



# TEN, LTD



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NYSE

## Q2 & 6mo 2019 Earnings Conference Call Presentation

September 6, 2019



This presentation may contain forward-looking statements that are not based on historical fact, including without limitation, statements containing the words “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates” and similar expressions. Because these forward-looking statements involve known and unknown risks and uncertainties, there are important factors that could cause actual results, events or developments to differ materially from those expressed or implied by these forward-looking statements. Such factors include those risks described from time to time in Tsakos Energy Navigation Ltd’s (TEN) filings with the Securities and Exchange Commission, including, without limitation, the risks described in TEN’s most recent Annual Report on Form 20-F on file with the Securities and Exchange Commission. These factors should be considered carefully and you are cautioned not to place undue reliance on such forward-looking statements. All information is current as of the date of this presentation, and TEN undertakes no duty to update this information.



# TEN's Employment Strategy Outperforms Market

CRUDE TANKERS		Dwt	Built	Yard	Hull	Ice Class/Other
VLCC	1 Hercules	300,000	2017	South Korean	DH	
	2 Ulysses	300,000	2016	South Korean	DH	
SUEZMAX	3 TBN	158,000	2020	South Korean	DH	
	4 TBN	158,000	2020	South Korean	DH	
	5 Euro	158,000	2012	South Korean	DH	
	6 Spyros K	158,000	2011	South Korean	DH	
	7 Dimitris P	158,000	2011	South Korean	DH	
	8 Arctic	163,216	2007	South Korean	DH	1A
	9 Antarctic	163,216	2007	South Korean	DH	1A
	10 Archangel	163,216	2006	South Korean	DH	1A
	11 Alaska	163,250	2006	South Korean	DH	1A
	12 Eurochampion 2004 <sup>(1)</sup>	164,608	2005	South Korean	DH	1C
	13 Euronike <sup>(1)</sup>	164,565	2005	South Korean	DH	1C
	14 Eurovision	158,000	2013	South Korean	DH	
	15 Decathlon	158,000	2012	South Korean	DH	
	16 Pentathlon	158,000	2009	South Korean	DH	
	17 Silla T	164,286	2002	South Korean	DH	
AFRIMAX	18 TBN	115,000	2020	South Korean	DH	
	19 TBN	115,000	2019	South Korean	DH	
	20 Bergen TS	112,700	2017	South Korean	DH	
	21 Sola TS	112,700	2017	South Korean	DH	1B
	22 Oslo TS	112,700	2017	South Korean	DH	1B
	23 Stavanger TS	112,700	2017	South Korean	DH	1B
	24 Marathon TS	112,700	2017	South Korean	DH	1B
	25 Parthenon TS	112,700	2016	South Korean	DH	
	26 Leontios H	112,700	2016	South Korean	DH	
	27 Thomas Zafiras	112,700	2016	South Korean	DH	
	28 Elias Tsakos	112,700	2016	South Korean	DH	
	29 Asahi Princess	105,372	2009	Japanese	DH	
	30 Ise Princess	105,361	2009	Japanese	DH	
	31 Nippon Princess	105,346	2008	Japanese	DH	
	32 Uruga Princess	105,344	2010	Japanese	DH	
	33 Sapporo Princess	105,354	2010	Japanese	DH	
	34 Maria Princess	105,392	2008	Japanese	DH	
	35 Izumo Princess	105,374	2007	Japanese	DH	
	36 Sakura Princess	105,365	2007	Japanese	DH	

COATED TANKERS		Dwt	Built	Yard	Hull	Ice Class/Other
LR2	37 Proteas	117,055	2006	South Korean	DH	1A
	38 Promitheas	117,055	2006	South Korean	DH	1A
	39 Propontis	117,055	2006	South Korean	DH	1A
PANAMAX LR1	40 Sunrise	74,000	2016	South Korean	DH	
	41 Sunray	74,000	2016	South Korean	DH	
	42 World Harmony	74,200	2009	South Korean	DH	
	43 Chantal	74,329	2009	South Korean	DH	
	44 Selini	74,296	2009	South Korean	DH	
	45 Salamina	74,251	2009	South Korean	DH	
	46 Selecao	74,296	2008	South Korean	DH	
	47 Socrates	74,327	2008	South Korean	DH	
	48 Maya <sup>(2)</sup>	68,439	2003	Japanese	DH	
	49 Inca <sup>(2)</sup>	68,439	2003	Japanese	DH	
50 Andes	68,439	2003	Japanese	DH		
HANDYMAX	51 Apollon	53,149	2005	South Korean	DH	1A
	52 Ariadne	53,021	2005	South Korean	DH	1A
	53 Artemis	53,039	2005	South Korean	DH	1A
	54 Afrodite	53,082	2005	South Korean	DH	1A
	55 Ajax	53,095	2005	South Korean	DH	1A
	56 Aris	53,107	2005	South Korean	DH	1A
HANDYSIZE	57 Andromeda	37,061	2007	South Korean	DH	1A
	58 Aegeas	37,061	2007	South Korean	DH	1A
	59 Byzantion	37,275	2007	South Korean	DH	1B
	60 Bosphoros	37,275	2007	South Korean	DH	1B
	61 Amphitrite	37,061	2006	South Korean	DH	1A
	62 Arion	37,061	2006	South Korean	DH	1A
LNG	63 Didimon	37,432	2005	South Korean	DH	
	64 Maria Energy	86,000	2016	South Korean	DH	174,000m <sup>3</sup>
SHUTTLE	65 Neo Energy	85,602	2007	South Korean	DH	150,000m <sup>3</sup>
	66 Lisboa City	157,000	2017	South Korean	DH	DP2
	67 Rio 2016	157,000	2013	South Korean	DH	DP2
	68 Brasil 2014	157,000	2013	South Korean	DH	DP2

Vessels in Secured Contracts (at August 2019)  
 Spot contracts (at August 2019)  
 Vessels on COAs (at August 2019)

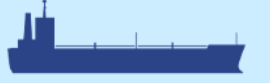

2019 Charter Renewals (at August 2019)

TEN's Vessels on Secured Revenue Contracts have Outperformed the Spot Market by 38%



# Timely Acquisitions => Low Q2 2019 B/E Rates\*

\*Breakeven rates after Operating Expenses, G&A, Interest and Depreciation

2	VLCC		\$25,949
11 <sup>(1)</sup>	SUEZMAX		\$20,785
17 <sup>(2)</sup>	AFRAMAX		\$18,744
3	AFRAMAX LR2		\$20,187
11	PANAMAX LR1		\$117,091
6	HANDYMAX MR		\$16,022
7	HANDYSIZE		\$12,497
2 <sup>(3)</sup>	LNG		\$41,855
3	DP2 SHUTTLE		\$36,965



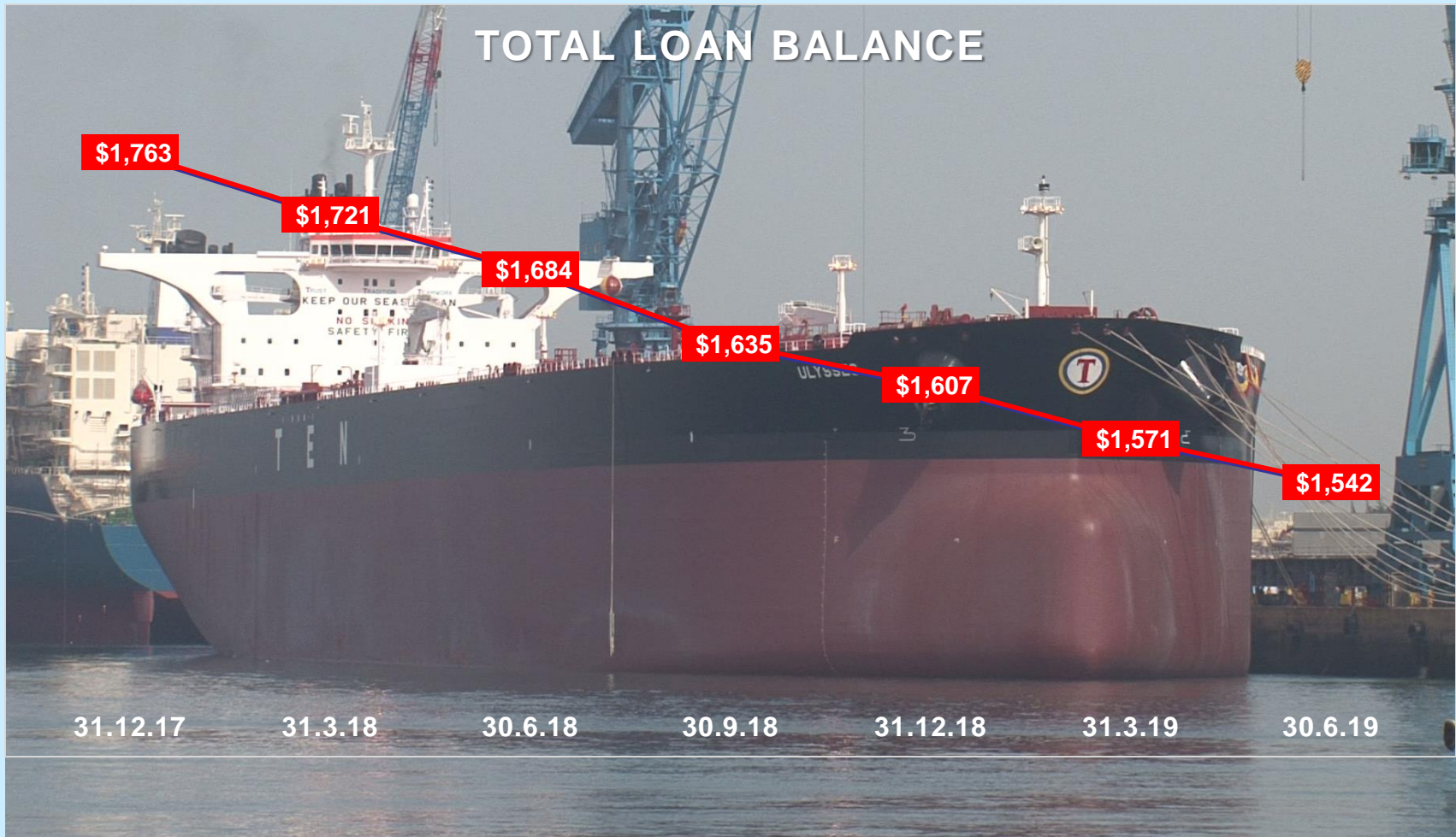
**Every \$1,000pd Increase in Spot Rates has a Positive \$0.06 Impact in annual EPS**  
(Based on Current Vessels in Spot Contracts Only)

- (1) Excludes two Suezmaxes under construction and the Eurochampion 2004 and Euronike which are chartered-in (Sale & Leaseback)
- (2) Excludes two Aframaxes under construction
- (3) Excludes one LNG under construction

Note: Expenses = Opex + Finance Expenses + Commissions + Overheads + Charter Hire



# Low Debt Structure and Integral Part of Strategy



- ❑ \$221 million debt reduction in last 18 months
- ❑ \$142 million debt reduction Y-o-Y
- ❑ Net Debt to Capital (6/30/19): **48.3%**



# Demand Strong – Positive Outlook

❑ Strong potential of China and India with a combined population of 2.5 billion in a world of 7.0 billion. Their per capita oil consumption is at extremely low levels and have already embarked on an aggressive industrialization program

❑ If China reaches the same levels of consumption as Thailand, Chinese oil demand (based on existing population) would rise to 18mbpd, an increase of 5mbpd from current levels

❑ Oil demand to remain positive in the **non-OECD** (1.9% expected increase in 2020 from 2019). **OECD** oil demand is expected to grow by approximately **0.8%** in 2020 from 2019

❑ **China and India** will continue to be the main drivers behind oil demand growth in 2019 and 2020. China's growth in 2018 was +3.8% to **12.9mbpd** and expected at +3.8% to **13.5mbpd** in 2019 and increase by 2.1% to **13.8mbpd** in 2020. India's demand growth in 2018 was at +4.3% to **4.9mbpd** and expected to grow by 3.5% to **5.0mbpd** in 2019 and by 4.6% to **5.3mbpd** in 2020

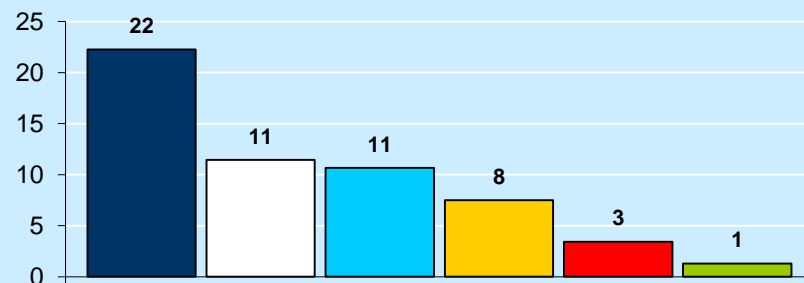
❑ IEA expects oil demand to continue growing => **99.1mbpd** in 2018, +1.1mbpd over 2017. Estimates for 2019 are at **100.4mbpd**, +1.3mbpd over 2018

❑ Crude oil tankers outlook strong and products following due to high global refinery utilization and strong refinery margins

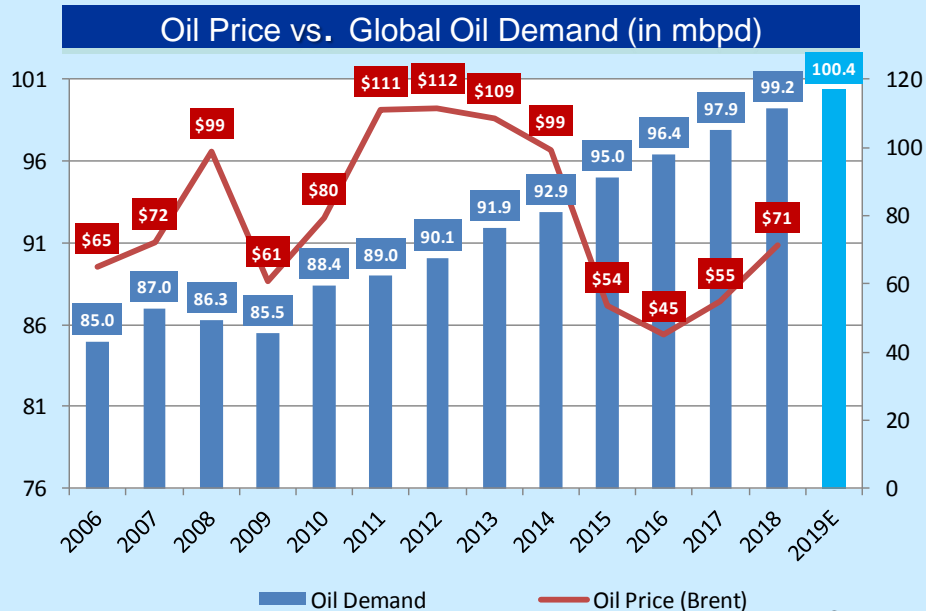
❑ Global GDP growth of 3.6% in 2018 and expected to grow by 3.2% in 2019 and 3.5% in 2020

❑ **US currently the largest oil producer, having surpassed Russia and Saudi Arabia – US crude exports continue to rise adding to ton-mile growth**

**BARRELS OF OIL PER CAPITA PER ANNUM**  
(Source: BP Statistical Review of World Energy June 2018)



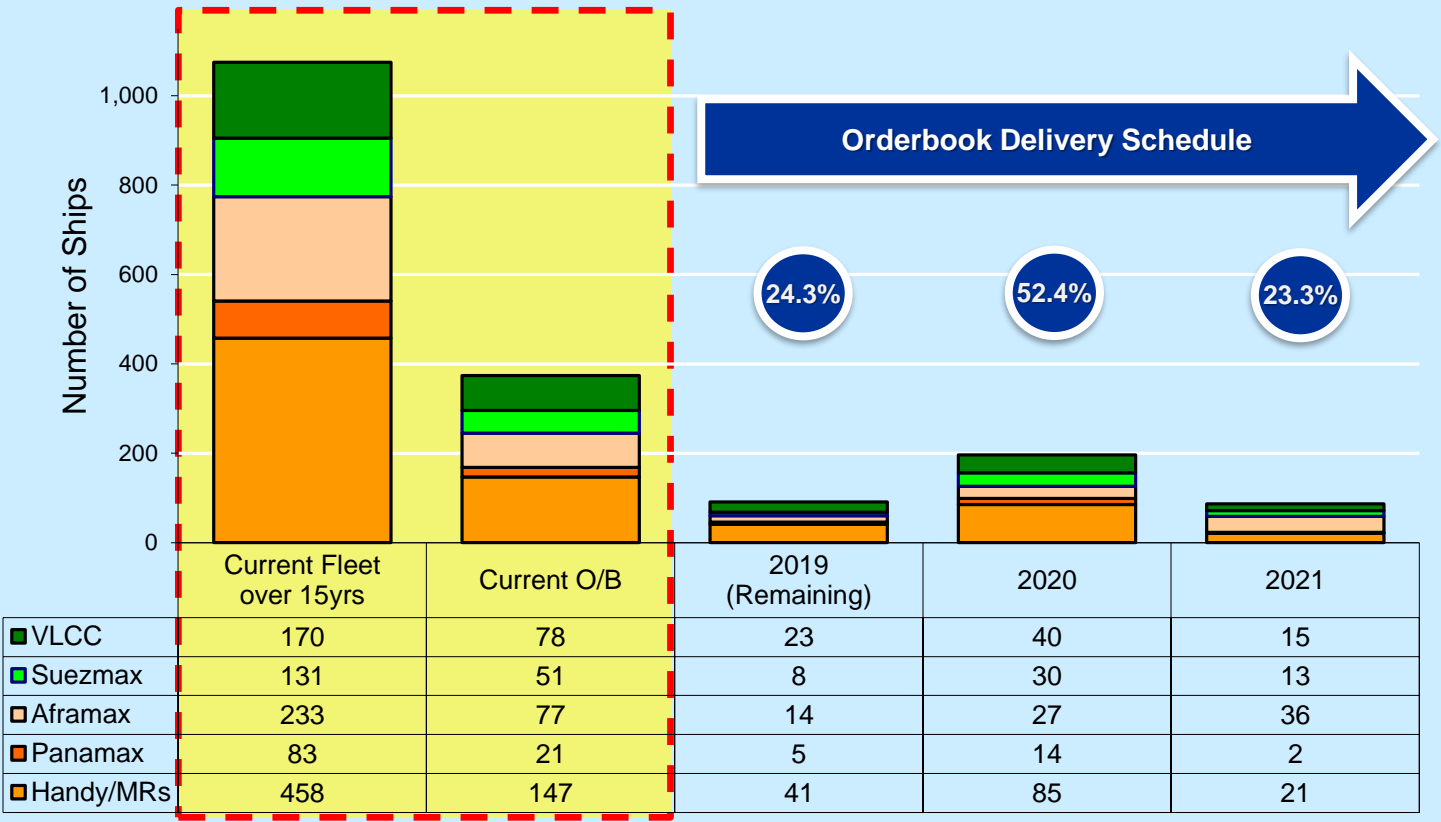
■ United States □ Japan ■ EU ■ Thailand ■ China (incl. HK) ■ India





# Low Orderbook / Delivery Schedule vs. Fleet > 15 Years Old

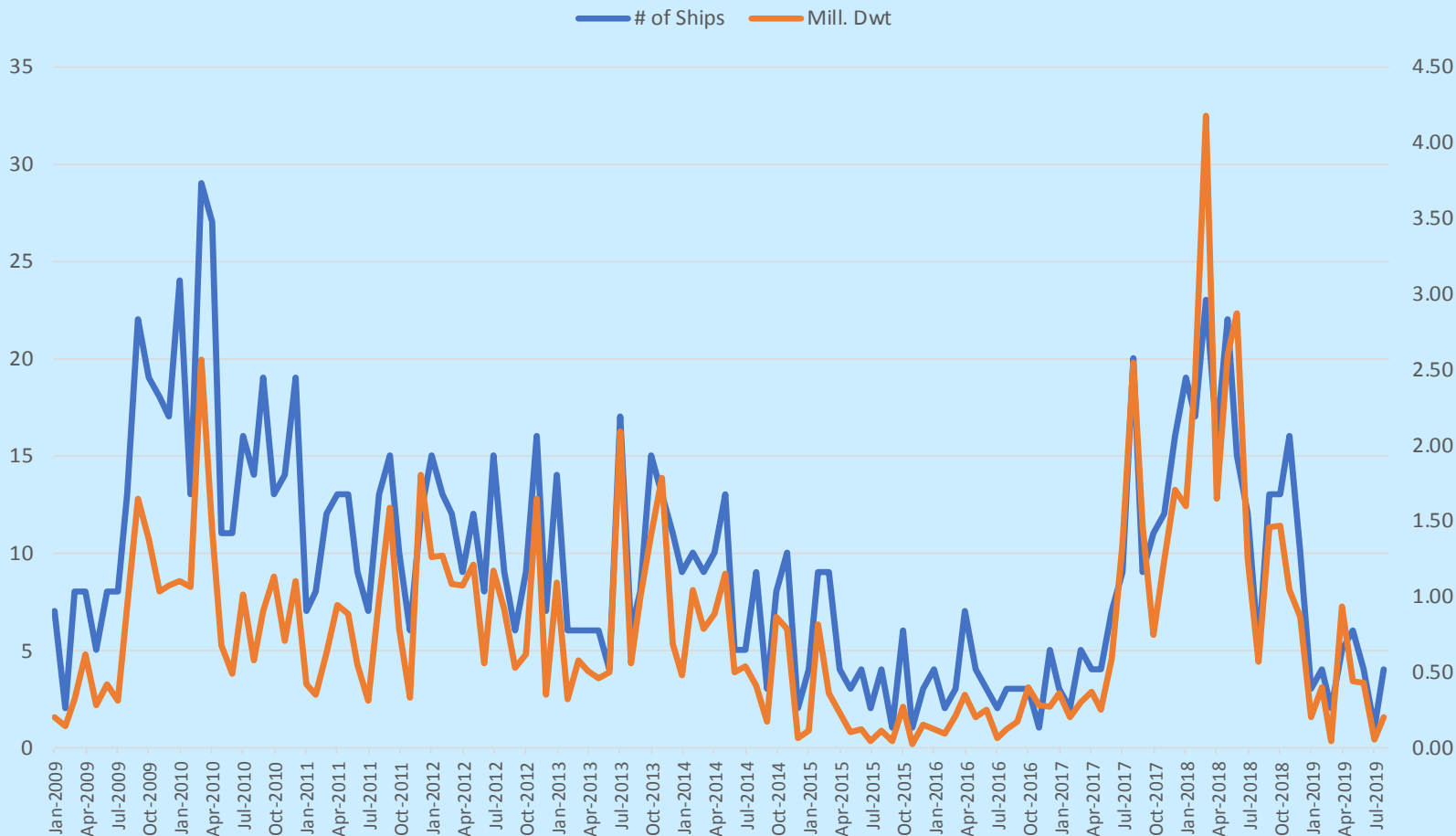
- ❑ **Total Orderbook of 374 tankers** to join the fleet over the next three years vs. **1,075 vessels >15 years** of age that are expected to depart the competitive fleet in the same timeframe (This does NOT include 1,493 vessels in the 10-14 year age bracket most of which will be around the 15 year age mark by 2020/2022)
- ❑ **Low Orderbook – 7.7% in Aug. 2019 vs. 10.2% in 2018 and 22.3% in 2010**





# Scrapping on the Rebound – Could Increase More Due to IMO2020

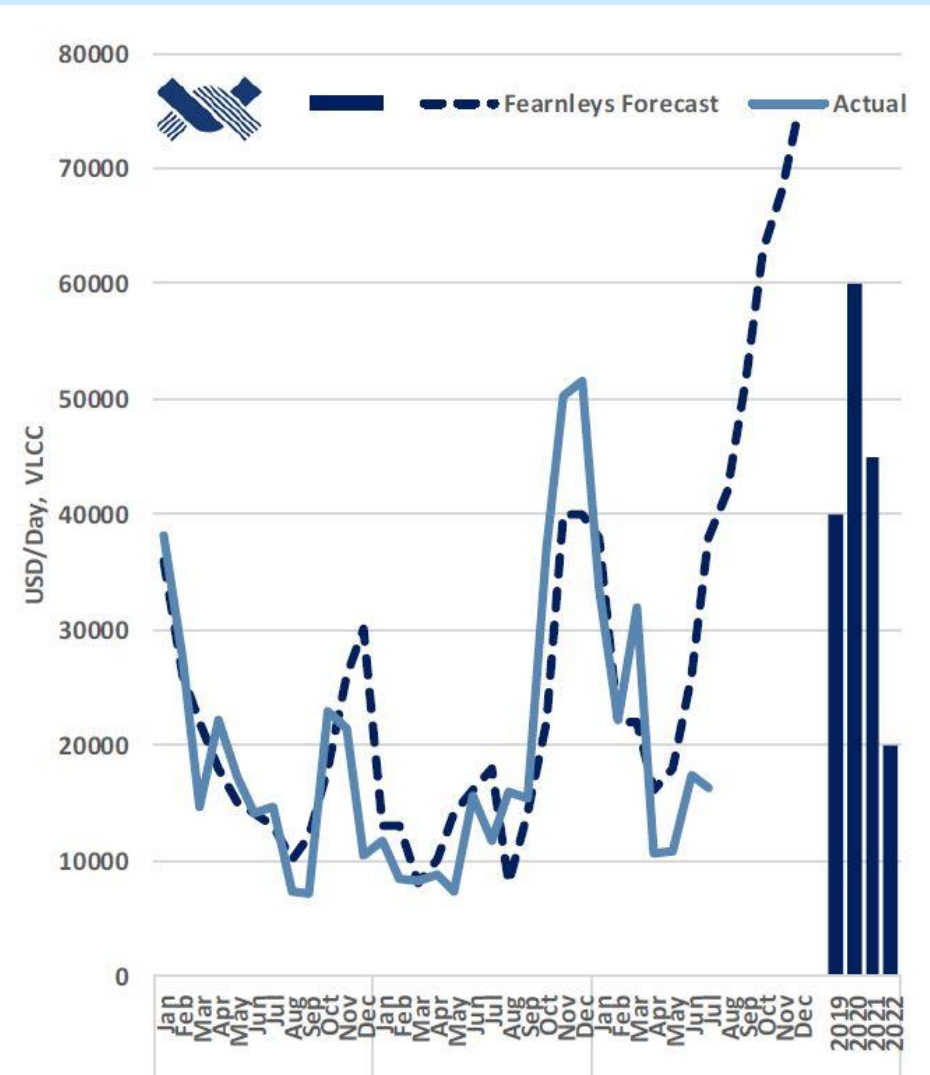
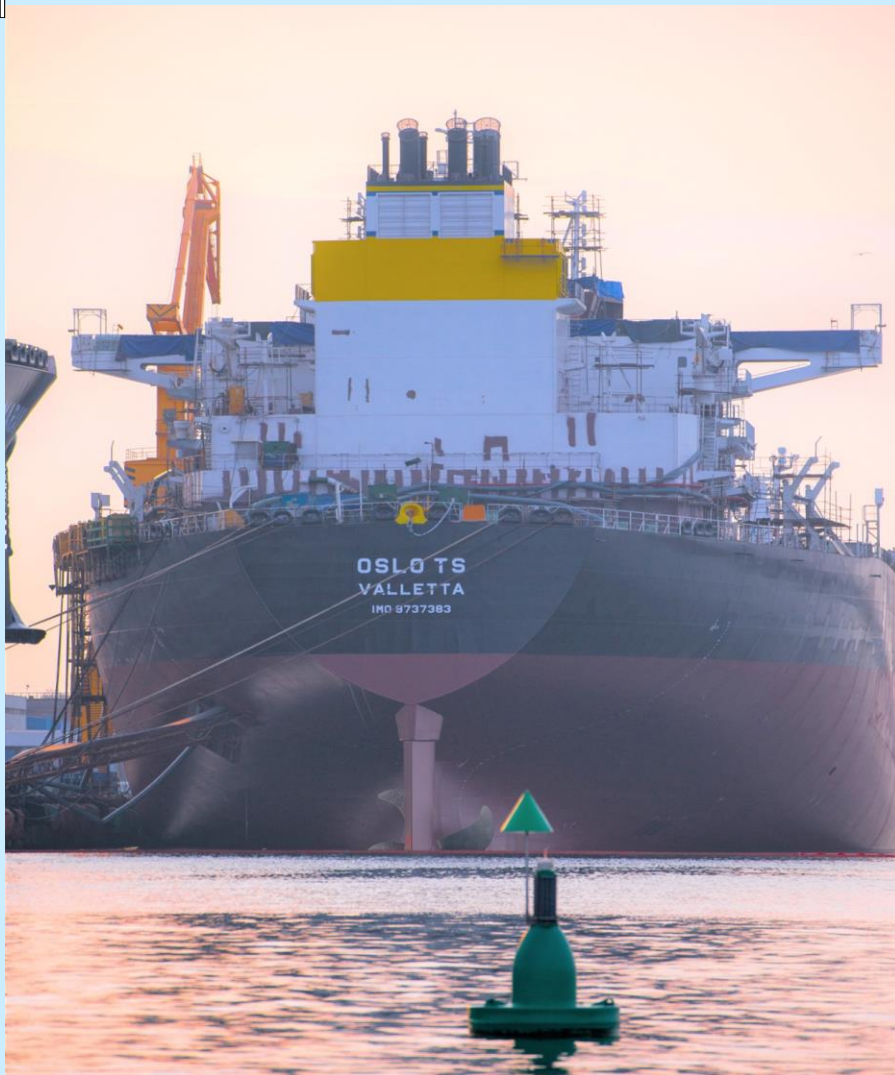
- ❑ Scrapping levels on the rebound after a slowdown in activity due to firming tanker market – Expected to increase to IMO2020 regulations
- ❑ **178 vessels** (>10,000dwt) of 20.8 million total dwt scrapped in **2018** vs. **102 vessels** of 9.4 million dwt and **40 vessels** of 2.5 million dwt in **2017** and **2016** respectively. Up until Aug. 2019, 29 vessels were scrapped of just over 2.7 million dwt







# Favorable Market Prospects





# Financial Highlights

STATEMENT OF OPERATIONS DATA	Three months ended June 30 (unaudited)		Six months ended June 30 (unaudited)	
	2019	2018	2019	2018
<b>Voyage revenues</b>	\$ 144,020	\$ 123,927	\$ 291,064	\$ 249,651
Voyage expenses	35,191	29,407	66,755	56,683
Charter hire expense	2,698	2,698	5,367	5,376
Vessel operating expenses	46,072	44,169	89,396	91,704
Depreciation and amortization	34,260	36,621	69,543	72,432
General and administrative expenses	6,797	6,812	13,233	13,643
Loss on sale of vessels	-	364	-	364
Total expenses	125,018	120,071	244,294	240,202
Operating income	19,002	3,856	46,770	9,449
Interest and finance costs, net	(21,262)	(14,783)	(38,855)	(32,728)
Interest income	1,773	389	2,547	711
Other, net	(2)	2	(31)	(333)
Total other expenses, net	(19,491)	(14,392)	(36,339)	(32,350)
<b>Net income (loss)</b>	<b>(489)</b>	<b>(10,536)</b>	<b>10,431</b>	<b>(22,901)</b>
Less: Net loss attributable to the noncontrolling interest	794	983	1,106	1,433
<b>Net income (loss) attributable to Tsakos Energy Navigation Limited</b>	<b>\$ 305</b>	<b>\$ (9,553)</b>	<b>\$ 11,537</b>	<b>\$ (21,468)</b>
Effect of preferred dividends	(10,204)	(6,713)	(20,408)	(13,355)
Deemed dividend on Series B preferred shares	(2,750)	-	(2,750)	-
<b>Net loss attributable to common stockholders of Tsakos Energy Navigation Limited</b>	<b>\$ (12,649)</b>	<b>\$ (16,266)</b>	<b>\$ (11,621)</b>	<b>\$ (34,823)</b>
Loss per share, basic and diluted	\$ (0.14)	\$ (0.19)	\$ (0.13)	\$ (0.40)
Weighted average number of common shares, basic and diluted	87,751,969	86,942,159	87,678,714	86,634,907
<b>BALANCE SHEET DATA</b>	<b>June 30 2019</b>	<b>December 31 2018</b>		
Cash	192,586	220,526		
Other assets	251,060	138,924		
Vessels, net	2,673,043	2,829,447		
Advances for vessels under construction	48,075	16,161		
<b>Total assets</b>	<b>\$ 3,164,764</b>	<b>\$ 3,205,058</b>		
Debt, net of deferred finance costs	1,531,970	1,595,601		
Other liabilities	190,005	102,680		
Stockholders' equity	1,442,789	1,506,777		
<b>Total liabilities and stockholders' equity</b>	<b>\$ 3,164,764</b>	<b>\$ 3,205,058</b>		



## Financial Highlights (cont.)

OTHER FINANCIAL DATA	Three months ended June 30		Six months ended June 30	
	2019	2018	2019	2018
Net cash from operating activities	\$ 45,366	\$ 14,109	\$ 84,604	\$ 38,691
Net cash (used in) provided by investing activities	\$ (12,014)	\$ 6,859	\$ (32,844)	\$ 6,418
Net cash (used in) provided by financing activities	\$ (32,520)	\$ 83,181	\$ (79,700)	\$ 34,643
TCE per ship per day	\$ 19,783	\$ 17,154	\$ 20,418	\$ 17,463
Operating expenses per ship per day	\$ 7,911	\$ 7,571	\$ 7,717	\$ 7,849
Vessel overhead costs per ship per day	\$ 1,167	\$ 1,168	\$ 1,142	\$ 1,168
	9,078	8,739	8,859	9,017

### FLEET DATA

Average number of vessels during period		64.0	64.1	64.0	64.6
Number of vessels at end of period		64.0	64.0	64.0	64.0
Average age of fleet at end of period	Years	8.7	7.7	8.7	7.7
Dwt at end of period (in thousands)		6,936	6,936	6,936	6,936
Time charter employment - fixed rate	Days	2,272	2,546	4,665	4,953
Time charter employment - variable rate	Days	1,554	1,575	3,228	3,307
Period employment (coa) at market rates	Days	273	361	453	715
Spot voyage employment at market rates	Days	1,526	1,132	2,854	2,263
Total operating days		5,625	5,614	11,200	11,238
Total available days		5,824	5,834	11,584	11,684
Utilization		96.6%	96.2%	96.7%	96.2%

### Non-GAAP Measures

#### Reconciliation of Net income (loss) to Adjusted EBITDA

	Three months ended June 30		Six months ended June 30	
	2019	2018	2019	2018
Net income (loss) attributable to Tsakos Energy Navigation Limited	305	(9,553)	11,537	(21,468)
Depreciation and amortization	34,260	36,621	69,543	72,432
Interest Expense	21,262	14,783	38,855	32,728
Loss on sale of vessel	-	364	-	364
Adjusted EBITDA	\$ 55,827	\$ 42,215	\$ 119,935	\$ 84,056



# TSAKOS ENERGY NAVIGATION, LTD

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