

# Teekay Group

Fourth Quarter and Annual 2024 Earnings Presentation  
February 20, 2025



# Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. All statements included in this presentation, other than statements of historical fact, are forward-looking statements. When used in this presentation, the words "expect", "believe", "anticipate", "plan", "intend", "estimate", "may", "will" or similar words are intended to identify forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements and any such forward-looking statements are qualified in their entirety by reference to the following cautionary statements. All forward-looking statements speak only as of the date hereof and are based on current expectations and involve a number of assumptions, risks and uncertainties that could cause actual results to differ materially from such forward-looking statements. Forward-looking statements contained in this presentation include, among others, statements regarding: our expectations regarding vessel sales, including the occurrence and timing of vessel delivery and the expected proceeds of such transactions, and Teekay Tankers' renewal plan; our expectations regarding tanker charter-in contracts, including the timing of commencement, expiry or extensions thereof; the timing of payments of cash dividends; any future dividends; geopolitical events and the impact thereof on the industry and the Teekay Group's business; management's view of the tanker operating environment, the strength of the tanker market and of the tanker rate environment, and related effects on the Teekay Group and its operations; crude oil and refined product tanker market fundamentals; forecasts of worldwide tanker fleet growth or contraction, vessel scrapping levels, and newbuilding tanker orders; management's expectations regarding free cash flow and other financial statement items; anticipated dry dock and off-hire schedules; and the Teekay Group's liquidity and market position.

The following factors are among those that could cause actual results to differ materially from the forward-looking statements, which involve risks and uncertainties, and that should be considered in evaluating any such statement: potential changes to or termination of Teekay Tankers' capital allocation plan or dividend policy; the declaration of any future cash dividends on our common shares; the Teekay Group's available cash and the levels of its capital needs; changes in the Teekay Group's liquidity and financial leverage; changes in the annual EBITDA levels of Teekay Australia; changes in tanker rates, including spot tanker market rate fluctuations, and in oil prices; changes in the production of, or demand for, oil or refined products and for tankers; changes in trading patterns affecting overall vessel tonnage requirements; non-OPEC+ and OPEC+ production and supply levels; the impact of geopolitical tensions and conflicts, and changes in global economic conditions; greater or less than anticipated levels of tanker newbuilding orders and deliveries and greater or less than anticipated rates of tanker scrapping; the potential for early termination of charter contracts on existing vessels in Teekay Tankers' fleet; the inability of charterers to make future charter payments; delays of vessel deliveries; changes in applicable industry laws and regulations and the timing of implementation of new laws and regulations and the impact of such changes; increased costs; and other factors discussed in Teekay's and Teekay Tankers' filings from time to time with the United States Securities and Exchange Commission, including their respective Annual Reports on Form 20-F for the fiscal year ended December 31, 2023. The Teekay Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Teekay Group's expectations with respect thereto or any change in events, conditions or circumstances on which any such statement is based.



# Teekay Tankers Q4-24 and FY2024 Highlights

Significant cash flow generation despite softer year end rates

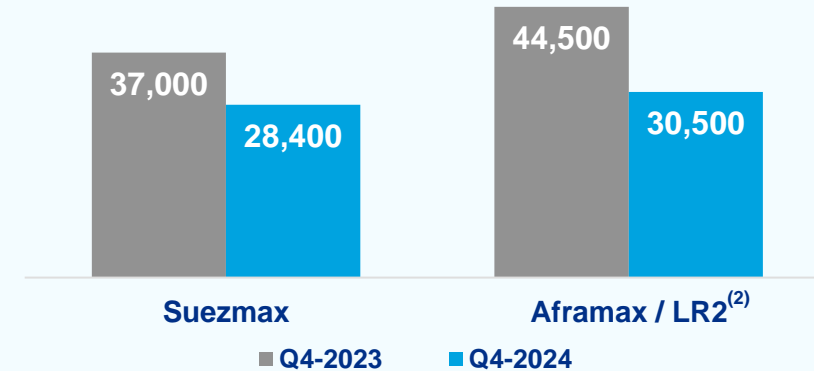
	Adj. Net Income <sup>(1)</sup>	Adj. EPS <sup>(1)</sup>	FCF <sup>(1)</sup>
Q4-24	\$51.8 million	\$1.50 / share	\$69.3 million
2024	\$354.7 million	\$10.31 / share	\$414.8 million

- Agreed to sell two 2009-built Suezmaxes and one 2006-built LR2 for \$95.5 million in Q1-25
  - Two vessels delivered to new owners in Feb-25 and the third vessel expected to deliver by mid-Mar-25
  - Sold five older ships in Q4-24 and Q1-25 for total gross proceeds of \$160.3 million for a combined expected gain on sale of \$58.4 million
  - Part of our renewal plan with selling older vessels and acquiring more modern tonnage over time
- Completed acquisition of TK Australia and Management Services Companies
- Acquired a passive, 5.1% minority interest in Ardmore Shipping Corporation, a publicly traded shipping company which owns and operates a fleet of 26 MRs and Chemical tankers
- Declared a fixed quarterly dividend of \$0.25 per share

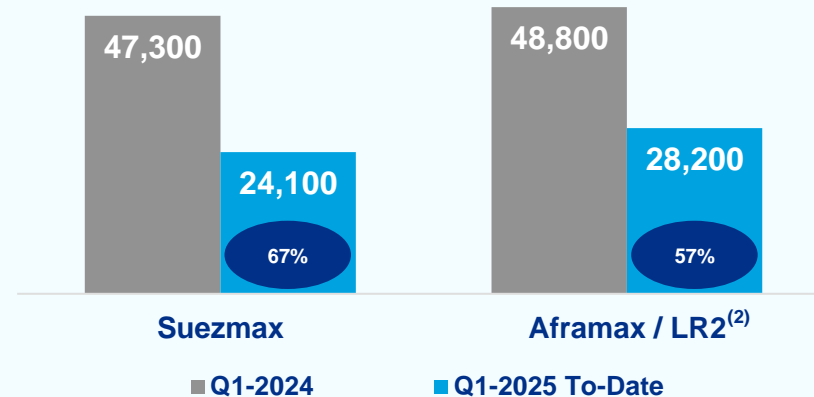
(1) These are non-GAAP financial measures. Please see Teekay Tankers Ltd.'s Q4-24 and 2024 earnings release for definitions and reconciliations to the comparable GAAP measures. These measures do not include the acquisition of Teekay Corporation Ltd.'s Australian operations and management services companies. Free cash flow (FCF), please see appendix slide 17 for the definition and reconciliations.

(2) Includes Aframax RSA, non-RSA voyage charters and full-service lightering (FSL) for all Aframax and LR2 vessels whether trading in the clean or dirty spot market. Currently there are two vessels trading clean.

Q4-24 vs. Q4-23 Spot Rates



QTD Q1-25 vs. Q1-24 Spot Rates



% days booked

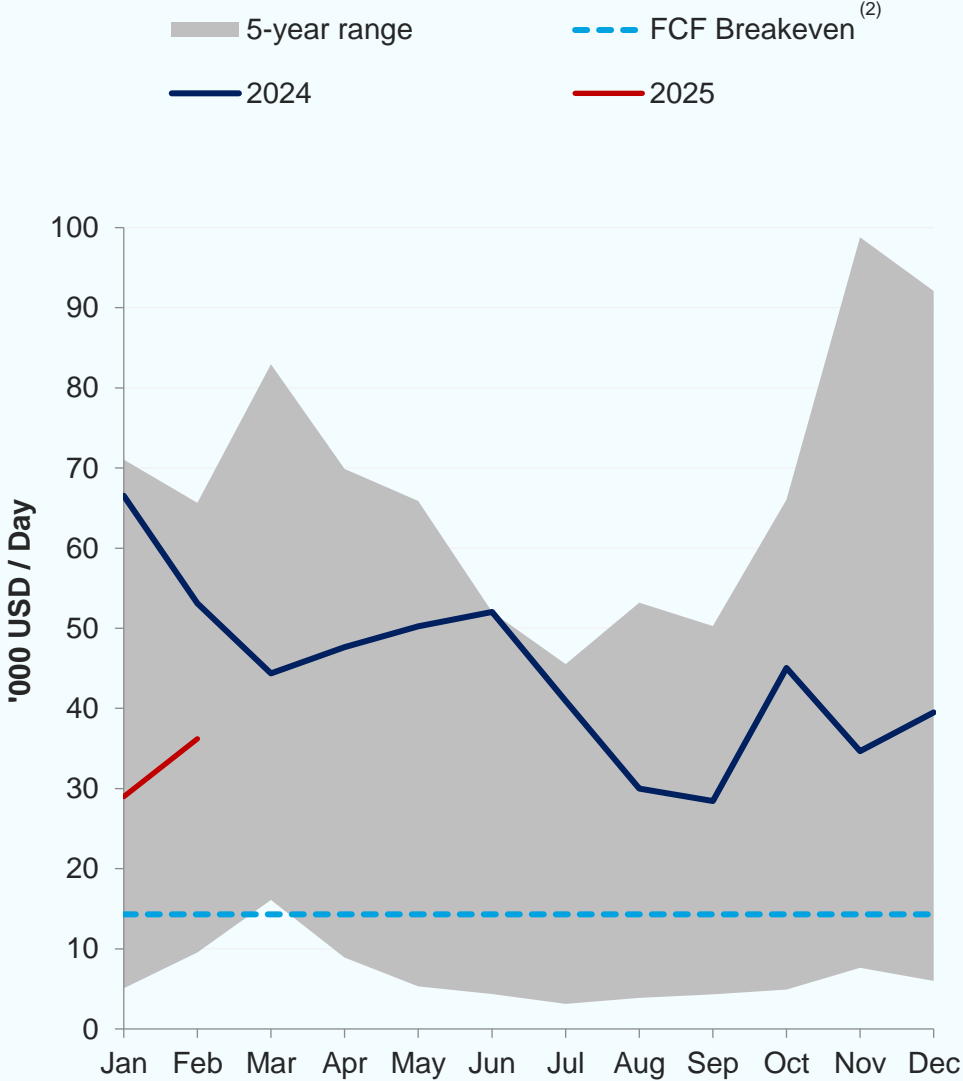


# Spot Market Update

## Q4 spot tanker rates below expectations but still well above cash break-even levels

- Typical winter market volatility failed to materialize in Q4:
  - Weak Chinese oil demand weighed on the VLCC market which in turn had a dampening effect on Suezmax and Aframax rates
  - No seasonal uplift from bad weather / transit delays
- Average rates at the start of Q1 have been largely steady with some volatility in January following OFAC sanctions:
  - 183 vessels (including 153 tankers) involved in the Russian oil trade added to the OFAC sanctions list on January 10<sup>th</sup>
  - Large tanker rates saw a spike following the announcement as India and China looked to book replacement cargos
  - Open West-East oil price arbitrage has led to an increase in long-haul movements from the Atlantic Basin to Asia

Mid-Size Tanker Spot Rates<sup>(1)</sup>

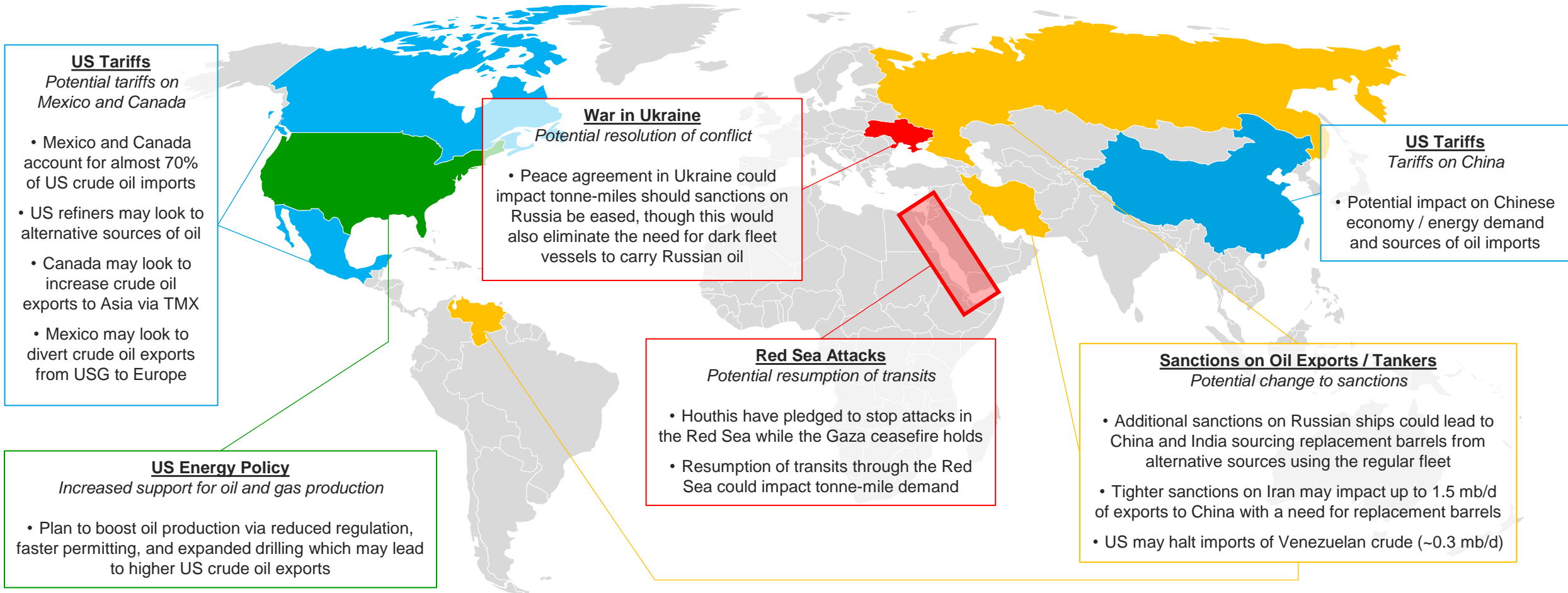


(1) Source: Clarksons (monthly average of Aframax and Suezmax)

(2) Free cash flow (FCF) is a non-GAAP financial measure. Please see appendix slide 17 for the definition. Break-even is based on 12 months ending December 31, 2025, the current fleet and all in-charters and out-charters shown on slides 11 and 12. Optional periods for chartered-in vessels were excluded.



# Geopolitical Events Expected to Have a Large Influence on Market Direction in 2025



Geopolitical and Trade Route Uncertainty Typically Leads to Volatile Freight Markets

# Tanker Market Fundamentals

Underlying fundamentals suggest a balanced market notwithstanding geopolitical events

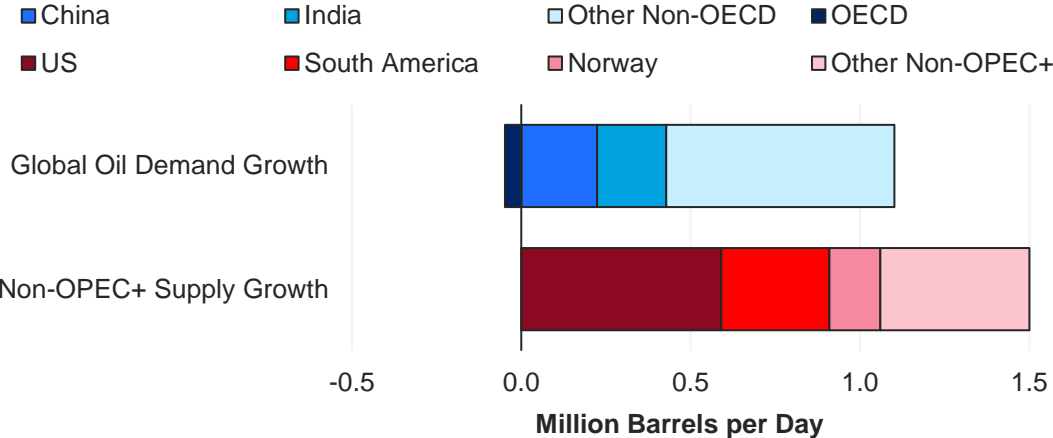
## Tanker Demand Drivers

- + Global oil demand projected to grow by around 1 mb/d in 2025 with a rebound in Chinese demand due to government stimulus
- + Strong growth in non-OPEC+ oil supply led by Atlantic producers; movement of oil from West to East set to boost tonne-mile demand
- ≈ OPEC+ expected to start unwinding supply cuts from April 2025, dependent on market conditions

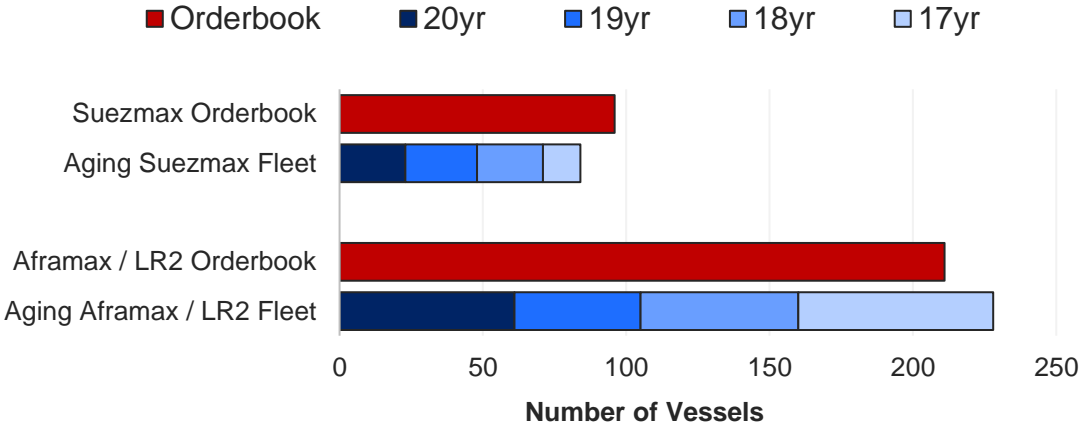
## Tanker Supply Drivers

- + Forward shipyard cover remains high at over 3 years with vessels now being booked for 2028 delivery
- + Average age of the tanker fleet currently the highest since 2002 at 13.8 years with a growing fleet of old ships approaching end of life
- ≈ Rising tanker newbuild deliveries over the next three years, largely offset by the removal of older ships (depending on recycling levels)

2025 Oil Demand & Supply Growth<sup>(1)</sup>



Mid-Size Orderbook vs. Aging Fleet<sup>(2)</sup>



(1) Source: IEA  
 (2) Source: Clarksons

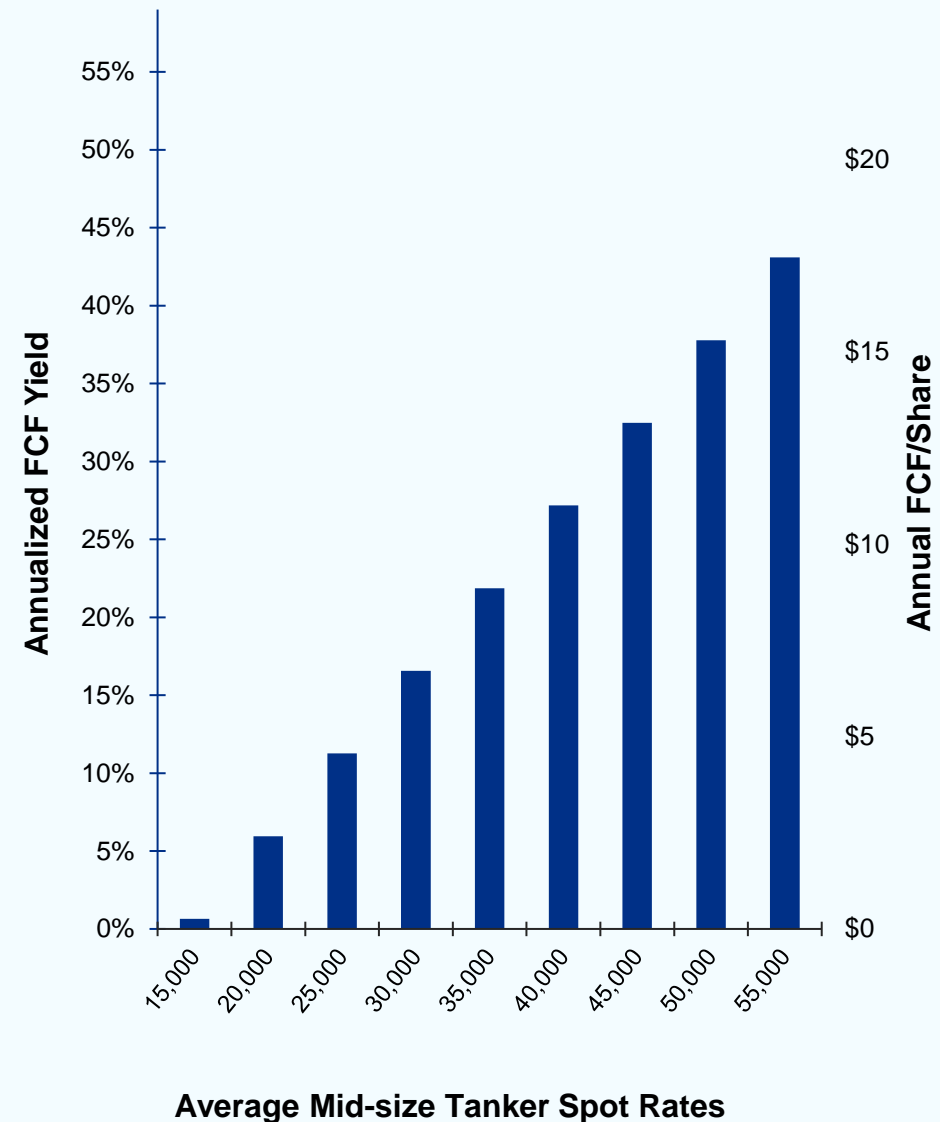


# Well-Positioned For Any Tanker Market Conditions

Low cash flow break-even levels, strong balance sheet, and high operating leverage

- Low fleet FCF break-even of approximately \$14,300 per day<sup>(1)(3)</sup>
- Significant FCF generation resulting in industry leading FCF yield and operating leverage
  - Currently 98% of 44-vessel tanker fleet exposed to the spot market
  - Every \$5,000 increase in spot rates above TNK's FCF break-even expected to increase annual FCF yield by 5.3%<sup>(2,3)</sup> or generate \$2.15<sup>(3)</sup> of annual FCF per share
- Building optionality to maximize shareholder value
  - Ongoing fleet management, including disciplined fleet reinvestment
  - Returning capital to shareholders

FCF Per Share Spot Rate Sensitivity Next 12 Months <sup>(1,2,3)</sup>



(1) Free cash flow (FCF) is a non-GAAP financial measure. Please see appendix slide 17 for the definition.

(2) Free Cash Flow (FCF) yield is equal to annual FCF divided by TNK's closing share price on February 19, 2025 of \$40.65.

(3) For 12 months ending December 31, 2025, based on the current fleet and all in-charters and out-charters shown on slides 11 and 12. Optional periods for in-charter options were excluded.



# Q&A



# Appendix



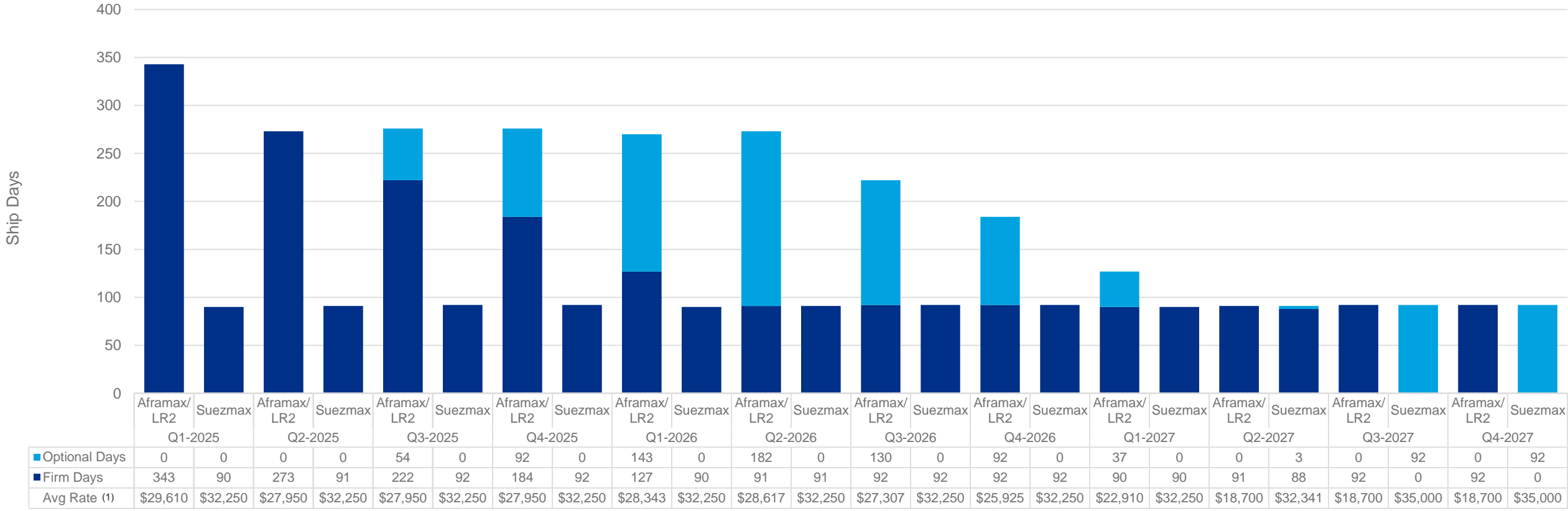
# Teekay Corporation Q4-24 and FY2024 Update

	Adj. Net Income <sup>(1)</sup>	Adj. EPS <sup>(1)</sup>
Q4-24	\$16.6 million	\$0.19 / share
2024	\$111.9 million	\$1.23 / share

- During 2024, returned \$151 million of capital to shareholders
  - Special dividend of \$85 million (\$1.00 / share)
  - Share repurchases of \$66 million
- Increased economic and voting control of Teekay Tankers to 31.0% and 55.1%, respectively
- Closed the sale of Teekay Australia and management services companies to Teekay Tankers
  - Completes multi-year effort to simplify the Teekay Group and position Teekay Tankers as the sole operating platform



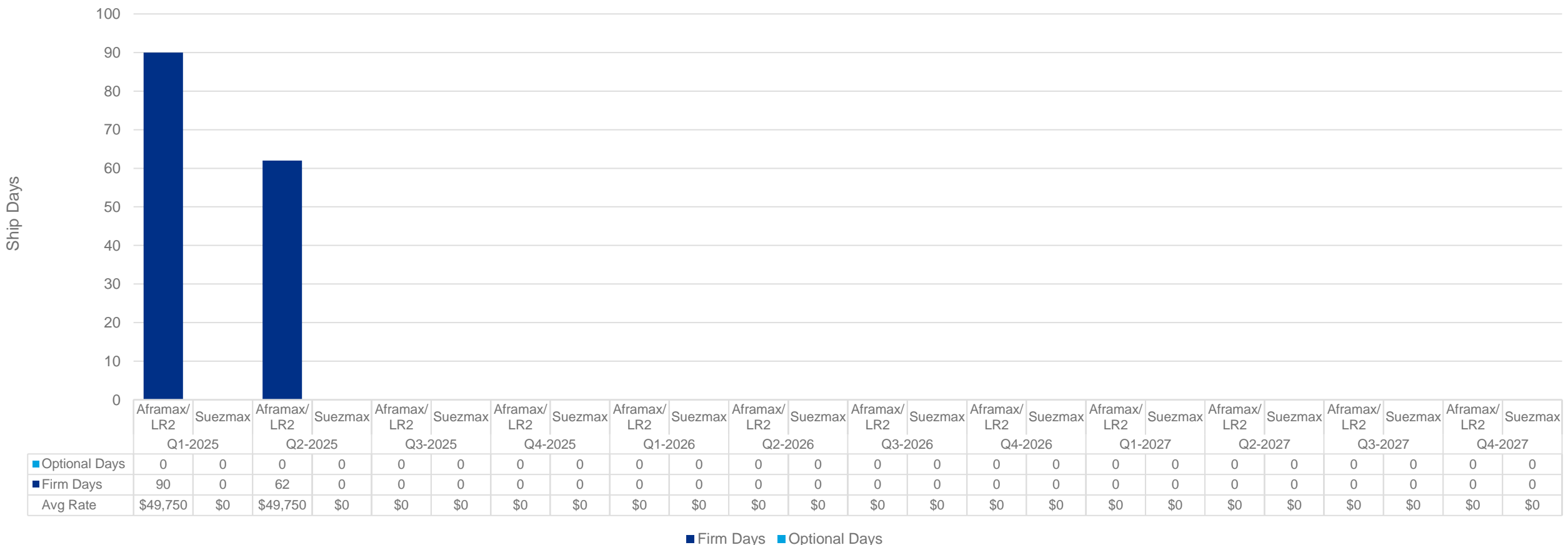
# Fleet In-charters



■ Firm Days ■ Optional Days



# Fleet Out-charters<sup>(1)</sup>



# Q1-25 Outlook

Income Statement Item	Q4-24 in thousands adjusted basis <sup>(1)</sup>	Q1-25 Outlook <sup>(1)</sup> (expected changes from Q4-24)
Net revenues <sup>(2)</sup>	133,549	<p>Decrease of approximately 410 net revenue days, consisting of a decrease of 365 spot days and a decrease of 45 fixed days, primarily due to the sales of three Suezmax vessels and two Aframax / LR2 vessels between Q4-24 and Q1-25, the redeliveries of two chartered-in Aframax / LR2 vessels between Q4-24 and Q1-25, as well as fewer calendar days in Q1-25 compared to Q4-24.</p> <p>Increase of approximately \$28.0 million related to our acquisition of Teekay's Australian operations at the end of 2024.</p> <p>Refer to Slide 3 for Q1-25 booked to-date spot tanker rates. Refer to Slide 12 for a summary of fleet out-charter employment.</p>
Vessel operating expenses	(36,663)	<p>Vessel operating expense related to the tanker fleet are expected to be consistent with Q4-24, primarily due to the sales of three Suezmax vessels and two Aframax / LR2 vessels between Q4-24 and Q1-25, offset by the timing of certain planned maintenance activities.</p> <p>Increase of approximately \$25.0 million related to our acquisition of Teekay's Australian operations at the end of 2024.</p>
Charter hire expenses	(17,144)	<p>Decrease of approximately \$3.0 million, primarily due to the redeliveries of two chartered-in Aframax / LR2 vessels between Q4-24 and Q1-25, the impairment of three chartered-in vessels in Q4-24, as well as fewer calendar days in Q1-25 compared to Q4-24.</p> <p>Increase of approximately \$0.5 million related to our acquisition of Teekay's Australian operations at the end of 2024.</p>
Depreciation and amortization	(24,446)	Decrease of approximately \$1.0 million, primarily due to the sales of two Suezmax vessels and one Aframax / LR2 vessel in Q1-25, as well as fewer calendar days in Q1-25 compared to Q4-24.
Income tax recovery and other	1,050	Decrease in recovery of approximately \$1.5 million, primarily due to higher income tax expense related to operational activities in Australia, as well as vessel trading activities and regular assessment of tax positions.

(1) Adjusted net income for Q4-2024 excludes the results from the Australian operations and management service companies that were acquired by Teekay Tankers on December 31, 2024. See slide 15 for the reconciliation.

(2) Net revenues is a non-GAAP financial measure. Please refer to the Teekay Tankers Q4-24 Earnings Release for a definition and reconciliation of this term.



# Adjusted Net Income<sup>(1)(2)</sup>

## Q4-24 vs. Q3-24

(In thousands of U.S. dollars)

Statement Item	Q4-2024 (unaudited)	Q3-2024 (unaudited)	Variance	Comments
Revenues	228,483	243,278	(14,795)	
Voyage expenses	(94,934)	(93,984)	(950)	
Net revenues <sup>(3)</sup>	133,549	149,294	(15,745)	Decrease primarily due to lower overall spot rates, the redelivery of three in-chartered tankers during Q3-24 and Q4-24, and the sale of two tankers in Q4-24, partially offset by fewer scheduled dry dockings in Q4-24 and a full quarter of operations for one tanker purchased in Q3-24.
Vessel operating expenses	(36,663)	(38,091)	1,428	Decrease primarily due to lower expenditures related to ship management, the sale of two tankers in Q4-24, and the timing of repair and maintenance activities, partially offset by a full quarter for one tanker purchased in Q3-24.
Charter hire expenses	(17,144)	(18,465)	1,321	Decrease primarily due to the redelivery of three in-chartered tankers during Q3-24 and Q4-24, partially offset by an increased daily hire rate for an in-chartered tanker effective in Q3-24.
Depreciation and amortization	(24,446)	(23,445)	(1,001)	Increase primarily due to a full quarter of amortization for certain dry docks that were completed in Q3-24 and Q4-24, as well as a full quarter for one tanker purchased in Q3-24.
General and administrative expenses	(10,155)	(10,876)	721	
Income from operations	45,141	58,417	(13,276)	
Interest expense	(798)	(825)	27	
Interest income	5,851	5,772	79	
Equity income (loss)	615	(121)	736	
Other expense	(33)	(283)	250	
Income tax recovery	1,050	582	468	
Adjusted net income	51,826	63,542	(11,716)	

(1) Adjusted net income excludes the results from the Australian operations and management service companies that were acquired by Teekay Tankers on December 31, 2024.

(2) For the Q3-24 reconciliation of non-GAAP financial measures to the most directly comparable financial measures under United States generally accepted accounting principles (GAAP), please refer to the Q3-24 earnings presentation. Excludes the results from the Australian operations and management service companies that were acquired by Teekay Tankers on December 31, 2024.

(3) Net revenues is a non-GAAP financial measure. Please refer to the Teekay Tankers Q4-24 Earnings Release for a definition and reconciliation of this term.

# Consolidated Adjusted Statement of Income

Q4-24

(In thousands of U.S. dollars)

Statement Item	As Reported (GAAP) <sup>(1)</sup>	Subtract: Acquired Operations <sup>(2)</sup>	Adjusted Items (Appendix A) <sup>(3)</sup>	As Adjusted (Excluding Acquired Operations)
Revenues	258,351	(29,868)	-	228,483
Voyage expenses	(94,934)	-	-	(94,934)
Net revenues <sup>(4)</sup>	163,417	(29,868)	-	133,549
Vessel operating expenses	(65,731)	29,068	-	(36,663)
Charter hire expenses	(17,144)	-	-	(17,144)
Depreciation and amortization	(24,446)	-	-	(24,446)
General and administrative expenses <sup>(5)</sup>	(9,734)	(421)	-	(10,155)
Gain on sale and write-down of assets	26,479	-	(26,479)	-
Income from operations	72,841	(1,221)	(26,479)	45,141
Interest expense	(798)	-	-	(798)
Interest income	6,189	(338)	-	5,851
Equity income	615	-	-	615
Other income (expense)	2,280	749	(3,062)	(33)
Income tax recovery	994	56	-	1,050
Net income	82,121	(754)	(29,541)	51,826

(1) Includes results from the Australian operations and management service companies that were acquired by Teekay Tankers on December 31, 2024.

(2) Acquired Operations relates to results from the Australian operations and management service companies that were acquired by Teekay Tankers on December 31, 2024.

(3) Please refer to Appendix A in Teekay Tankers Q4-24 Earnings Release for a description of Appendix A items.

(4) Net revenues is a non-GAAP financial measure. Please refer to the Teekay Tankers Q4-24 Earnings Release for a definition of this term.

(5) General and administrative expenses include certain services which were provided to TNK by the Acquired Operations, which offsets the corresponding expense in TNK.

# Consolidated Adjusted Statement of Income

2024

(In thousands of U.S. dollars)

Statement Item	As Reported (GAAP) <sup>(1)</sup>	Subtract: Acquired Operations <sup>(2)</sup>	Adjusted Items (Appendix A) <sup>(3)</sup>	As Adjusted (Excluding Acquired Operations)
Revenues	1,229,336	(122,642)	-	1,106,694
Voyage expenses	(405,546)	-	-	(405,546)
Net revenues <sup>(4)</sup>	823,790	(122,642)	-	701,148
Vessel operating expenses	(261,114)	110,509	-	(150,605)
Charter hire expenses	(74,795)	-	-	(74,795)
Depreciation and amortization	(93,582)	-	-	(93,582)
General and administrative expenses <sup>(5)</sup>	(46,604)	(2,229)	-	(48,833)
Gain on sale and write-down of assets	38,080	-	(38,080)	-
Restructuring charges <sup>(5)</sup>	(5,632)	(320)	5,952	-
Income from operations	380,143	(14,682)	(32,128)	333,333
Interest expense	(7,472)	4	1,124	(6,344)
Interest income	24,076	(1,253)	-	22,823
Equity income	2,767	-	-	2,767
Other income	4,558	99	(2,931)	1,726
Income tax (expense) recovery	(405)	4,088	(3,303)	380
Net income	403,667	(11,744)	(37,238)	354,685

(1) Includes results from the Australian operations and management service companies that were acquired by Teekay Tankers on December 31, 2024.

(2) Acquired Operations relates to results from the Australian operations and management service companies that were acquired by Teekay Tankers on December 31, 2024.

(3) Please refer to Appendix A in Teekay Tankers Q4-24 Earnings Release for a description of Appendix A items.

(4) Net revenues is a non-GAAP financial measure. Please refer to the Teekay Tankers Q4-24 Earnings Release for a definition of this term.

(5) General and administrative expenses and restructuring charges include certain services which were provided to TNK by the Acquired Operations, which offsets the corresponding expense in TNK.



# Reconciliation of Non-GAAP Financial Measure

## Free Cash Flow

Free cash flow (FCF) represents net income, plus depreciation and amortization, loss on sale of assets, unrealized losses from derivatives and marketable securities, non-cash items, FCF from equity-accounted investments and any write-offs or other non-cash non-recurring items, less gain on sale of assets, unrealized gains from derivatives and marketable securities, other non-cash items, dry-docking expenditures and other capital expenditures.

(In thousands of U.S. dollars)

	Three Months Ended December 31, 2024 (unaudited)	Year Ended December 31, 2024 (unaudited)
<b>Net income - GAAP basis</b>	82,121	403,667
<i>Subtract:</i>		
Net income attributable to the Entities under Common Control <sup>(1)</sup>	(754)	(11,744)
<b>Net income attributable to shareholders of Teekay Tankers</b>	81,367	391,923
<i>Add:</i>		
Depreciation and amortization	24,446	93,582
Proportionate share of free cash flow from equity-accounted joint venture	1,151	4,852
Write-down of assets	1,429	1,429
<i>Less:</i>		
Gain on sale of vessels	(27,908)	(39,509)
Unrealized gain on marketable securities	(1,401)	(1,401)
Equity income	(615)	(2,767)
Dry-docking and capital expenditures	(9,157)	(33,336)
<b>Free cash flow</b>	69,312	414,773

# Dry-dock & Off-hire Schedule<sup>(1)(2)(3)</sup>

Teekay Tankers Segment	December 31, 2024 (A)		March 31, 2025 (E)		June 30, 2025 (E)		September 30, 2025 (E)		December 31, 2025 (E)		Total 2025 (E)	
	Vessels	Total Off-hire Days	Vessels	Total Off-hire Days	Vessels	Total Off-hire Days	Vessels	Total Off-hire Days	Vessels	Total Off-hire Days	Vessels	Total Off-hire Days
Spot Tanker	2	51	1	65	5	155	5	165	-	-	11	385
Fixed-Rate Tanker	-	-	-	-	-	-	-	-	-	-	-	-
Other - Unplanned Offhire	-	5	-	13	-	26	-	24	-	24	-	87
	2	56	1	78	5	181	5	189	-	24	11	472

(1) Includes vessels scheduled for dry docking and an estimate of unscheduled off-hire.  
 (2) In the case that a vessel dry dock & off-hire straddles between quarters, the vessel count has been allocated to the quarter in which a majority of dry-dock days occur.  
 (3) Vessel count only reflects vessels with dry-dock related off-hire.

