda	Operational lease	TC
Sichem Beijing	2007	12.0	13,068	Coated	14	Bermuda	Owned	
Sichem Hong Kong	2007	11.9	13,069	Coated	14	Bermuda	Owned	
Masagana	2008	11.2	13,079	Coated	14	Bermuda	Operational lease	TC
Sichem Melbourne	2007	12.1	12,936	Coated	14	Marshall Island	Operational lease	BB
Sichem Mumbai	2006	13.0	13,084	Coated	14	Bermuda	Owned	
Sichem Manila	2007	12.7	13,125	Coated	14	Malta	Owned	
Sichem Singapore	2006	13.5	13,141	Coated	14	Malta	Owned	
Sichem Rio	2006	13.3	13,162	Coated	14	Malta	Owned	

# Fleet Overview

Vessel	Built	Age	DWT	Coating	Tanks	Flag	Ownership	Lease
Team Hawk	2008	10.9	25,385	Coated	14	Malta	Owned	
Team Falcon	2009	10.7	25,419	Coated	14	Malta	Owned	
Sichem Eagle	2008	11.2	25,421	Coated	14	Malta	Operational lease	BB
Team Osprey	2009	10.5	25,431	Coated	14	Malta	Owned	
Team Explorer	2007	12.2	46,026	Coated	22	Bermuda	Owned	
Team Discoverer	2008	11.0	46,043	Coated	22	Bermuda	Owned	
Team Leader	2009	10.5	46,070	Coated	22	Bermuda	Owned	
Team Adventurer	2007	11.8	46,099	Coated	22	Bermuda	Owned	
Team Voyager	2008	11.4	46,190	Coated	22	Bermuda	Owned	
Cavatina	2010	9.7	44,999	Coated	22	Liberia	Owned	
Team Calypso	2010	8.9	44,999	Coated	22	Liberia	Owned	
Team Corrido	2011	8.3	44,999	Coated	20	Liberia	Owned	
Team Tarantella	2002	17.0	44,999	Coated	16	Liberia	Owned	
Team Tosca	2004	15.3	44,999	Coated	16	Liberia	Owned	
Endo Breeze	2003	15.9	44,999	Coated	16	Liberia	Operational Lease	TC
Team Toccata	2004	15.6	44,999	Coated	16	Liberia	Owned	
Team Amorina	2012	7.5	46,070	Coated	12	Liberia	Owned	
Team Allegro	2012	6.8	46,070	Coated	12	Liberia	Owned	
Silver Linda	2015	4.4	49,746	Coated	14	Panama	Operational lease	TC
Tintomara	2003	16.6	44,999	Coated	16	Liberia	Operational lease	TC
Silver Houston	2015	4.5	49,746	Coated	14	Panama	Operational lease	TC
Silver Eleanor	2015	4.5	49,746	Coated	14	Marshall Island	Operational lease	TC