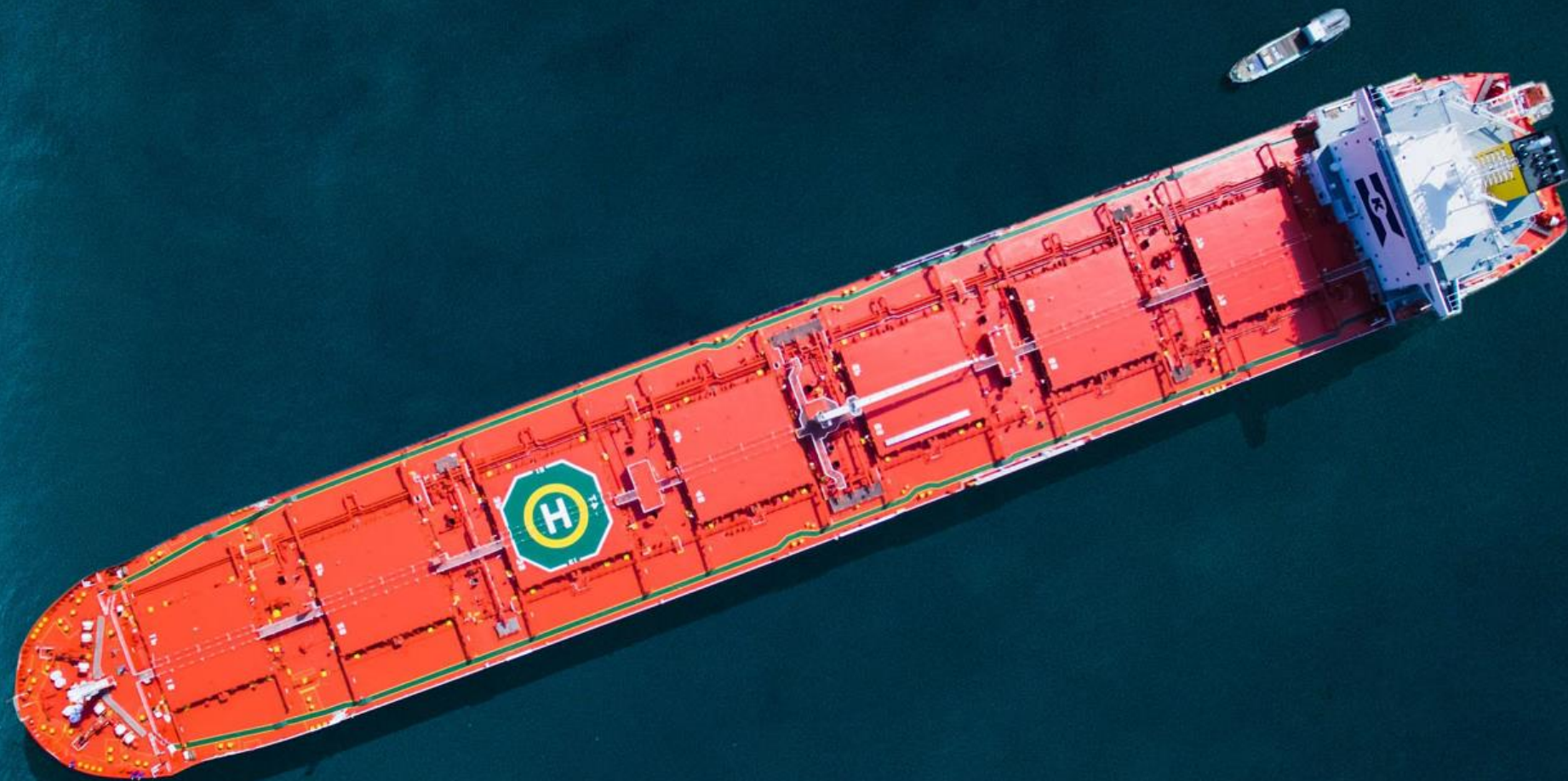


# Quarterly analyst call

15 January 2025, 8:45 AM



# Date, time and participants details

**Date and time of meeting:** Wednesday 15 January 2025, 08:45-09:30am CET

**Participants from KCC:** Engebret Dahm (CEO), Liv Dyrnes (CFO), Ingri Langemyhr (Head of Financial and ESG Reporting), Helen Vad Johansen (Finance and Strategy Analyst)

## Other participants:

Name	Company	Name	Company
Petter Haugen	ABG Sundal Collier	Fredrik Dybwad	Fearnley Securities
Oliver Dunvold	ABG Sundal Collier	Nils Thommesen	Fearnley Securities
Martin Mauseth	ABG Sundal Collier	August Klemp	Pareto Securities
Frode Mørkedal	Clarksons Securities	Eirik Haavaldsen	Pareto Securities
Even Kolsgaard	Clarksons Securities	Magnus Hjermann	Pareto Securities
Bendik Folden Nytingnes	Clarksons Securities	Peder Loholt Kristiansen	Pareto Securities
Jørgen Lian	DNB Markets	Jon Nikolai Skåland	SEB
Johannes Steinsbø Fylkesnes	DNB Markets	Oliver Moriggi Kielland	SEB
Jostein Aschjem	DNB Markets		



# Agenda

- **New approach for quarterly group calls**
- Previous quarter's highlights
- Latest business update
- Feedback and Q&A



# Background and format

## Ambition to increase analyst engagement..

- KCC aims to establish a structured format for frequent analyst dialogue starting in 2025 (with Q4 2024 reporting)
- Educating and improving analysts' understanding of KCC's markets and operations
- Strengthens the foundation for valuation
- Opportunity for management to remind analysts about facts provided in last quarterly presentation and other published material
- Analyst questions and feedback provide valuable insights for potential adjustments to KCC's capital markets communications

## ..through quarterly group calls

- Collective group call with analysts and KCC management
- The call will be held on the same day as the publication of the quarterly business update. Details regarding participants and timing will be published alongside the business update
- Agenda for the call will be as follows;
  - Summary of the previous quarter's highlights and guiding
  - Presentation of the latest business update
  - Analyst feedback and Q&A session
- The group call will be recorded, and made available to NFSAs upon request
- No sensitive information will be disclosed during the call beyond what has already been published by KCC



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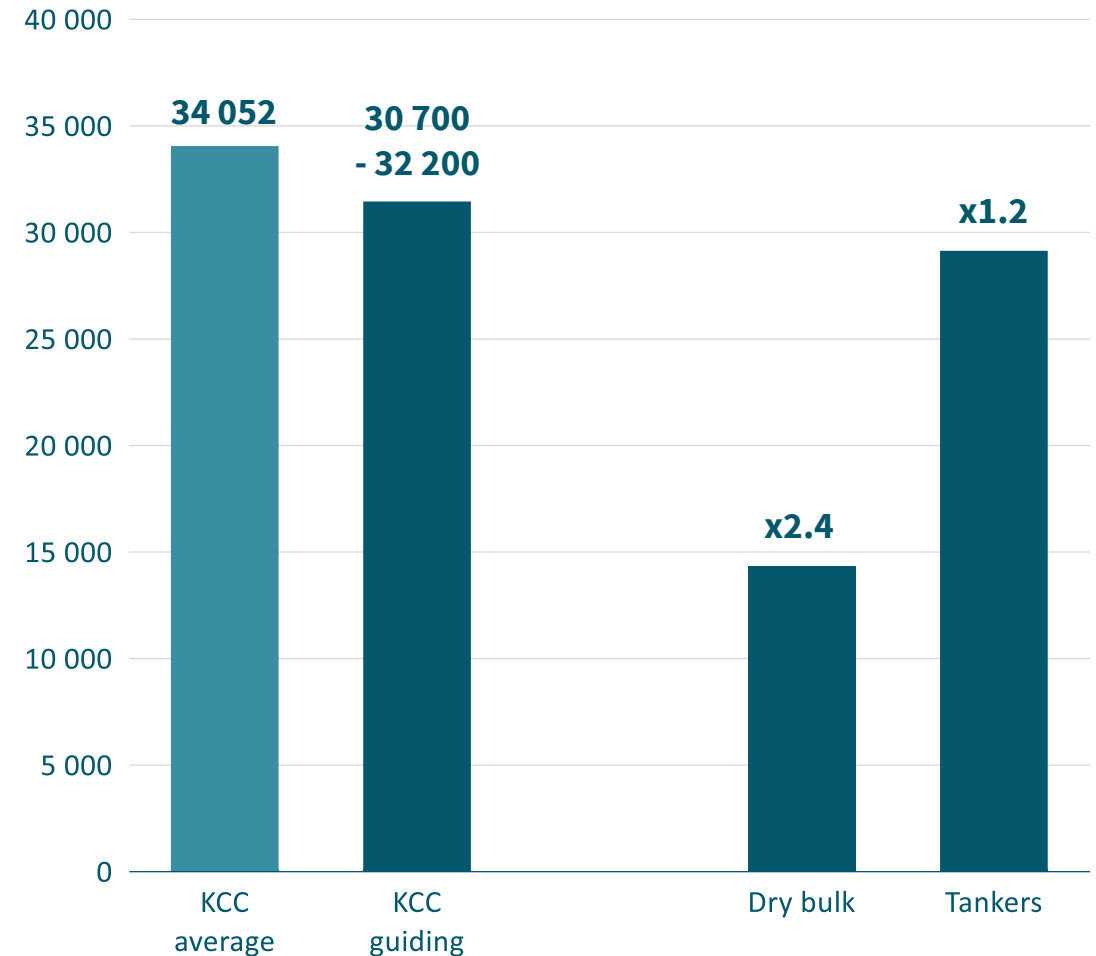


# Strong financial results amid more challenging markets

## Highlights Q3 2024

- EBITDA of USD 32.6 million and EBT of USD 21.7 million
- Both segments outperformed the standard markets
- Quite stable CLEANBU TCE earnings of \$38,673/day (-\$400/day Q-o-Q) despite considerably weaker product tanker market
- CABU TCE earnings of \$29,668/day (-\$8,000/day Q-o-Q) impacted by a weaker MR-tanker market and temporary lower caustic soda shipment volume
- Record low carbon intensity (EEOI 6.1) driven by limited ballasting and high cargo intake

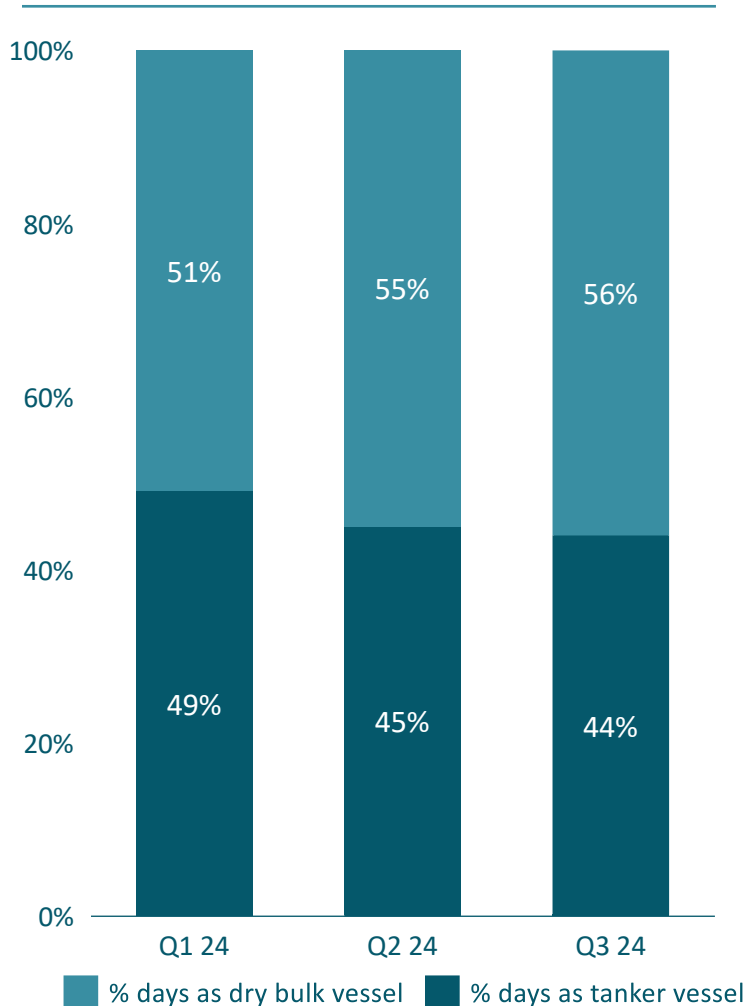
## KCC TCE earnings (\$/day)<sup>1</sup>



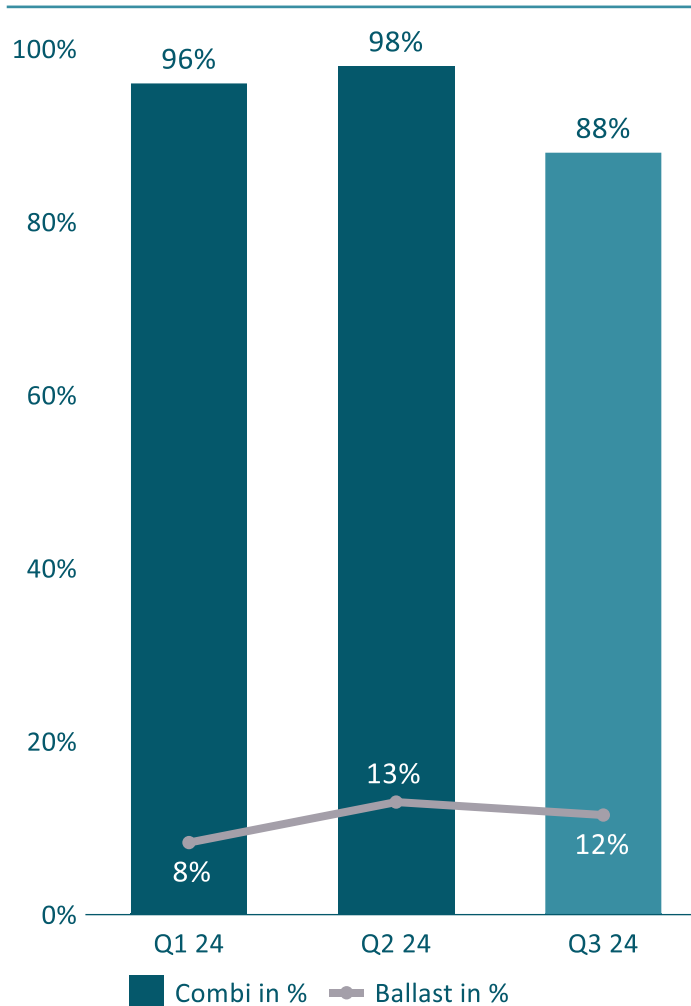
# CABU TCE impacted by lower CSS<sup>2</sup> volume and weaker MR-tanker market



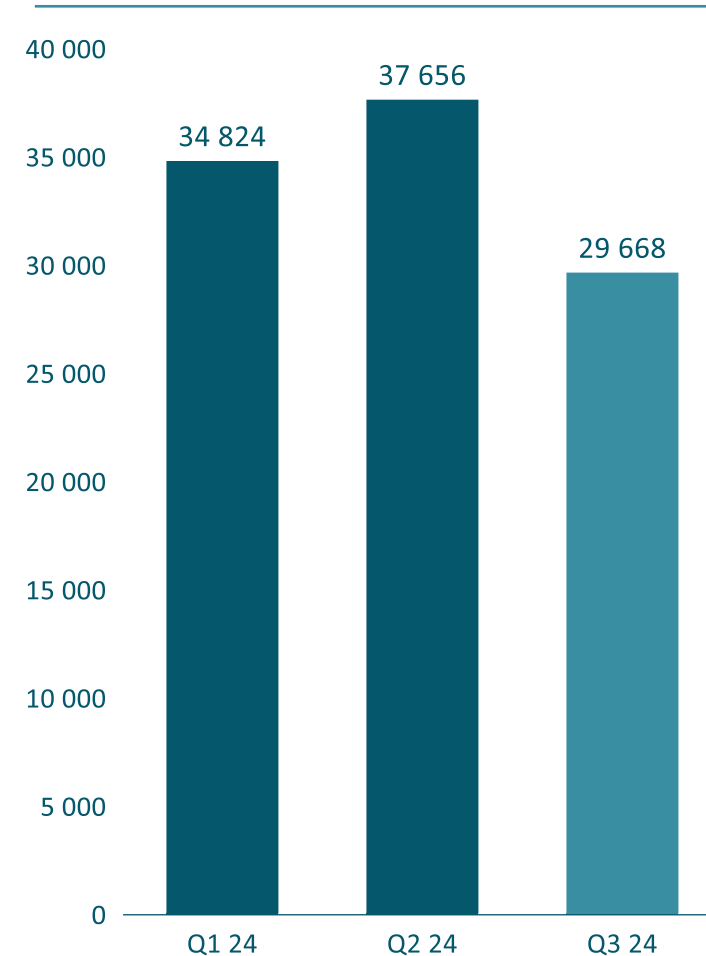
**% of days in tanker and dry bulk trades**



**% days in combination trades & ballast**



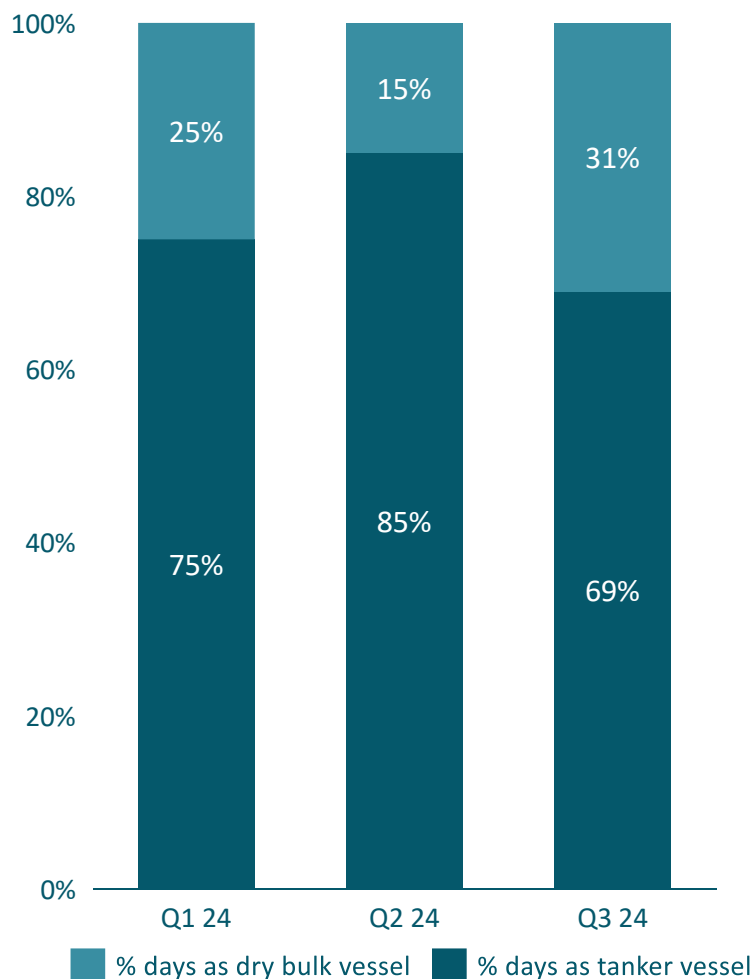
**Quarterly TCE earnings<sup>1</sup> (\$/day)**



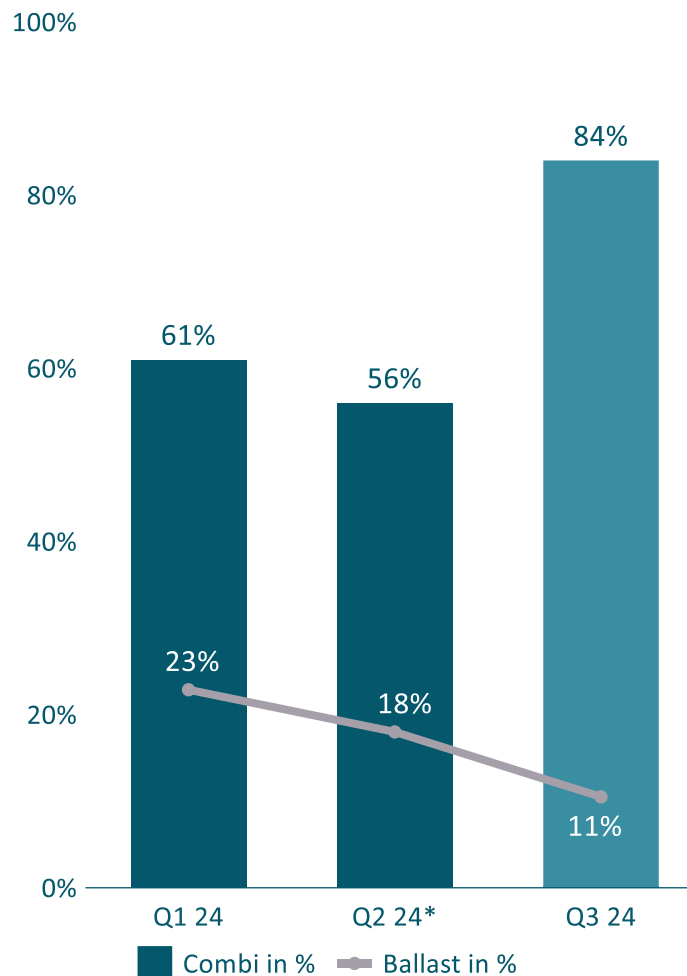
# CLEANBU rates at solid levels, despite weaker markets



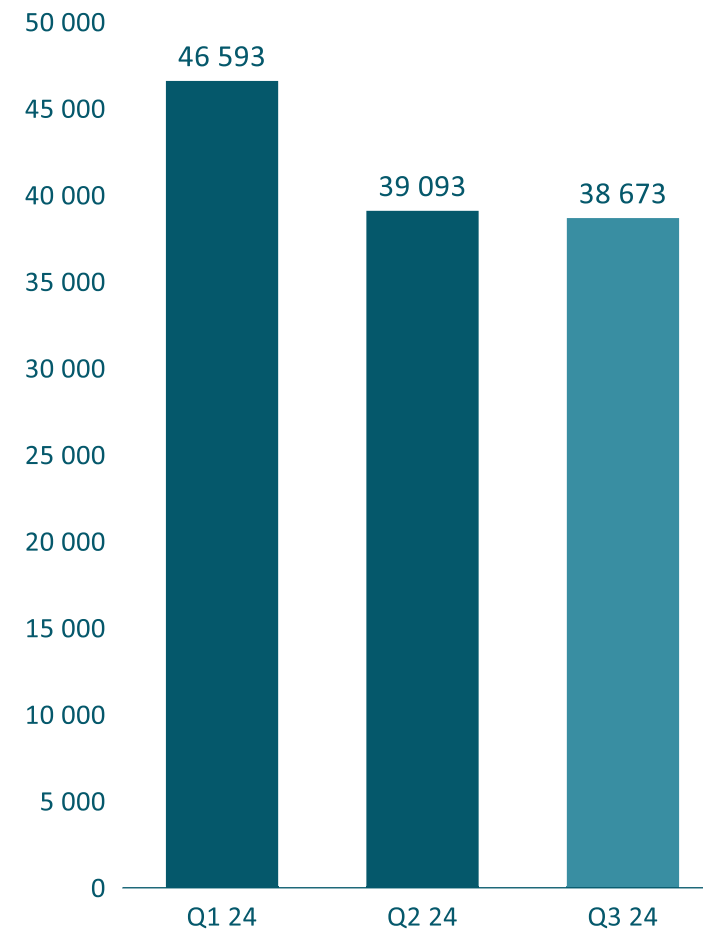
**% of days in tanker and dry bulk trades**



**% days in combination trades & ballast**



**Quarterly TCE earnings<sup>1</sup> (\$/day)**





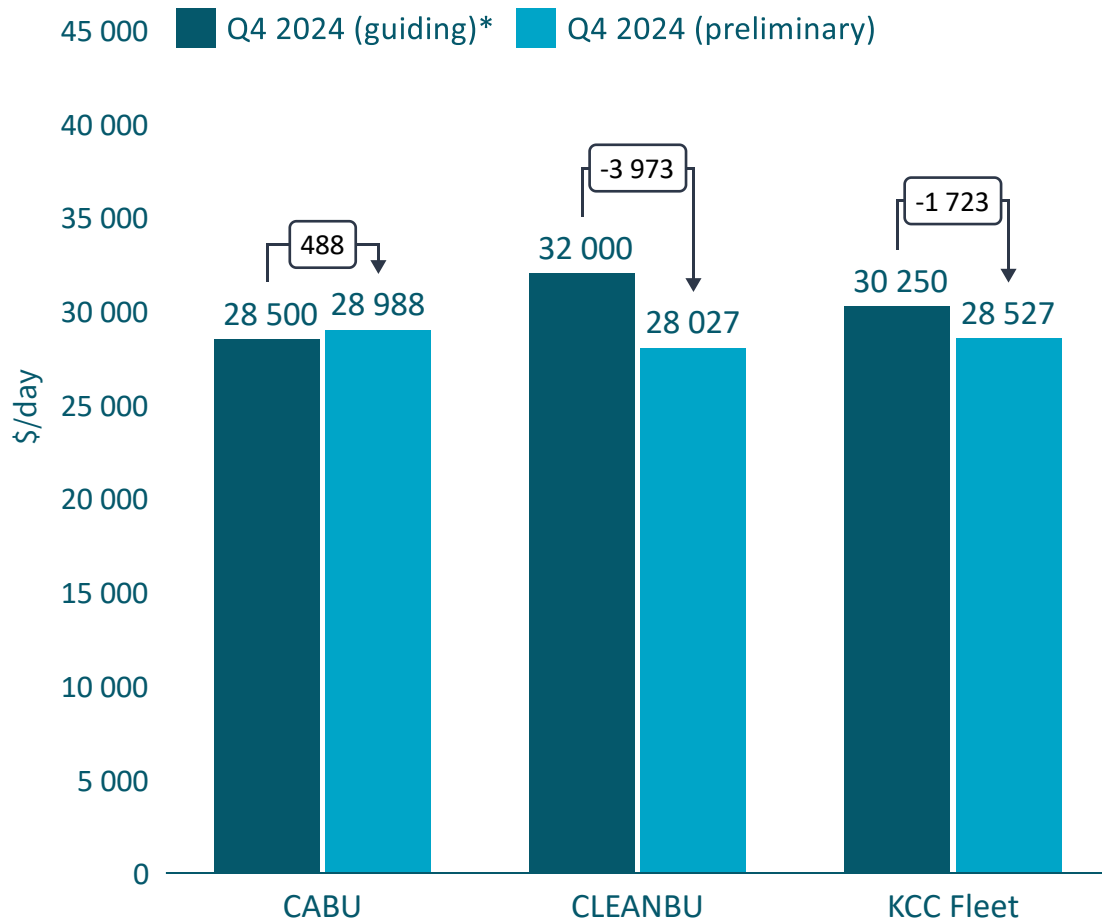
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# Delivering substantially stronger than standard tankers for the quarter

## Q4 2024 TCE earnings<sup>1</sup> guiding vs. actual



## Highlights and comments

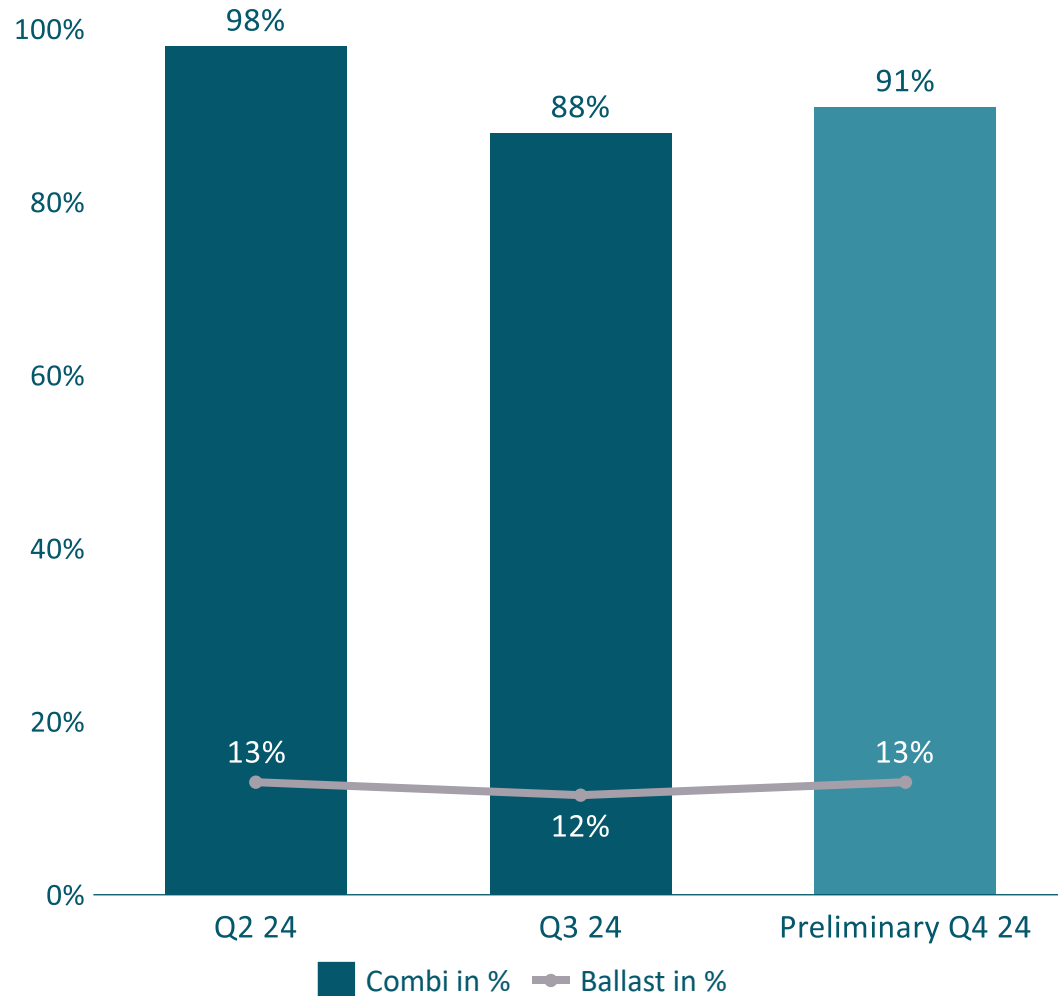
- Preliminary CABU TCE earnings above mid-point guiding mainly due to more capacity in caustic soda trades supported by a tight contract schedule.
- Preliminary CLEANBU TCE earnings below mid-point due to considerably weaker product tanker market compared to the forward market at the time of guiding, more than expected ballasting and waiting time for two vessels after completion of dry-dock, and negative IFRS 15<sup>2</sup> effects.
- Both the CABU and CLEANBU fleet delivered considerably higher TCE earnings compared to standard MR and LR1 vessels for the quarter, with a multiple of 1.7<sup>3</sup> and 1.4<sup>3</sup> respectively.

On-hire days	Q4 2024 (guiding)	Q4 2024 (actual)
CABU	680	684
CLEANBU	650	631
KCC Fleet	1 330	1 315

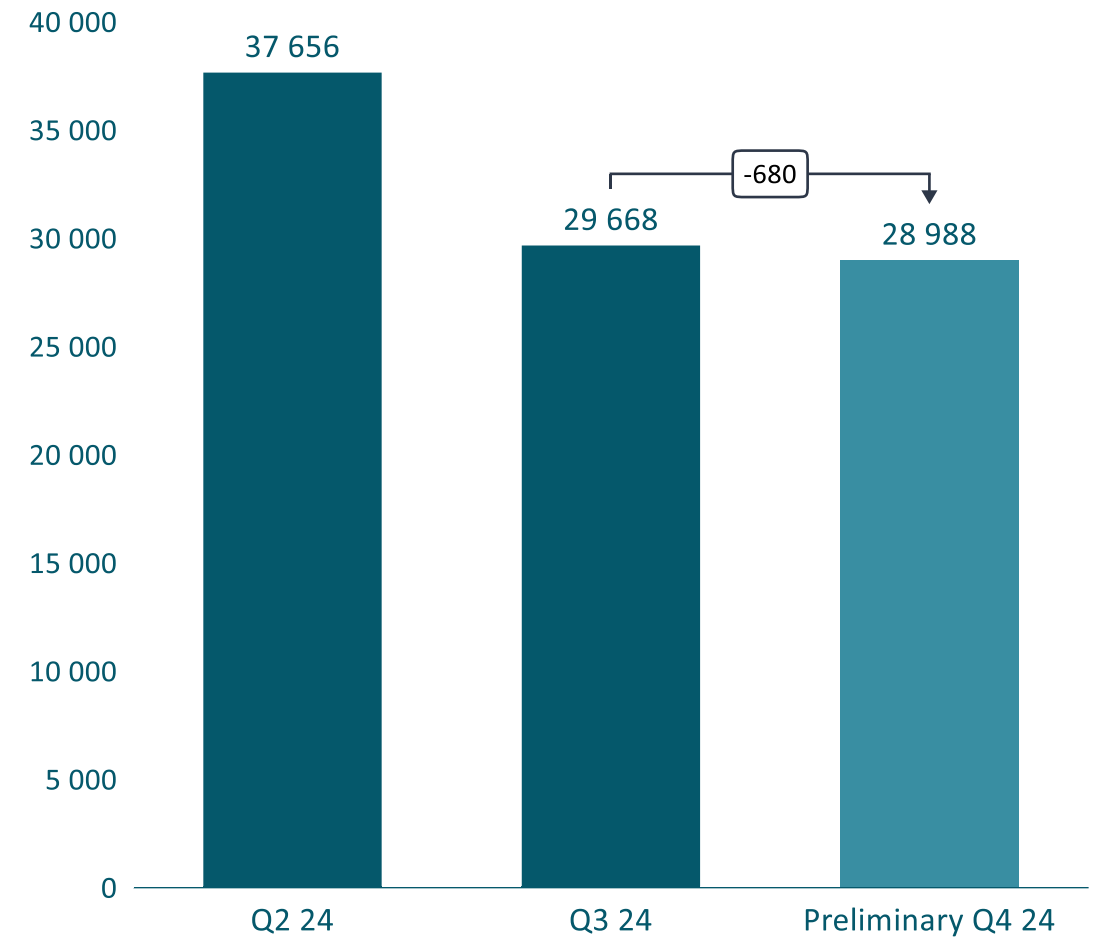
- 15 fewer on-hire days than guided mainly due to longer dry-docking of two CLEANBU vessels.

# Continued efficient combination trading

## % days in combination trades & ballast



## Quarterly TCE earnings<sup>1</sup> (\$/day)



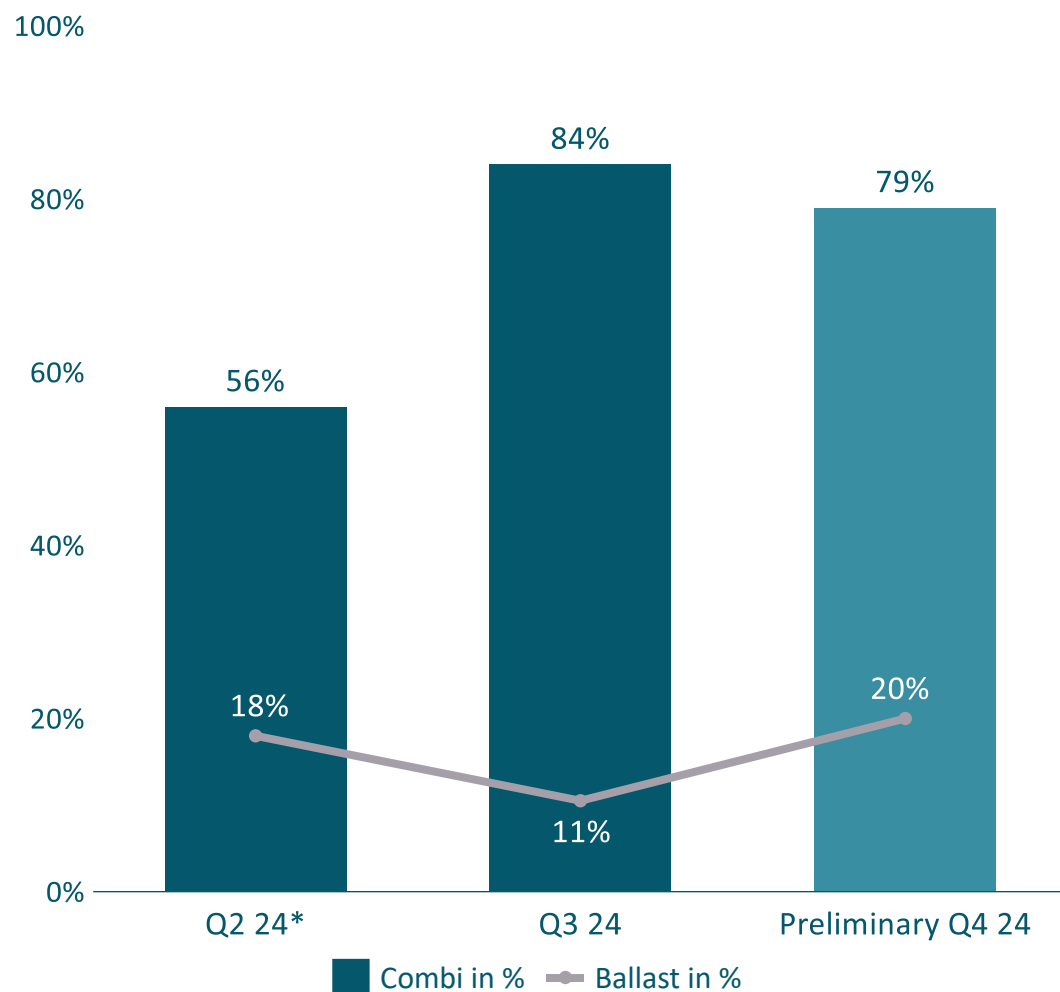




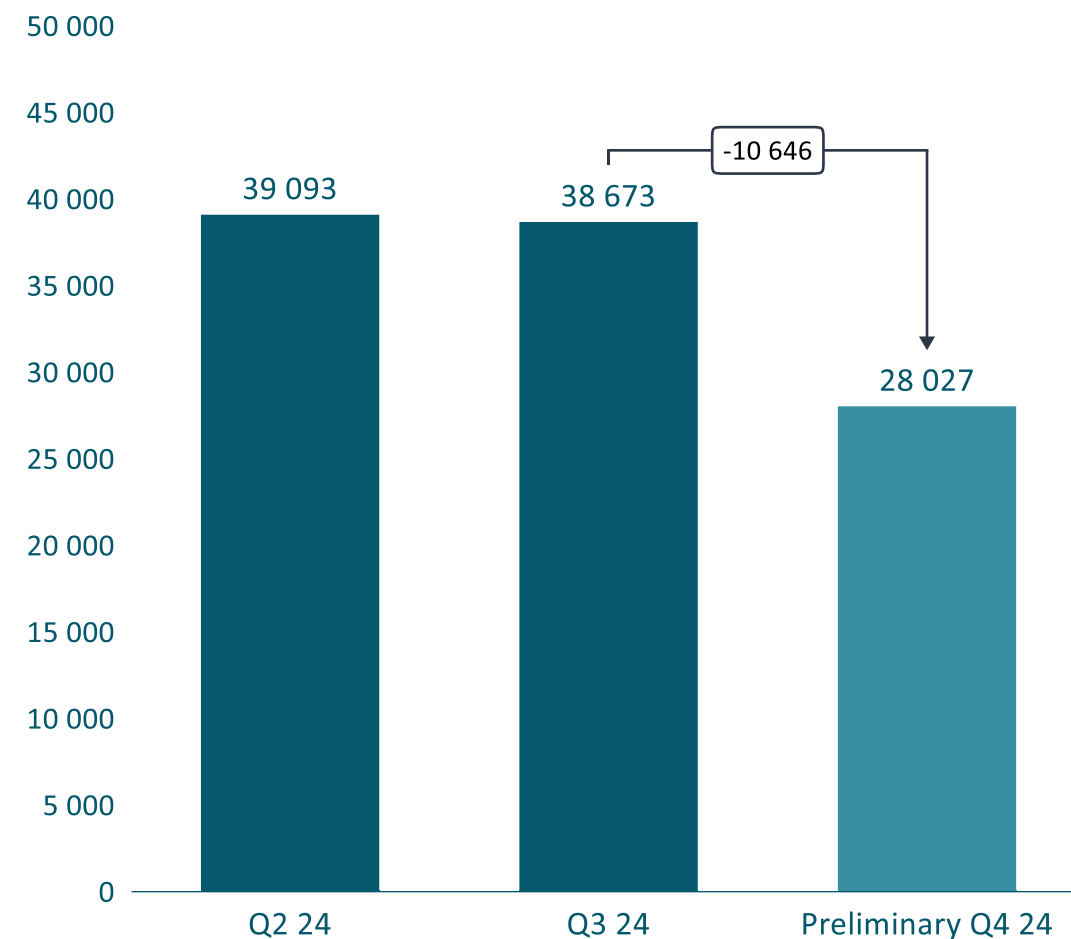
CLEANBU

# Weaker CPP market and trading inefficiencies impact CLEANBU Q4 earnings

## % days in combination trades & ballast

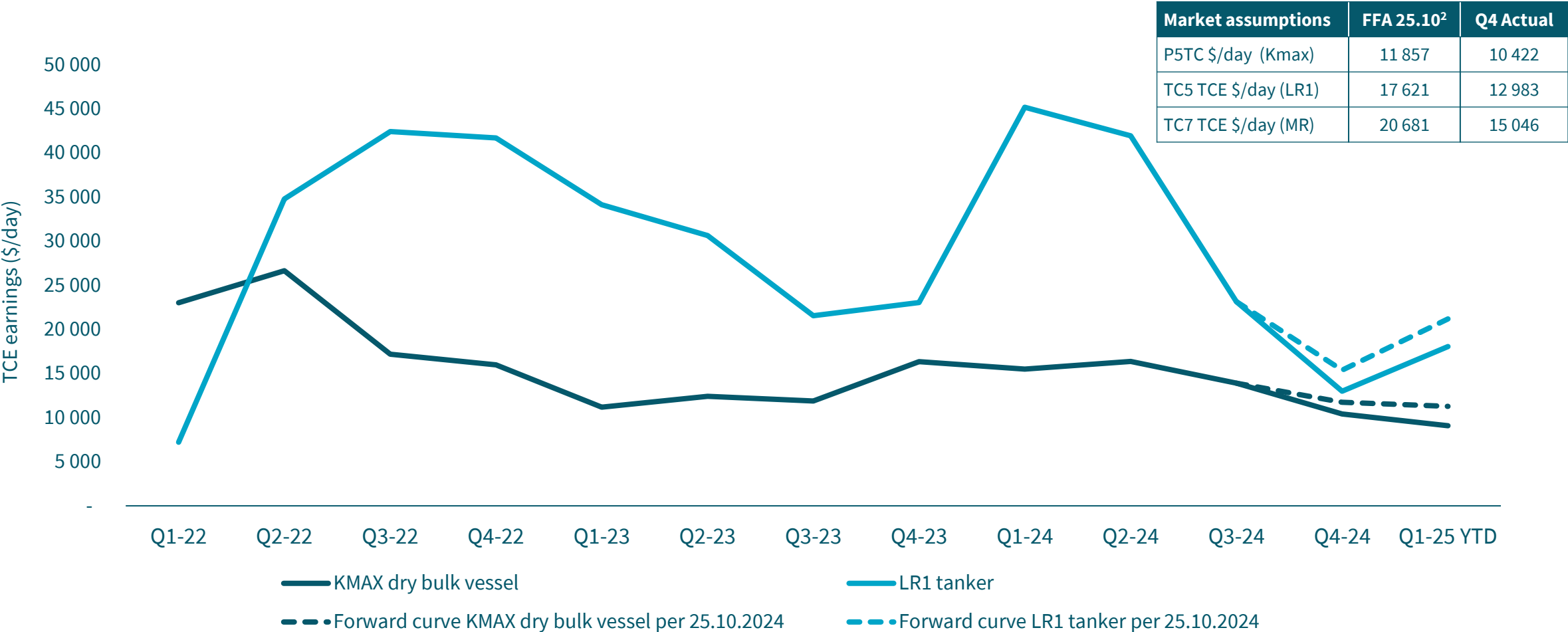


## Quarterly TCE earnings<sup>1</sup> (\$/day)



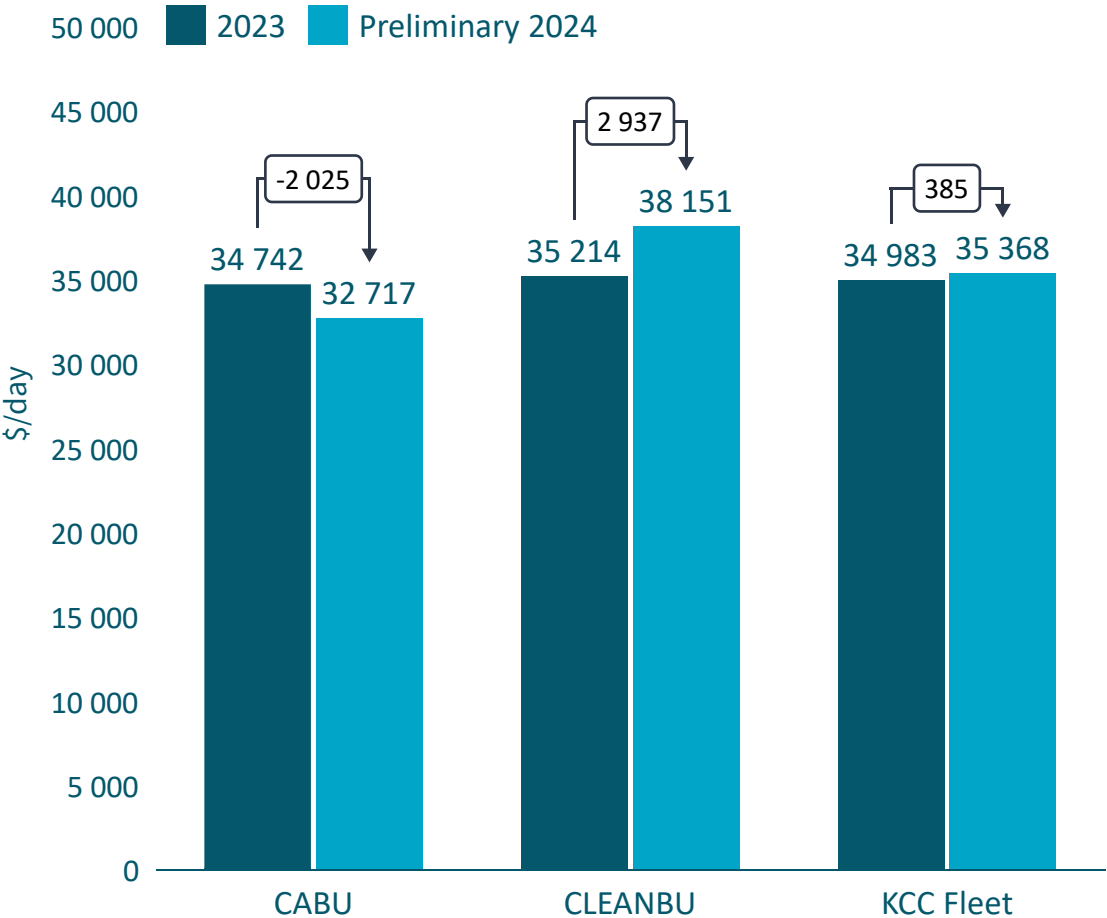
# Considerably weaker markets compared to forward market at time of guiding

## Historical pricing and forward derivative pricing<sup>1</sup>



# 2024 has been a historically strong year

## 2024 TCE earnings<sup>1</sup> vs. 2023 TCE earnings<sup>1</sup>



## On-hire days

On-hire days	2023	2024
CABU	2 754	2 779
CLEANBU	2 872	2 648
KCC Fleet	5 626	5 427

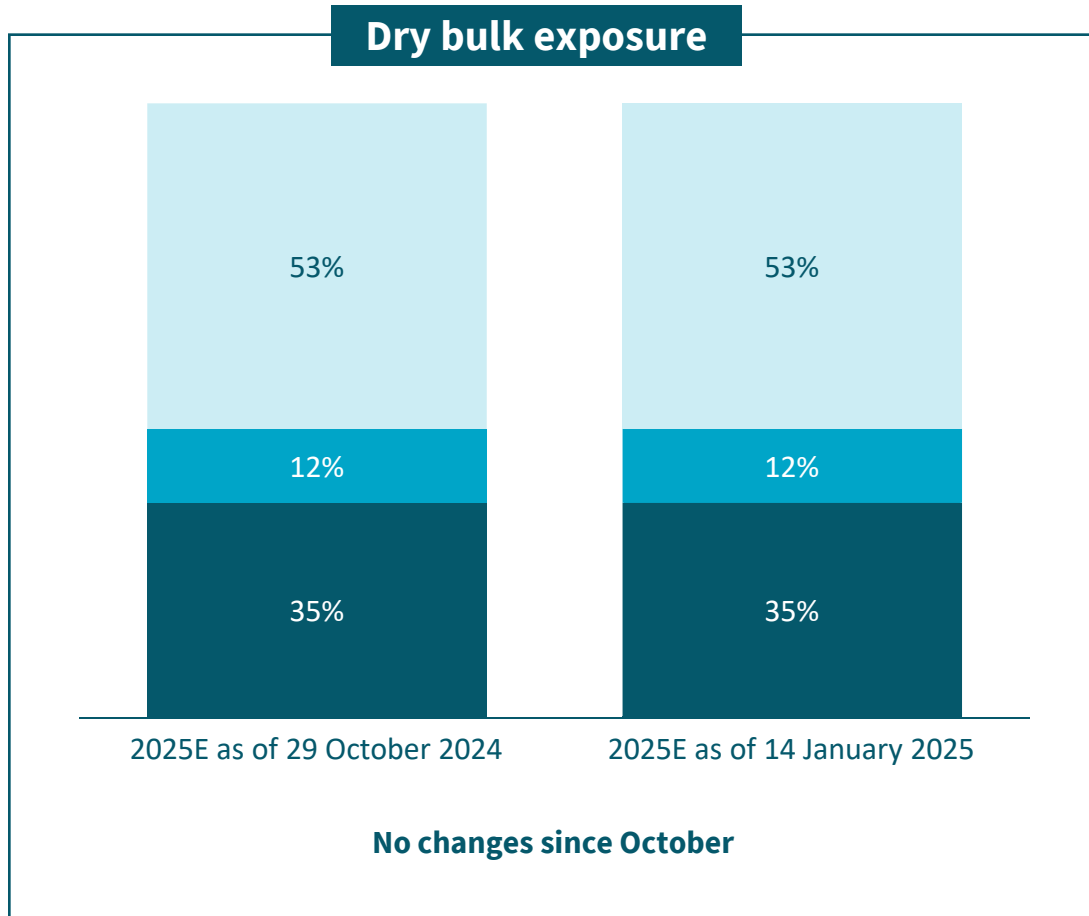


# Expect 30-35% fixed rate coverage for dry bulk and CSS for 2025

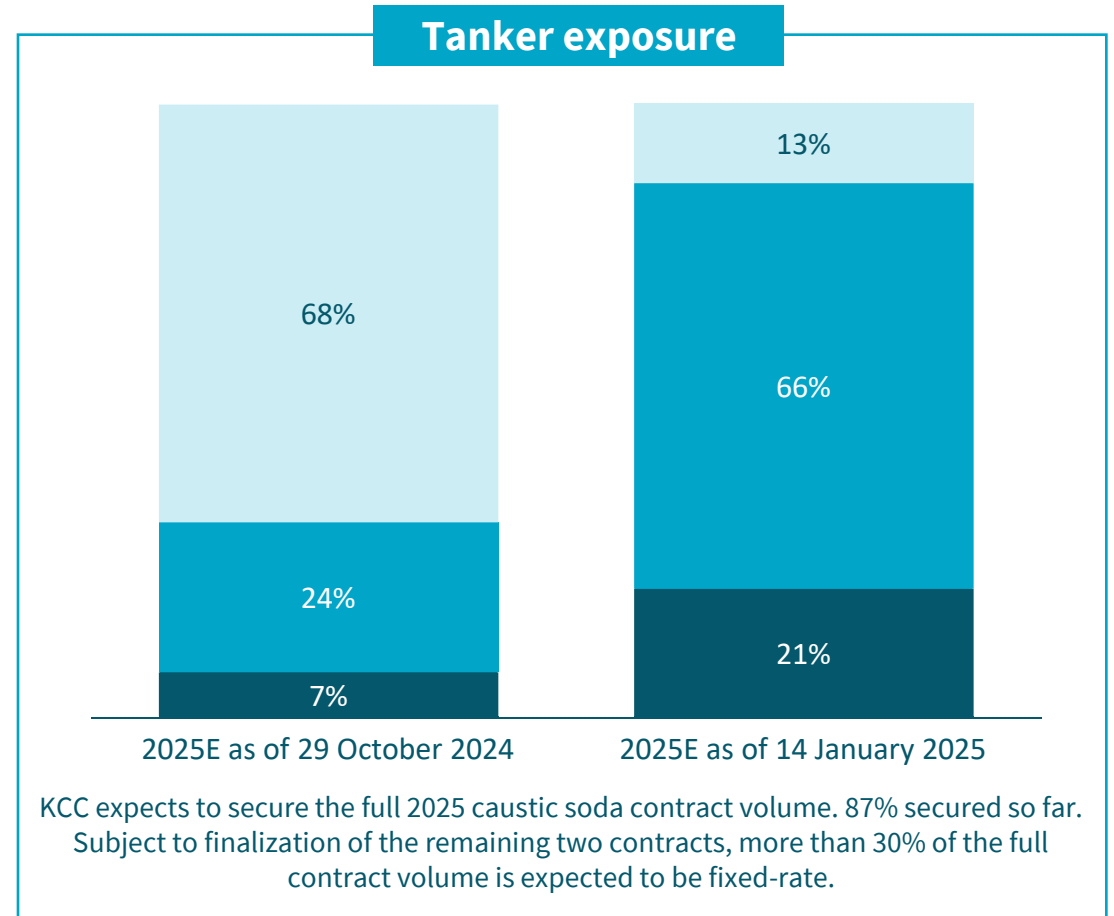
## Split of tanker and dry booking<sup>1</sup>

% share of fleet as of 29 October 2024 and 14 January 2025

Spot Floating rate\* Fixed rate\*



Expected fixed Floating rate\* Fixed rate\*



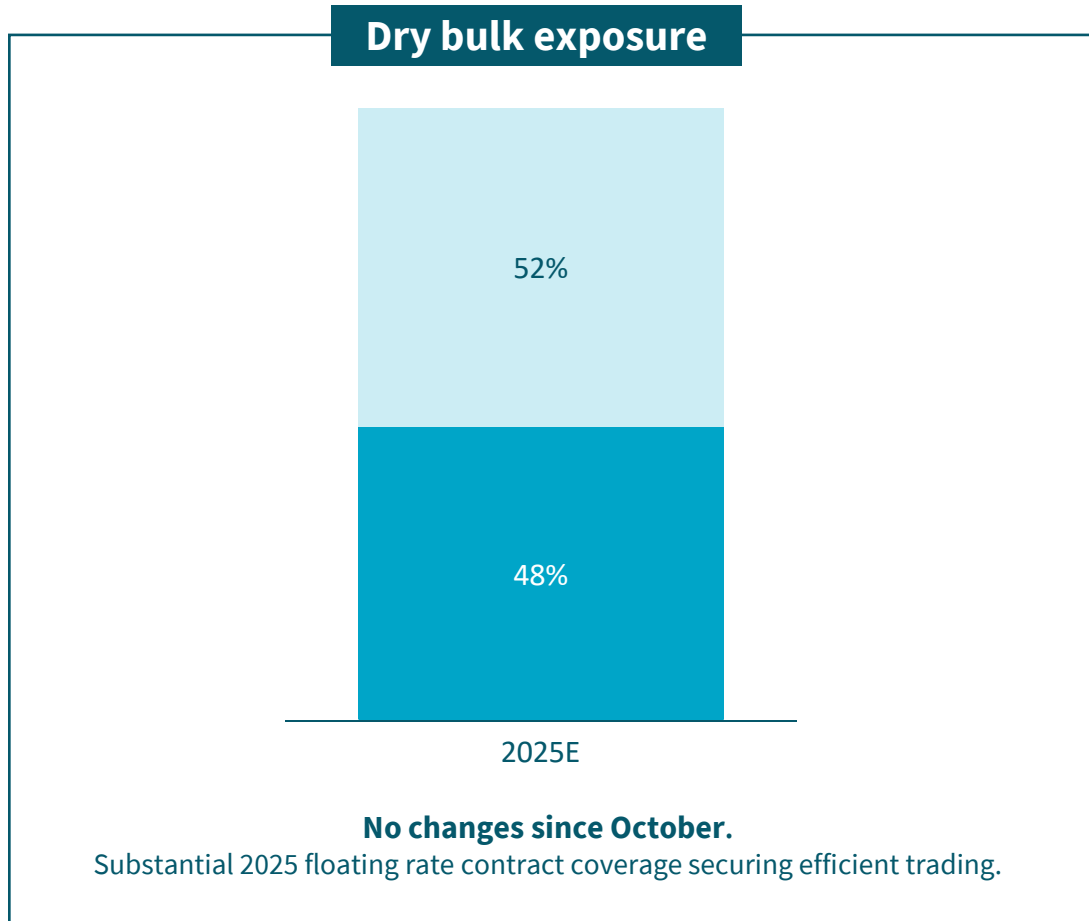


# Maintaining high floating rate contract and spot trading to harvest the benefits from efficient combination trading

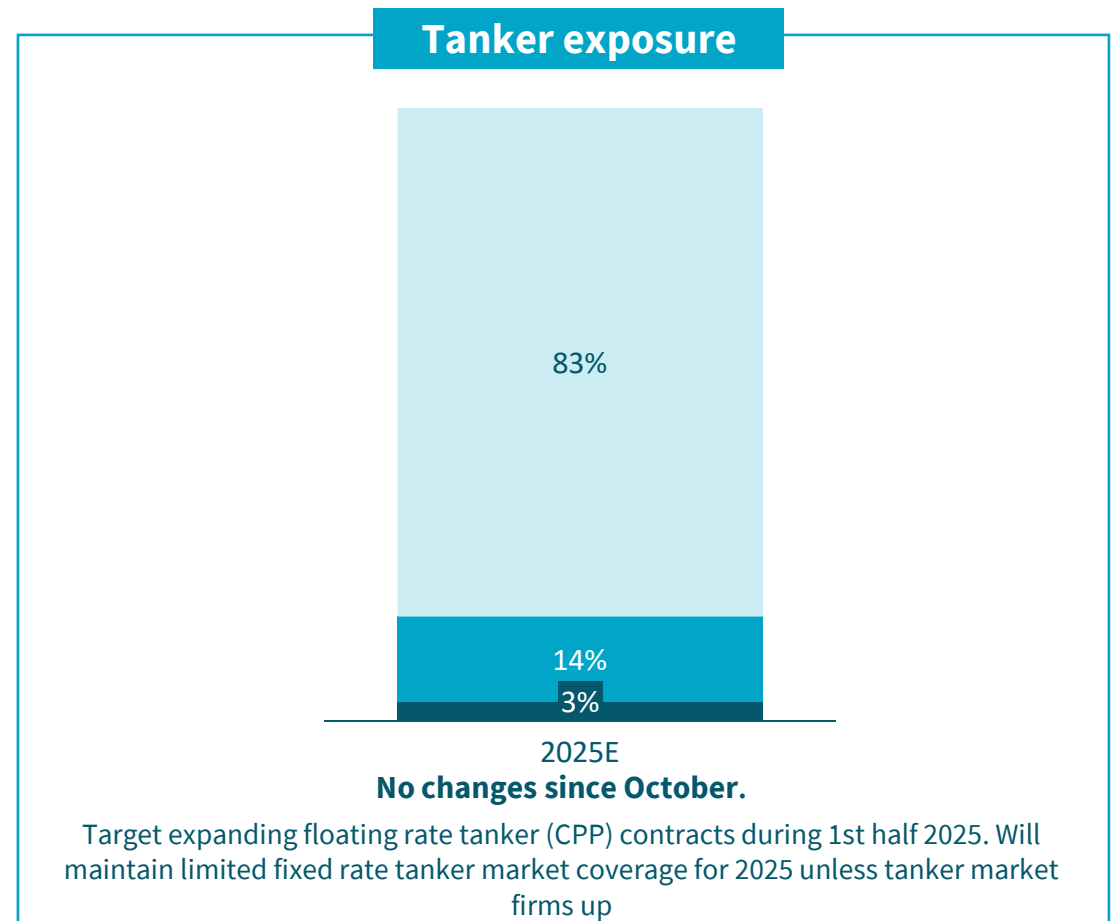
## Split of tanker and dry booking<sup>1</sup>

% share of fleet as of 29 October 2024

Spot Floating rate\* Fixed rate\*

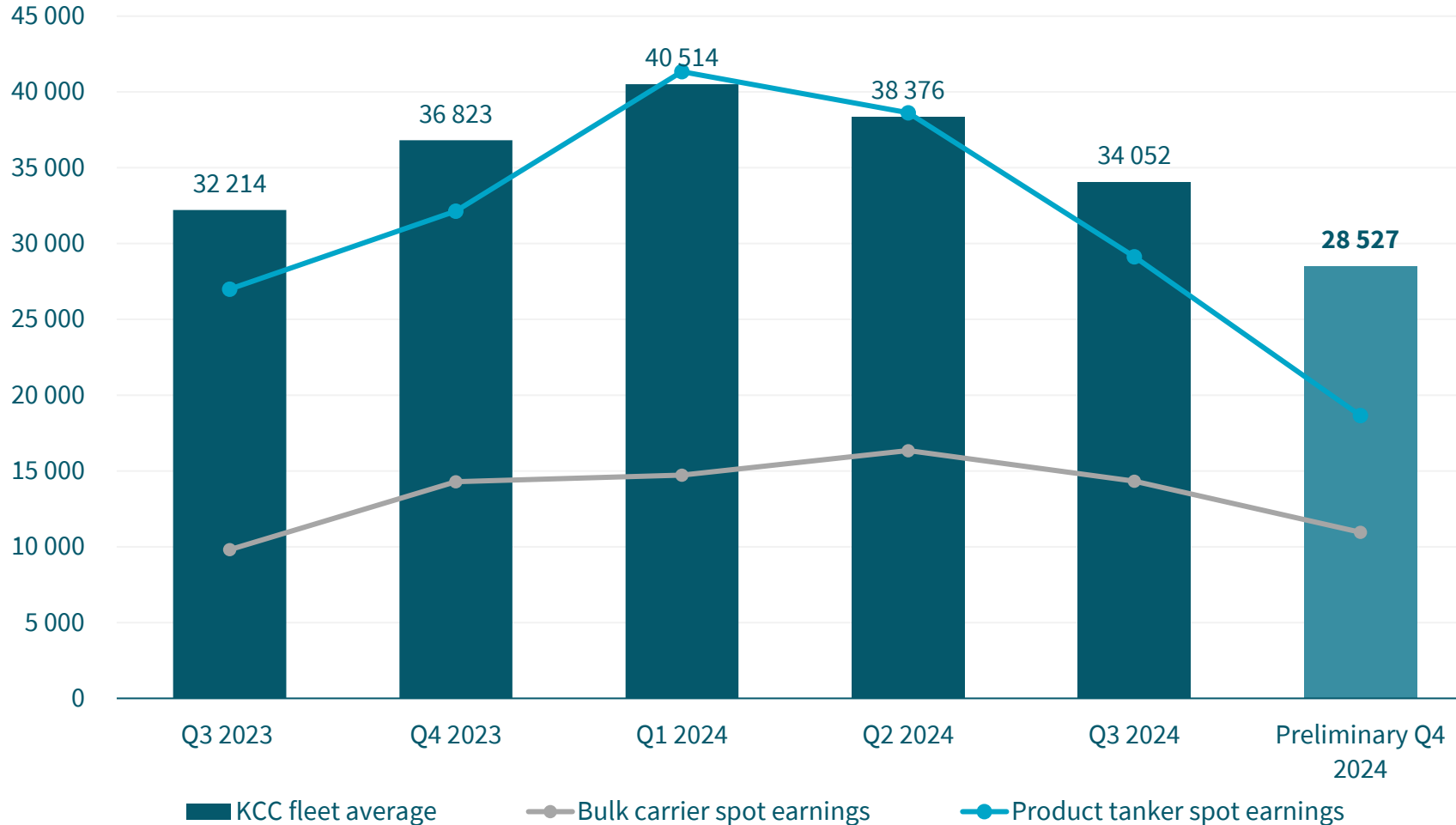


Spot Floating rate\* Fixed rate\*



# Earnings premiums to standard markets increase as the two markets converge

## Quarterly KCC fleet TCE earnings<sup>1</sup> vs. standard tonnage<sup>2</sup>

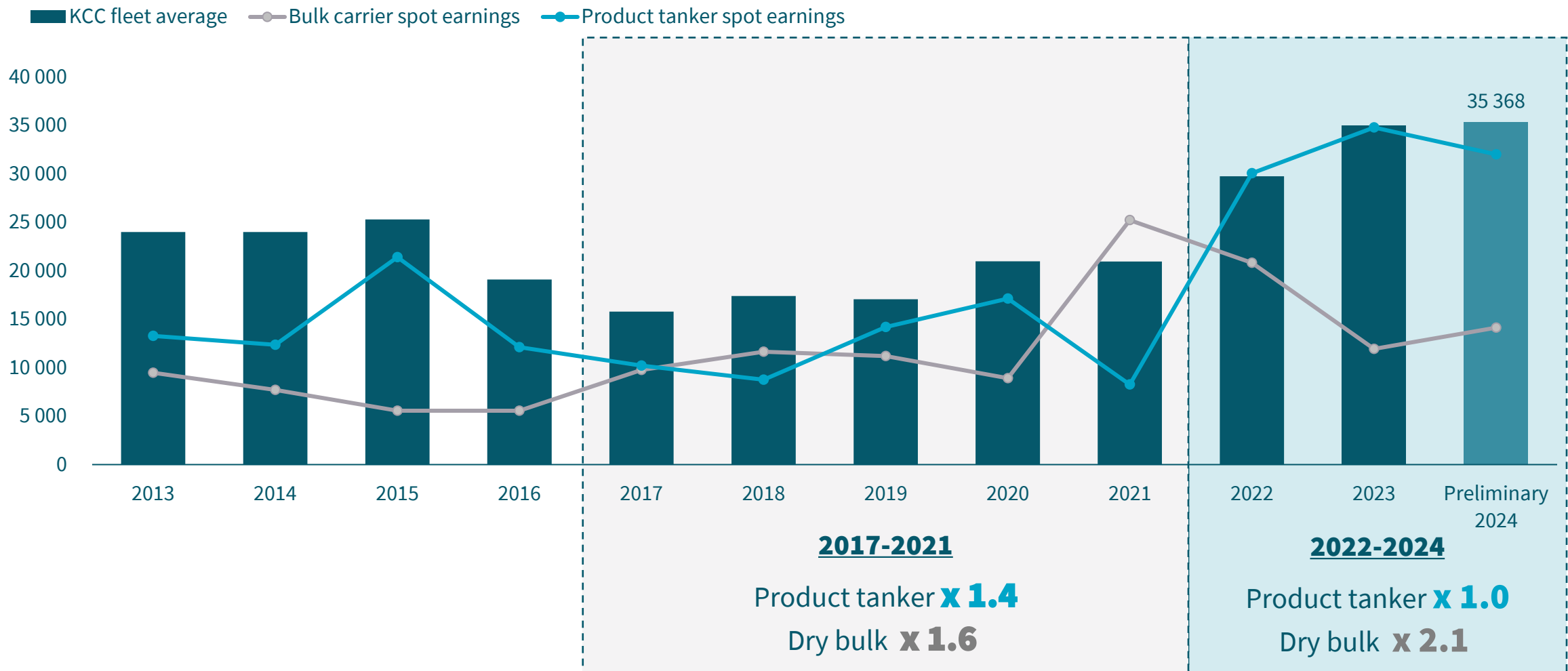


- Lower TCE earnings volatility than the standard markets
- Outperforming standard product tankers by 1.5 in a weaker product tanker market in Q4



# Getting the best out of peaking markets – overperforming in “normal” markets

## Average KCC TCE earnings<sup>1</sup> vs. standard tonnage (\$/day)<sup>2</sup>



# Summary

- Maintaining strong TCE earnings amid weaker markets - preliminary CABU and CLEANBU TCE earnings for Q4 2024 at \$/day 28 988 and \$/day 28 027, respectively. Fleet average TCE earnings at \$/day 28 527
- Expects to secure full 2025 caustic soda contract volume for the CABU fleet during the next weeks – expecting more than 30% of full contract volume to be fixed-rate
- With less difference between the dry bulk and product tanker markets in 2025, KCC's earnings premiums to standard markets are expected to increase based on KCC's efficient combination trading
- Working to get the full fleet into the best combination trades by optimizing CABU trading to/from Australia and secure trading in main combi-trades for the CLEANBU vessels



# Agenda

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Feedback?

Q&A

