



International Seaways, Inc.

Investor Presentation
January 2022



International
Seaways, Inc.

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, the Company’s planned merger with Diamond S, 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 read the Company’s Annual Report on Form 10-K for 2020 for the Company, the Quarterly Report on Form 10-Q for the quarter ended September 30, 2021, the Company’s Amended Registration Statement on Form S-4 dated June 3, 2021, 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, or from the Company’s website at www.intlseas.com.

About Us

International Seaways: Largest US-Based Tanker Owner

- Leading international tanker owner with 84 vessels in key crude and product sectors
- Focus on efficient capital allocation through fleet expansion at cyclical lows, dividends and share repurchases
- Total liquidity⁽¹⁾ approximately \$300m (including \$40m undrawn revolver) at Q3 21
- Market cap approximately \$700m⁽²⁾
- ESG leader: ranked top 3 among all US listed shipping companies in Webber Research ESG Scorecard⁽³⁾

Our Diverse Fleet⁽³⁾

Class	Count	m.Dwt
Crude Fleet		
VLCC	13	3.9
Suezmax	13	2.1
Aframax	4	0.5
Panamax	2	0.1
Product Fleet		
LR2	1	0.1
LR1	6	0.4
MR	41	2.1
Handy	4	0.1
Total Tankers	84	9.3

Includes three dual fuel LNG VLCCs to be delivered in 2023

Other Ventures

**Joint Venture:
2 Ships**

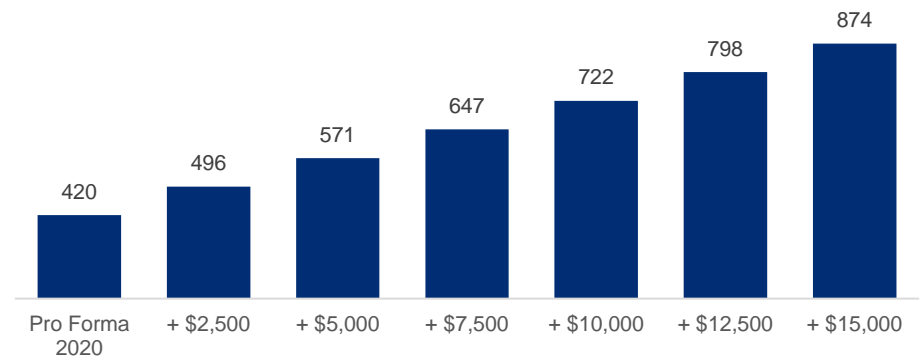


**Lightering
Operations**



Strong Operating Leverage

Every \$5,000 improvement in the Time Charter Equivalent daily rate (TCE) provides over \$150m in incremental EBITDA and about \$3 EPS per annum



(1) Proforma for refinancing of six VLCCs completed in November 2021

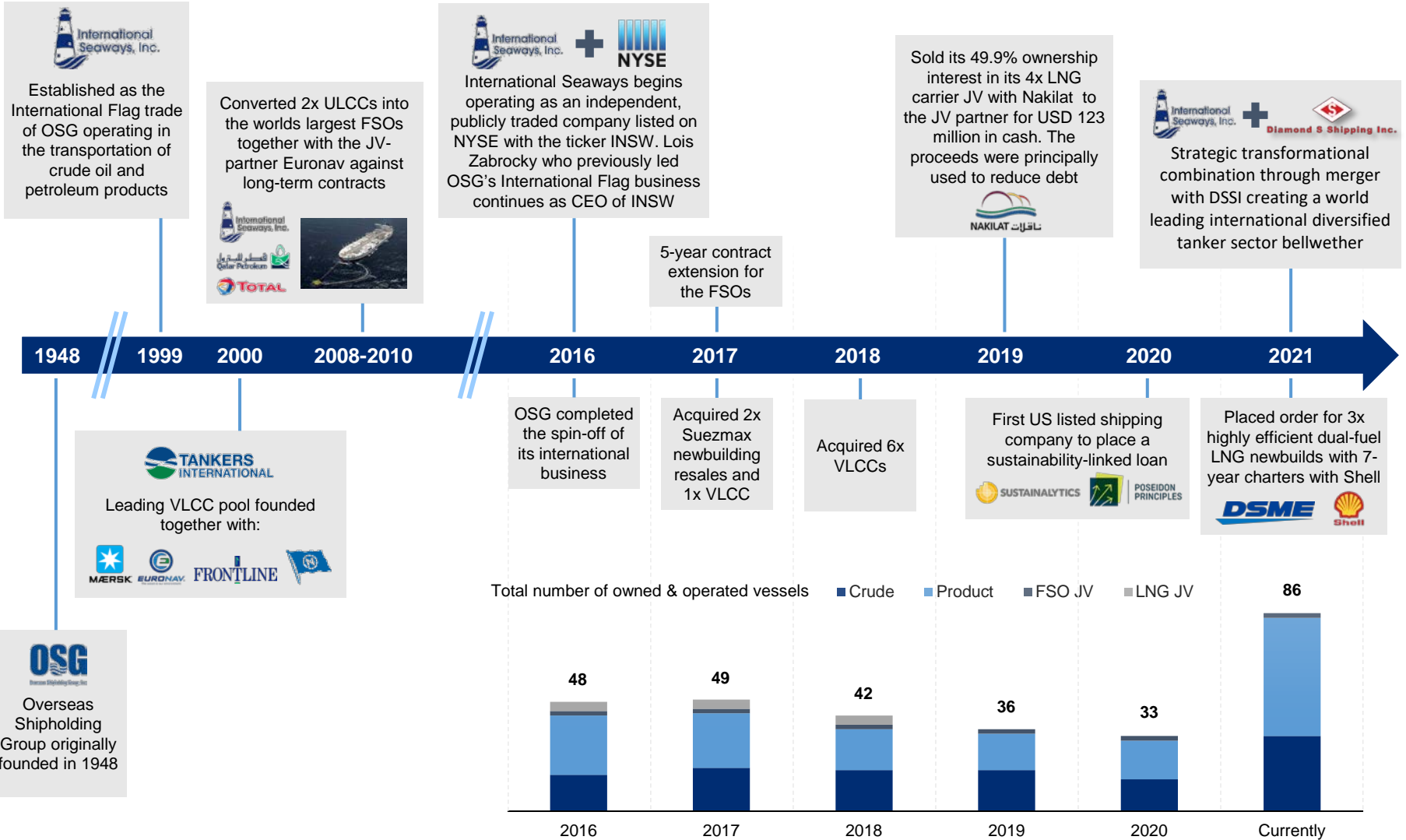
(2) Closing prices as of January 21, 2022. Approximate share count.

(3) The rankings include all 52 US listed shipping companies: <https://webberresearch.com/wp-content/uploads/2021/06/Webber-2021-ESG-Scorecard.pdf>

(4) Owned and operated vessels include (1) TC-In LR1 and (3) VLCC newbuildings delivering in 2023 and vessels on bareboat, leasebacks under commercial and technical management.

(5) Calculated using 360 revenue days times tanker fleet vessels times \$5,000 per day. EPS reflects share count as of Nov 5 less approx. 1m shares repurchased in Dec 2021.

History



Source: Company data, as of January 2022

Owned and operated vessels include three VLCC newbuildings delivering in 2023, one LR1 TC-In with a remaining period of longer than 1 year and two FSO vessels from a joint venture with 50% ownership along with vessels on bareboat.

About International Seaways

Disciplined Capital Allocator

- Transformed company from spin-off in 2016 through today into the top 3 US publicly traded tanker companies by DWT, expanding scale and earnings power
- Acquired Diamond S Shipping in July 2021, bringing fleet to 100 ships
- Returned nearly \$95 million to shareholders in share repurchases and dividends in last 2 years
- Purchased \$900m in ships at cycle lows without issuing equity

Industry Leader in ESG

- Majority independent and diverse board
- Top 3 in Webber Research ESG rankings four years running
- Published inaugural ESG report in December 2020
- Commitment to environment demonstrated by \$288m dual-fuel VLCC order

Best in Class Commercial & Technical Operations

- Best in class safety and environmental performance
- Sector leading commercial pools, many with INSW ownership
- Founding member of Tankers International with office in INSW's NY HQ

Attractive Leverage Ratios and Balance Sheet

- 45.7% Net Loan to Asset Value^{(1),(2)}
- Diverse debt portfolio: mostly low cost senior debt, some leases
- Proforma liquidity at Q3 2021: \$300 million⁽²⁾

Upside to Tanker Cycle

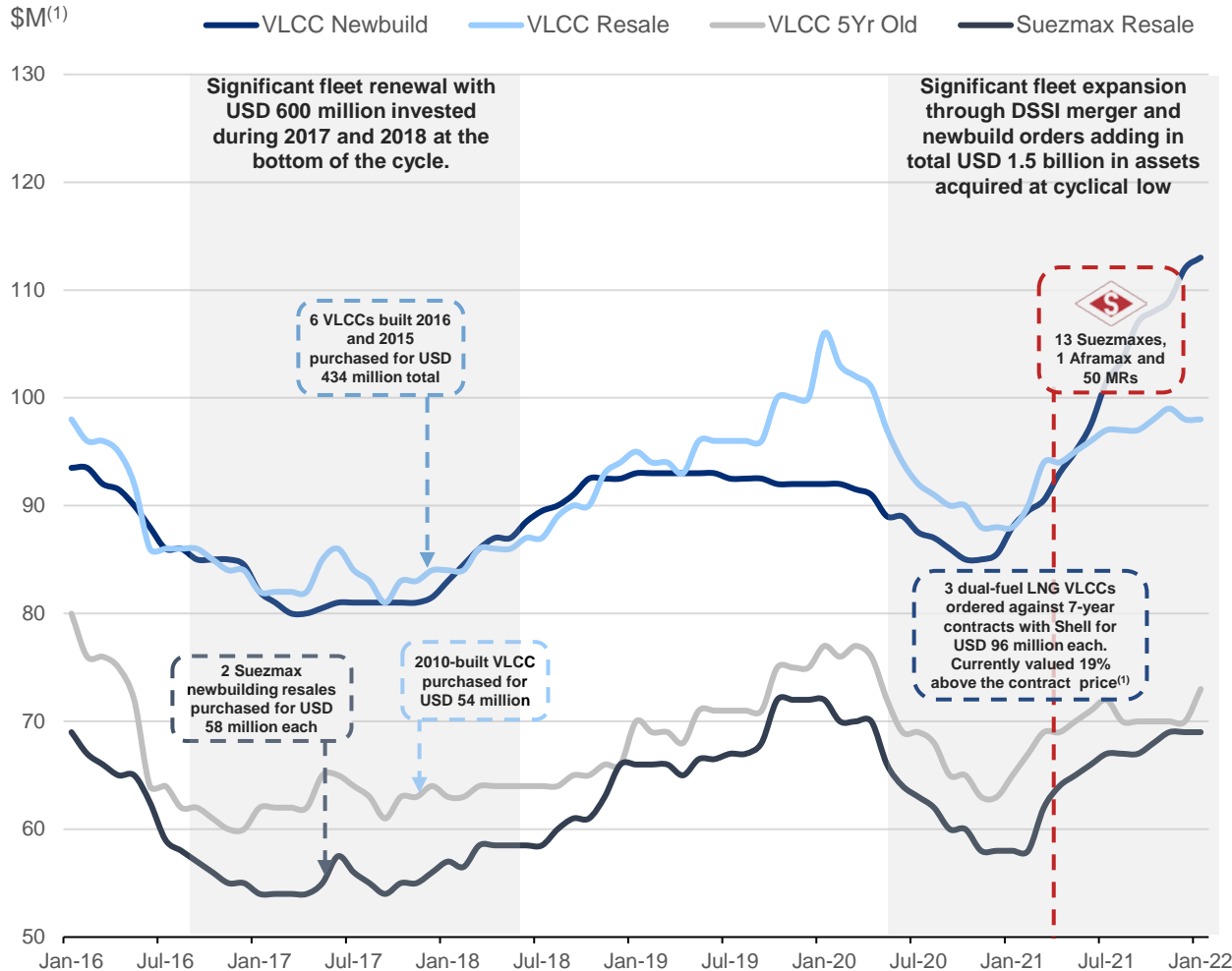
- Presently at low point of COVID-driven tanker cycle
- 84 tankers offer significant operating leverage to tanker market
- Every \$5,000 improvement in the Time Charter Equivalent daily rate (TCE) provides over \$150m in incremental EBITDA or about \$3 EPS per annum

(1) As of Sept 30, 2021. Includes value of FSO joint ventures

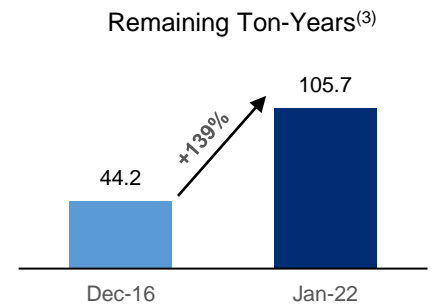
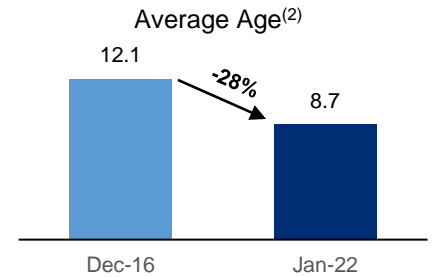
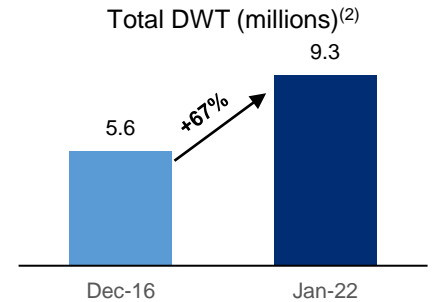
(2) Proforma for refinancing of six VLCCs completed in November 2021

Capital Allocation: Fleet Renewal at Cyclical Lows

Disciplined Approach to Fleet Renewal and Expansion



Fleet Development since 2016



(1) Clarksons as of January 2022

(2) Conventional fleet only. three VLCC newbuildings delivering in 2023, one LR1 TC-In with a remaining period of longer than 1 year and vessels on bareboat. Age weighted by dwt.

(3) DWT x remaining life of fleet (Ton-Years). 20-year life for illustrative purposes only. INSW accounting policy is 25-year ship life

Capital Allocation: \$95 Million Cash Returned to Shareholders

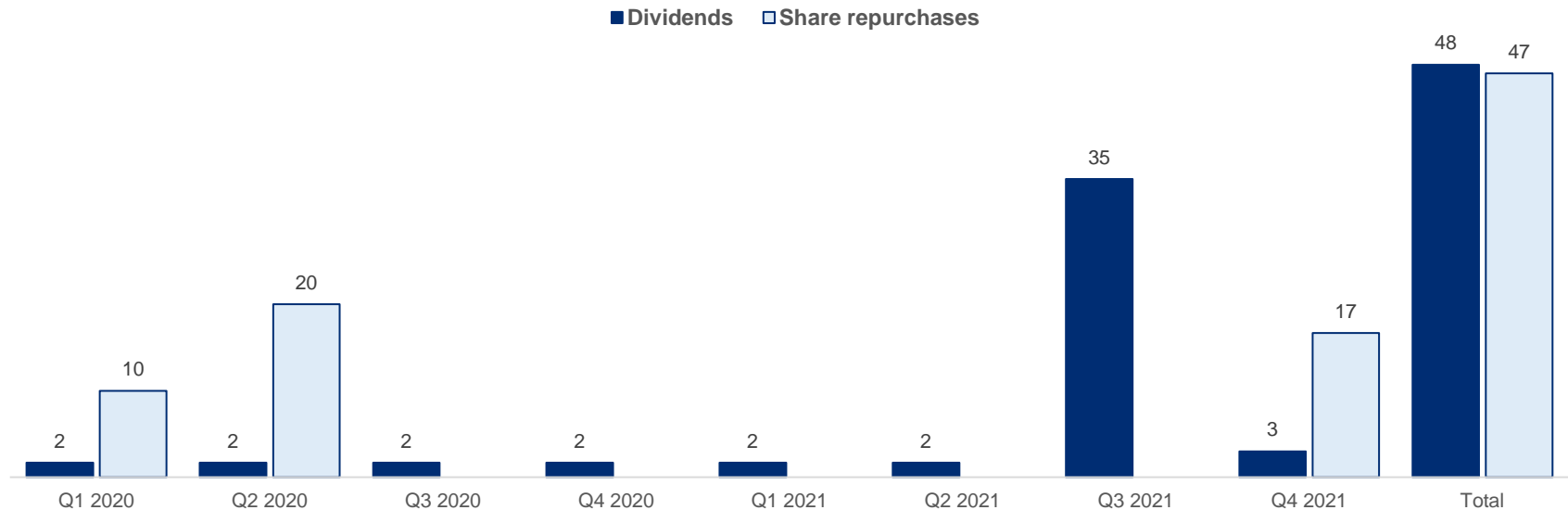
Summary of \$95 Million Returned to Shareholders since Q1 2020

2021

\$31.5 million	Special Dividend paid prior to closing of the Diamond S merger
9.4 million	Regular \$0.06 per share dividend
16.7 million	Share repurchases

2020

\$30.0 million	Repurchased 5% of all outstanding shares. Another \$50 million repurchase program authorized
6.8 million	Regular \$0.06 per share dividend since instituted



Industry Leading ESG Footprint

Environmental

- Reduce resource consumption, both fuel and consumables
- Fleet improvements such as dual-fuel newbuilds, Mewis ducts and BWTS compliance
- Sustainability-linked financing
- Committed to responsible recycling











Social

- First priority is always safety
- Promotion of employee and seafarer welfare, growth and development
- Actively supporting the seafaring community

Governance

- Diverse and independent Board with split CEO/Chairman roles
- Strong corporate cultural of ethics and integrity
- No conflicts of interest with management

Select Awards and Accomplishments

1	First US listed Shipping Company to place a sustainability-linked loan. Winner of Marine Money's Green Finance Deal of the Year award 2020	  
2	NAMEPA Marine Environmental Protection award, 2019	
3	CEO on the board of ITOPF	
4	Signatory of the Gulf of Guinea Declaration on Suppression of Piracy	
5	Member of the Marine Anti-Corruption Network	
6	Signed the Neptune Declaration on Seafarer Wellbeing and Crew Change in a worldwide call to action to end the unprecedented cred change crisis caused by COVID-19	
7	Top 3 in Webber Research / Wells Fargo ESG Rankings, 2018-2021	 

Source: International Seaways

Best in Class Commercial and Technical Operations

Commercial Pools

- All of our spot ships operate in commercial pools
- Pools provide economies of scale by increasing scheduling flexibility and allowing us to do business with larger charterers that require larger fleets
- Three of the pools we operate in are co-owned by us and operate on a non-profit basis, reducing our daily costs



Technical Management

- All of INSW's legacy ships are managed by V.Ships, part of V.Group, the world's largest independent ship management company
- Vessels acquired from Diamond S are currently managed by Diamond Anglo Ship Management, Anglo Eastern Ship Management, Executive Ship Management, Fleet Management Ltd.
- Outsourcing of technical management allows us to share best practices, benchmark performance and leverage expertise



Diamond Anglo Ship Management Pte Ltd

Fleet Management Limited
A Caravel Group Company



EXECUTIVE SHIP MANAGEMENT

Strong Financial Position: Balance Sheet

Strong Balance Sheet protects INSW during low portions of the tanker cycle.

\$mm

	Assets		Liabilities & Equity		
	Pre Merger Q2 2021	Post Merger Q3 2021	Pre Merger Q2 2021	Post Merger Q3 2021	
Cash and Equivalents	\$117	\$109	AP, Accruals and other current liabilities	\$33	\$53
Restricted Cash	-	7	Current Portion of Operating Lease Liabilities	7	7
Other Current Assets	95	113	Current Portion of Long-Term Debt	62	221
Total Current Assets	\$212	\$229	Total Current Liabilities	\$102	\$281
Restricted Cash	\$16	\$17	Long-Term Debt	445	888
Vessels	1,056	1,982	Long-Term Portion of Operating Lease Liabilities	8	13
Right of Use Assets	17	22	Other Long-Term Liabilities	17	15
Other Long Term Assets	218	192	Total Equity	947	\$1,245
Total Assets	\$1,519	\$2,442	Total Liabilities and Equity	\$1,519	\$2,442

As of September 30, 2021:

- Book Value of FSO JV: \$139 million
- \$40 million undrawn revolver
- Net Debt to Total Capitalization: 43.9%
- Net Loan to Asset Value (including FSO): 45.7%
- Portion of debt fixed or hedged: 58%

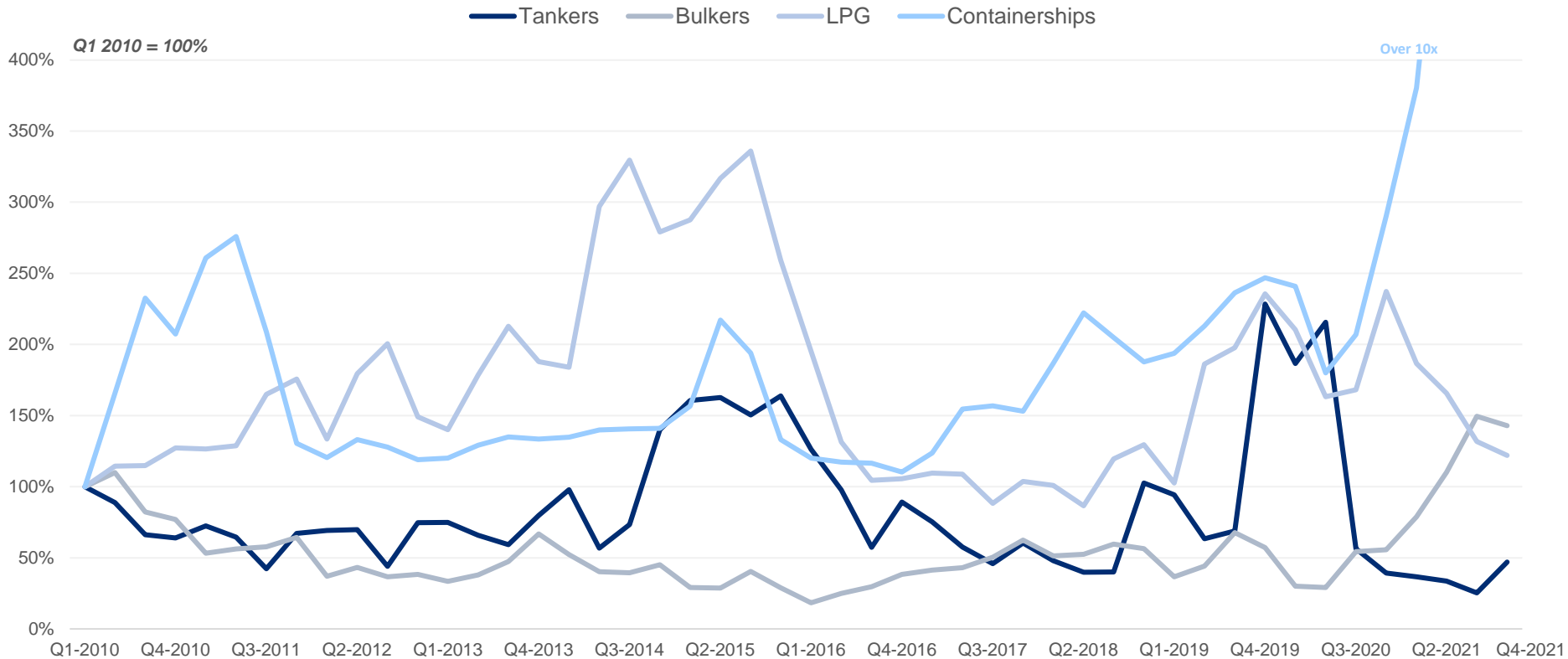
Selected events since September 30, 2021:

- Refinancing of six modern scrubber fitted VLCCs: incremental liquidity of \$150m composed of \$375m facility & repayment of \$228m facility
- Dissolution of two Suezmax JV, resulting in retention of *Loire*
- Financing of dual-fuel LNG VLCC newbuildings with BoComm

Upside to Tankers: Its Time

Every other shipping segment has rallied, we believe that the tanker market is poised for a strong market soon.

Earnings Index of Selected Shipping Segments



Source: Clarksons

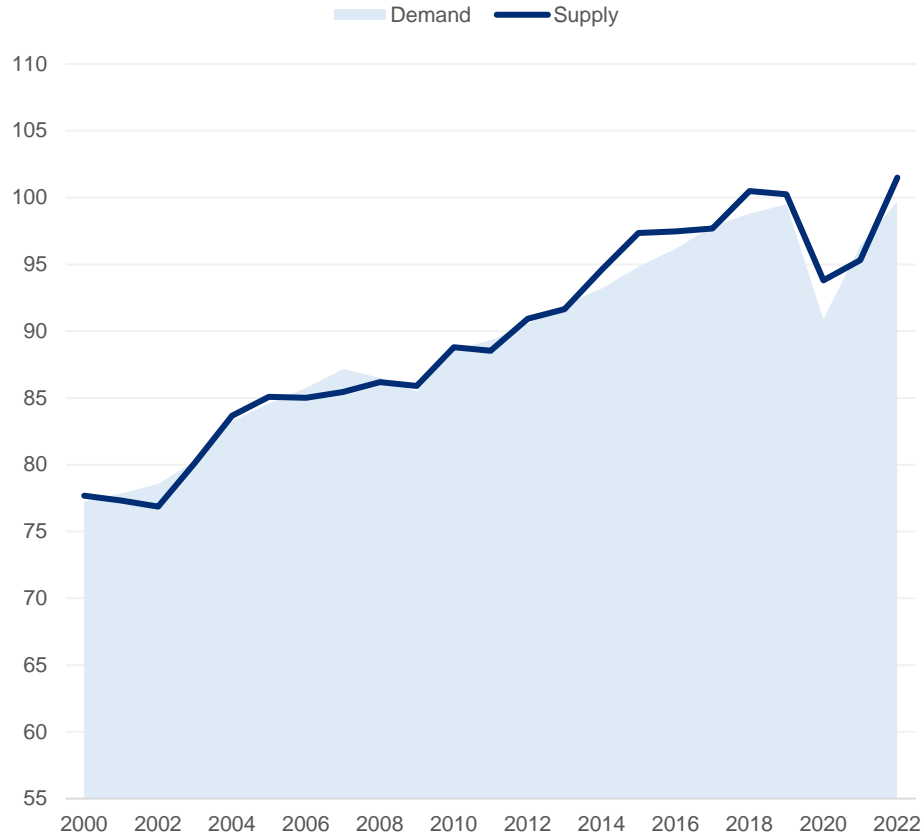
Our Market

Market Outlook Summary

<p>Recovery in tanker markets is gradual in next few months</p>	<p>Near</p>	<ul style="list-style-type: none"> • Oil demand recovering to pre-pandemic levels; uncertainty of impact from Omicron variant • Inventories drawn to below 5 yr average • Global energy crisis has added approximately 0.5 mbpd • Tanker revenue rates have seen gradual recovery
<p>Disconnect of oil supply growth & oil demand growth creates further demand for tankers</p>	<p>Medium</p>	<ul style="list-style-type: none"> • Oil production growth driven largely from Americas • Oil demand growth principally from Far East • Displaced tonnage from WAF/EU establishes more ton-miles from Americas • Additional distance creates higher tanker utilization
<p>Changes to the refinery landscape establishes further regional imbalances</p>	<p>Medium</p>	<ul style="list-style-type: none"> • Simple, less complex refineries unable to compete with high conversion capacity • Upgrading and grass roots growth mostly from East of Suez • Mothball or conversion candidates likely West of Suez • New capacity building for export purposes
<p>Tanker fleet under pressure as aging vessels face removal from commercial trading</p>	<p>Medium</p>	<ul style="list-style-type: none"> • Average fleet ages have grown substantially over last 10 yrs • Vessels aged 15+ face different trading patterns, nearly 30% of tanker fleet • Scrapping, recycling, removal candidates significant over next few years • Candidates substantially higher to scheduled newbuildings
<p>Lack of investment in fleet growth due to decarbonization</p>	<p>Long</p>	<ul style="list-style-type: none"> • Uncertainty remains on the next viable fuel alternative on a vessel that trades nearly 25 years • Shipping industry, due to its worldwide reach, facing attention in global environmental efforts • Strength of other shipping sectors has led to further consumption of newbuild yard capacity • Weakness in tankers has created lack of investment

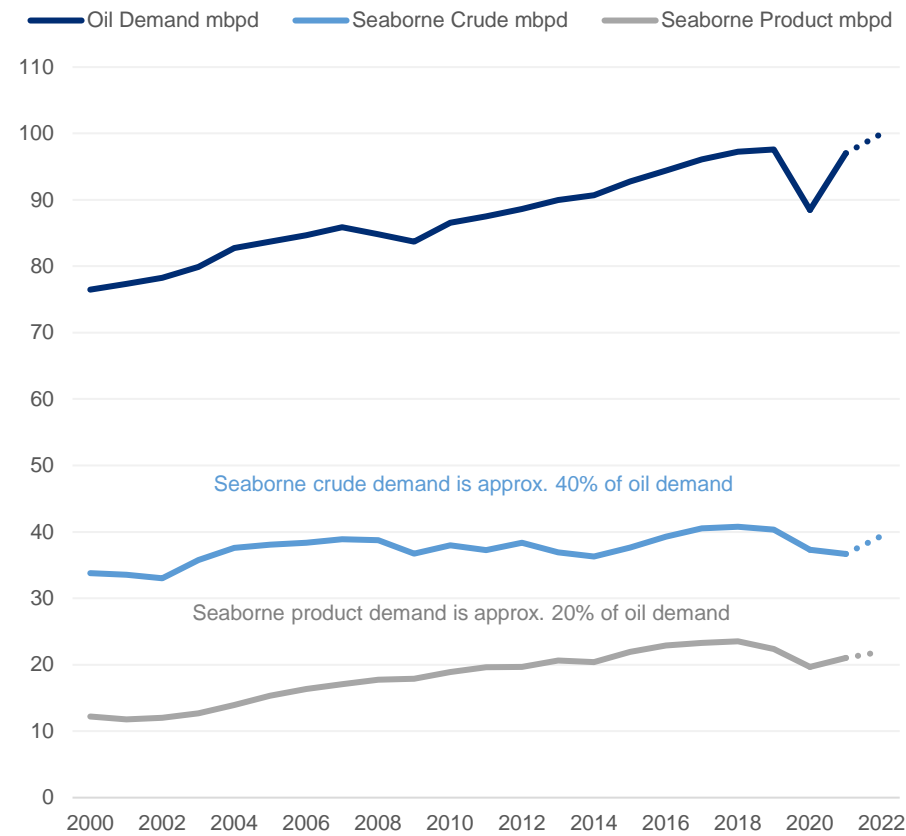
Recovery in Tanker Markets: Supply/Demand

Oil Production can be balanced with Demand due to OPEC+



Source: IEA

Seaborne Oil Trade is a portion of Oil demand

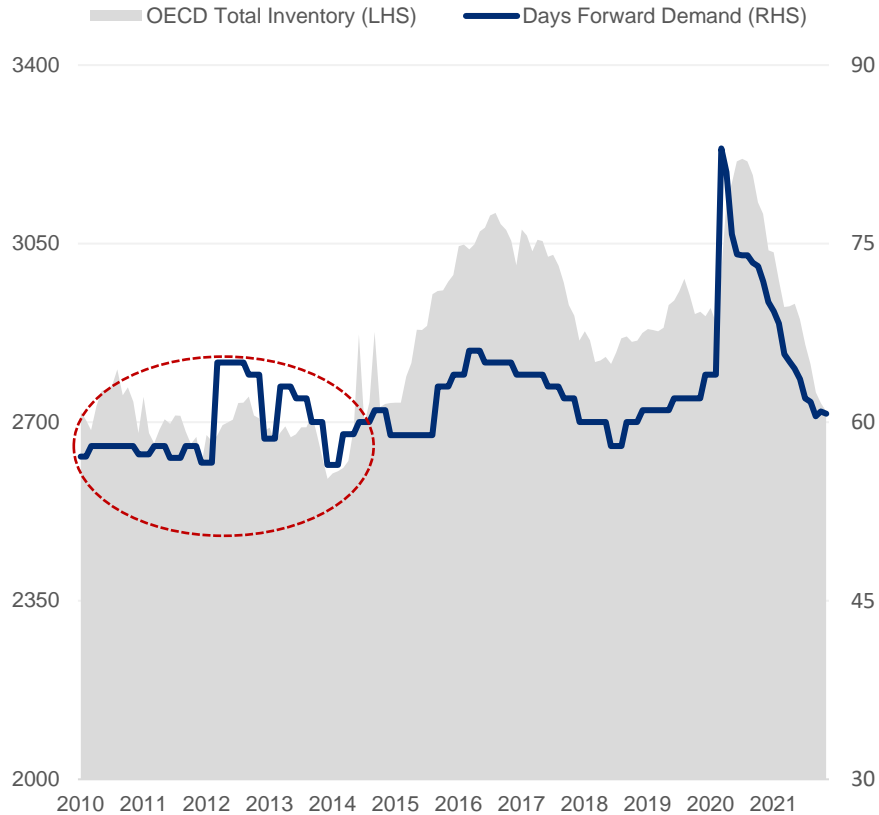


Source: BP Statistical Review 2021, Clarksons

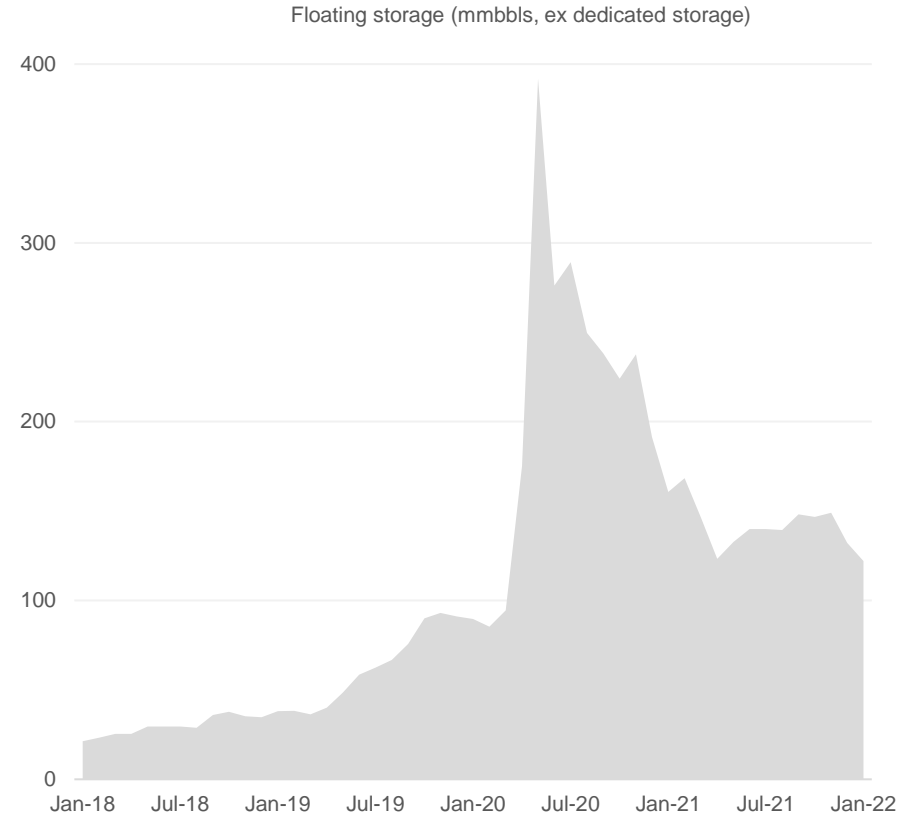
Recovery in Tanker Markets: Oil Inventories

Oil Inventories are declining as demand is beginning to outpace supply into the commercial markets.

Onshore inventories are below the 5yr average



Floating Storage have declined significantly



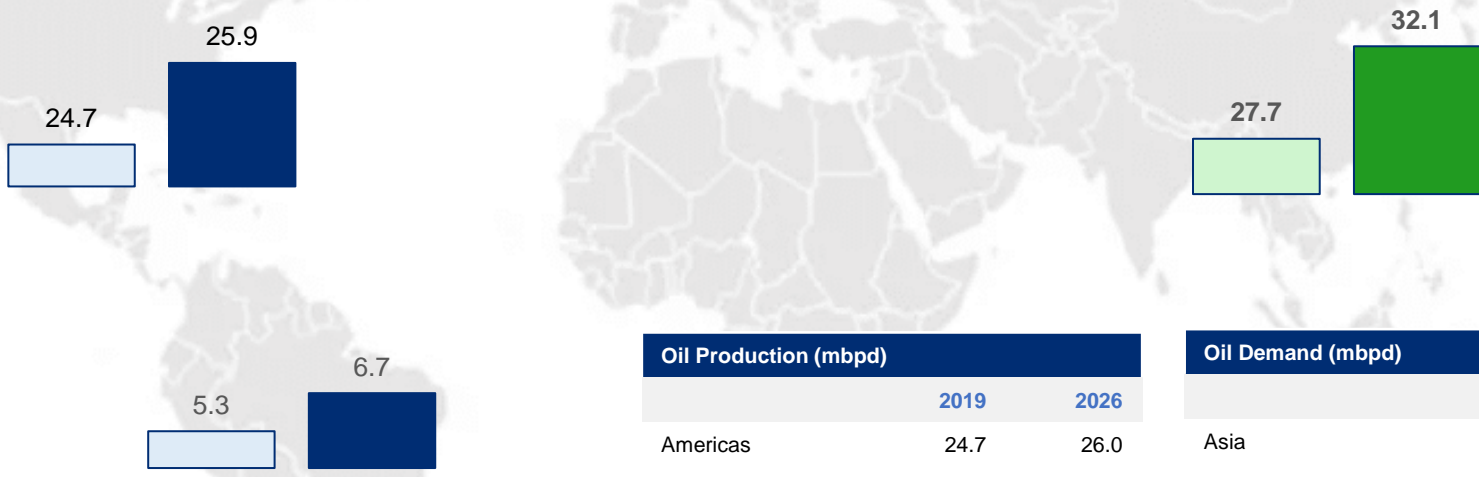
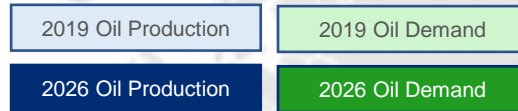
Source: OPEC Monthly Report December 2021

Source: Clarksons, tankers over 10k dwt

Disconnect: Regional Imbalances in Oil Impact Tanker Demand

Growing disconnect between oil production growth and oil consumption growth should lead to greater demand for tankers

Legend (mbpd)



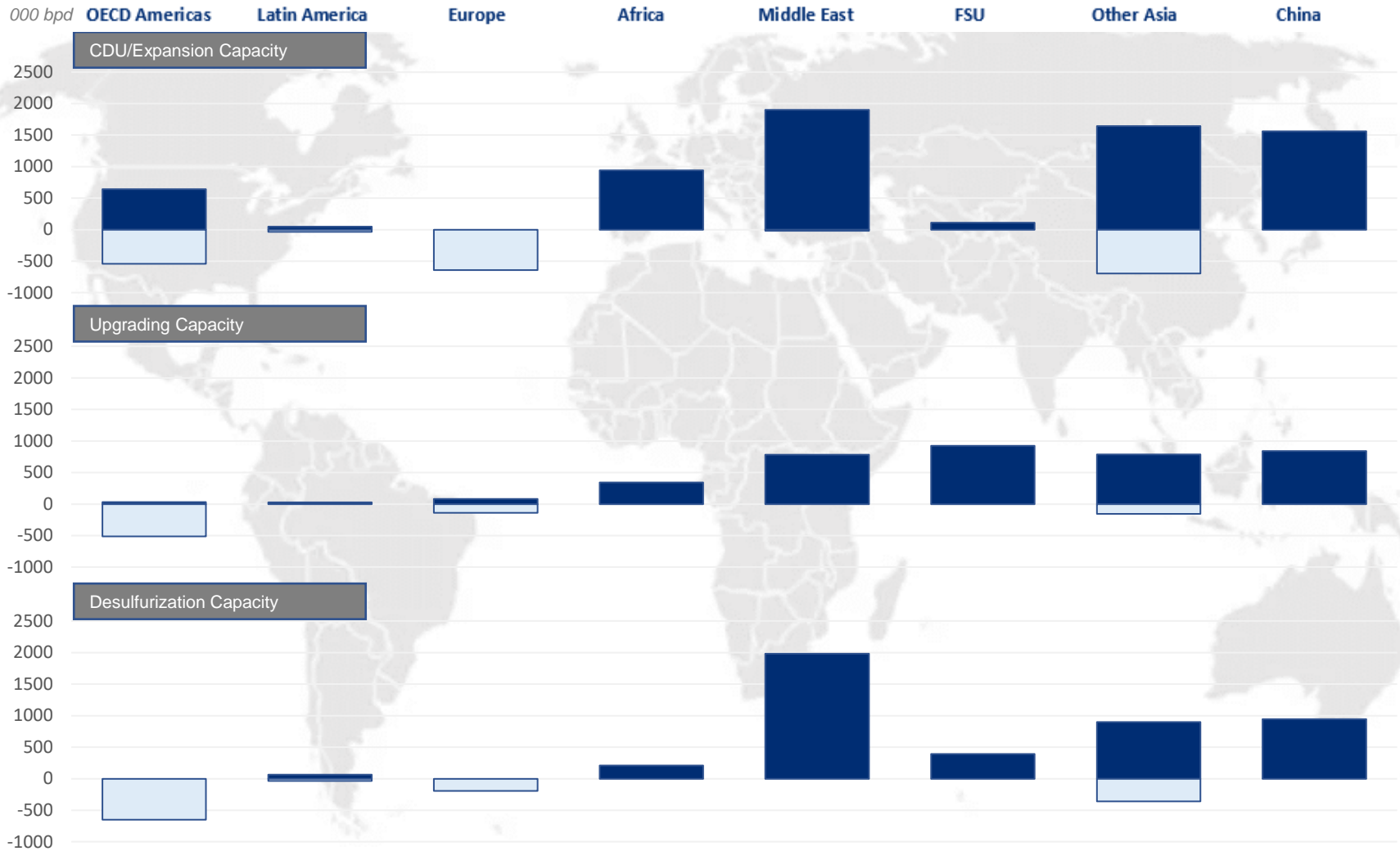
Oil Production (mbpd)		
	2019	2026
Americas	24.7	26.0
LATAM	5.3	6.7
Others	4.9	4.6
Total West of Suez	34.9	37.3
Asia*	7.7	6.7
Middle East	3.2	3.5
USSR	14.6	14.4
Total East of Suez	25.5	24.6

Oil Demand (mbpd)		
	2019	2026
Asia	27.7	32.1
OECD	47.7	45.8
Other	24.3	26.2
Total	99.7	104.1

Source: IEA Mar 2021

Disconnect: Changes in Refinery Capacity

Refining landscape is likely to shift product trade patterns as expansion largely in the East is partially offset by smaller, less upgrading capacity in the West.

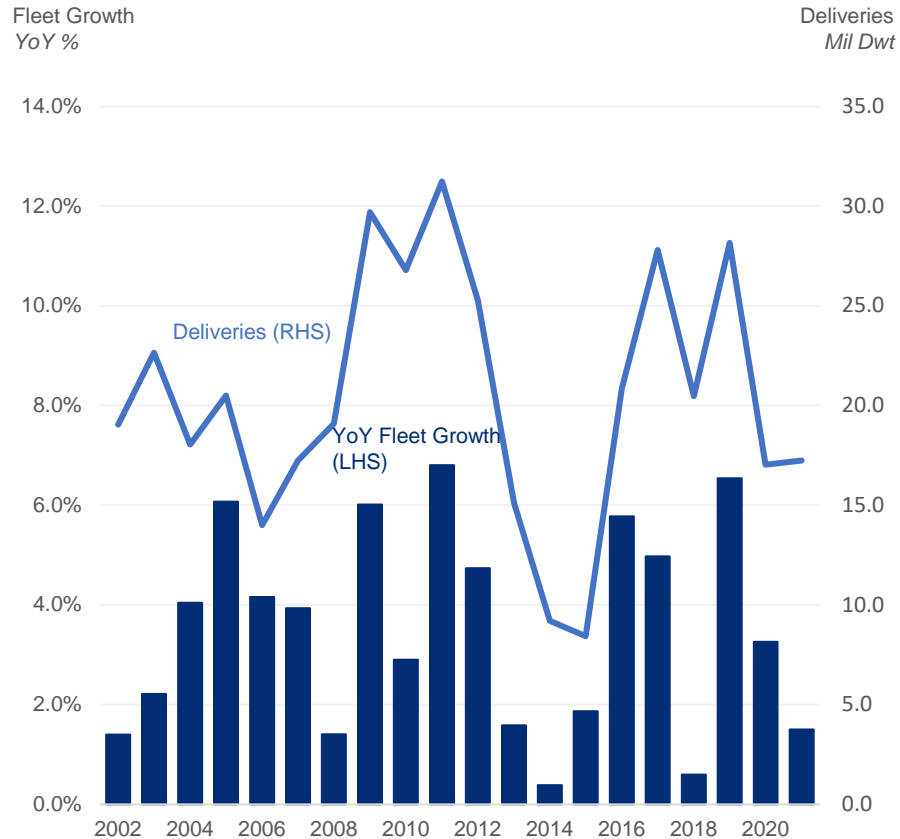


Source: IEA Mar 2021

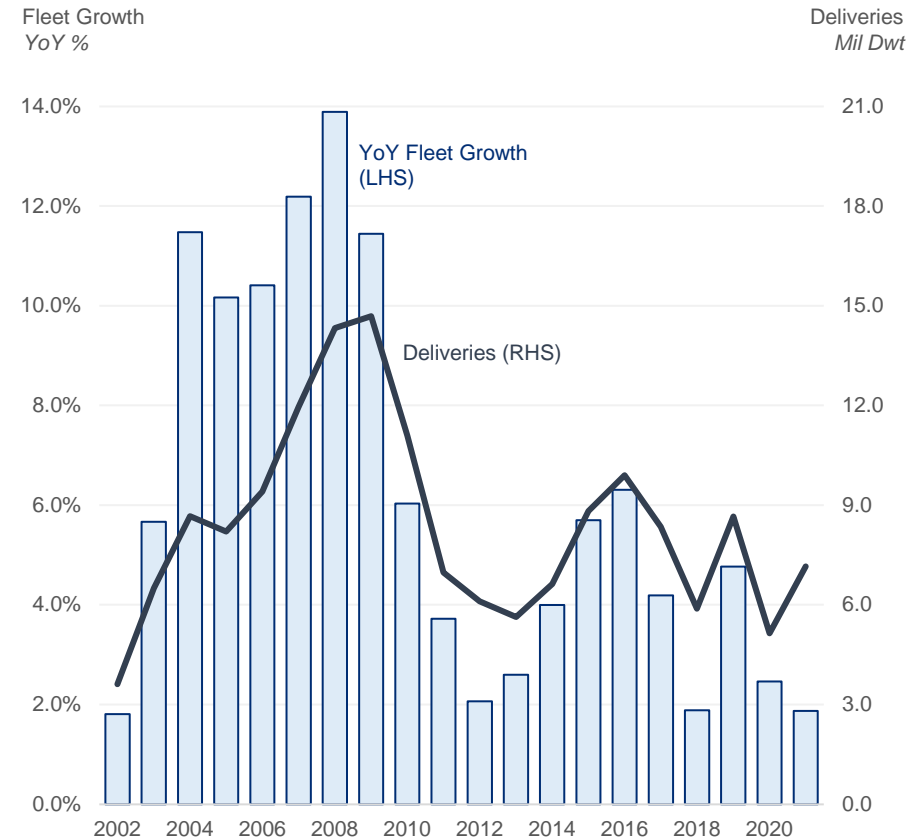
Tanker Supply: Fleet Development

While the tanker fleet has grown exponentially over the last twenty years, much of the fleet growth came from the early part of the 21st century.

Crude Fleet Development



Product Fleet Development

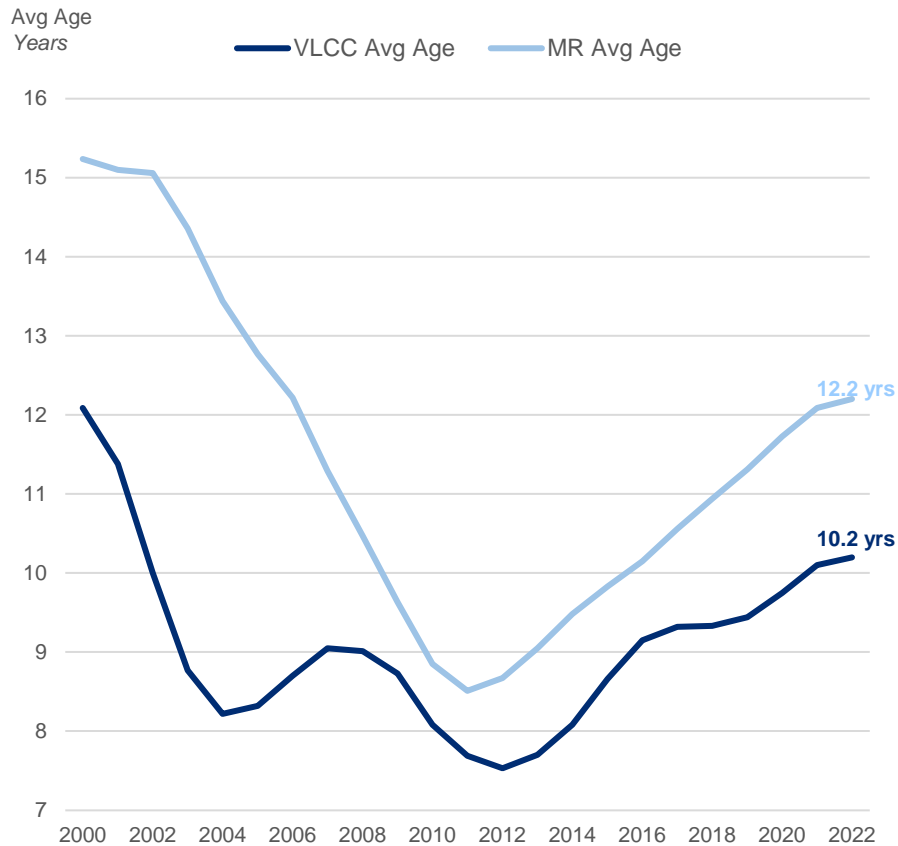


Source: Clarksons

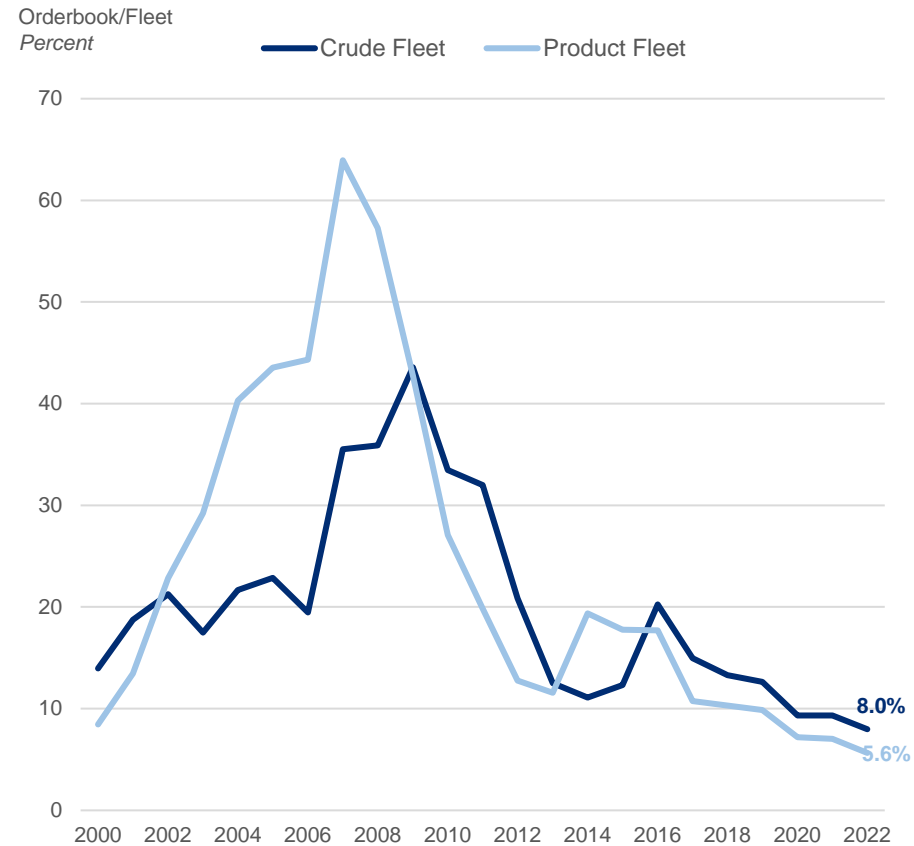
Tanker Supply: Age & Newbuilds

The average age of the tanker fleet continues to grow as orders are tempered by the focus on decarbonization, creating strong near-term supply/demand dynamics.

Tanker Fleet Ages at 20 Yr Highs



And Orderbook is at 20 Yr Lows

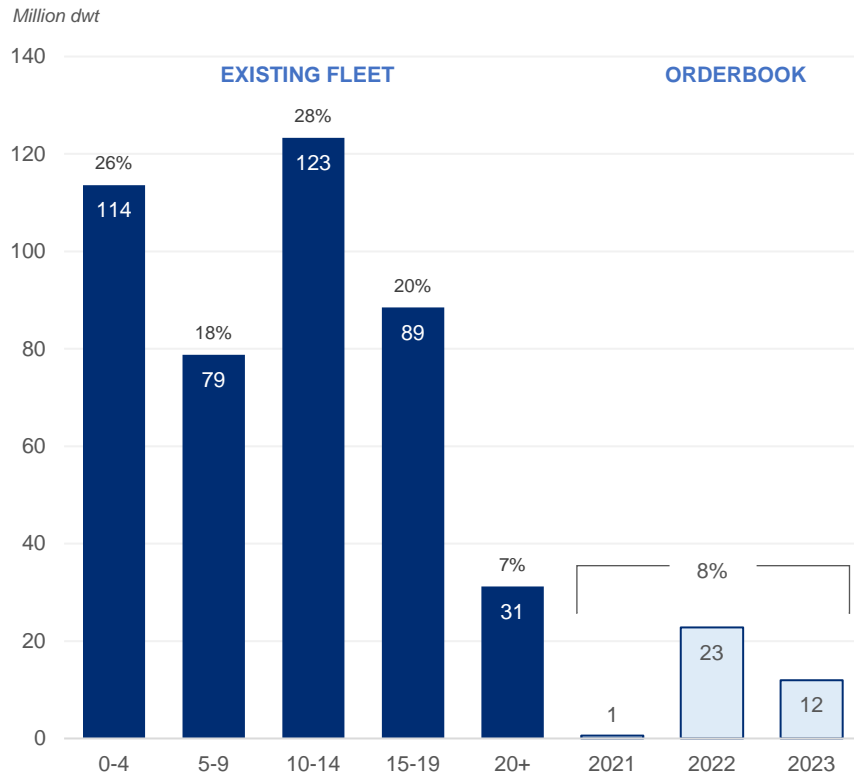


Source: Clarksons

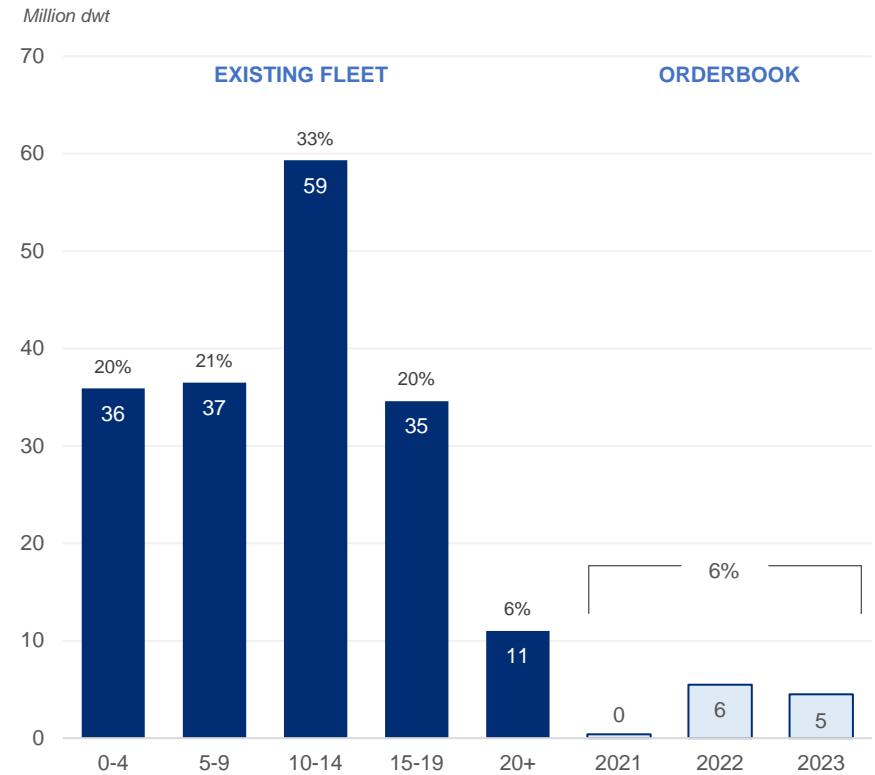
Tanker Supply: Potential Removals & Newbuild Orders

An aging fleet increases potential for recycling as vessels become less economical for commercial trading.

Crude Fleet Ages & Orderbook



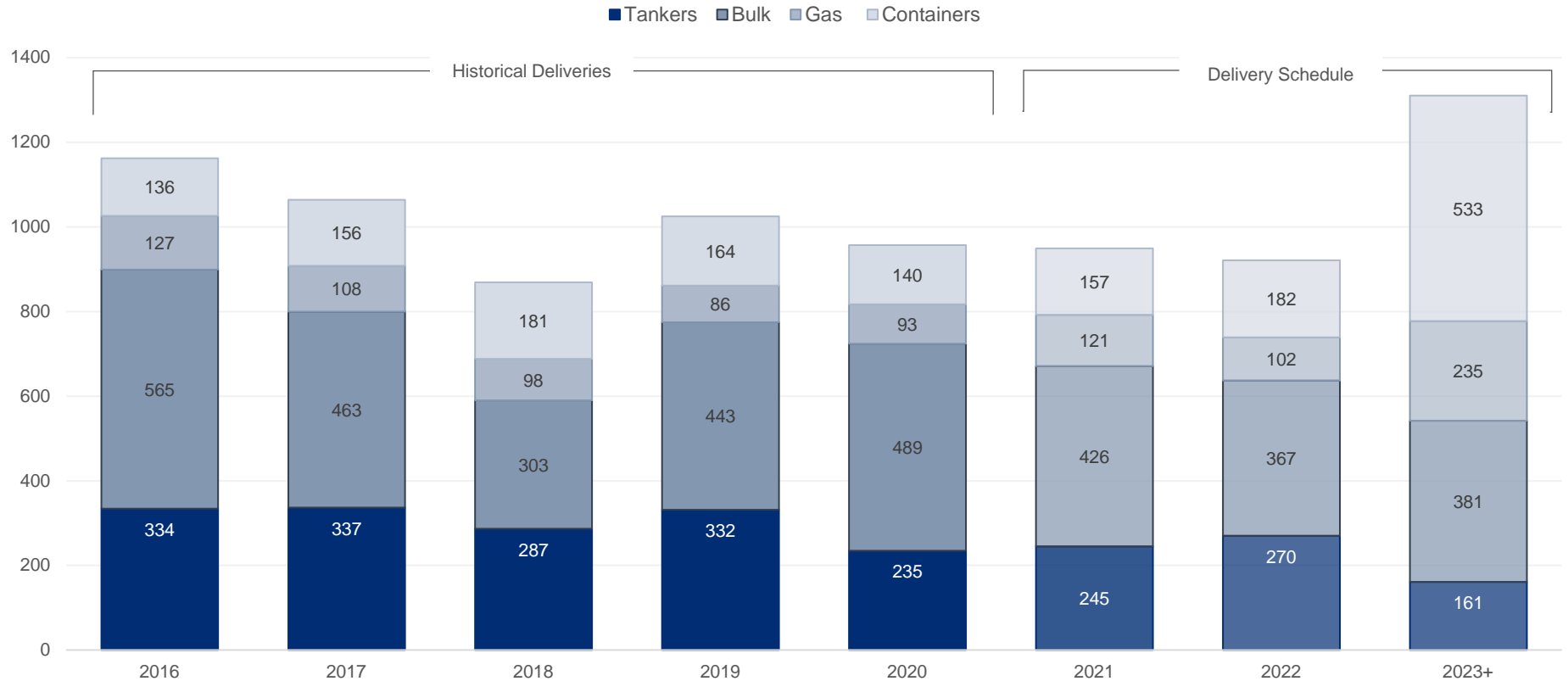
Product Fleet Ages & Orderbook



Tanker Supply: Limited Capacity for Newbuilds

New orders in the tanker fleet are likely for yard slots in 2024 and beyond.

Number of Vessels on Order In The Shipping Industry



Source: Clarksons

Tankers include major asset classes: VLCC, Suezmax, Aframax, Panamax, MR/Handy



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