

# 1Q24 Results Presentation

08 May 2024



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This presentation includes forward-looking statements which are based on management's current expectations and projections about future events. All statements other than statements of historical facts included herein, including statements regarding our future financial position, market outlook and future economic projections and assumptions and risks and uncertainties related to our business, strategy, capital expenditures, projected costs and our plans and objectives for future operations, may be deemed to be forward-looking statements. Words such as "believe", "expect", "anticipate", "may", "assume", "plan", "intend", "will", "should", "estimate", "risk" and similar expressions or the negatives of these expressions are intended to identify forward-looking statements.

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# Agenda

**Highlights**

**Chemical Tanker Rates & Outlook**

**Financial Review**

**Q&A**

**Appendix - 1Q 2024 Financial Statements**

# Highlights



## 1Q24 Results

**EBITDA of \$8.1m and net income of \$3.0m on net revenue of \$15.3m, earnings impacted by timing effect of certain planned operating expenses**



## Firming Market Rates

**1Q24 pool TCE at \$20.6k but rates firming since March and showing strong momentum heading into Q2, expecting \$23k plus per day overall TCE for the second quarter**



## Unchanged Capacity Growth

**Orderbook steady, keeping projected fleet growth at moderate c.2% annually through 2025, with flat or negative growth thereafter as scrapping activity should increase**



## 1Q24 Dividend

**Proposing \$3.38m dividend<sup>1</sup>, \$0.25/share (c. NOK 2.7/share), an annualised yield of 20% on invested equity, to be resolved following AGM on May 22<sup>nd</sup> and paid around June 7<sup>th</sup>**



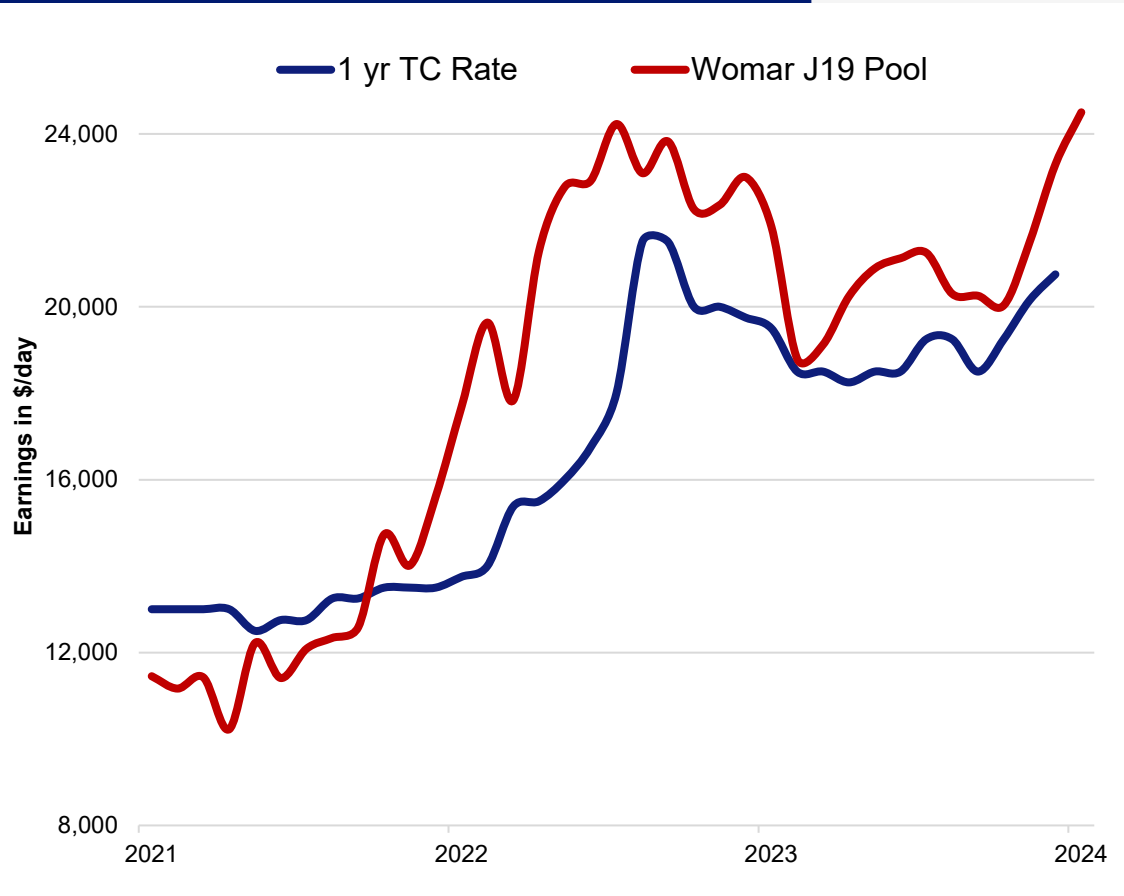
## 2024 Outlook

**We continue to remain very positive for the year and expect earnings and dividends to increase in coming quarters**

1) STST will make dividend distributions in the form of return of paid-in-capital

# Market firming notably

## Womar net pool earnings and market time charter rates

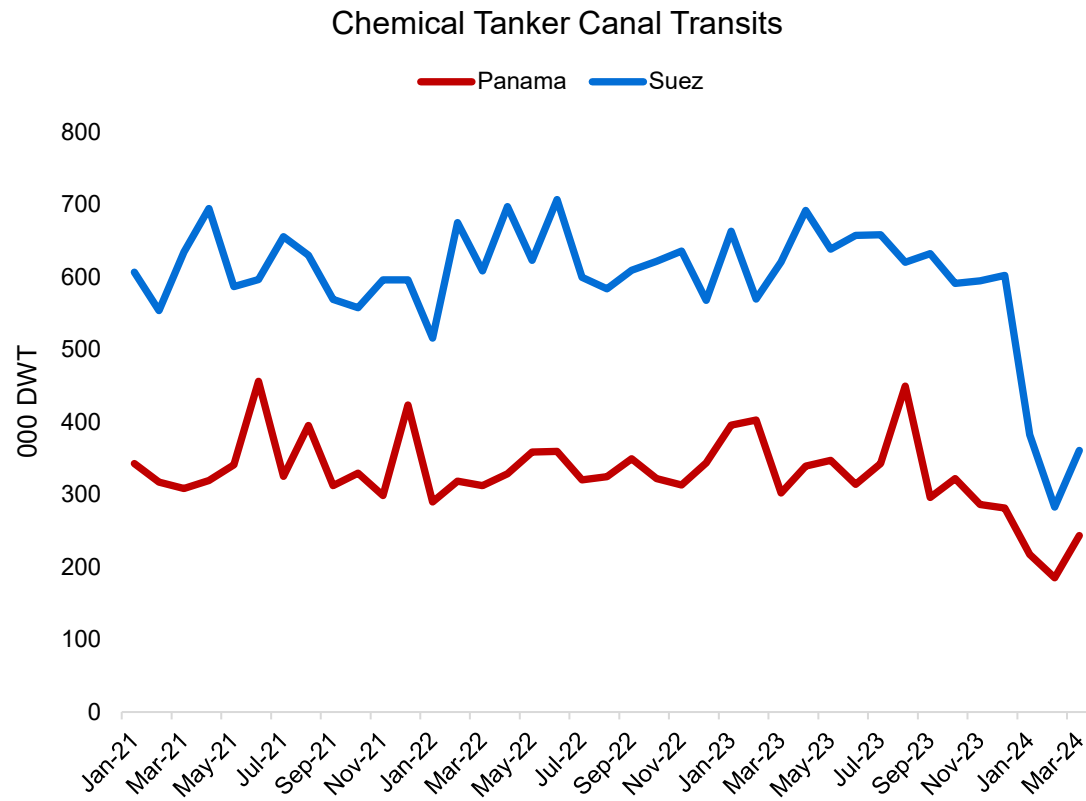


## Highlights

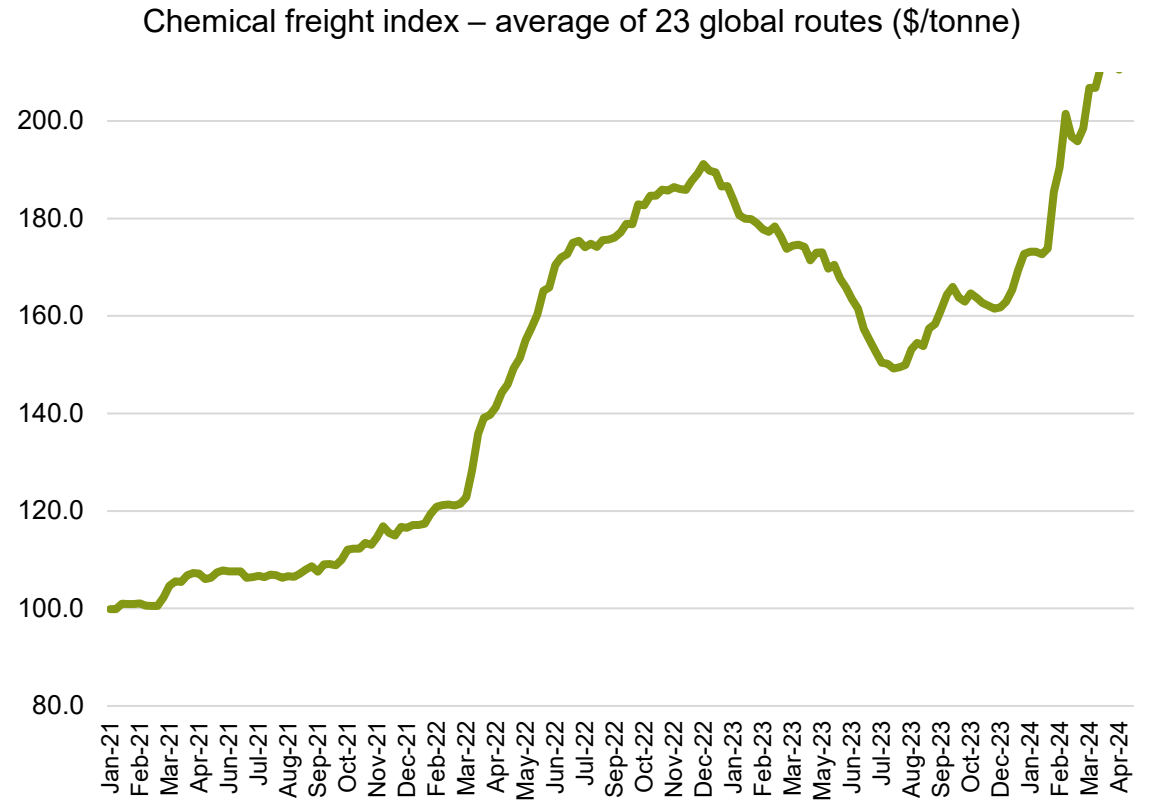
- Achieved 1Q net pool TCE of \$20.6k/day, slightly below previous expectations
- However, short-term impact on our pool TCEs from Panama Canal disruptions is behind us; rates firming since March
- 2Q starting strongly with April at \$23.3k/day and May on track to exceed \$24k/day
- Spot market TCEs have firmed to over \$23k/day, while 1-yr TC rates are also up to \$20.8k/day
- Strong support from COAs continues, with currently 30% of rolling 12 months capacity fixed at TCEs of over \$23k/day

# Disruptions in key transit points easing slowly

## Disruptions have eased but transits remain low



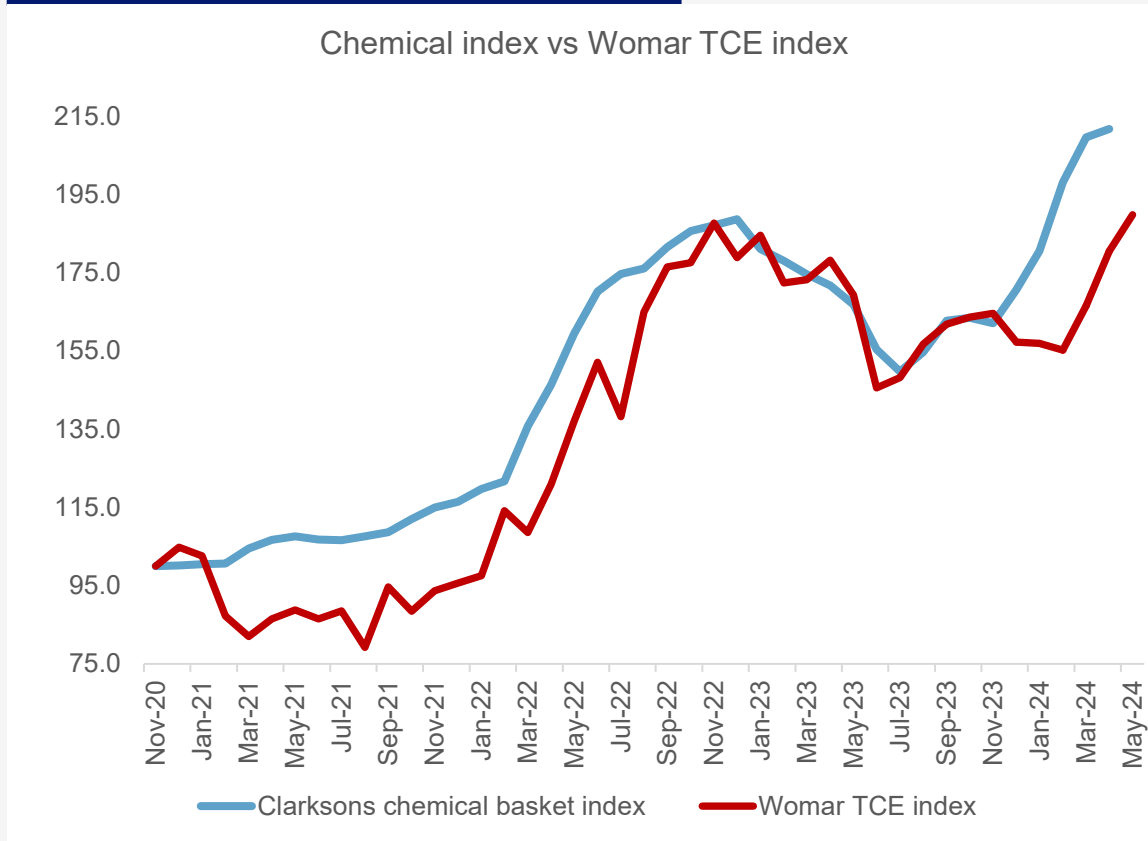
## Global freight rates have reached all-time highs



Source: Tufton TRACS data, Clarksons SIN

# Chemical tanker earnings catching up with freight rates

## Chemical freight index correlation with TCEs

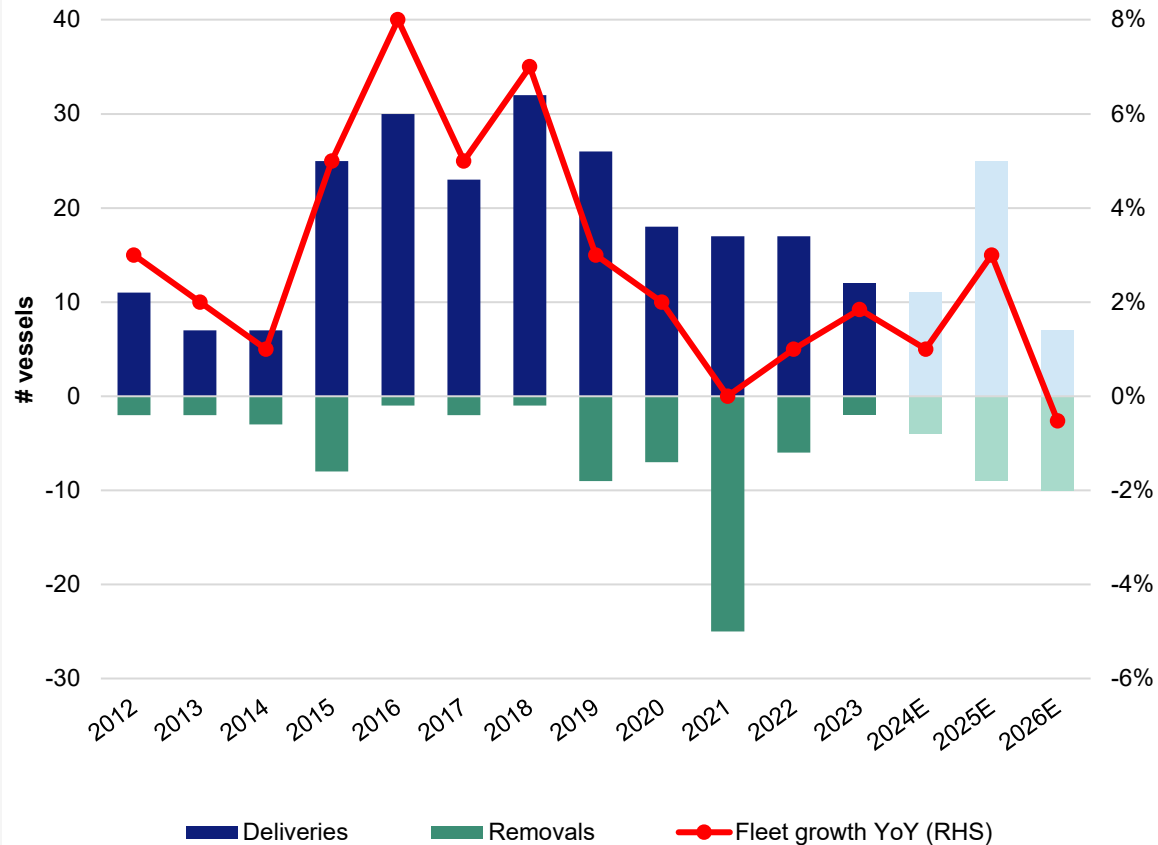


## Highlights

- Longer trade routes and short-term operational issues from reduced canal transits delayed the positive impact on TCEs
- However, the sustained increase in freight rates has now also started putting significant upward pressure on earnings
- We expect TCEs to continue closing the gap to freight rates due to the tight capacity supply situation
- Freight rates likely to remain at elevated levels throughout this year, underpinning our positive outlook on earnings

# Limited fleet growth supports positive outlook

## Net fleet development<sup>1</sup>



## Highlights

- **Ordering was virtually non-existent in Q1 with orderbook remaining at c.7% of global fleet**
- **Scheduled deliveries of J19 tonnage during 2024-26E period currently at 15 vessels out of 43 for the 10-25k DWT segment**
- **Delivery time at stainless steel experienced yards remains at up to three years**
- **Similarly, projected removals also mostly unchanged, with vessel age and backlog of scrapping candidates growing**
- **Annual fleet growth of approximately 2% over next two years remains below projected demand growth around 3%**



# 1Q24 Financial performance

	Select Financials	1Q24
Fleet stats	Calendar days	819
	Available ship days	819
	<i>Vessel days under ownership %</i>	100.0%
	Revenue ship days	794
	<i>Utilization %</i>	97.0%
	Net pool TCE (\$/day)	20,615
	Net time charter (\$/day)	15,250
Condensed income statement (in \$)	(+) Net revenue	15,290,848
	(-) Opex	(6,442,449)
	(-) SG&A	(711,416)
	(=) EBITDA	8,136,983
	(-) Depreciation	(3,020,279)
	(+/-) Financial income/(expense)	(2,111,997)
	(+/-) Other income/(expense)	(7,970)
	Net Income	2,996,737
Select balance sheet items (in \$)	Unrestricted cash <sup>(1)</sup>	2,336,733
	Fleet book value <sup>(2)</sup>	139,720,974
	Fleet market value <sup>(3)</sup>	162,480,000
	Net outstanding loan balance <sup>(4)</sup>	81,693,750
	<i>Net loan outstanding to book value % <sup>(5)</sup></i>	58.5%
	<i>Net loan outstanding to book value % <sup>(6)</sup></i>	50.3%

## Comments and notes

- **Q1 financials reflect full fleet ownership for the quarter; utilization at 97% due to drydocking of Orchid Madeira**
- **The Orchid Madeira completed her third special survey on April 17<sup>th</sup> at a cost of \$1.3m**
- **One remaining vessel on TC for Q1, which was subsequently transferred to Womar pool on May 6<sup>th</sup>**
- **Net income impacted by c.\$0.7m due to timing of planned annual opex, expected to be offset by savings in later quarters**
- **Fleet market value up strongly at \$162.5m with LTV at 50.3%; NAV at \$88.8m or \$6.58/share (c. NOK 71/share)**
- **LTV based on increased fleet value falling to 50.3%**
- **Proposing dividend of \$3.38m, or \$0.25/share (c. NOK 2.7/share), to be paid on or about June 7<sup>th</sup>**

1) Excluding all restricted cash balances

2) Net book fleet value based on fleet value at purchase net of accumulated depreciation

3) Based on the valuations obtained by VesselsValue as at 31st March

4) Outstanding loan balance not including capitalised costs, LESS restricted cash

5) LTV % is based on net outstanding loan balance LESS restricted cash per vessel DIVIDED by fleet book value

6) LTV % is based on net outstanding loan balance LESS restricted cash per vessel DIVIDED by fleet market value

Thank You



## Appendix - Financial statements (Income Statement)

### Consolidated statement of income statement and other comprehensive income (unaudited)

In \$	Q1 2024
Operating revenue	16,004,793
Vessel voyage expenses	(713,945)
Vessel operating expenses	(6,442,449)
Administrative expenses	(719,225)
Other income	404
<b>EBITDA</b>	<b>8,129,579</b>
Depreciation	(3,020,279)
<b>Operating result (EBIT)</b>	<b>5,109,299</b>
Financial income	56,015
Financial expenses	(2,160,043)
<b>Profit before tax (EBT)</b>	<b>3,005,271</b>
Taxes	(8,534)
<b>Profit and other comprehensive income for the period</b>	<b>2,996,737</b>
Attributable to:	
Equity holders of the parent company	2,996,737
Non-controlling interests	-
	2,996,737

# Appendix - Financial statements (Balance Sheet)

## Consolidated statement of financial position (unaudited)

In \$	31 Mar 2024
<b>ASSETS</b>	
<b>Non-current assets</b>	
Vessels and drydocking costs	139,720,974
<b>Total non-current assets</b>	<b>139,720,974</b>
<b>Current assets</b>	
Trade and other receivables	10,168,174
Cash and cash equivalent	2,336,733
<b>Total current assets</b>	<b>12,504,907</b>
<b>Total assets</b>	<b>152,225,882</b>
<b>EQUITY AND LIABILITIES</b>	
<b>Equity</b>	
Share capital	13,072,672
Share premium	43,863,547
Retained earnings	9,147,802
<b>Total equity</b>	<b>66,084,020</b>
<b>Non-current liabilities</b>	
Interest-bearing debt - non-current	72,426,445
<b>Total non-current liabilities</b>	<b>72,426,445</b>
<b>Current liabilities</b>	
Interest-bearing debt - current	9,691,247
Trade and other payables	3,972,642
Accrued taxation	42,671
Deferred income	8,857
<b>Total current liabilities</b>	<b>13,715,416</b>
<b>Total equity and liabilities</b>	<b>152,225,882</b>

# Appendix - Financial statements (Cash Flow Statement)

## Consolidated statement of cash flows (unaudited)

In \$	Q1 2024
Profit and other comprehensive income for the period	3,005,271
Adjustments for:	
Financial income	(56,015)
Financial expenses	2,160,043
Depreciation	3,020,279
<b>Cash flow from operating activities before changes in working capital</b>	<b>8,129,579</b>
<b>Changes in working capital</b>	
Increase in trade and other receivables	(919,938)
Increase in trade and other payables	941,177
Accrued/(Deferred) income	(473,116)
<b>Cash flow from operating activities</b>	<b>7,677,701</b>
Acquisition of vessels	(12,233)
Interest received	56,015
<b>Cash flow from investing activities</b>	<b>43,781</b>
Dividends paid	(3,037,500)
Proceeds from issue of debt	-
Borrowing costs	(56,096)
Repayment of debt	(2,565,000)
Interest paid on interest-bearing debt	(2,071,530)
<b>Cash flow from financing activities</b>	<b>(7,730,126)</b>
<b>Net change in cash and cash equivalents</b>	<b>(8,644)</b>
Cash and cash equivalents at beginning of period	2,345,378
<b>Cash and cash equivalents at end of period</b>	<b>2,336,734</b>