



Scorpio Tankers Inc.  
Fourth Quarter 2022 Earnings Presentation

February 16, 2023

# Disclaimer and Forward-looking Statements

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Risks and uncertainties include, but are not limited to, the failure of counterparties to fully perform their contracts with Scorpio, the strength of world economies and currencies, general market conditions, including fluctuations in charter hire rates and vessel values, changes in demand in the tanker vessel markets, changes in Scorpio’s operating expenses, including bunker prices, drydocking and insurance costs, the fuel efficiency of our vessels, the market for Scorpio’s vessels, availability of financing and refinancing, charter counterparty performance, ability to obtain financing and comply with covenants in such financing arrangements, changes in governmental and environmental rules and regulations or actions taken by regulatory authorities including those that may limit the commercial useful lives of tankers, 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 Scorpio files with, or furnishes to, the Securities and Exchange Commission, or the Commission, and the New York Stock Exchange, or NYSE. Scorpio undertakes no obligation to update or revise any forward-looking statements. These forward-looking statements are not guarantees of Scorpio’s future performance, and actual results and future developments may vary materially from those projected in the forward-looking statements

This presentation describes time charter equivalent revenue, or TCE revenue, which is not a measure prepared in accordance with IFRS (i.e. a "Non-IFRS" measure). TCE revenue is presented here because we believe that it provides investors with a means of evaluating and understanding how the Company’s management evaluates the Company’s operating performance. This Non-IFRS measure should not be considered in isolation from, as a substitute for, or superior to financial measures prepared in accordance with IFRS.

The Company believes that the presentation of TCE revenue is useful to investors because it facilitates the comparability and the evaluation of companies in the Company’s industry. In addition, the Company believes that TCE revenue is useful in evaluating its operating performance compared to that of other companies in the Company’s industry. The Company’s definition of TCE revenue may not be the same as reported by other companies in the shipping industry or other industries. See appendix for a reconciliation of TCE revenue to revenue, please see the Appendix of this presentation.

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An aerial view of the deck of an oil tanker ship at sunset. The deck is covered with a complex network of pipes, railings, and various pieces of equipment. The sun is low on the horizon, casting a golden glow over the scene, with dark clouds scattered across the sky. The ocean is visible in the background, with a white wake trailing behind the ship.

## Q4 2022 Call Agenda

1. Q4 2022 Highlights

2. Product Tanker Market

3. Financial Highlights

4. Conclusion

5. Q&A



# Q4 2022 Highlights

# Q4 2022 Highlights

## Highlights

### Financial Results

- Adj EBITDA of \$351.8 million
- Adj net income of \$256.0 million or \$4.59 basic and \$4.24 diluted earnings per share <sup>(1)</sup>
- Dividend of \$0.20 per share

### Significant Deleveraging

- Reduced indebtedness by \$521.2 million in the fourth quarter

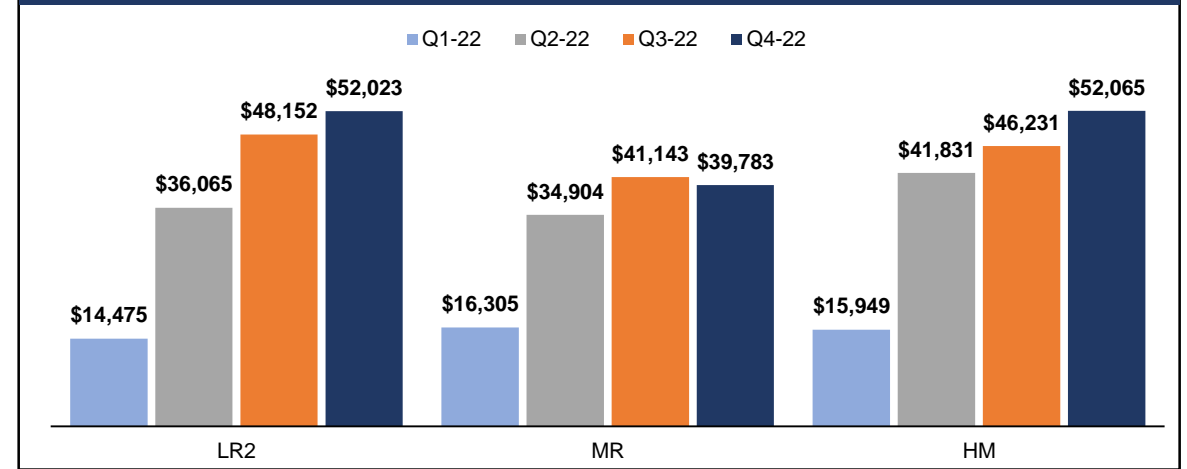
### Strong Liquidity Position

- Cash of \$596.9 million as of February 15, 2023

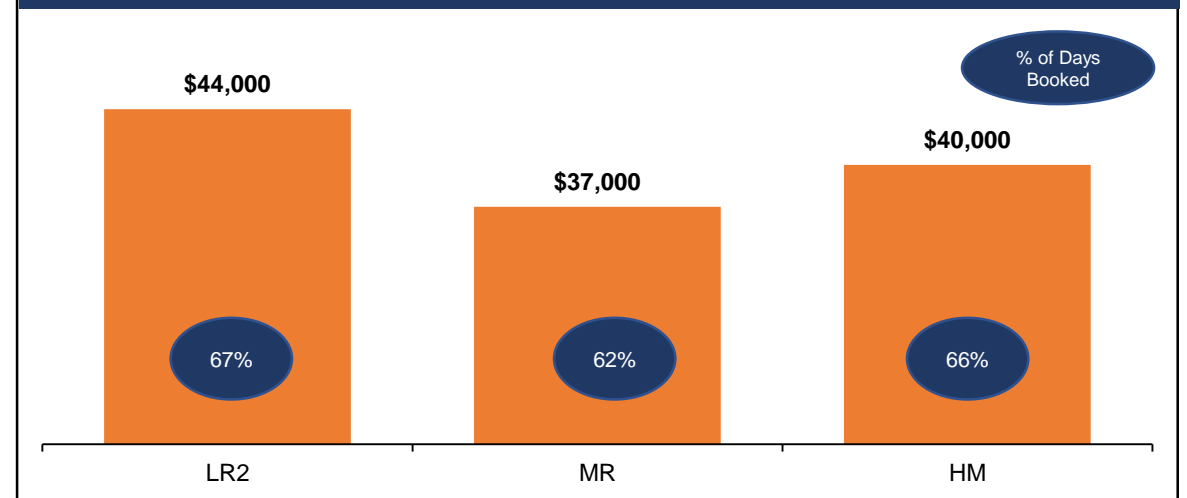
### Share Repurchases

- During the fourth quarter, the Company repurchased 1.7 million shares for \$76.5 million

## Quarterly TCETCE Rates (\$/day)



## Q1-22 Spot & Pool TCE Rates (\$/day) as of February 15, 2022



# 2022 Full Year Highlights

## Significant Debt Repayment in 2022

- From January 1, 2021, through December 31, 2022, the Company reduced its indebtedness by \$1.2 billion

## New Loan Facilities

- The Company has received commitments for three separate credit facilities of up to \$391.5 million in aggregate
- The credit facilities will bear interest at SOFR plus a margin of 1.90% to 1.975% per annum and are expected to close in the first quarter of 2023
- The proceeds from the new loan facilities will be used to repurchase more expensive lease financing

## Share Repurchases

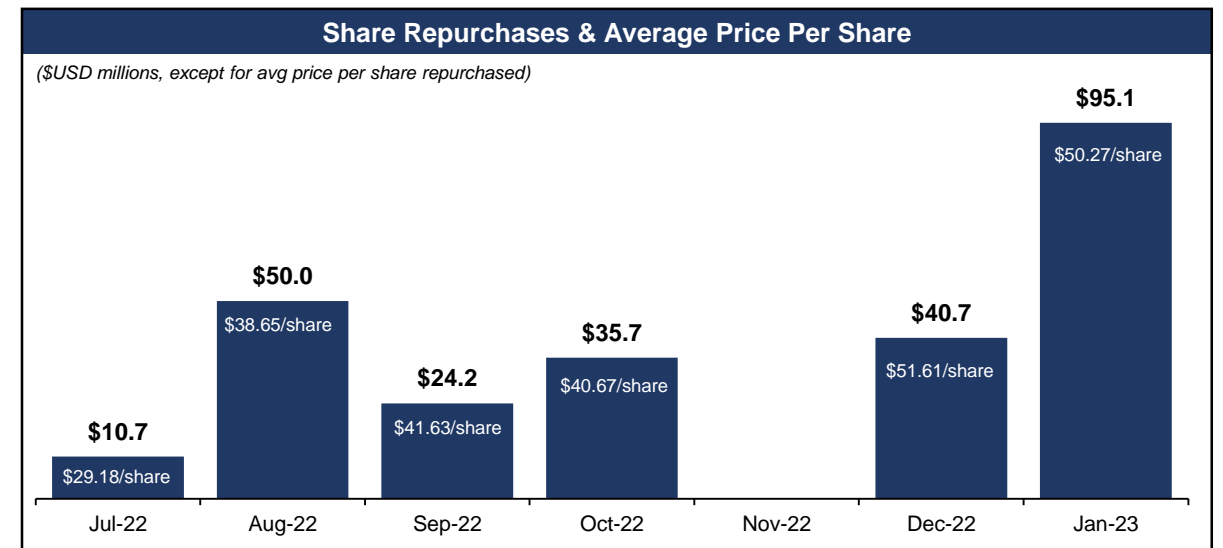
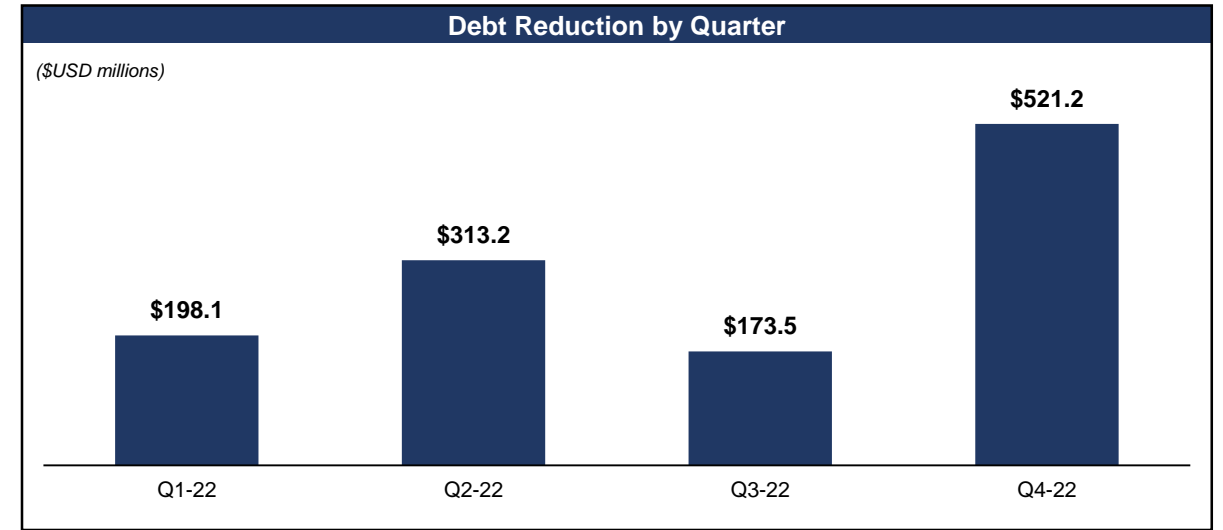
- Since July 2022, the Company has repurchased 5.8 million of its common shares for \$256.5 million

## New \$250 Million Securities Repurchase Program

- On February 15, 2023 the Board of Directors authorized a new Securities Repurchase Program up to an aggregate of \$250 million

## Increase in Quarterly Dividend

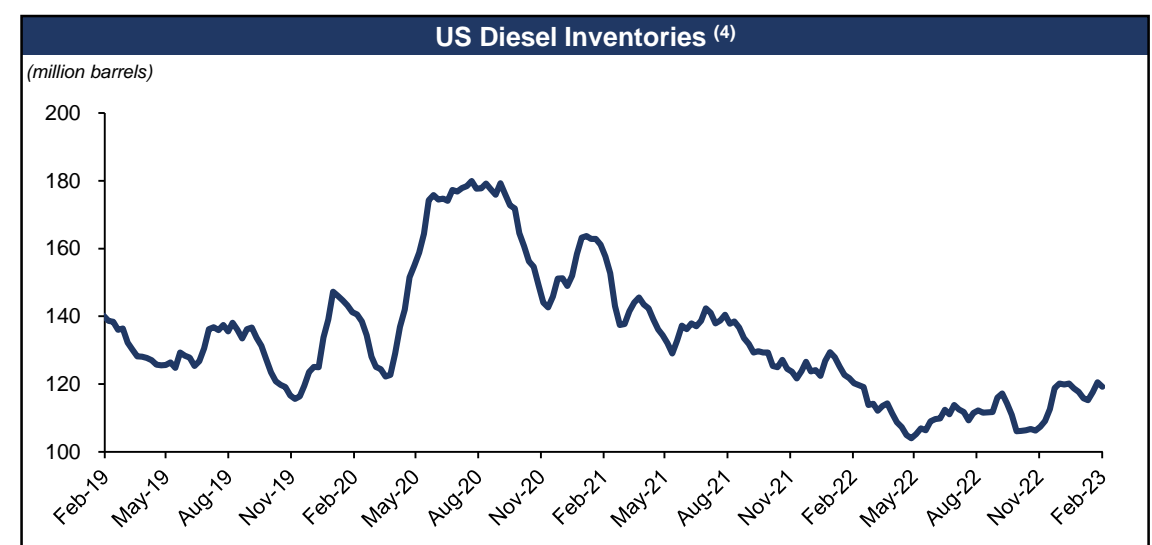
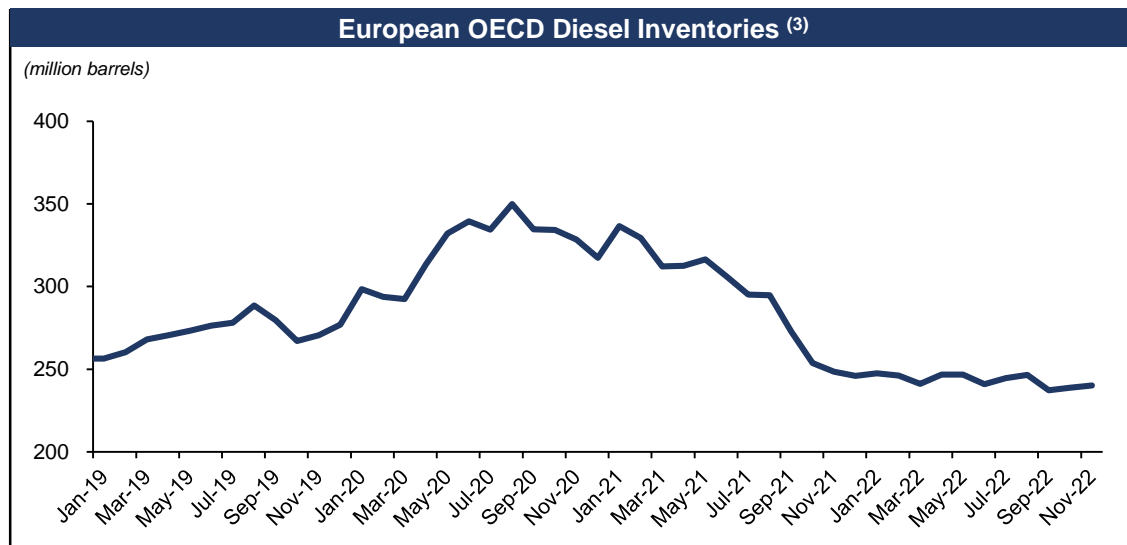
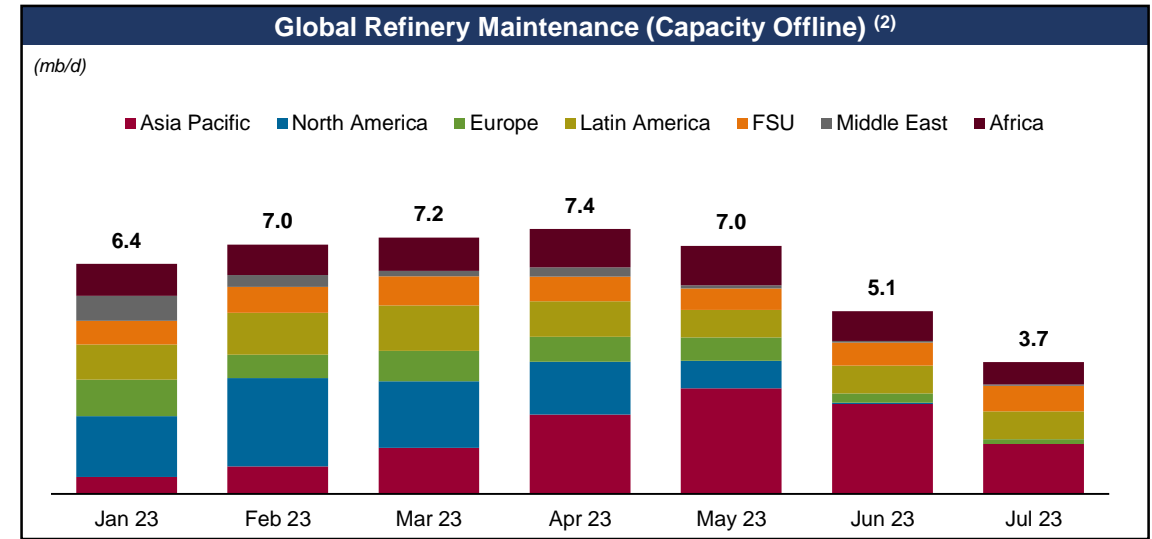
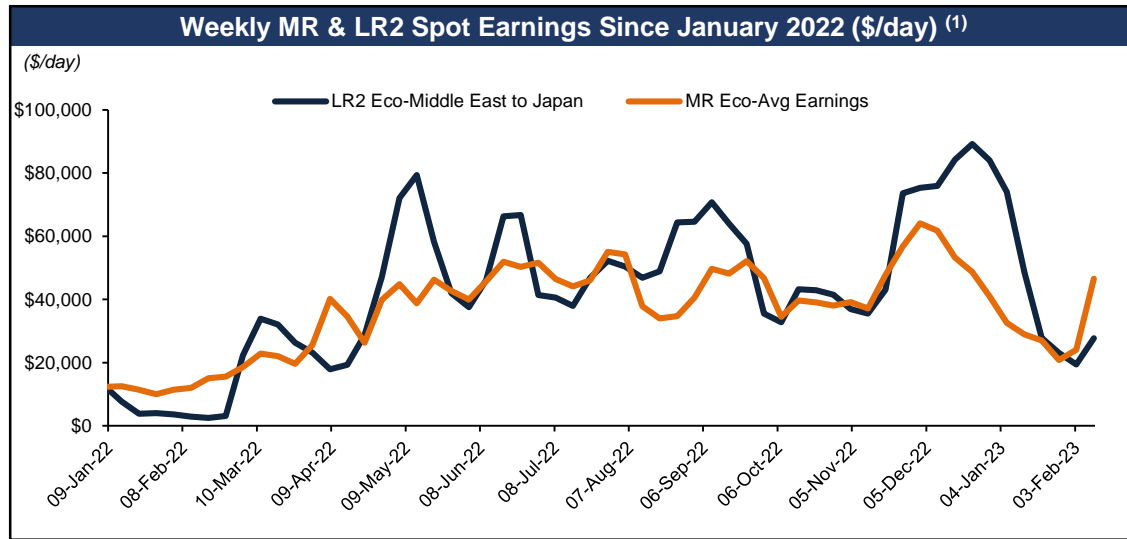
- The Company increased its quarterly cash dividend from \$0.10 to \$0.20 per common share





# Product Tanker Market

# Short Term Market Update

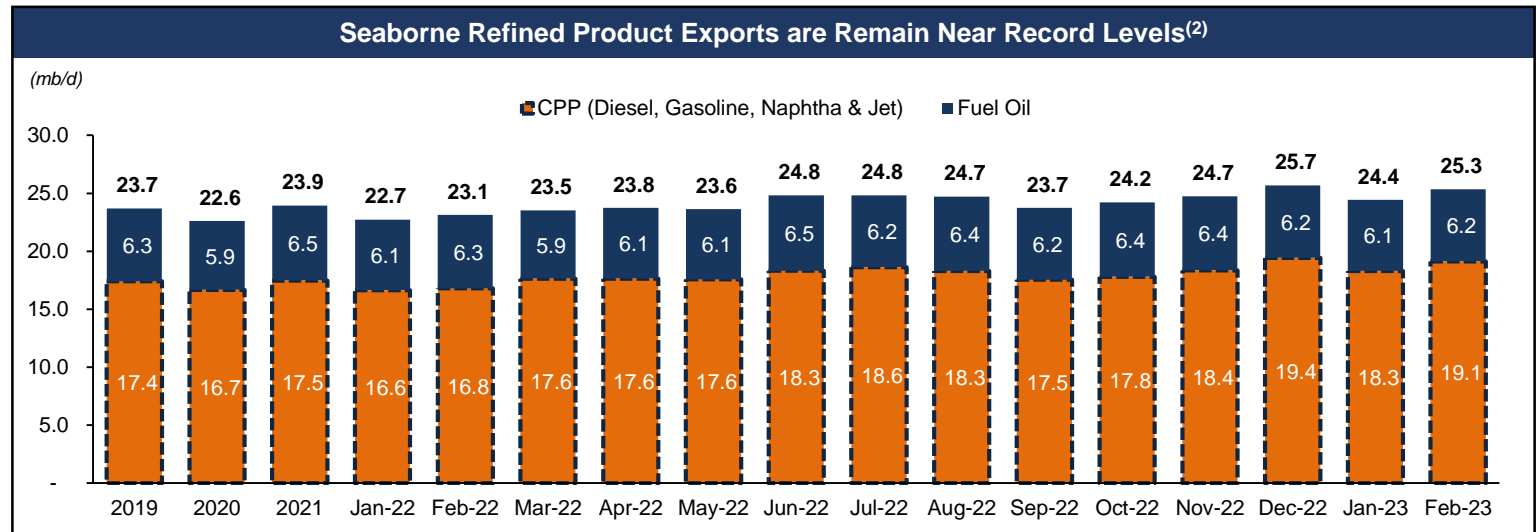
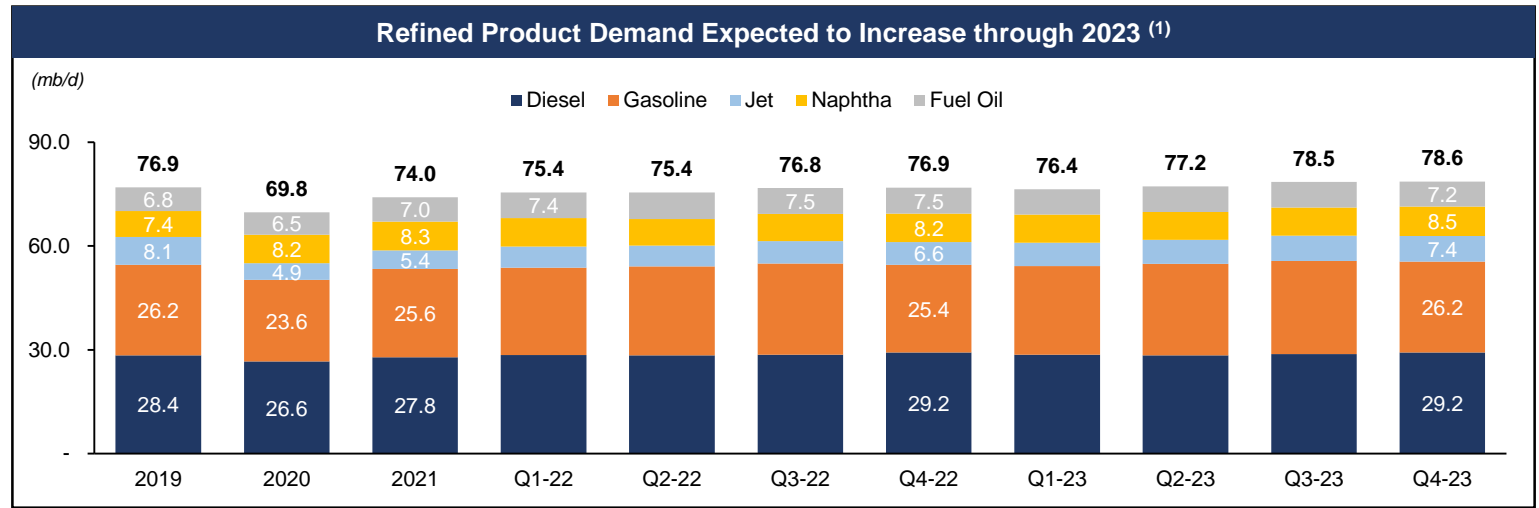


1) Clarksons Research Intelligence, February 2023  
 2) Energy, February 2023  
 3) IEA, JODI, Xinhua, Energy Aspects, February 2023  
 4) EIA, February 2023

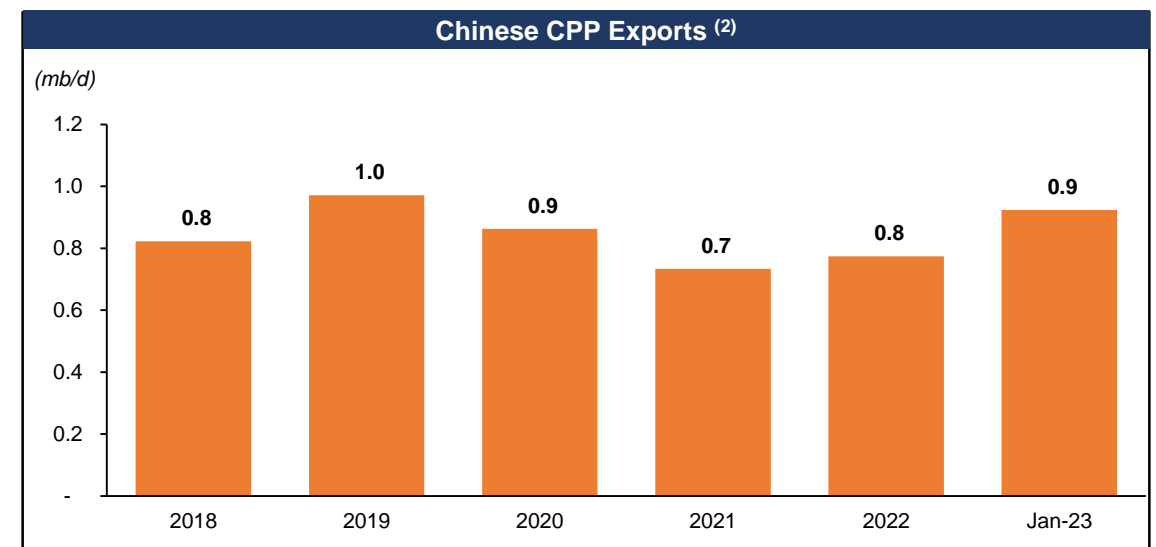
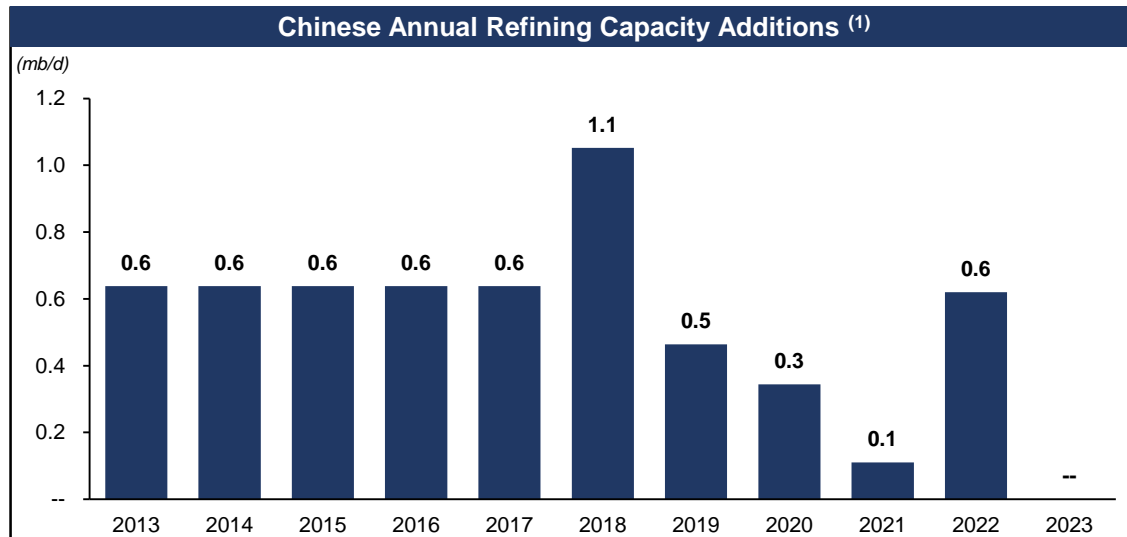
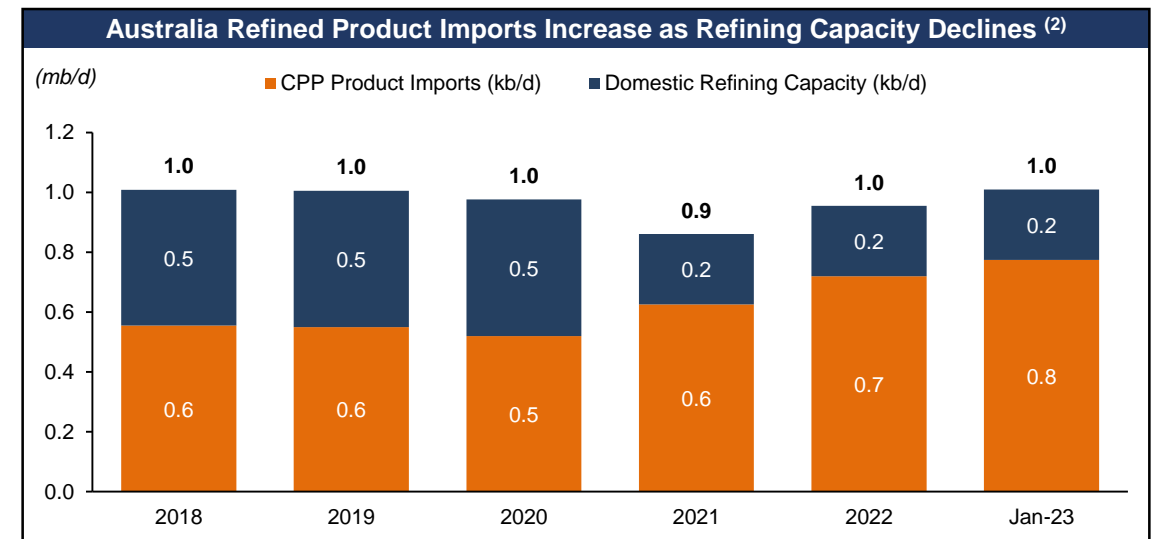
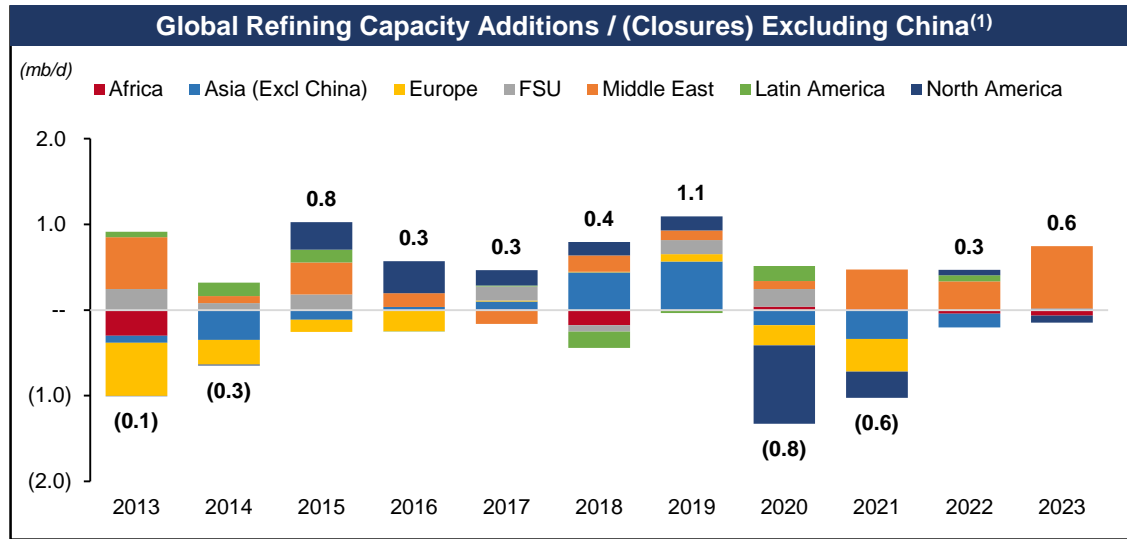


# Refined Product Demand & Seaborne Exports Continue to Increase

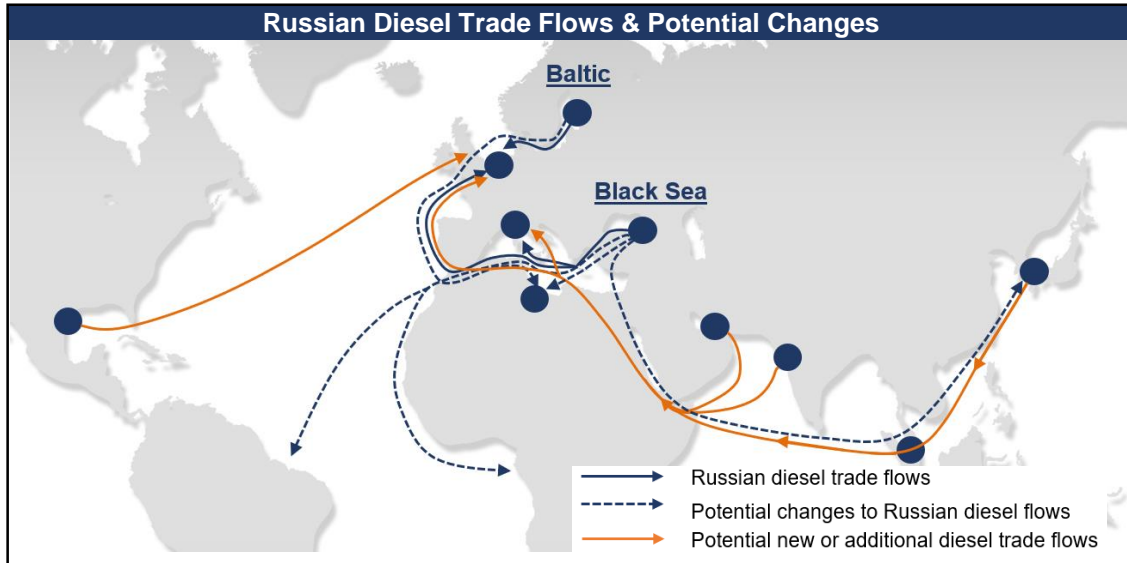
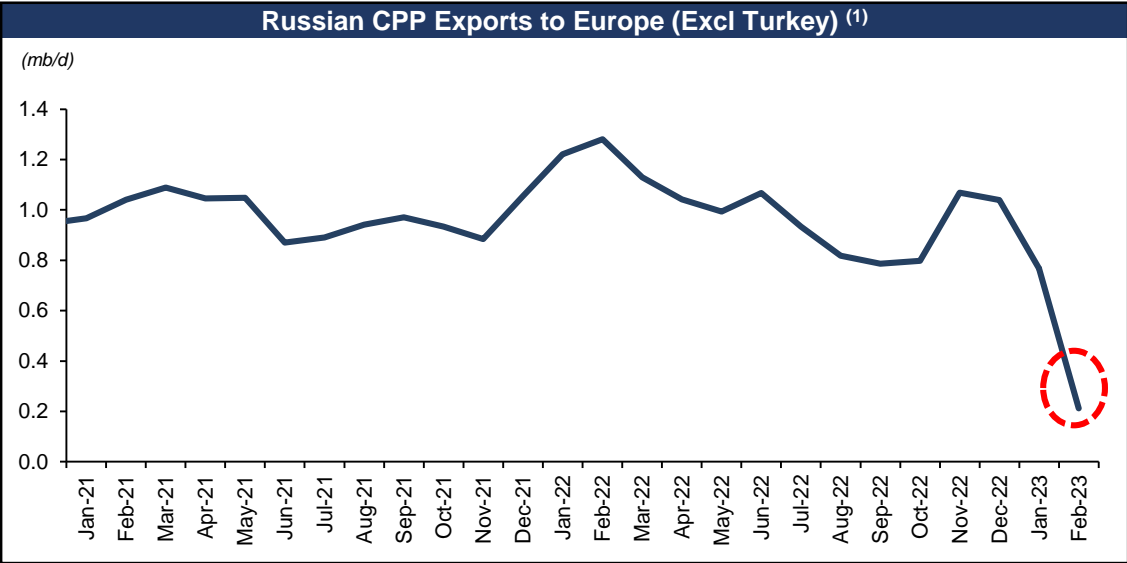
- Global refined product demand continues to increase
- 2023 refined product demand is expected to exceed 2022 by ~1.6 mb/d
- Growing demand against historically low global inventories has increased seaborne exports of refined products
- Seaborne exports of clean petroleum products reached record levels in December at 19.4 mb/d
- Upside to demand with China re-opening and improving jet fuel demand
- Increased ton miles due to refinery changes and European sanctions on Russia



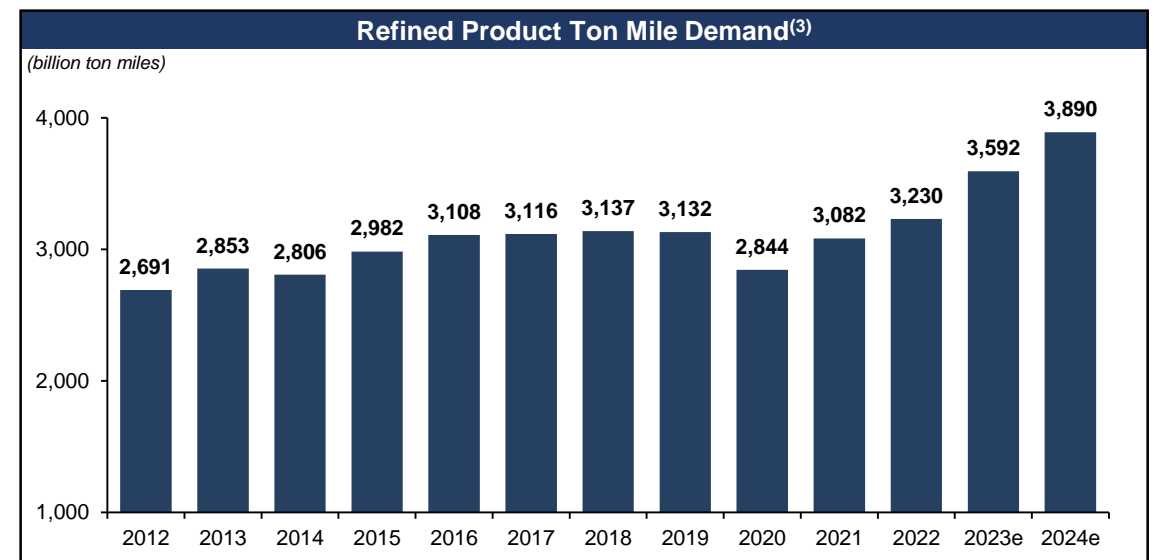
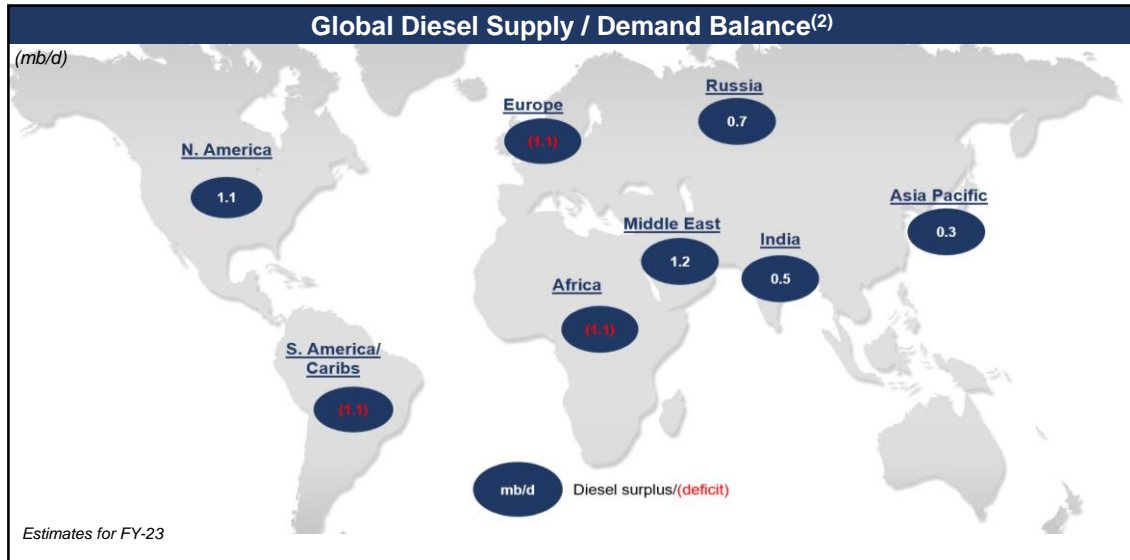
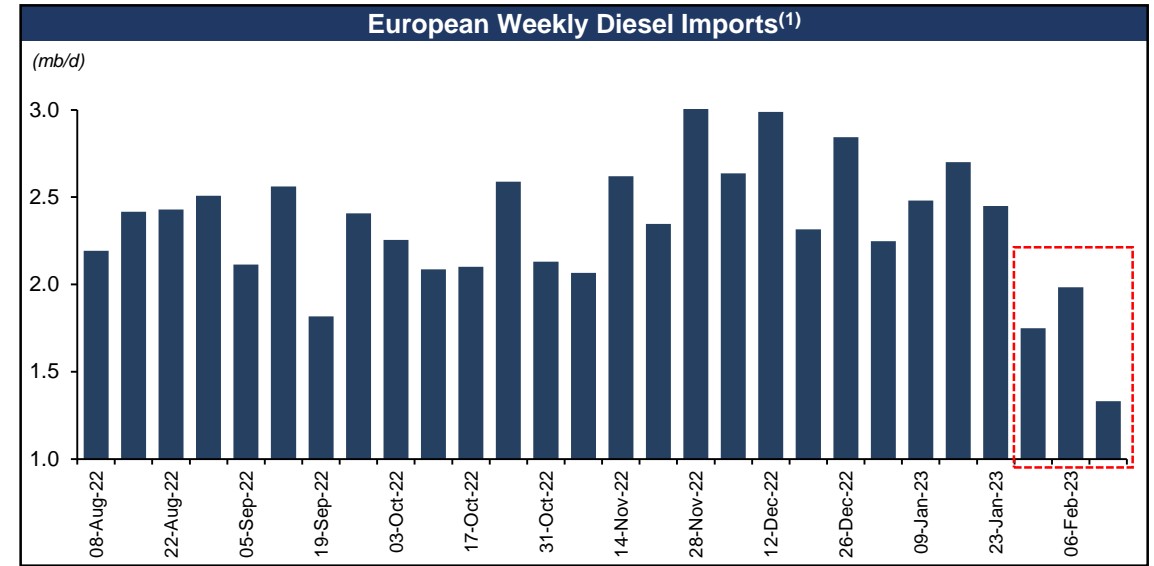
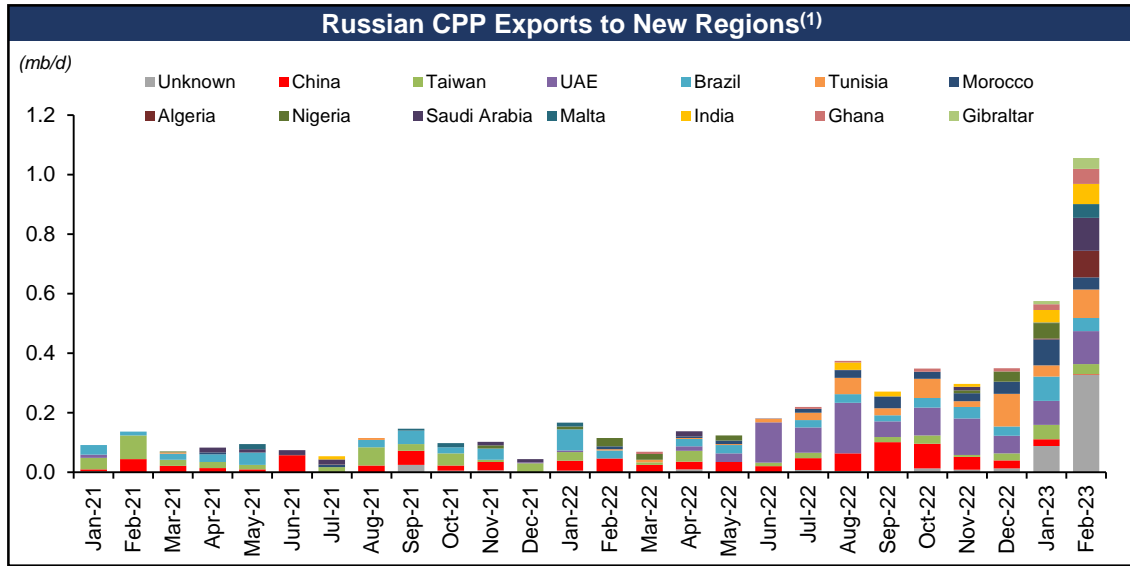
# Refinery Changes Drive Global Trade Flows & Ton Miles



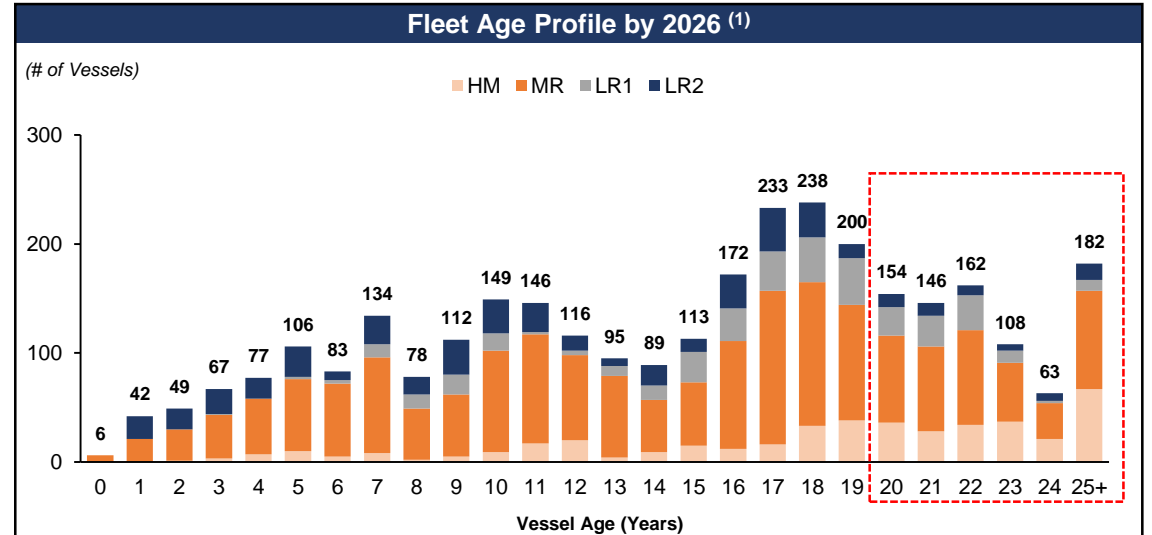
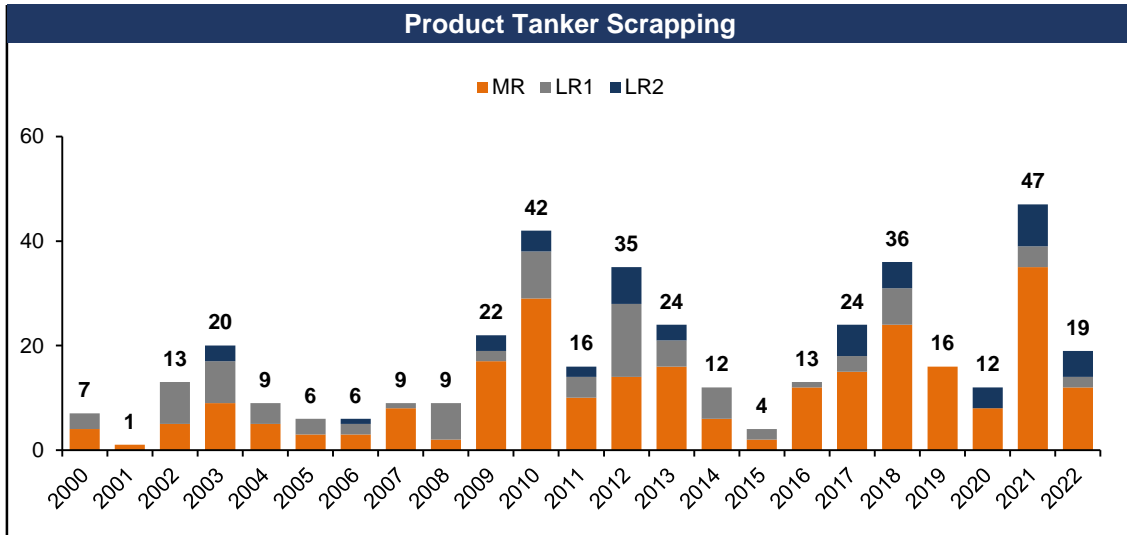
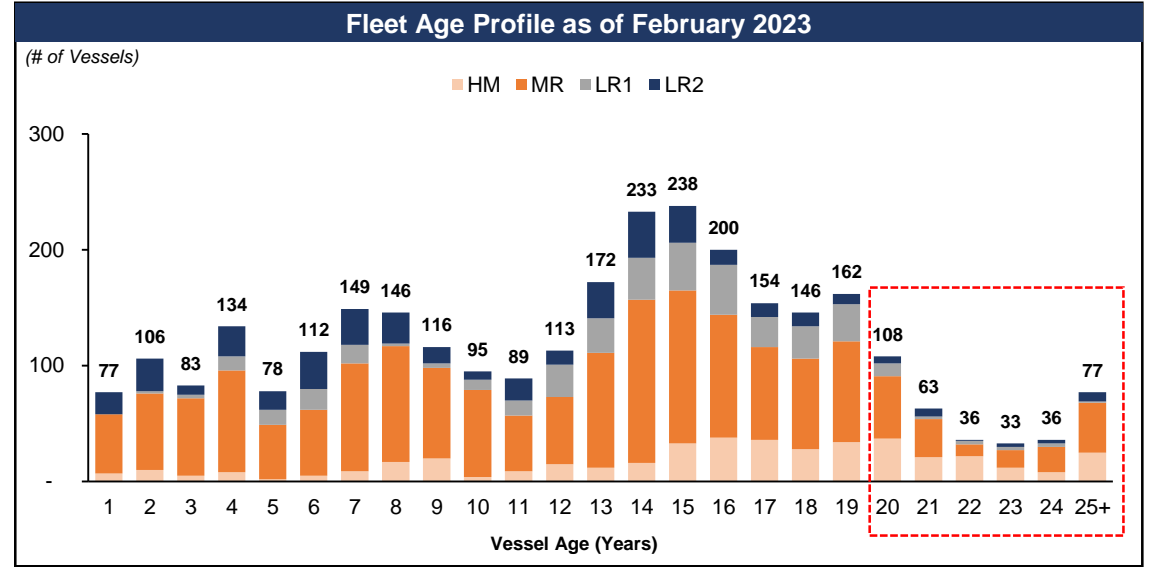
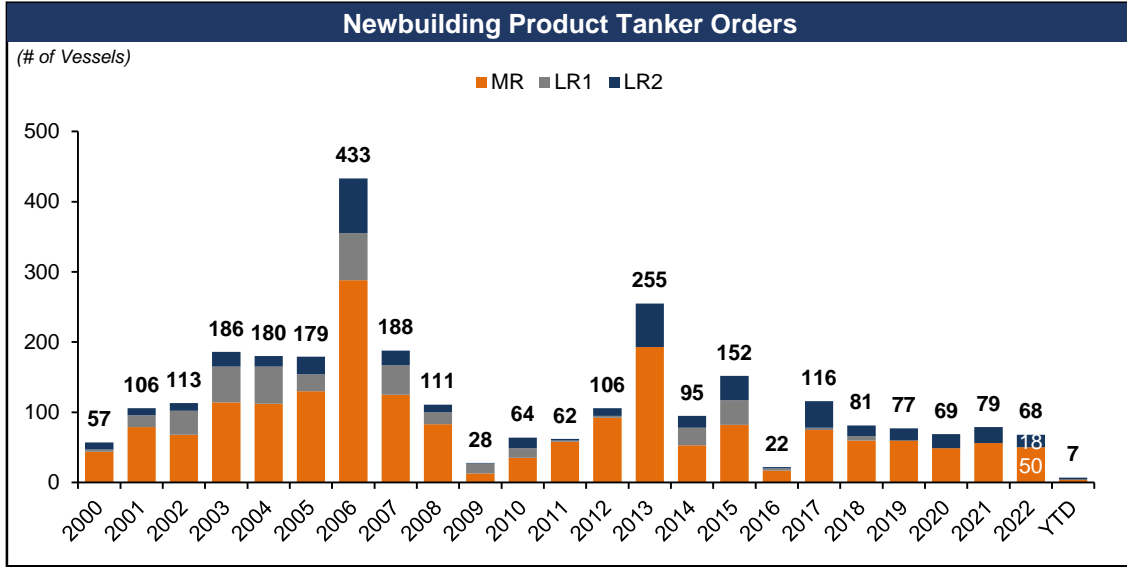
# Are Embargo Effects Already Priced In?



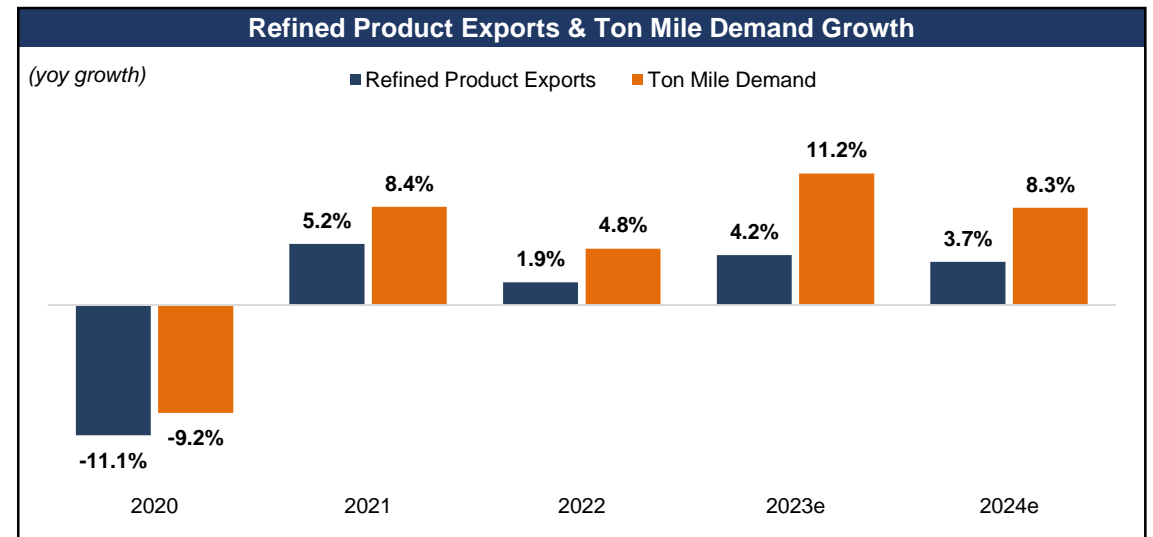
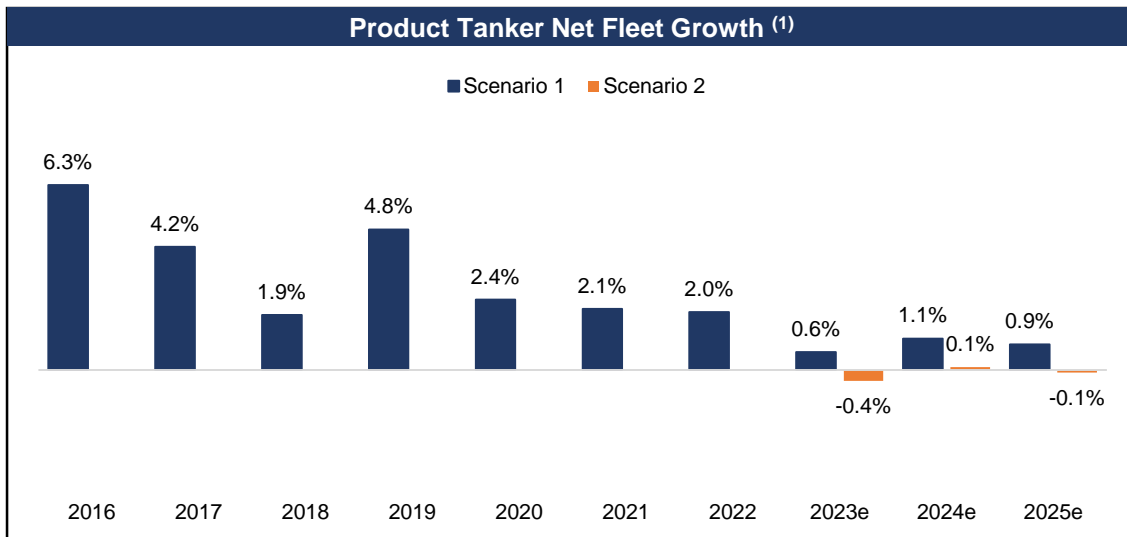
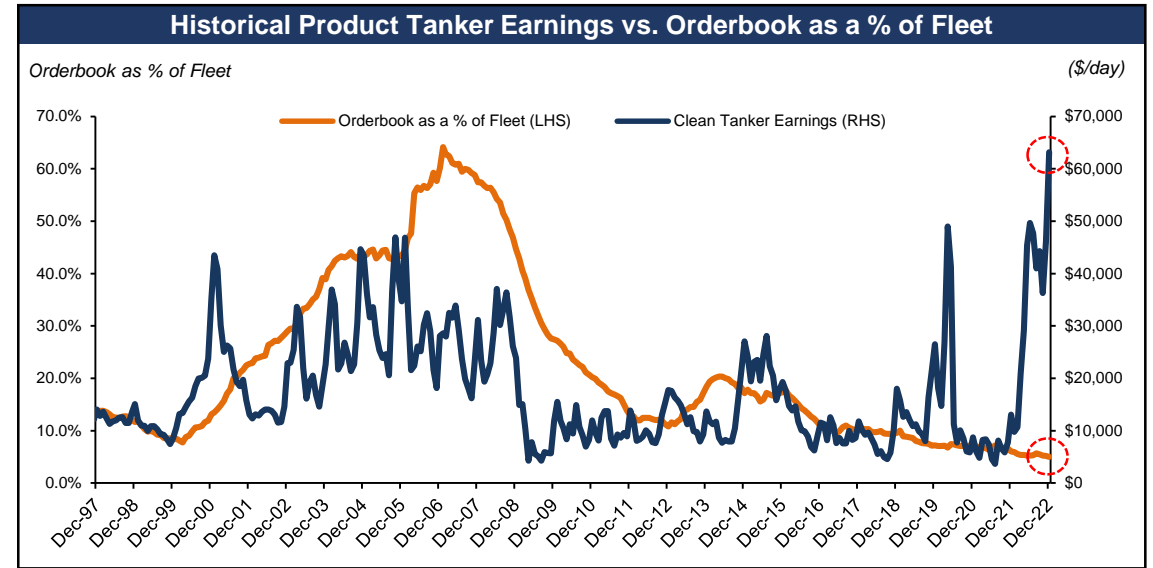
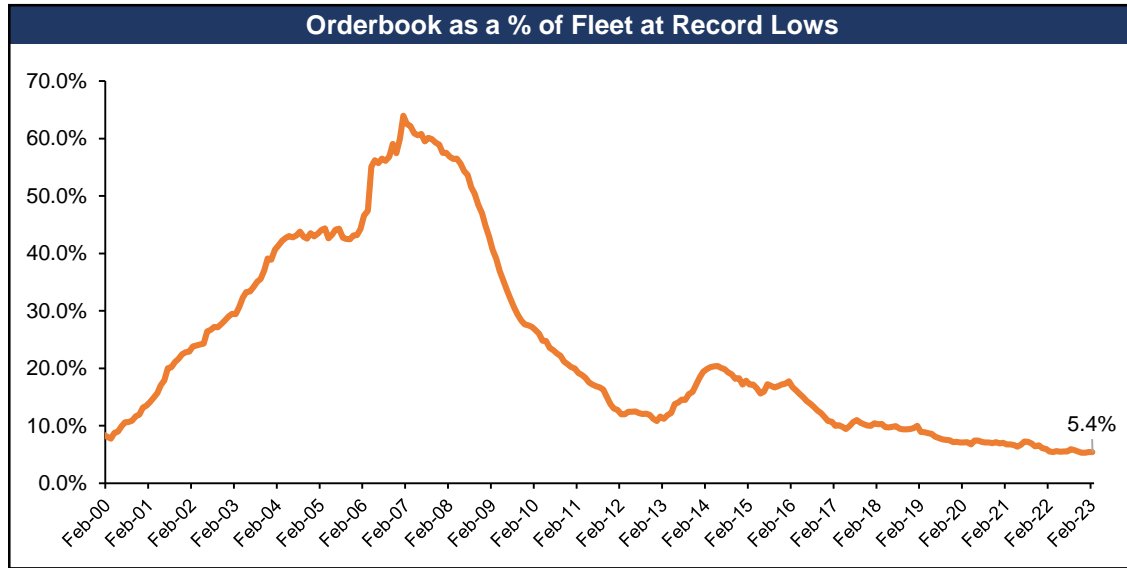
# Or Just Starting?



# Limited Fleet Growth & Ageing Fleet



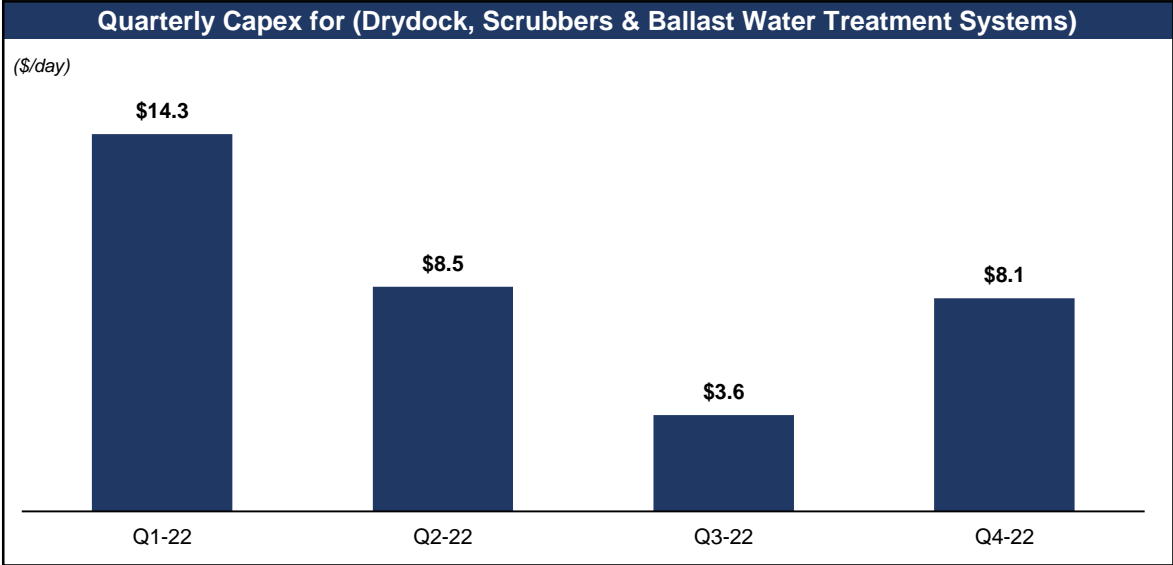
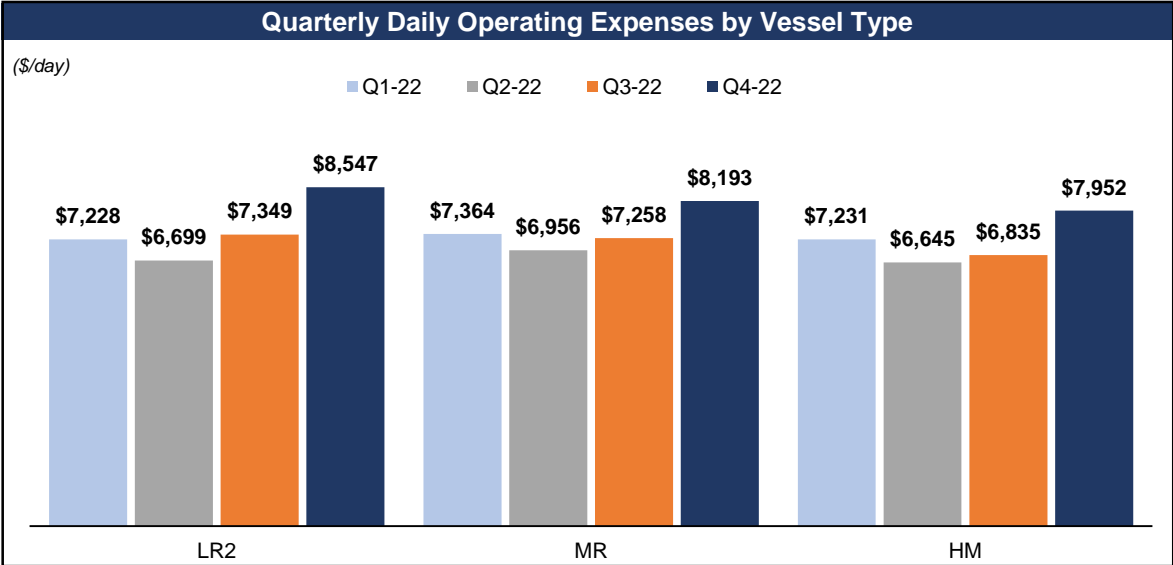
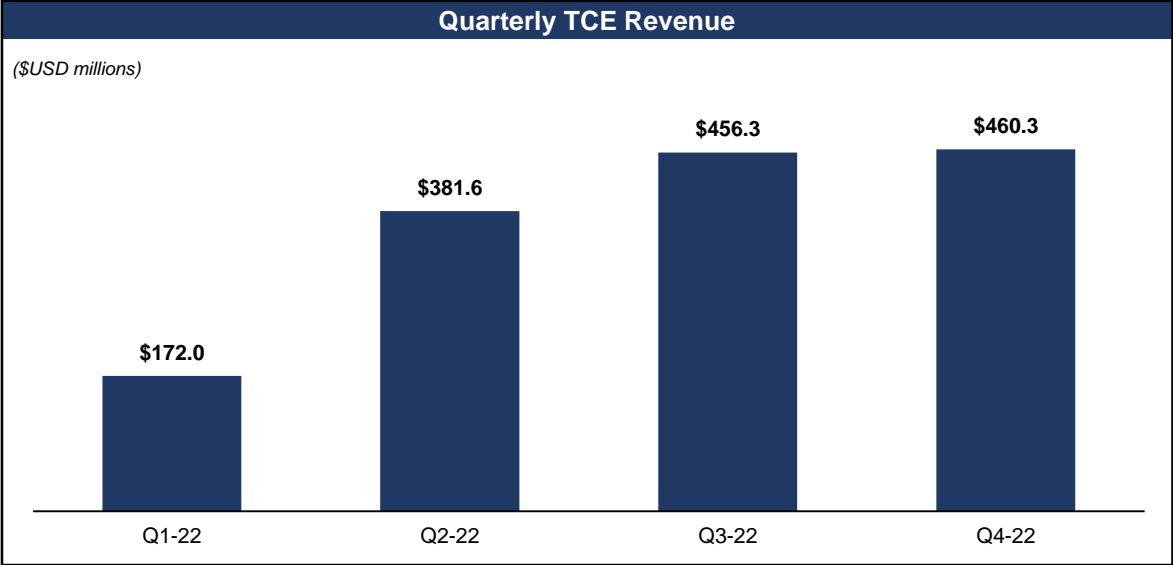
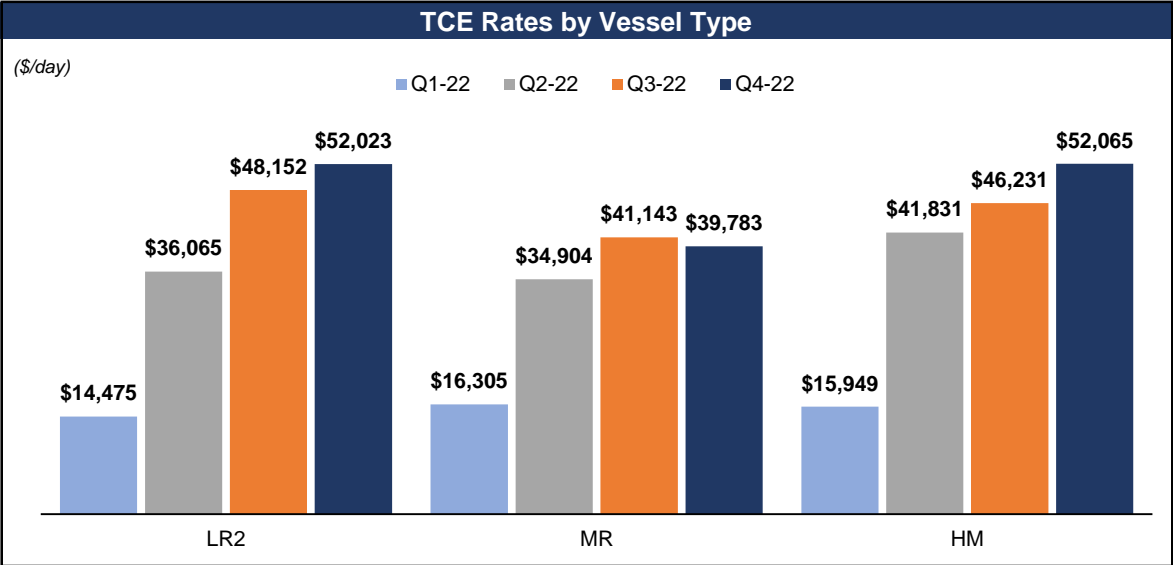
# Seaborne Exports & Ton Miles > Fleet Growth





# Financial Highlights

# Quarterly TCE Rates, Revenue Opex & Capex

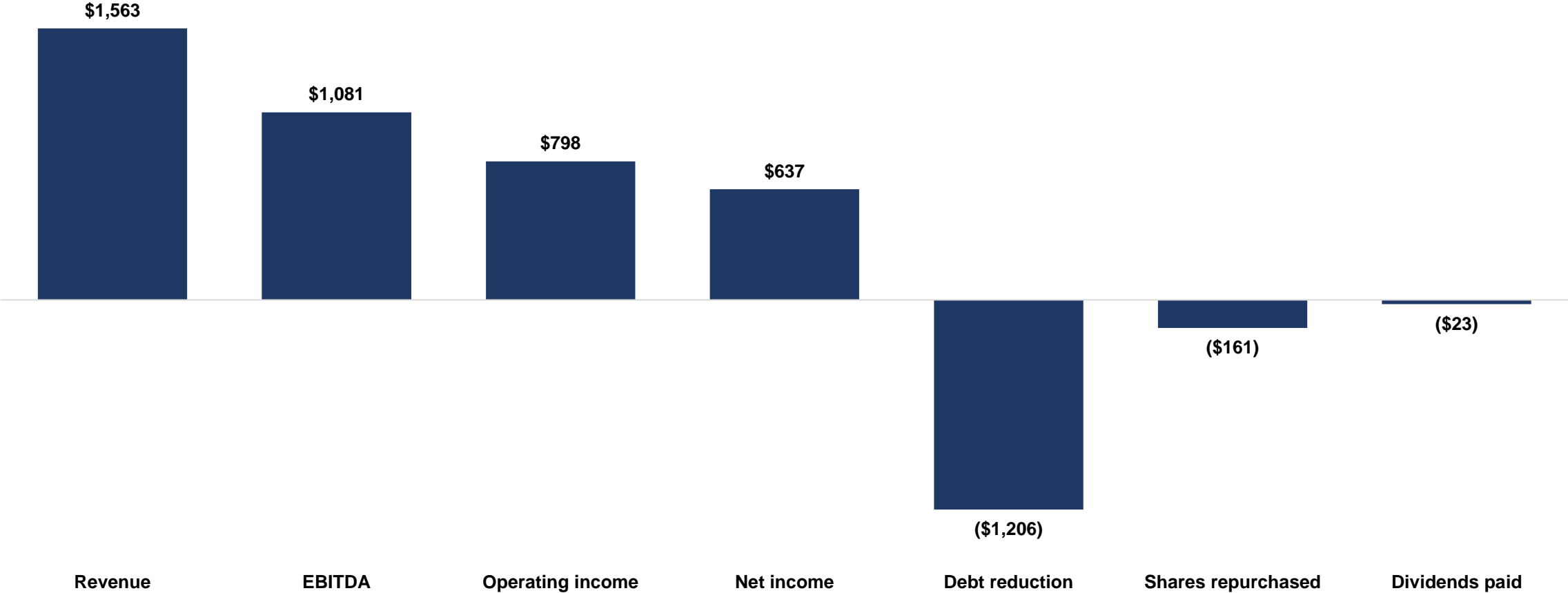




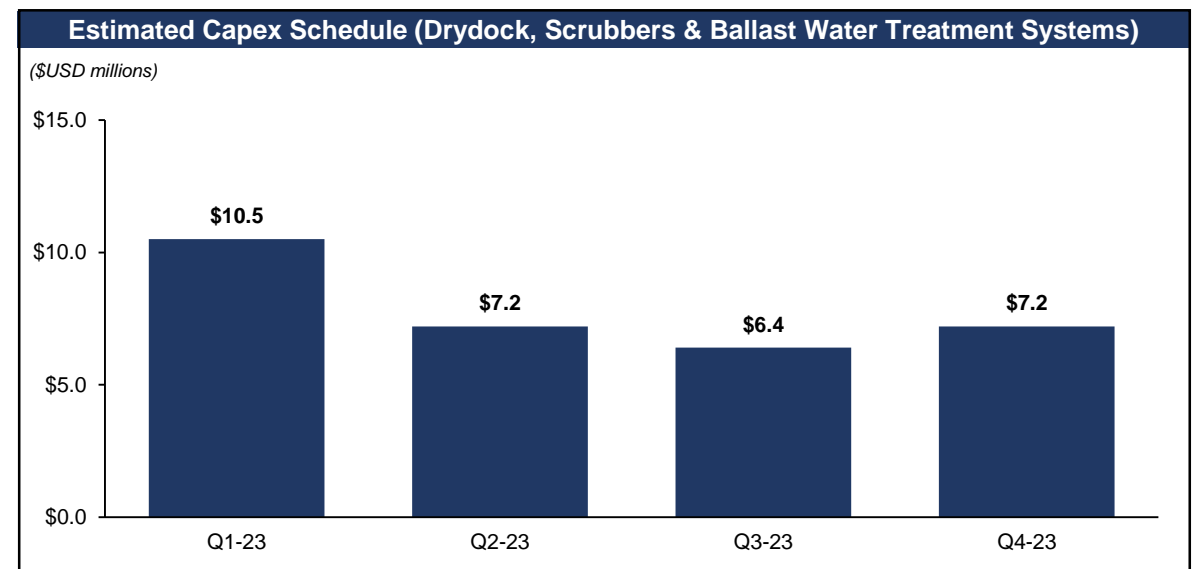
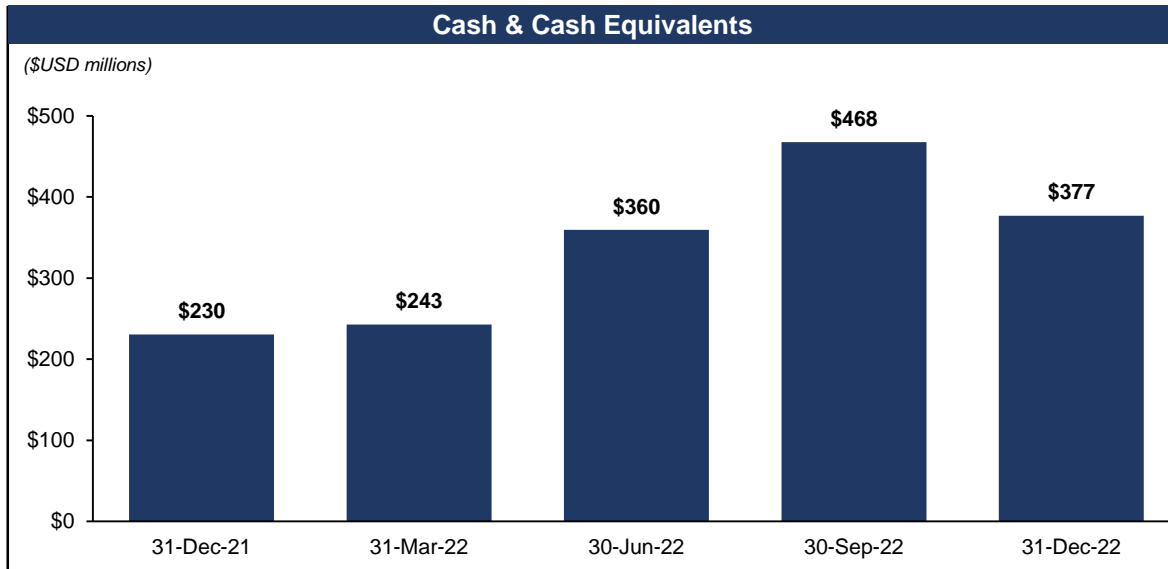
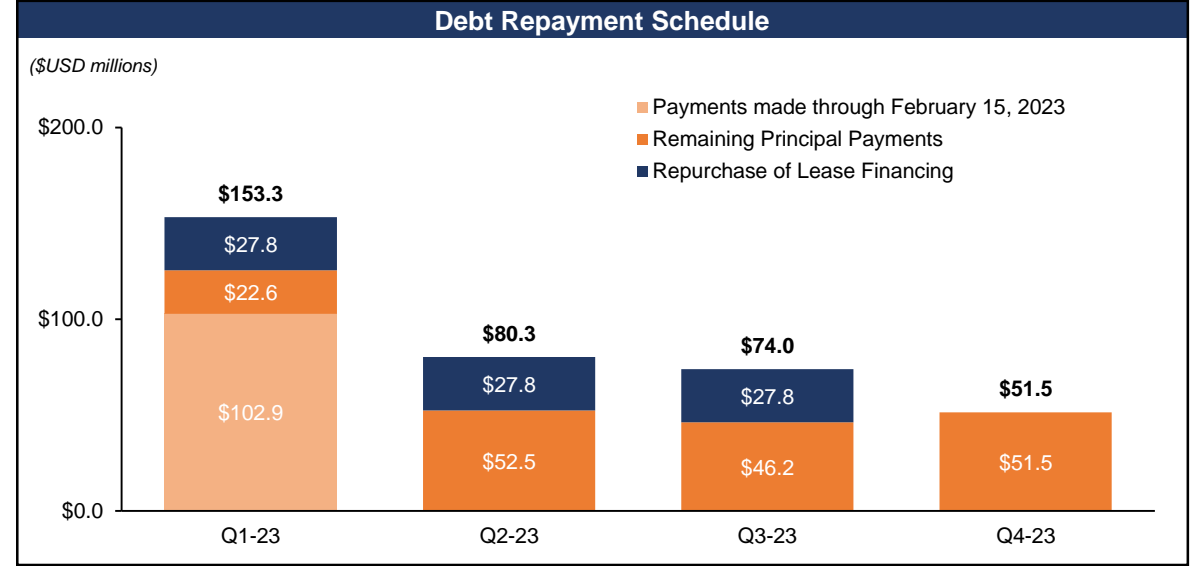
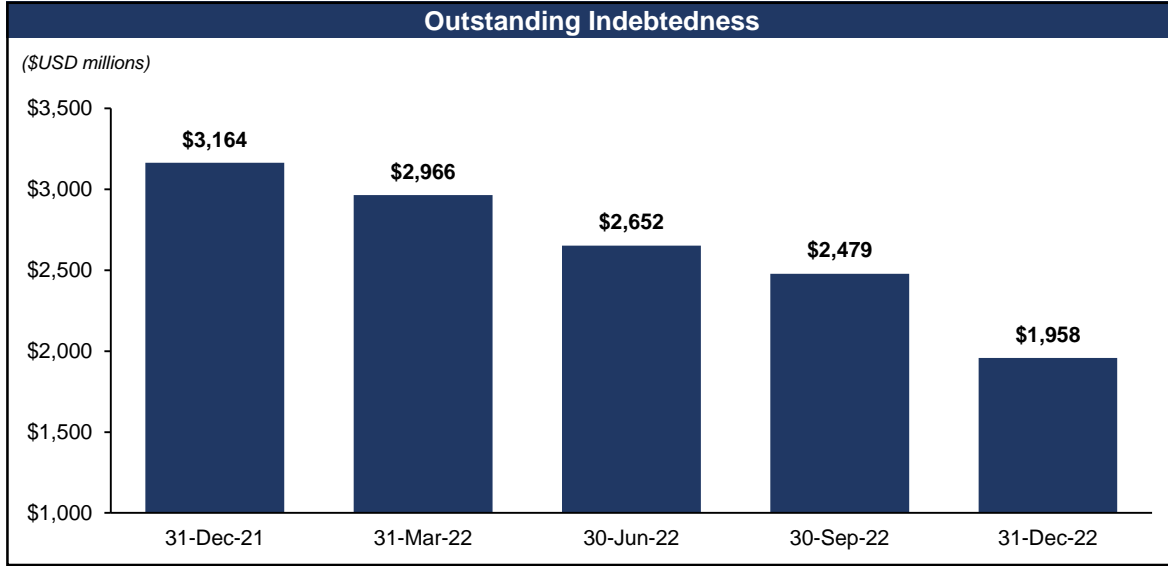
# 2022 Financial Highlights

## For the Twelve Months Ending December 31, 2022

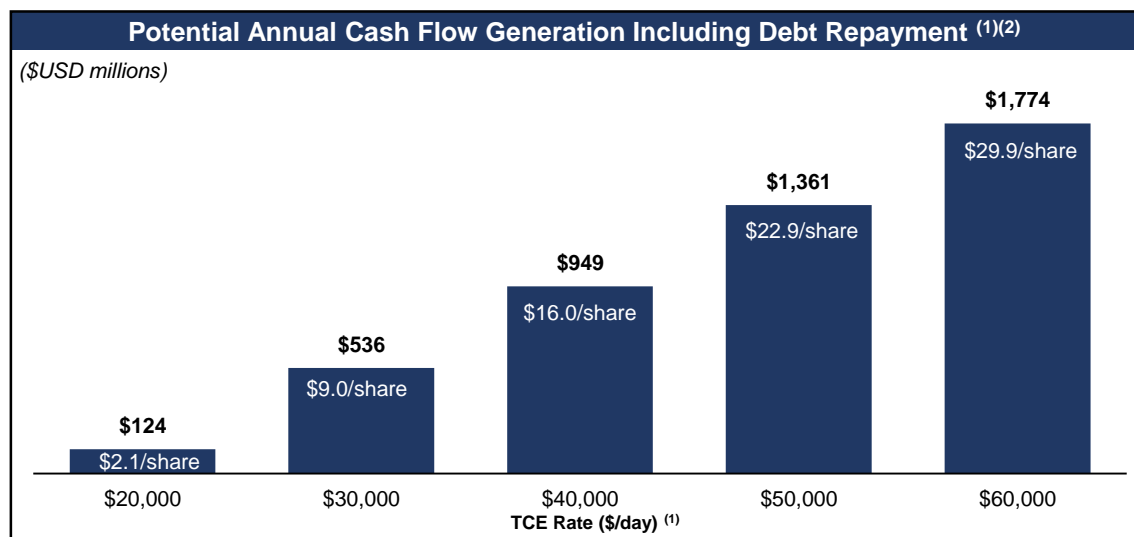
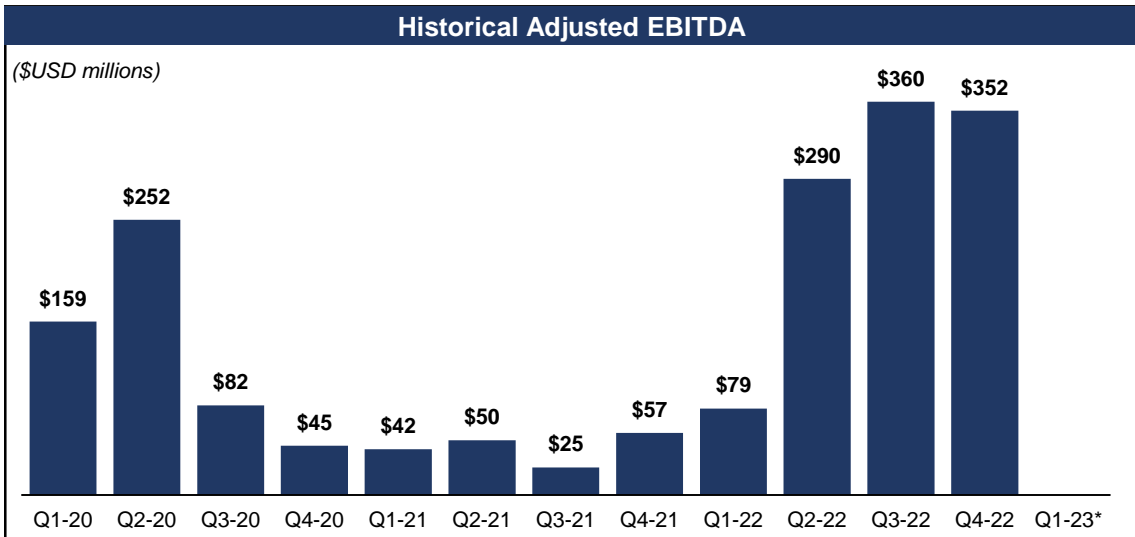
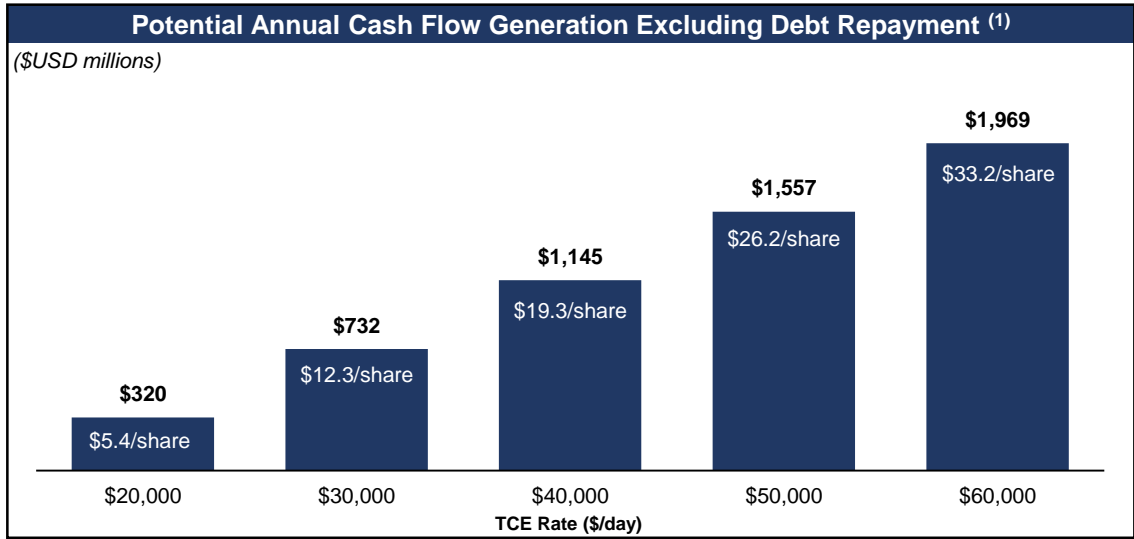
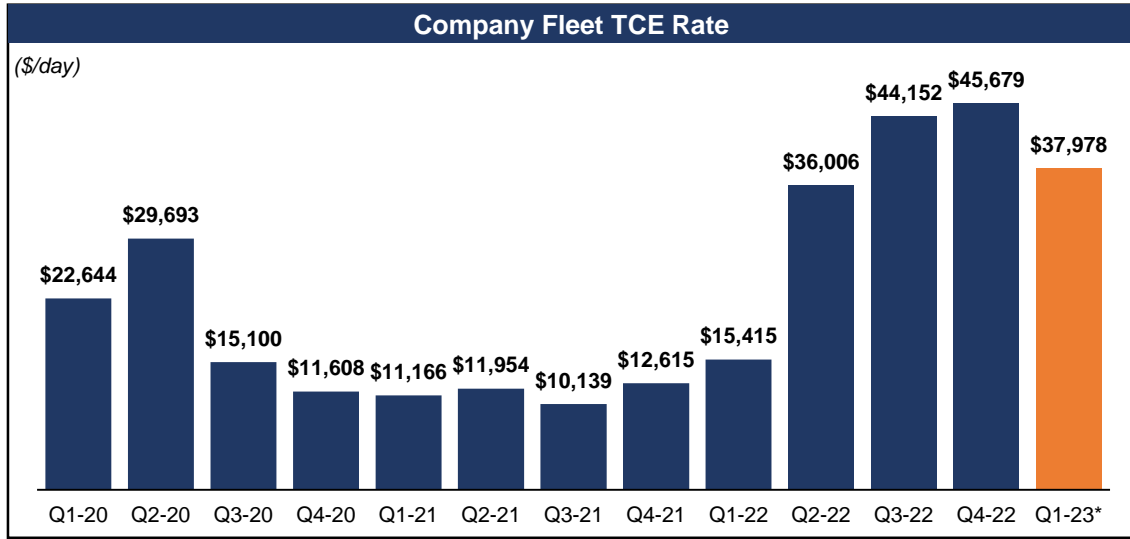
(\$USD millions)



# Improving Balance Sheet, Strong Liquidity & Minimal Capex



# Significant Operating Leverage & Earnings Potential



\*) Q1-23 spot and time charter vessel earnings booked through February 15, 2022 and subject to change

1) Annual cash flow generation is calculated as TCE Rate x 365 days x 113 vessels and assumes vessel cash breakeven of \$17,000 per day, less \$195.9m in debt repayment. The cash flow per share is based upon 59.3 million shares outstanding as February 15, 2023.

2) Includes debt repayment of \$195.9m for Q2-23 to Q1-24 from the Company's Q4-22 earnings release.

# Investment Highlights

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## Company

- One of the largest product tanker fleets in the world
  - 113 Eco (fuel-efficient) vessels on the water
- Fully delivered fleet with an average age of 7.1 years
  - No newbuildings on order = \$0 newbuild capex
- Significant Operating Leverage
  - A \$10,000/day increase in average daily rates would generate ~\$412 million of incremental annualized cash flow <sup>(1)</sup>

## Industry & Outlook

- Significant increase in product tanker rates since Q1-22
- Robust product demand and low inventories has led to record levels of seaborne exports
- Refinery closures and additions continue to reshape global trade flows and increase ton miles
- Limited fleet growth with record low orderbook and ageing fleet
- Seaborne exports and ton mile demand expected to outpace supply over next two years leading to favorable

## Strategy

- Reduce leverage, maintain liquidity and return to capital shareholders
- Strong Balance Sheet
  - \$1.2 billion debt reduction in 2022
  - \$596.9 million of liquidity as of February 15, 2023
- Share repurchases preferred over dividends when trading a significant discount to NAV
  - Repurchased 5.8 million of its common shares for \$256.5 million since July 2022



# Conclusion



Q&A



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