



# Scorpio Tankers Inc. Third Quarter 2023 Earnings Presentation

November 9, 2023

# Disclaimer and Forward-looking Statements

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This presentation includes “forward-looking statements” within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect Scorpio Tankers Inc.’s (“Scorpio’s”) current views with respect to future events and financial performance. The words “believe,” “anticipate,” “intend,” “estimate,” “forecast,” “project,” “plan,” “potential,” “may,” “should,” “expect” and similar expressions identify forward-looking statements. The forward-looking statements in this presentation are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management’s examination of historical operating trends, data contained in Scorpio’s records and other data available from third parties. Although Scorpio believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond Scorpio’s control, Scorpio cannot assure you that it will achieve or accomplish these expectations, beliefs, projections or future financial performance.

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.

Unless otherwise indicated, information contained in this presentation concerning Scorpio’s industry and the market in which it operates, including its general expectations about its industry, market position, market opportunity and market size, is based on data from various sources including internal data and estimates as well as third party sources widely available to the public such as independent industry publications, government publications, reports by market research firms or other published independent sources. Internal data and estimates are based upon this information as well as information obtained from trade and business organizations and other contacts in the markets in which Scorpio operates and management’s understanding of industry conditions. This information, data and estimates involve a number of assumptions and limitations, are subject to risks and uncertainties, and are subject to change based on various factors, including those discussed above. You are cautioned not to give undue weight to such information, data and estimates. While Scorpio believes the market and industry information included in this presentation to be generally reliable, it has not independently verified any third-party information or verified that more recent information is not available.



An aerial view of the deck of an oil tanker ship sailing on a dark blue, choppy ocean. The ship's deck is green with yellow safety lines and features numerous large, parallel black pipes running along its length. Several crew members in blue and red uniforms are visible on the deck. In the background, the sun is setting behind a layer of white and grey clouds, creating a warm orange and yellow glow across the sky.

## Q3 2023 Call Agenda

1. Q3 2023 Highlights
2. Financial Highlights
3. Product Tanker Market
4. Conclusion
5. Q&A





# Q3 2023 Highlights

# Highlights

## Highlights

### Financial Results

- Adj EBITDA of \$200.3 million <sup>(1)</sup>
- Adj net income of \$99.2 million or \$1.99 basic and \$1.91 diluted earnings per share <sup>(1)</sup>

### Increase in Quarterly Dividend

- Increased quarterly dividend from \$0.25 to \$0.35 per share

### Share Repurchases

- Since July 1, 2023, repurchased 1.9 million of the Company's shares for \$90.7 million
- Since January 1, 2023, the Company has repurchased 10.0 million shares for \$489.7 million

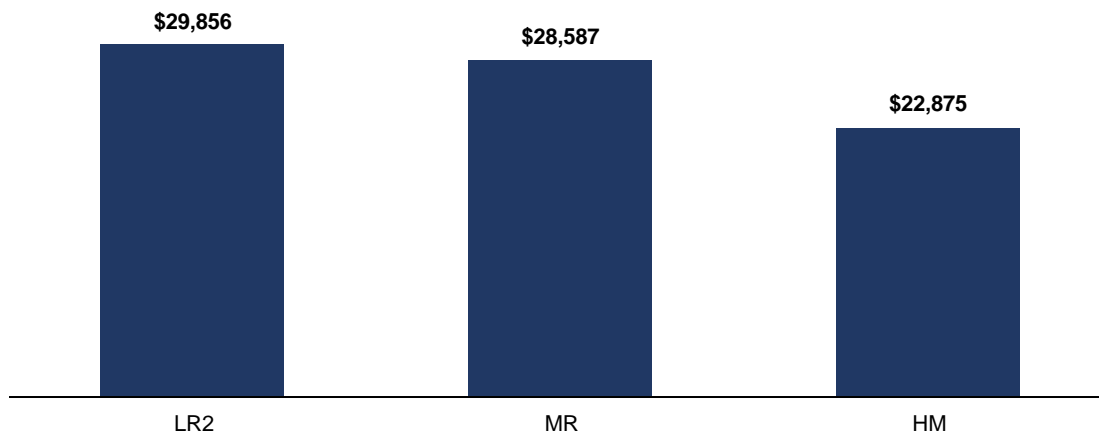
### Vessel Sale

- Agreed to sell the 2012 built MR product tanker, STI Amber, for \$33.7 million

### Strong Liquidity Position

- As of November 8, 2023, \$521.2 million in unrestricted cash and cash equivalents and \$288.2 million of availability under the revolving portion of the 2023 \$1.0 Billion Credit Facility

## Quarterly TCE Rates (\$/day)



## Q4-23 Spot & Pool TCE Rates (\$/day) as of November 8, 2023





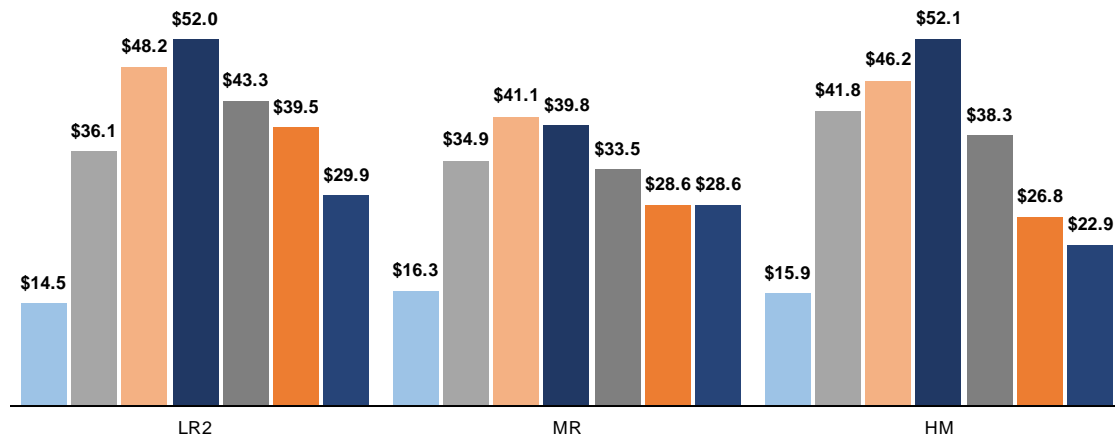
# Financial Highlights

# Financial Highlights

## Avg Daily TCE Rate by Vessel Type (Includes Vessels on Time Charter)

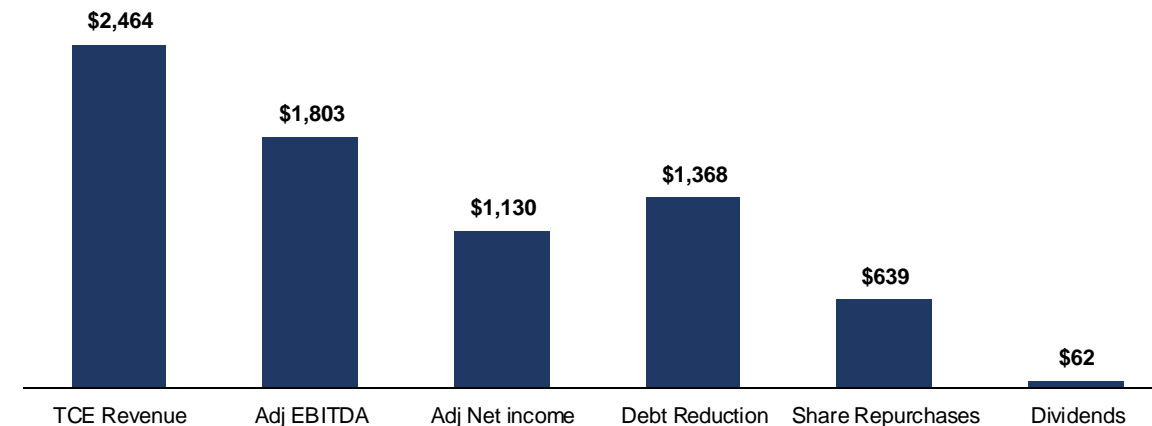
(\$USD thousands /day)

Q1-22 Q2-22 Q3-22 Q4-22 Q1-23 Q2-23 Q3-23



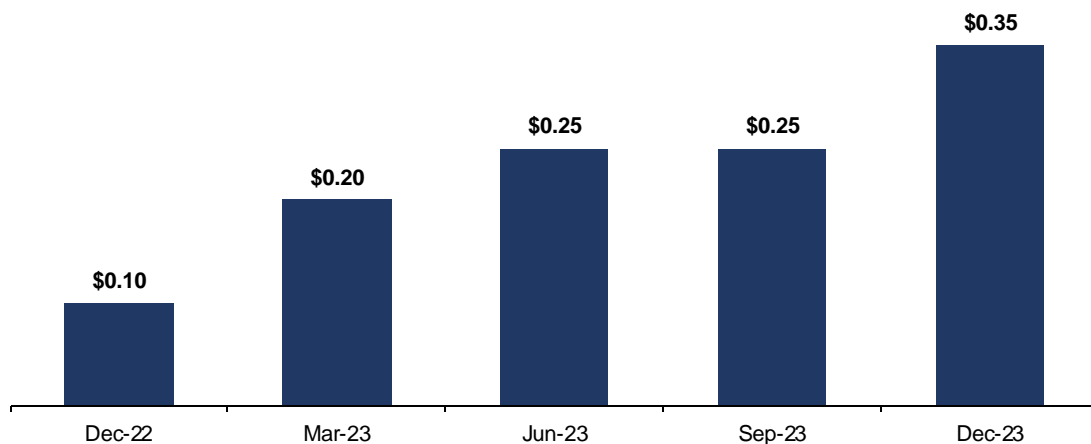
## Financial Highlights Over Last Seven Quarters (Q1-22 through Q3-23)<sup>(1)</sup>

(\$USD millions)



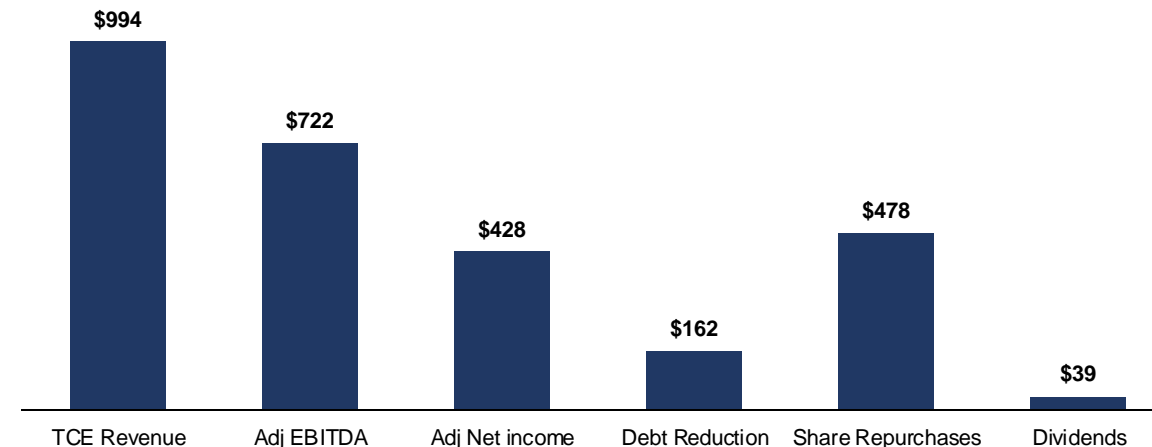
## Quarterly Dividend Per Share

(Month paid in, \$/share)



## Financial Highlights for the nine months ending September 30, 2023<sup>(1)</sup>

(\$USD millions)



# Financing Update

## Repurchase of Lease Financing

- Since August 2022, the Company has given notice to repurchase 76 vessels under lease financing
- As of November 8, 2023, the Company had repaid the outstanding debt on 56 of those vessels
- During the third quarter of 2023, the Company gave notice to repurchase 20 vessels under lease financing
- In October 2023, the Company gave notice to repurchase 10 vessels under lease financing
- The Company expects to repurchase 22 vessels under lease financing in the fourth quarter of 2023, of which 8 have already been repurchased for \$195.9 million

## Drawdowns on Credit Facilities

### \$1.0 Billion Credit Facility

- In July and August 2023, the Company drew an aggregate of \$576.4 million from this facility
- In September 2023, the Company repaid \$288.2 million on the revolving portion of this credit facility, which may be re-borrowed in the future
- In November 2023, the Company drew down \$202.3 million from this facility

### \$94.0 Million Credit Facility

- In September 2023, the Company drew down \$43.8 million under the facility and two vessels were placed as collateral under the facility
- In October 2023, the Company drew down \$50.2 million and two vessels were placed as collateral under the facility

## Repurchase of Lease Financing

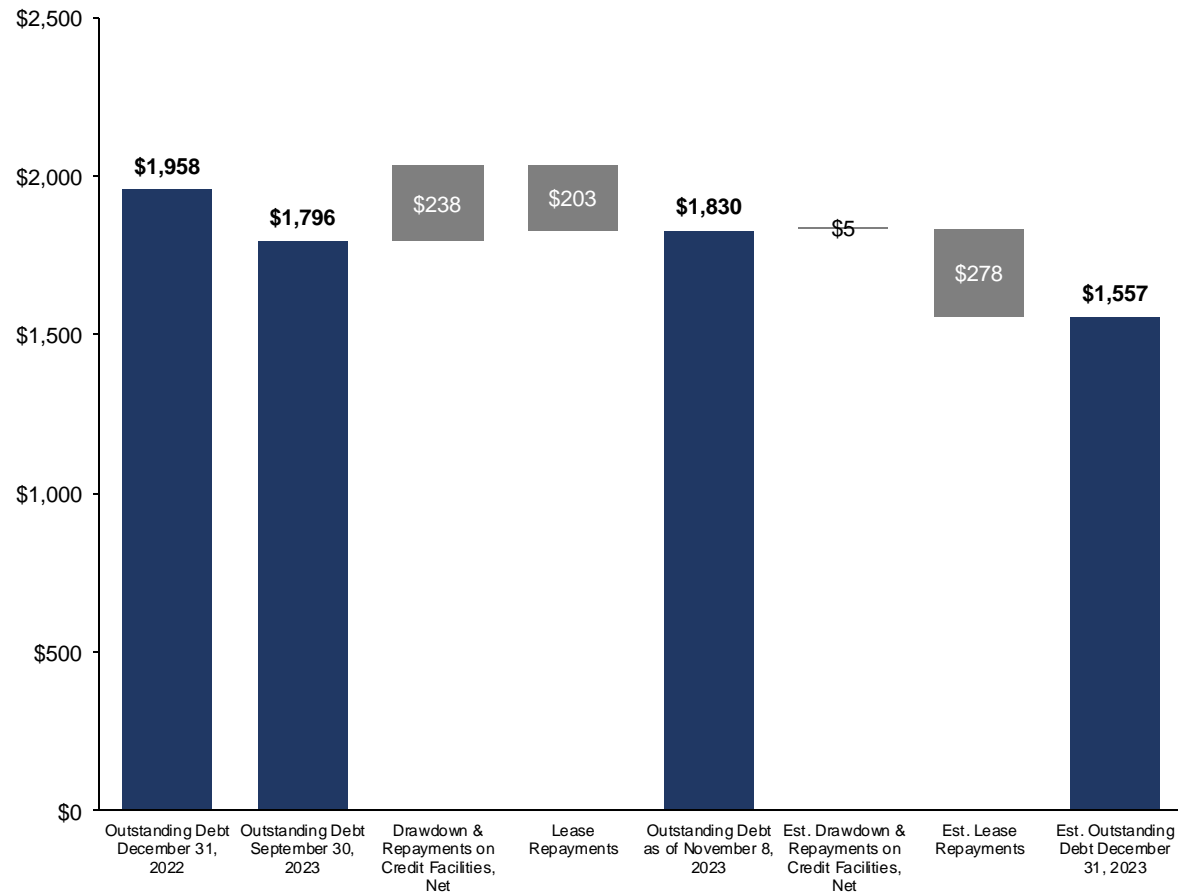
#	Vessel Name	Type	Built	Completed	#	Vessel Name	Type	Built	Completed/Expected*
1	STI Opera	MR	2014	Q3-22	40	STI Miracle	MR	2020	Q3-23
2	STI Venere	MR	2014	Q3-22	41	STI Maestro	MR	2020	Q3-23
3	STI Virtus	MR	2014	Q3-22	42	STI Mighty	MR	2020	Q3-23
4	STI Aqua	MR	2014	Q3-22	43	STI Modest	MR	2019	Q3-23
5	STI Dama	MR	2014	Q3-22	44	STI Maverick	MR	2019	Q3-23
6	STI Regina	MR	2014	Q3-22	45	STI Millennia	MR	2019	Q3-23
7	STI Battersea	HM	2014	Q4-22	46	STI Leblon	MR	2017	Q3-23
8	STI Meraux	MR	2014	Q4-22	47	STI Bosphorous	MR	2017	Q3-23
9	STI Texas City	MR	2014	Q4-22	48	STI Supreme	LR2	2016	Q3-23
10	STI Wembley	HM	2014	Q4-22	49	STI Maximus	MR	2020	Q4-23
11	STI Alexis	LR2	2015	Q4-22	50	STI Lily	LR2	2019	Q4-23
12	STI Duchessa	MR	2014	Q4-22	51	STI Lotus	LR2	2019	Q4-23
13	STI Mayfair	MR	2014	Q4-22	52	STI Gauntlet	LR2	2017	Q4-23
14	STI St. Charles	MR	2014	Q4-22	53	STI Gladiator	LR2	2017	Q4-23
15	STI San Antonio	MR	2014	Q4-22	54	STI Goal	LR2	2016	Q4-23
16	STI Yorkville	MR	2014	Q4-22	55	STI Gratitude	LR2	2017	Q4-23
17	STI Battery	MR	2014	Q4-22	56	STI Guide	LR2	2016	Q4-23
18	STI Bronx	MR	2015	Q4-22	57	STI Amber	MR	2012	Q4-23*
19	STI Manhattan	MR	2015	Q4-22	58	STI Galata	MR	2017	Q4-23*
20	STI Milwaukee	MR	2014	Q4-22	59	STI La Boca	MR	2017	Q4-23*
21	STI Seneca	MR	2015	Q4-22	60	STI Donald C Trauscht	MR	2017	Q4-23*
22	STI Tribeca	MR	2015	Q4-22	61	STI Esles II	MR	2018	Q4-23*
23	STI Brooklyn	MR	2015	Q1-23	62	STI Stability	LR2	2016	Q4-23*
24	STI Rambla	LR2	2017	Q1-23	63	STI Solace	LR2	2016	Q4-23*
25	STI Rose	LR2	2015	Q1-23	64	STI Solidarity	LR2	2015	Q4-23*
26	STI Ville	MR	2013	Q1-23	65	STI Rotherhithe	HM	2015	Q4-23*
27	STI Sanctity	LR2	2016	Q1-23	66	STI Hammersmith	HM	2015	Q4-23*
28	STI Grace	LR2	2016	Q2-23	67	STI Broadway	LR2	2015	Q4-23*
29	STI Jermyn	LR2	2016	Q2-23	68	STI Connaught	LR2	2014	Q4-23*
30	STI Lavender	LR2	2019	Q2-23	69	STI Lauren	LR2	2015	Q4-23*
31	STI Lobelia	LR2	2019	Q2-23	70	STI Winnie	LR2	2015	Q4-23*
32	STI Magnetic	MR	2019	Q2-23	71	STI Jardins	MR	2018	Q1-24*
33	STI Marshall	MR	2019	Q2-23	72	STI San Telmo	MR	2017	Q1-24*
34	STI Magic	MR	2019	Q2-23	73	STI Soho	MR	2014	Q1-24*
35	STI Mystery	MR	2019	Q2-23	74	STI Osceola	MR	2015	Q1-24*
36	STI Marvel	MR	2019	Q2-23	75	STI Memphis	MR	2014	Q1-24*
37	STI Mythic	MR	2019	Q2-23	76	STI Lombard	LR2	2015	Q1-24*
38	STI Magister	MR	2019	Q2-23					
39	STI Steadfast	LR2	2016	Q2-23					



# Continued Reduction in Leverage & Expensive Lease Financing

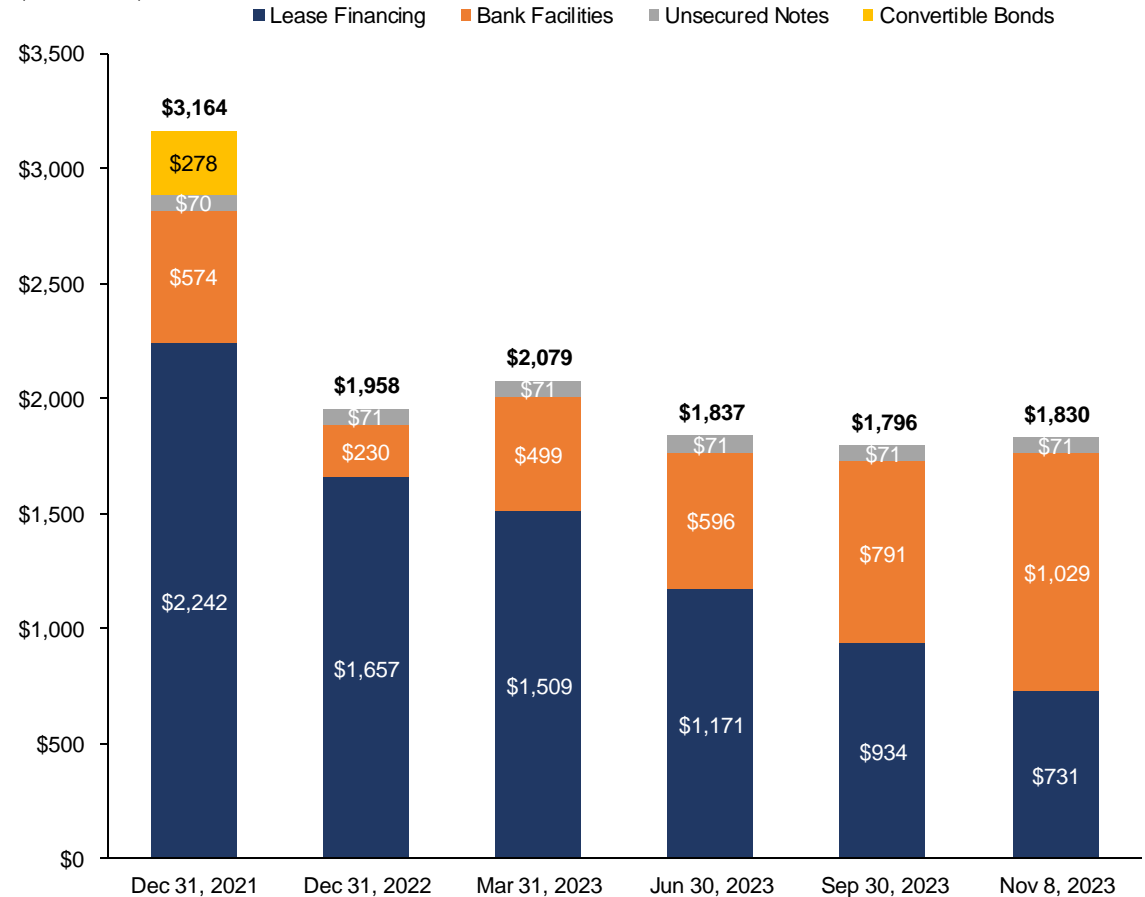
## Debt Repayment from December 31, 2022, through December 31, 2023

(\$USD millions)



## Outstanding Indebtedness by Type

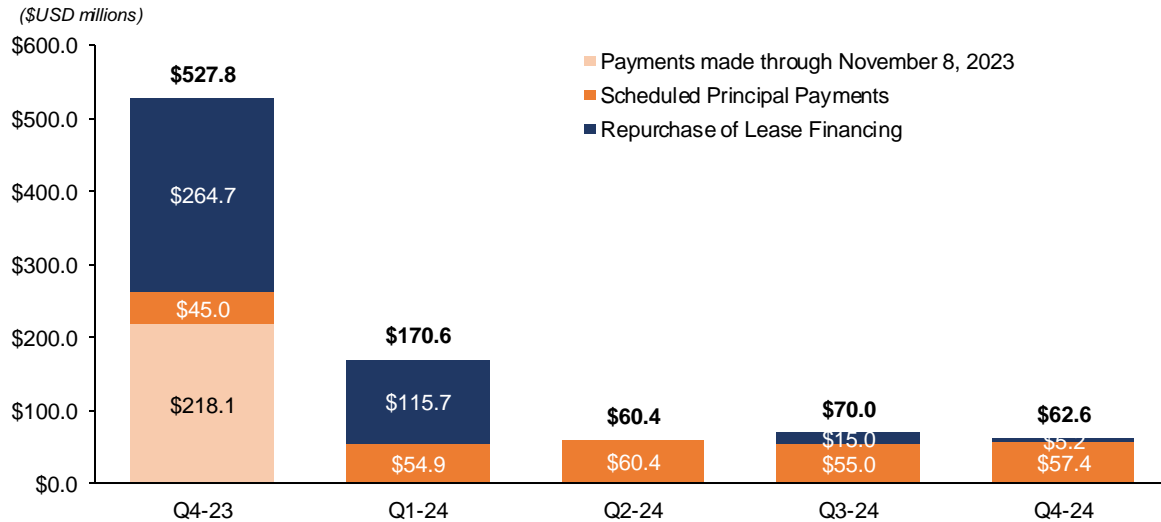
(\$USD millions)



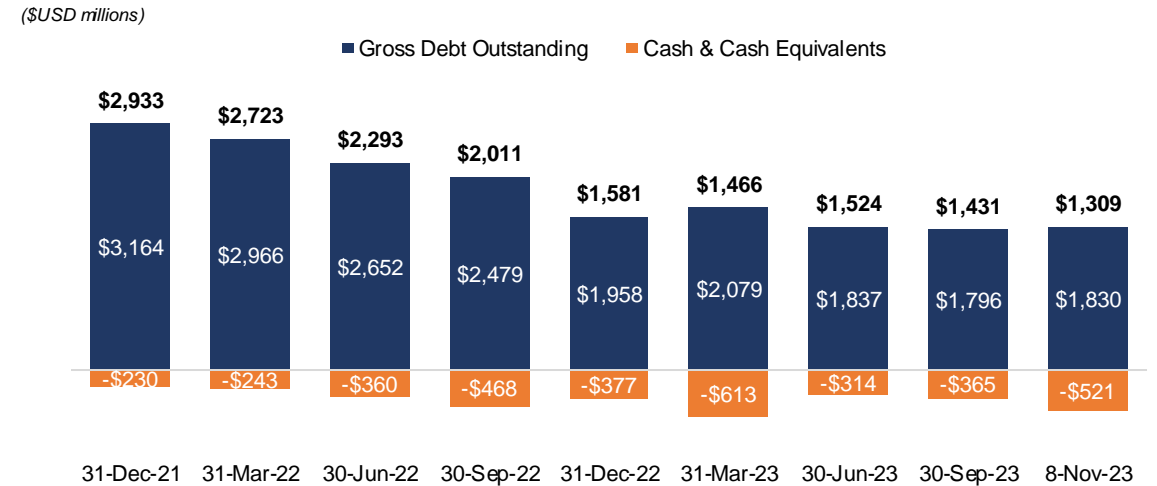
From Dec 31, 2021, through November 8, 2023, Reduced Overall Indebtedness by ~\$1.3 billion (net of new drawdowns) including ~\$1.5 billion of Lease Financing

# Improving Balance Sheet, Strong Liquidity & Minimal Capex

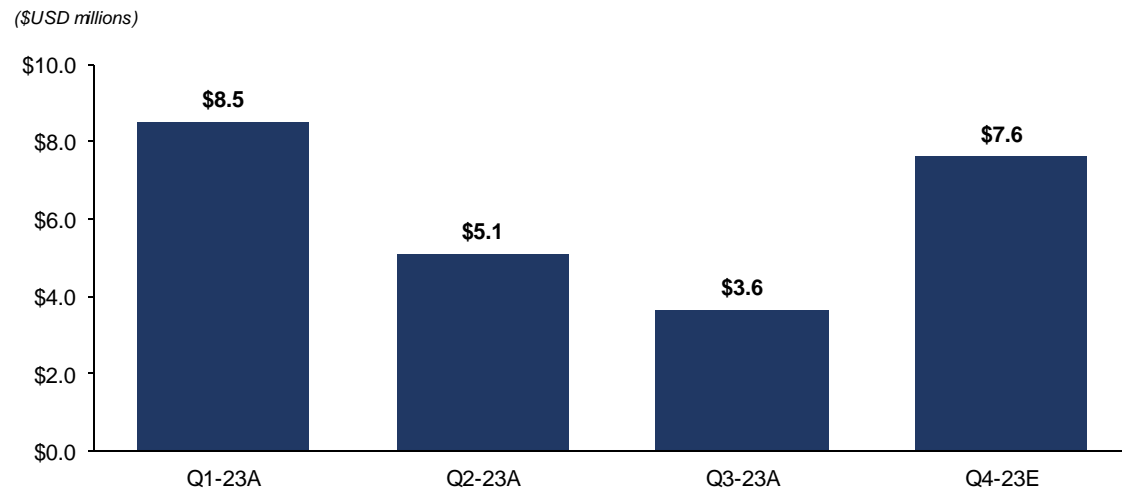
## Debt Repayment Schedule



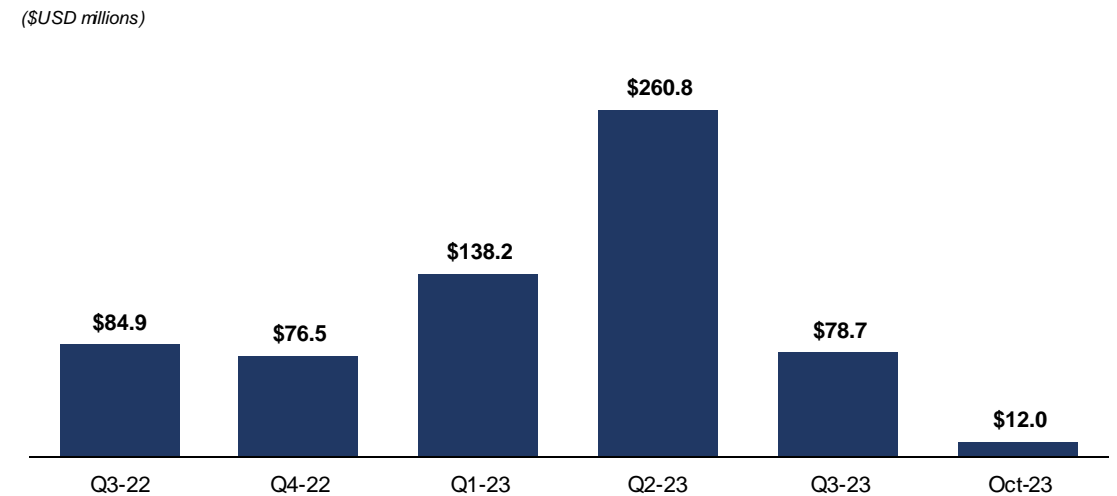
## Net Debt



## Estimated Capex Schedule (Drydock, Scrubbers & Ballast Water Treatment Systems)



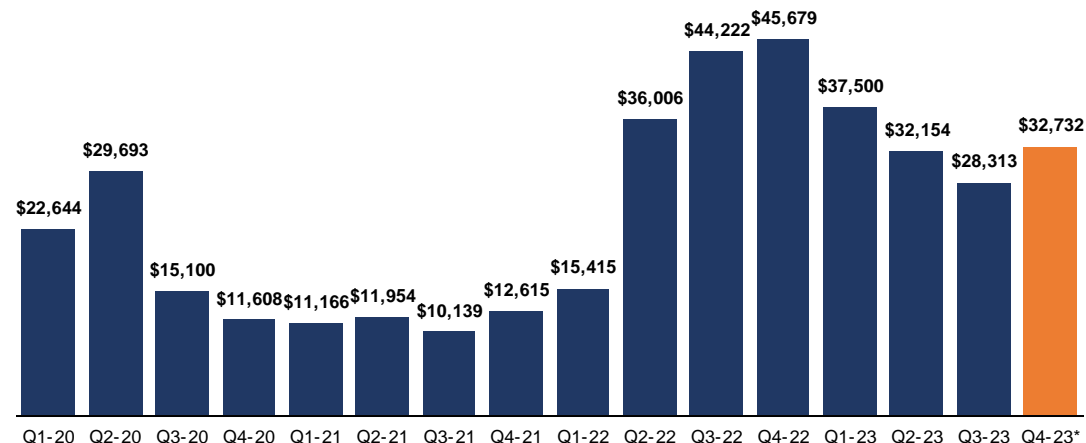
## Share Repurchases



# Significant Operating Leverage & Earnings Potential

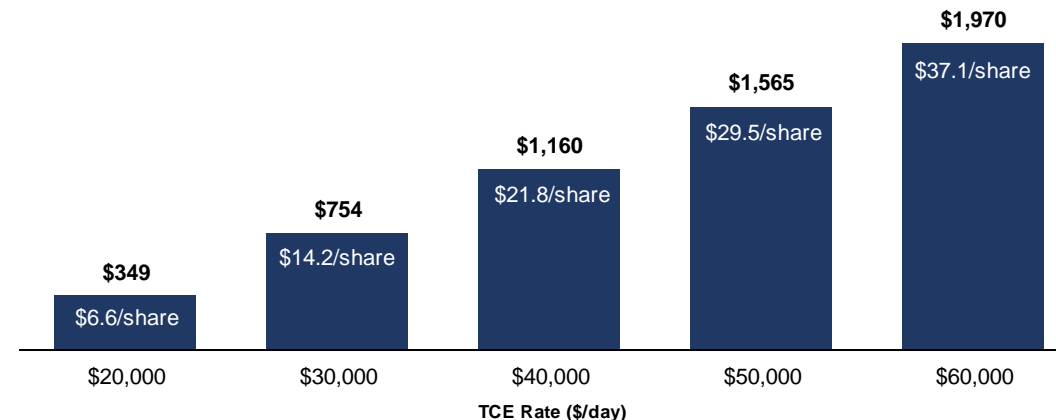
Company Fleet TCE Rate

(\$/day)



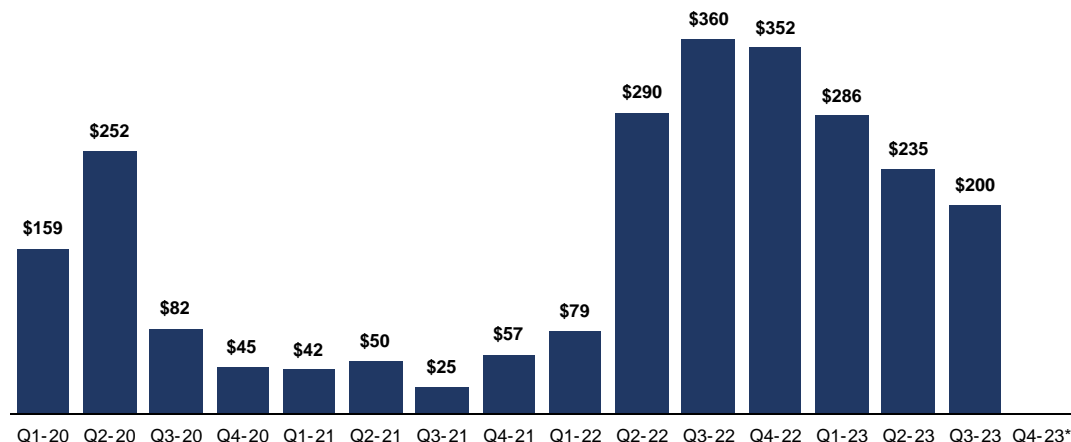
Potential Annual Cash Flow Generation Excluding Debt Repayment <sup>(1)</sup>

(\$USD millions)



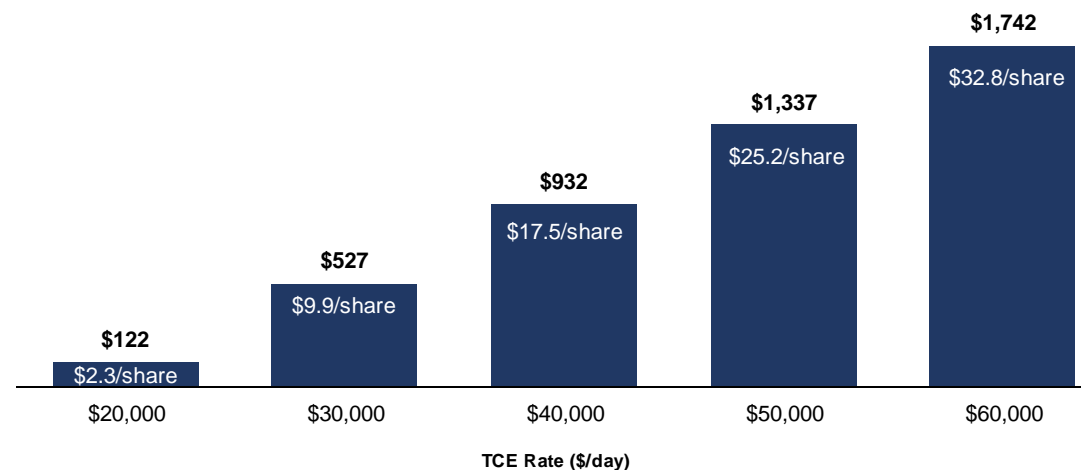
Historical Adjusted EBITDA

(\$USD millions)



Potential Annual Cash Flow Generation Including Debt Repayment <sup>(1)(2)</sup>

(\$USD millions)





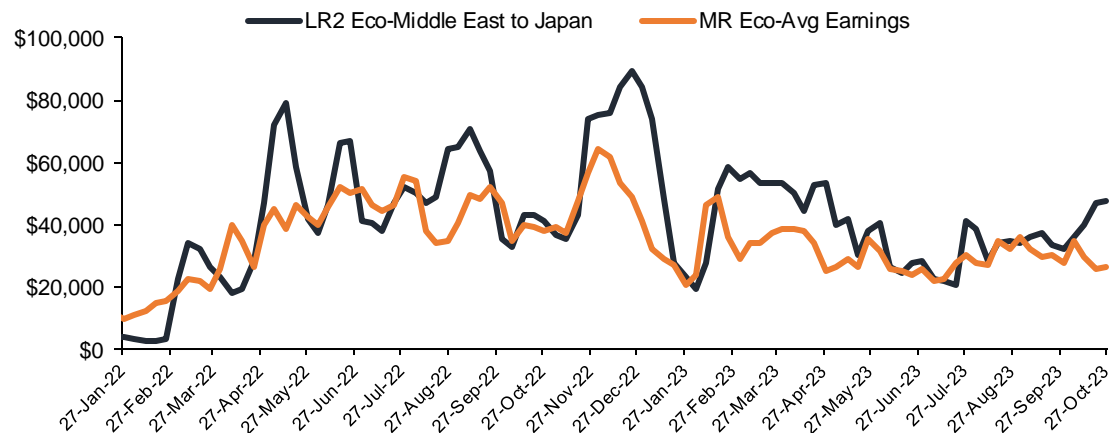


# Product Tanker Market

# Short Term Market Update

## Product Tanker Earnings Remain Elevated through Refinery Maintenance (\$/day) <sup>(1)</sup>

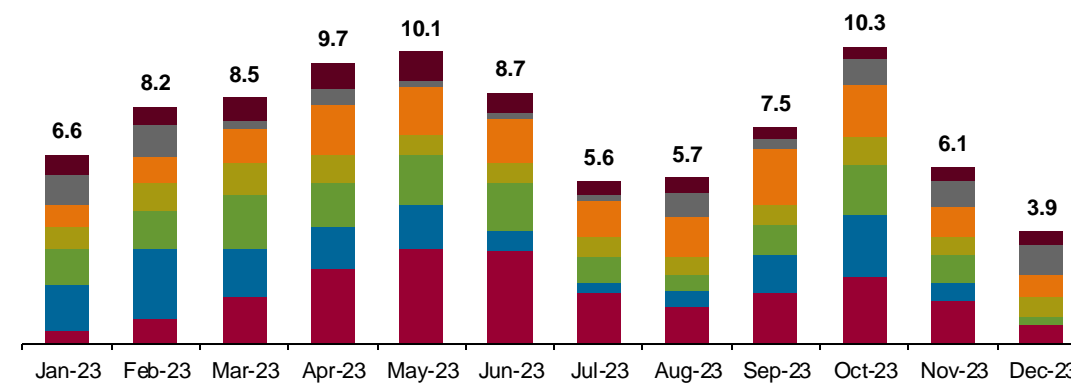
(\$/day)



## Global Refinery Maintenance (Capacity Offline) <sup>(2)</sup>

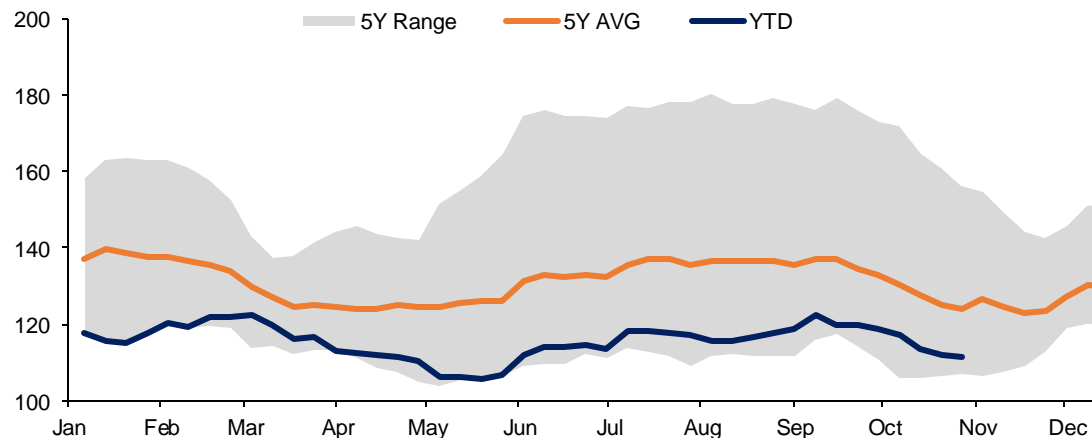
(mb/d)

■ Asia Pacific ■ North America ■ Europe ■ Latin America ■ FSU ■ Middle East ■ Africa



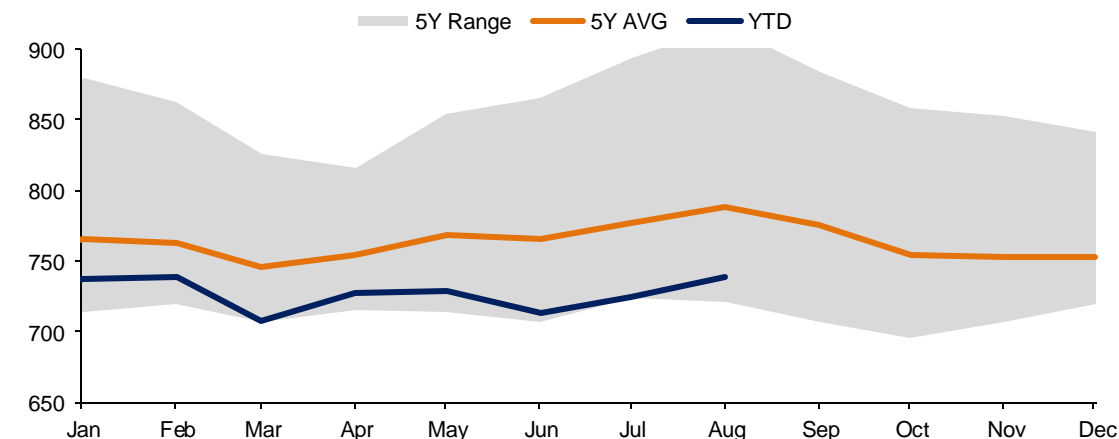
## US Diesel Inventories <sup>(3)</sup>

(million barrels)



## OECD & Non-OECD Distillate Inventories <sup>(4)</sup>

(million barrels)



1) Clarkson's Research Intelligence, November 2023

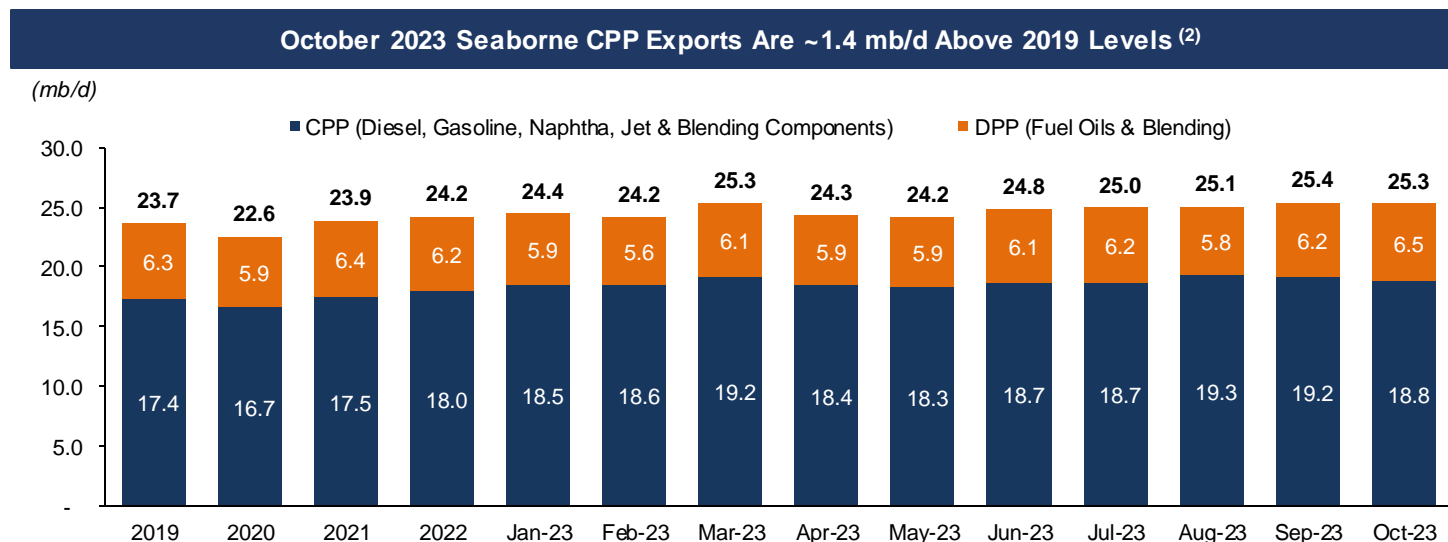
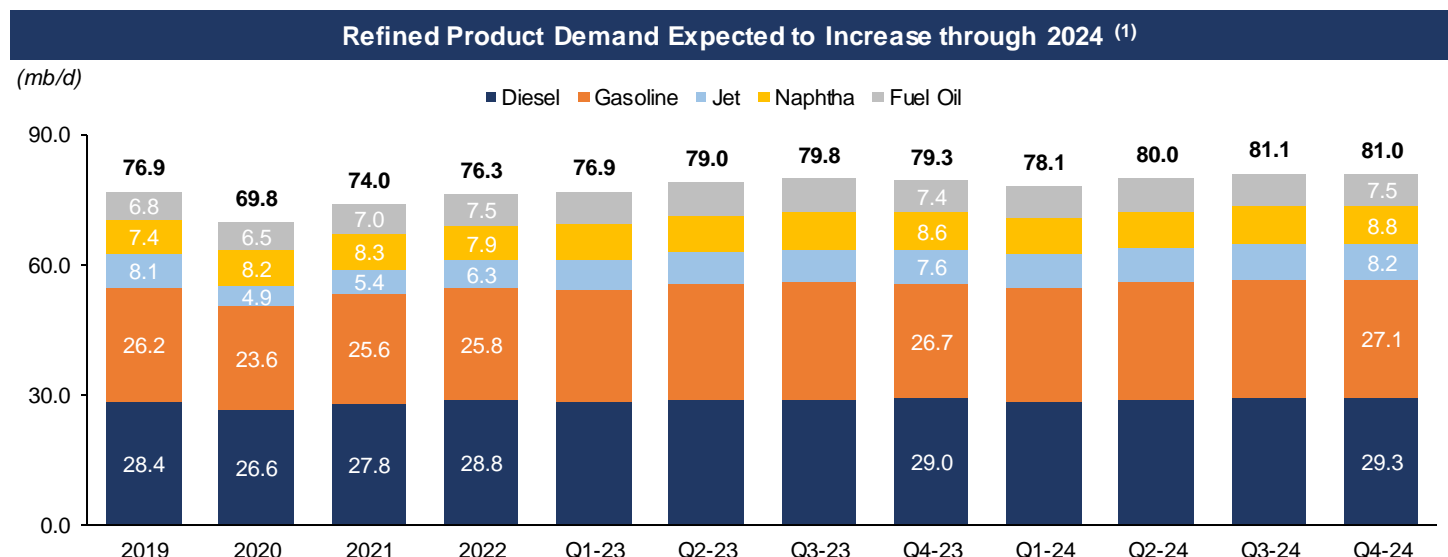
2) Energy Aspects, November 2023

3) EIA, November 2023

4) IEA, JODI, Xinhua, Energy Aspects, November 2023

# Refined Product Demand & Seaborne Exports Exceed Pre-Pandemic Levels

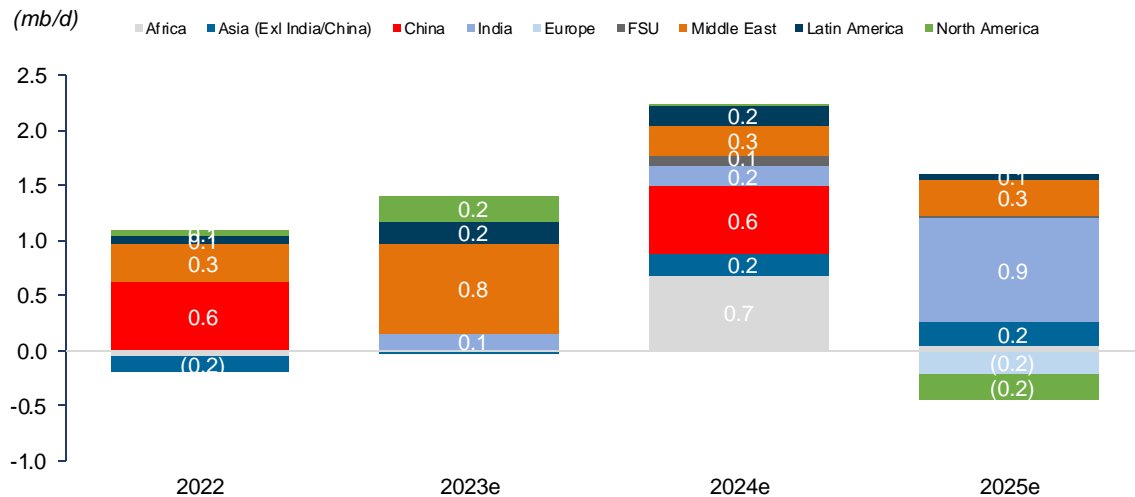
- Product tanker earnings have remained at elevated levels since March 2022
- Seaborne exports of refined products continue to increase due to:
  - Strong global demand
  - Low global inventories
  - Dislocated refining capacity
  - Robust refining margins
- Refined product ton miles, the average distance traveled per barrel, are increasing due to:
  - Refining capacity located further away from consumer
  - Change in flows due to Russia's invasion of Ukraine
- Demand continues to outpace supply
  - Limited fleet growth due to minimal vessel deliveries and ageing fleet



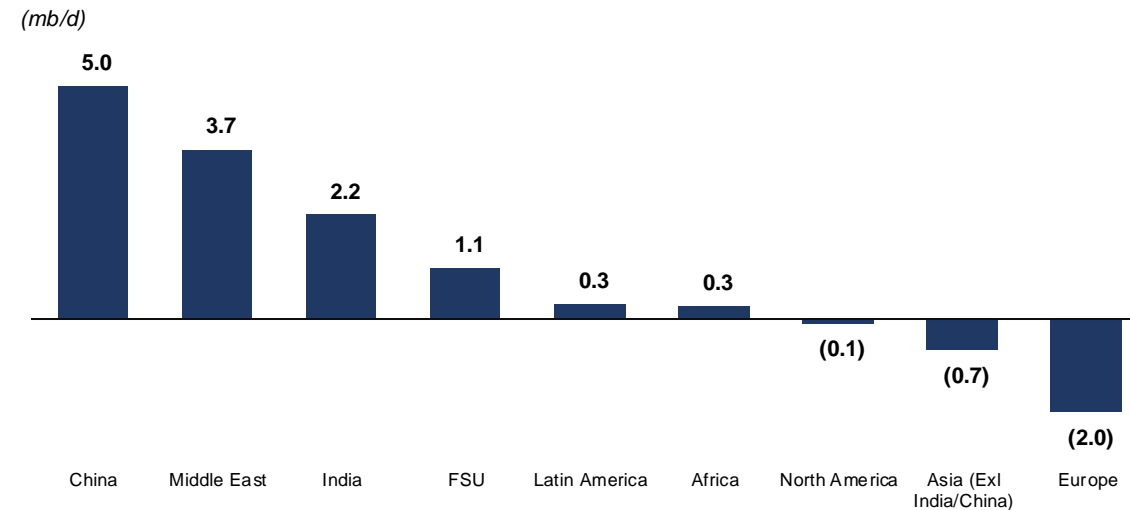


# Refinery Changes Drive Global Trade Flows & Ton Miles

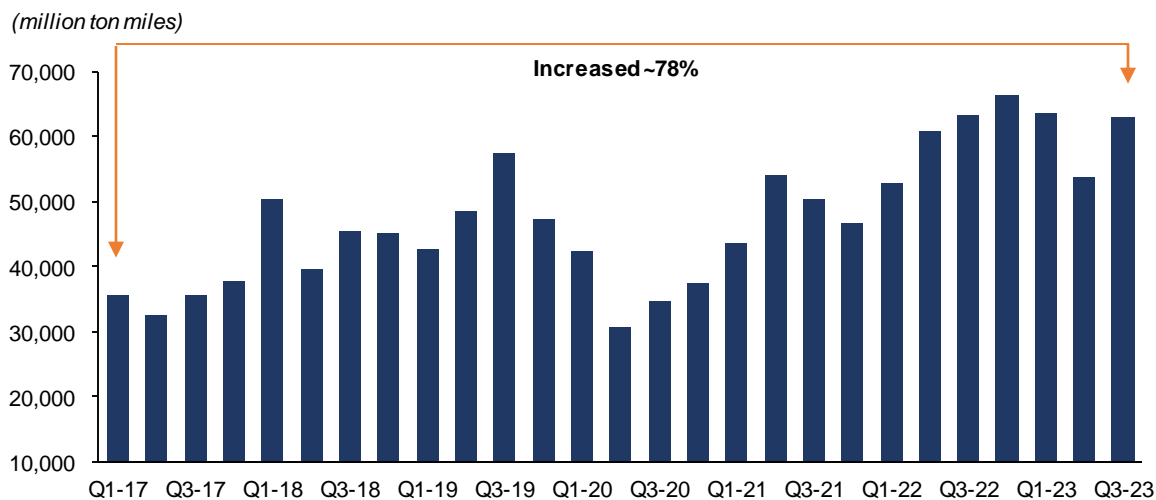
Refining Capacity Additions / (Closures) By Region <sup>(1)</sup>



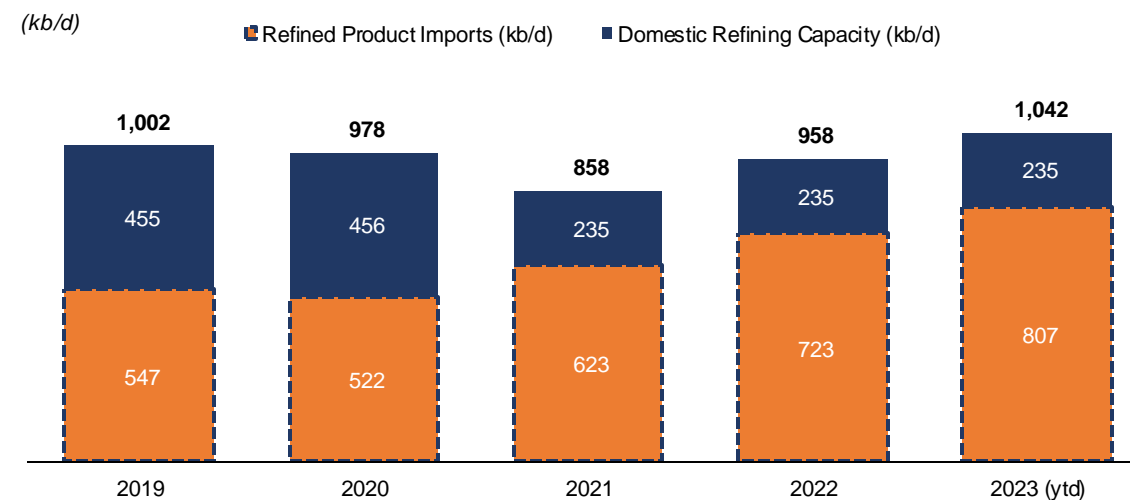
Cumulative Net Refining Capacity Additions / (Closures) by Region 2013 to 2023 <sup>(2)</sup>



Middle East CPP Ton Miles Have Increased ~78% Since 2017 <sup>(3)</sup>

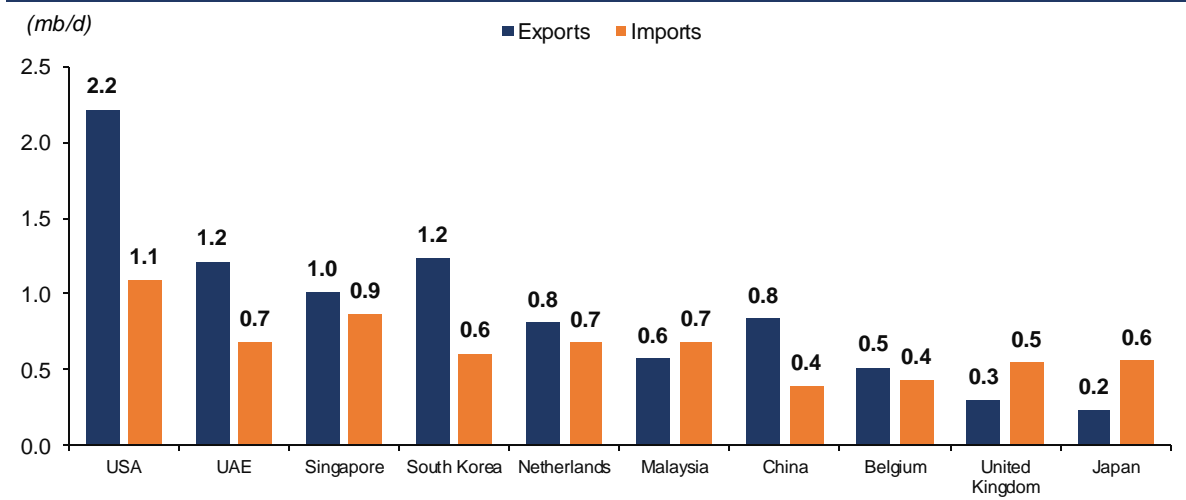


Australian Refinery Closures Increase Refined Product Imports <sup>(3)</sup>

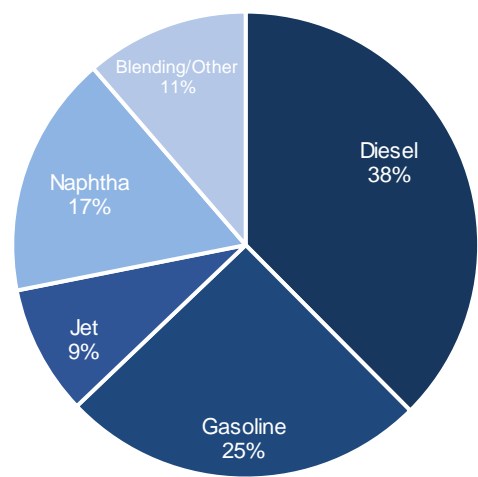


# Refining Capacity & Regional Imbalances Drive Flows

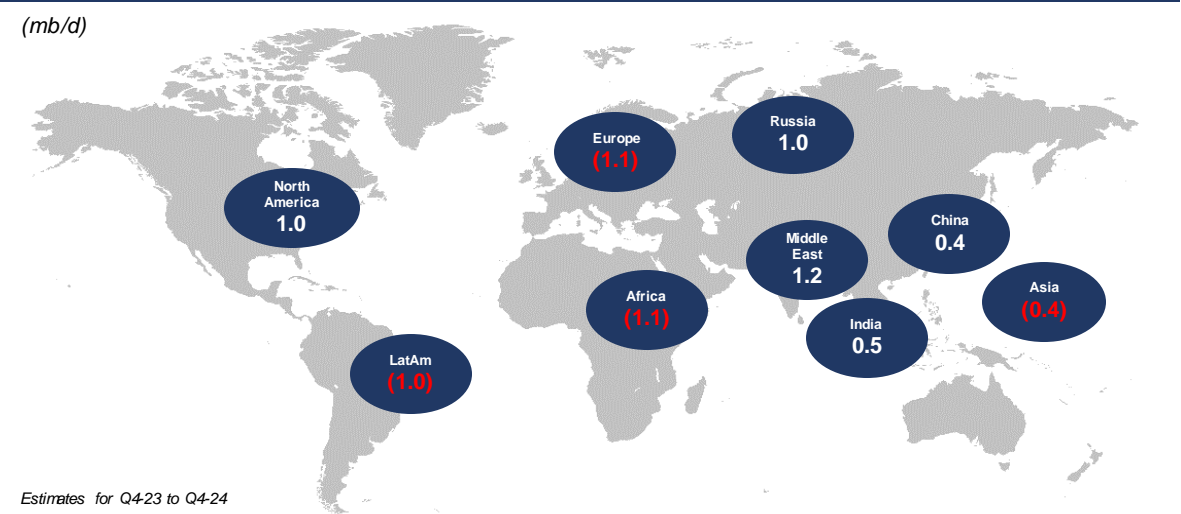
Improved Triangulation - Largest Exporters Can Also Be Large Importers (2023 ytd) <sup>(1)</sup>



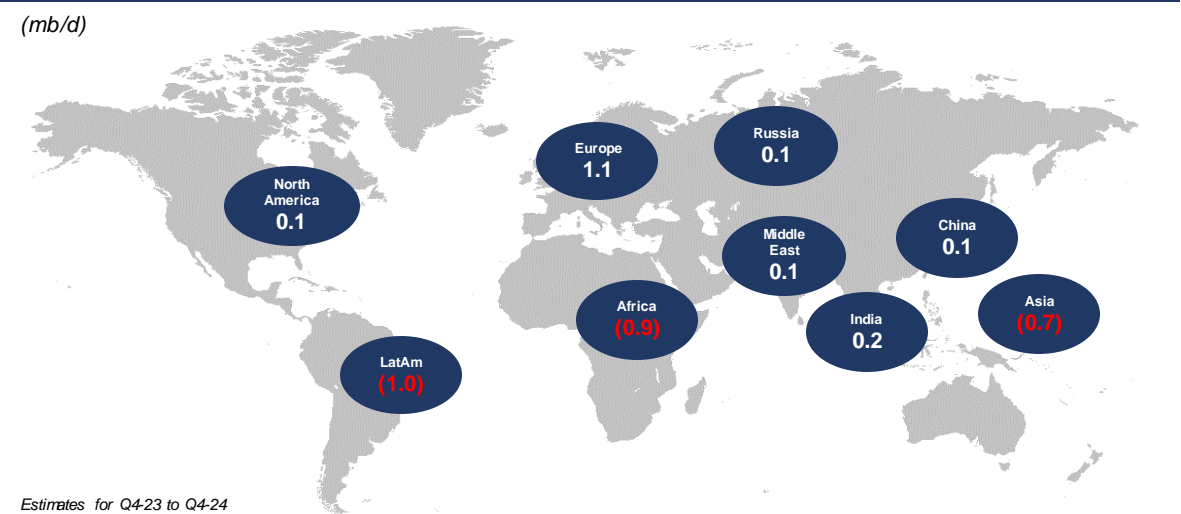
Seaborne CPP Exports by Product Type (2023 ytd) <sup>(1)</sup>



Global Diesel Balances <sup>(2)</sup>

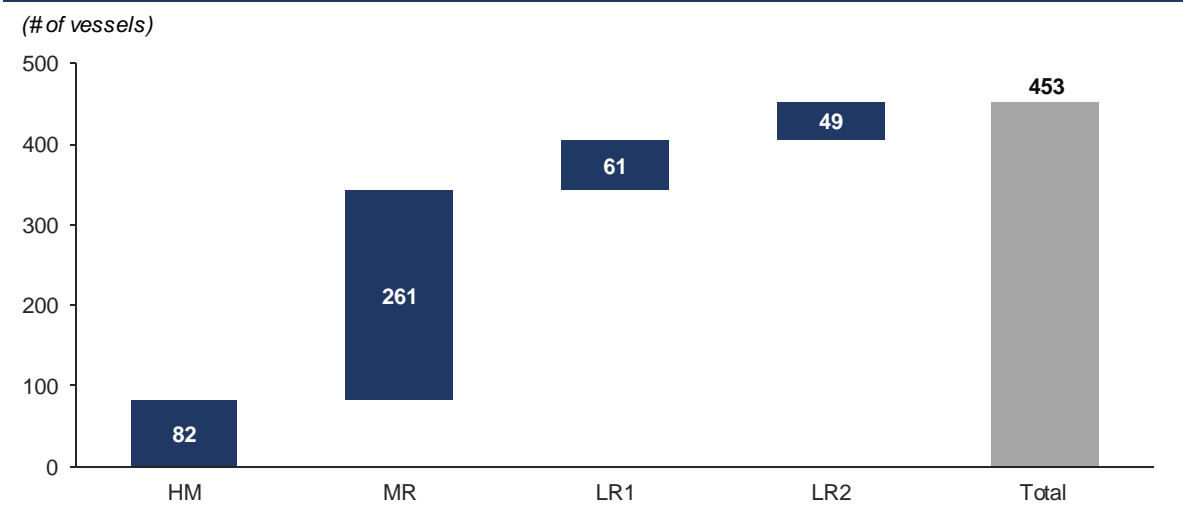


Global Gasoline Balances <sup>(2)</sup>

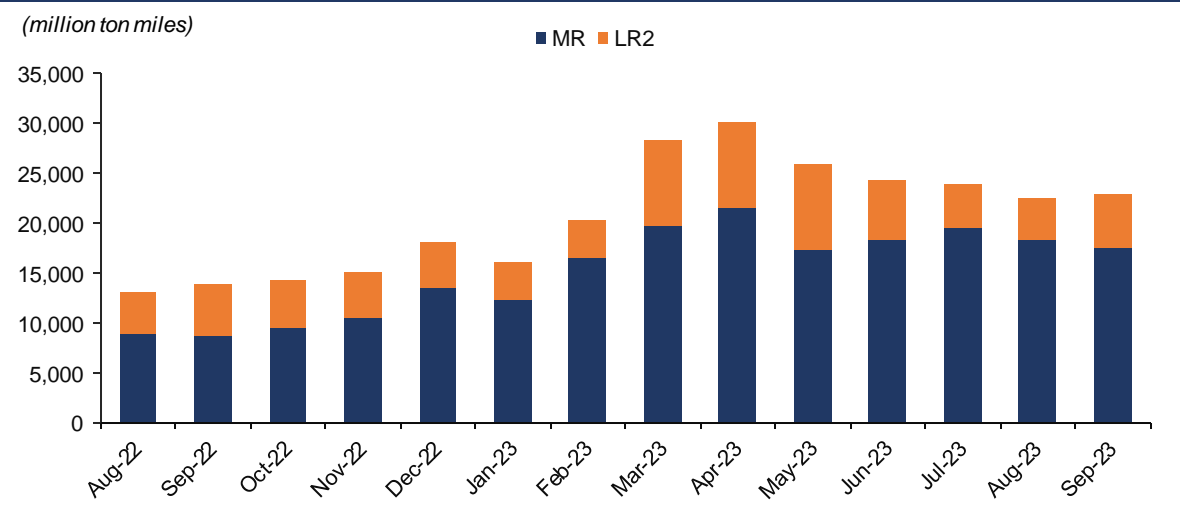


# Russian Exports Find New Markets

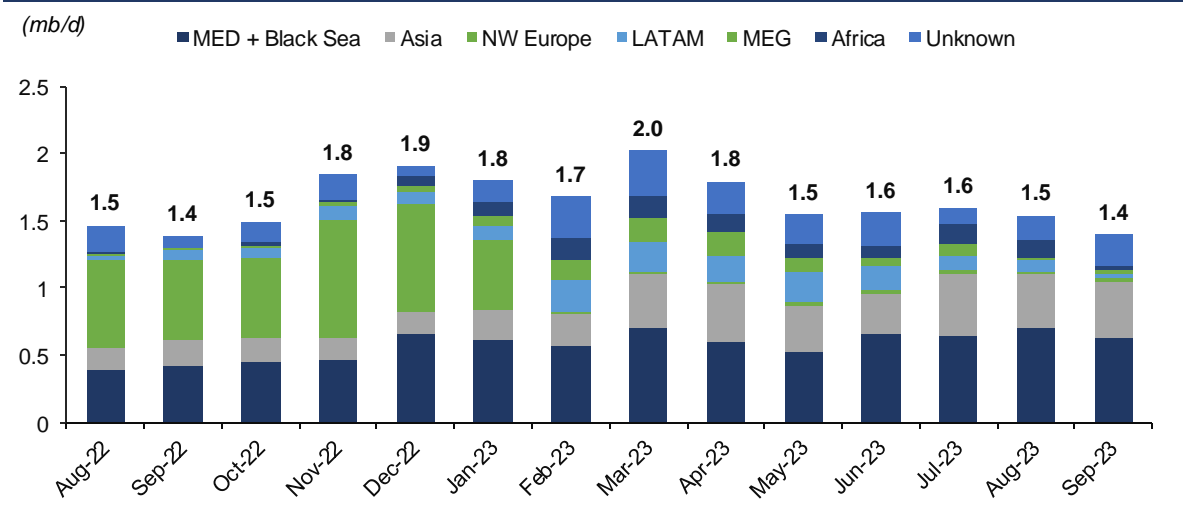
15% of the Product Tanker Fleet has Traded Russian CPP<sup>(1)</sup>



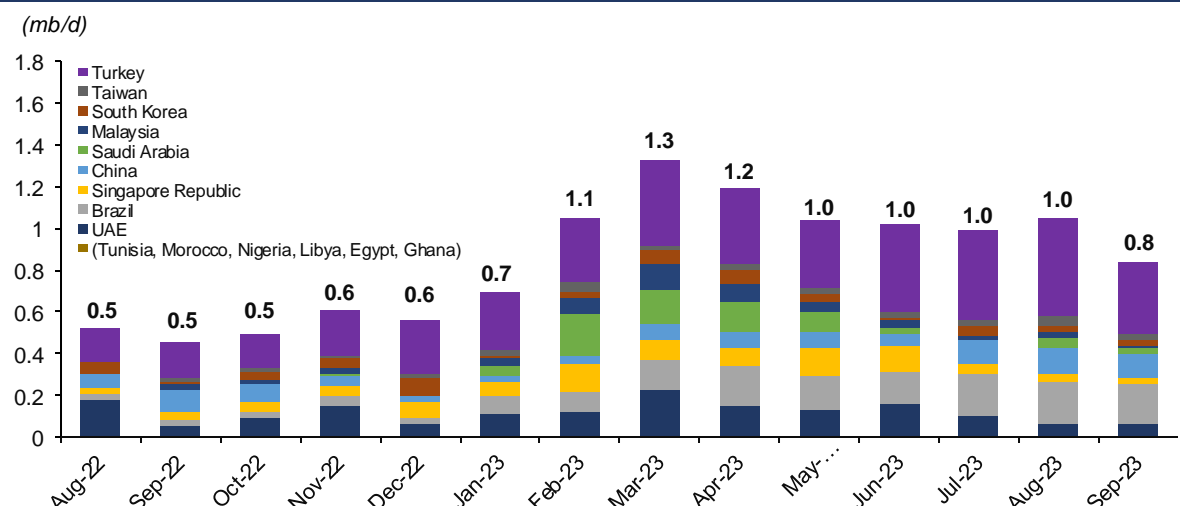
Russian Origin MR and LR2 Ton Miles (CPP)



Russian CPP Imports by Trading Region



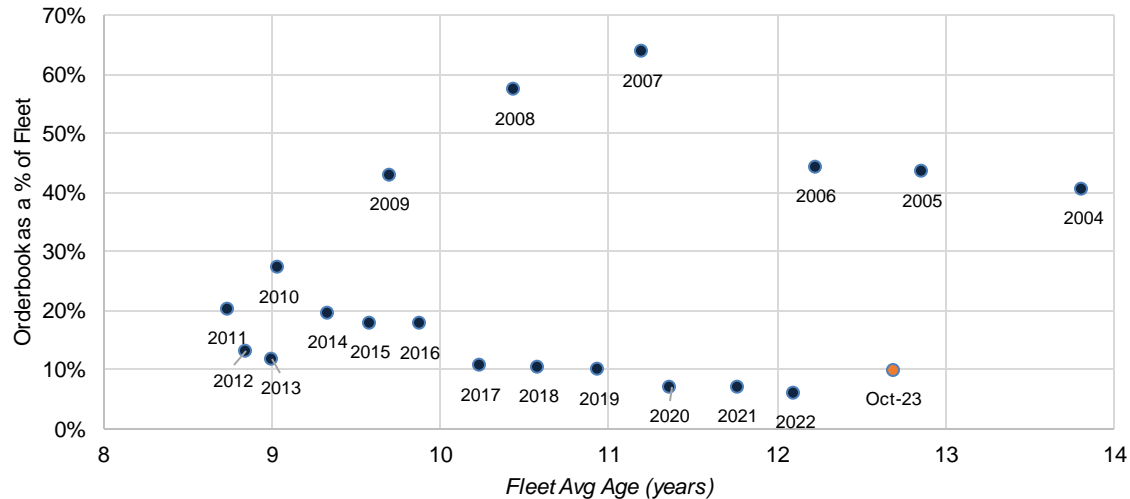
Russian CPP Imports by Select Countries



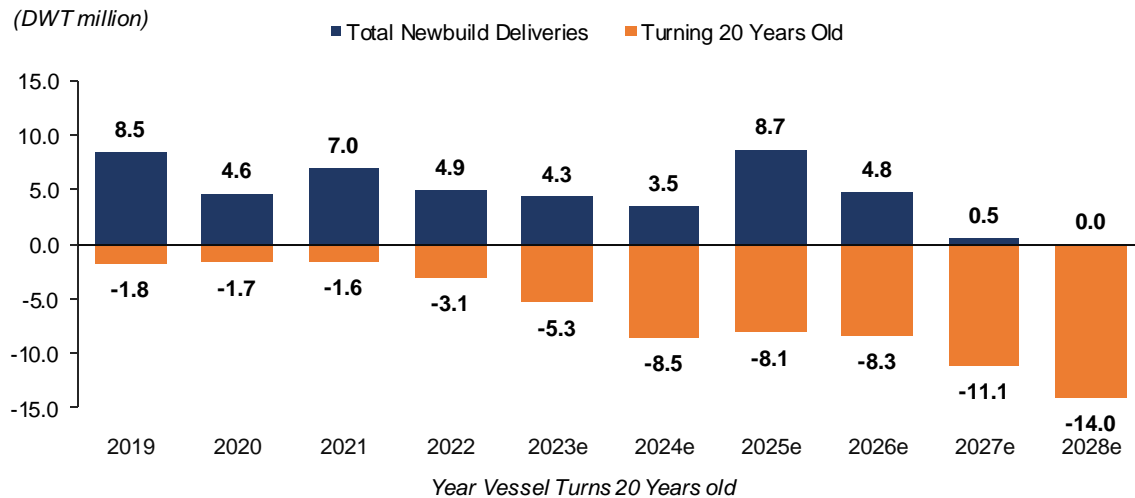


# Modest Orderbook & Aging Fleet with Significant Scrapping Potential

Orderbook as % of Fleet vs Avg Age

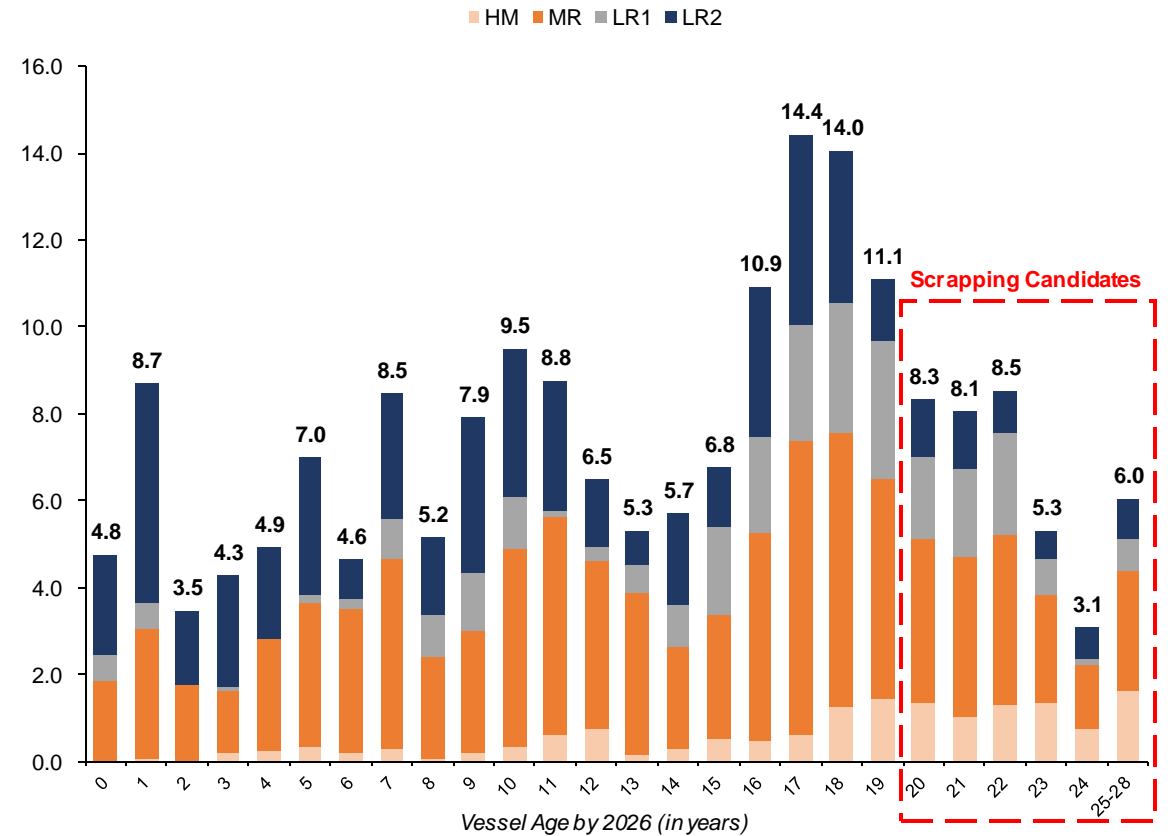


Vessels Turning 20 Years Old by Year <sup>(2)</sup>



Age Distribution of Fleet through 2026 <sup>(1)</sup>

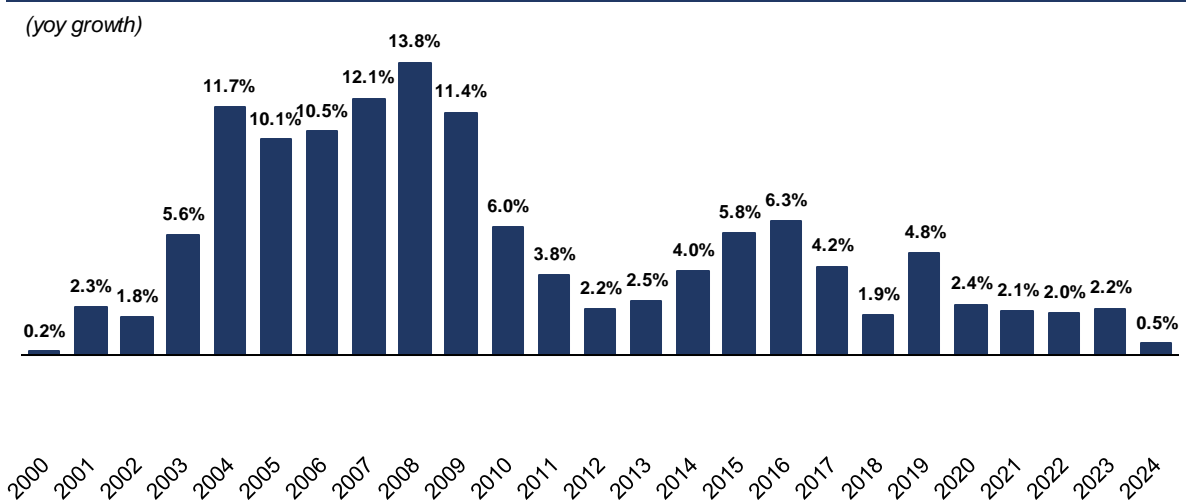
(DWT million)



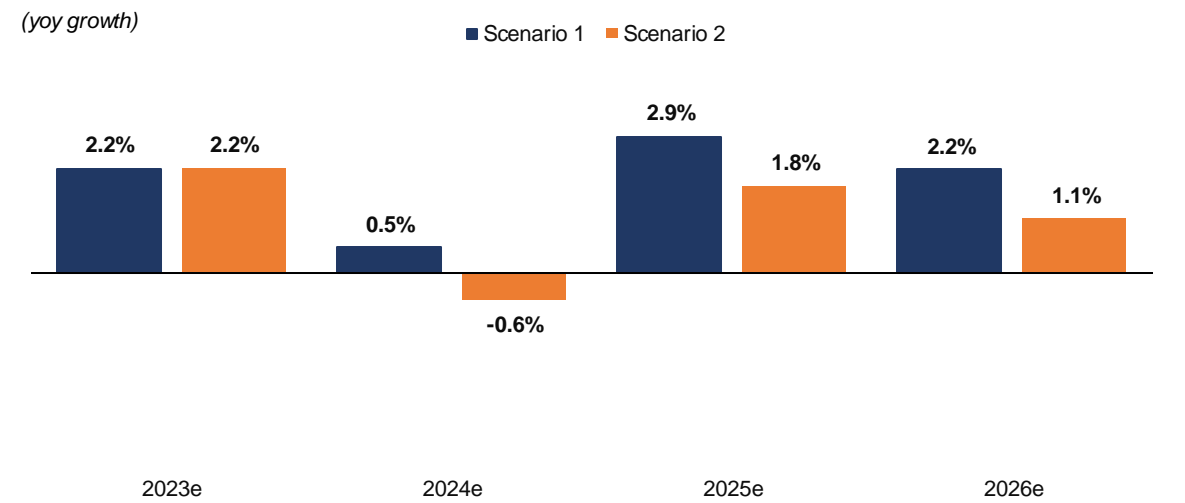
By 2026 ~9.3% of the Product Tanker Fleet Will be Older than 20 years <sup>(3)</sup>

# Seaborne Exports & Ton Miles > Fleet Growth

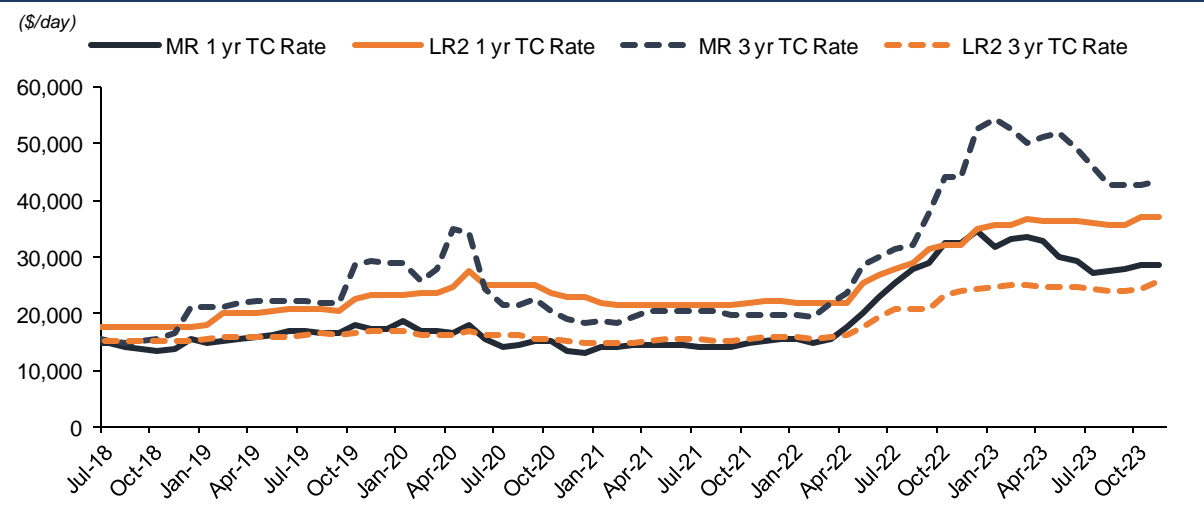
2024 Fleet Growth Expected to Be Lowest Since 2000 <sup>(1)</sup>



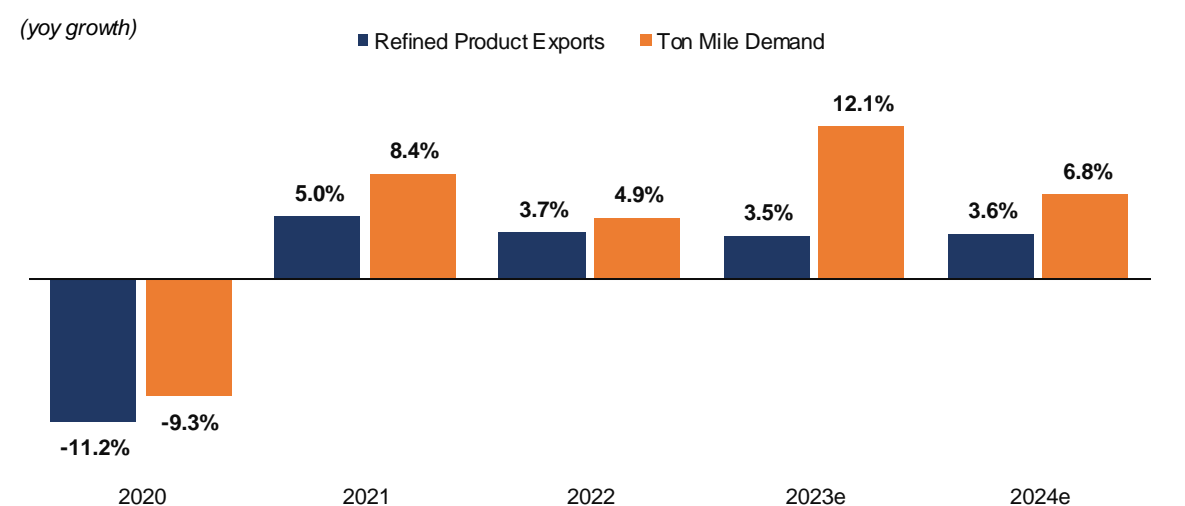
Product Tanker Net Fleet Growth <sup>(1)</sup>



Strength of One & Three-Year Eco Time Charter Rates Support Demand > Supply



Refined Product Exports & Ton Mile Demand Growth





# Conclusion

# Investment Highlights

## Company

- One of the largest product tanker fleets in the world
  - 111 Eco (fuel-efficient) vessels on the water
- Fully delivered fleet with an average age of 7.8 years
  - No newbuildings on order = \$0 newbuild capex
- Significant Operating Leverage
  - A \$10,000/day increase in average daily rates would generate ~\$350 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 low orderbook and ageing fleet
- Seaborne exports and ton mile demand expected to outpace supply over next two years

## Strategy

- Reduce leverage, maintain liquidity and return to capital shareholders
- Strong Balance Sheet
  - Reduced overall indebtedness by ~\$1.3 billion from Dec 31, 2021, through November 8, 2023
- Share repurchases preferred over dividends when trading a significant discount to NAV
  - Since January 1, 2023, the Company has repurchased 10.0 million shares for \$490.0 million





Q&A



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