



Teekay Group

First Quarter 2025 Earnings Presentation

May 8, 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 and acquisitions, including the occurrence and timing of vessel deliveries and the expected financial impacts of such transactions; 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 global economy, the industry and the tanker market, and the Teekay Group's business, including the imposition of global trade tariffs; management's view of the tanker operating and rate environments, the strength of the tanker market, and related effects on the Teekay Group and its operations; crude oil and refined product tanker market fundamentals, including expectations regarding oil supply and demand; 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, 2024. 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 Group Q1-25 Highlights

Another strong quarter with opportunistic vessel sales and disciplined fleet reinvestment

Teekay Tankers Financials:

GAAP Net Income	GAAP EPS	Adj. Net Income ⁽¹⁾	Adj. EPS ⁽¹⁾	FCF ⁽¹⁾
\$76.0 million	\$2.20 / share	\$41.8 million	\$1.21 / share	\$65.4 million

- Continuing with fleet renewal, which includes selling older vessels and acquiring more modern tonnage over time
 - Agreed to acquire one 2019-built LR2, which is expected to deliver in late-May 2025
 - Since the start of 2025, sold six vessels with an average age of 17 years old for total gross proceeds of approximately \$183 million and estimated gains from sales of approximately \$53 million
- Returning capital to shareholders
 - TNK - declared a fixed quarterly dividend of \$0.25 per share, and a special dividend of \$1.00 per share, for a combined dividend of \$1.25 per share, payable in May 2025
 - TK - declared a special dividend of \$1.00 per share payable in July 2025⁽⁴⁾

(1) These are non-GAAP financial measures. Please see Teekay Tankers Ltd.'s Q1-25 earnings release for definitions and reconciliations to the comparable GAAP measures. Free cash flow (FCF), please see appendix slide 18 for the definition and reconciliations.

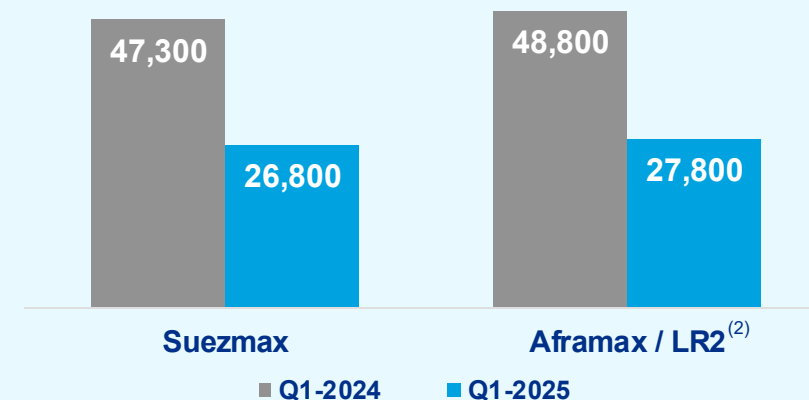
(2) Includes Aframax RSA, non-RSA voyage charters and full-service lightering (FSL) for all Aframax and LR2 vessels whether trading in the clean or dirty spot market. Currently there are two vessels trading clean.

(3) Based on 1,844 Suezmax and 1,575 Aframax / LR2 spot ship days available for the full quarter ended June 30, 2025.

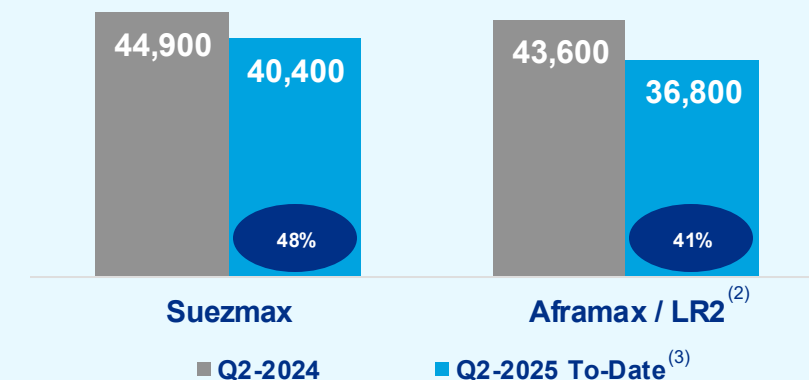
(4) See appendix slide 12 for more details on Teekay Corporation (TK).



Q1-24 vs. Q1-25 Spot Rates



QTD Q2-25 vs. Q2-24 Spot Rates



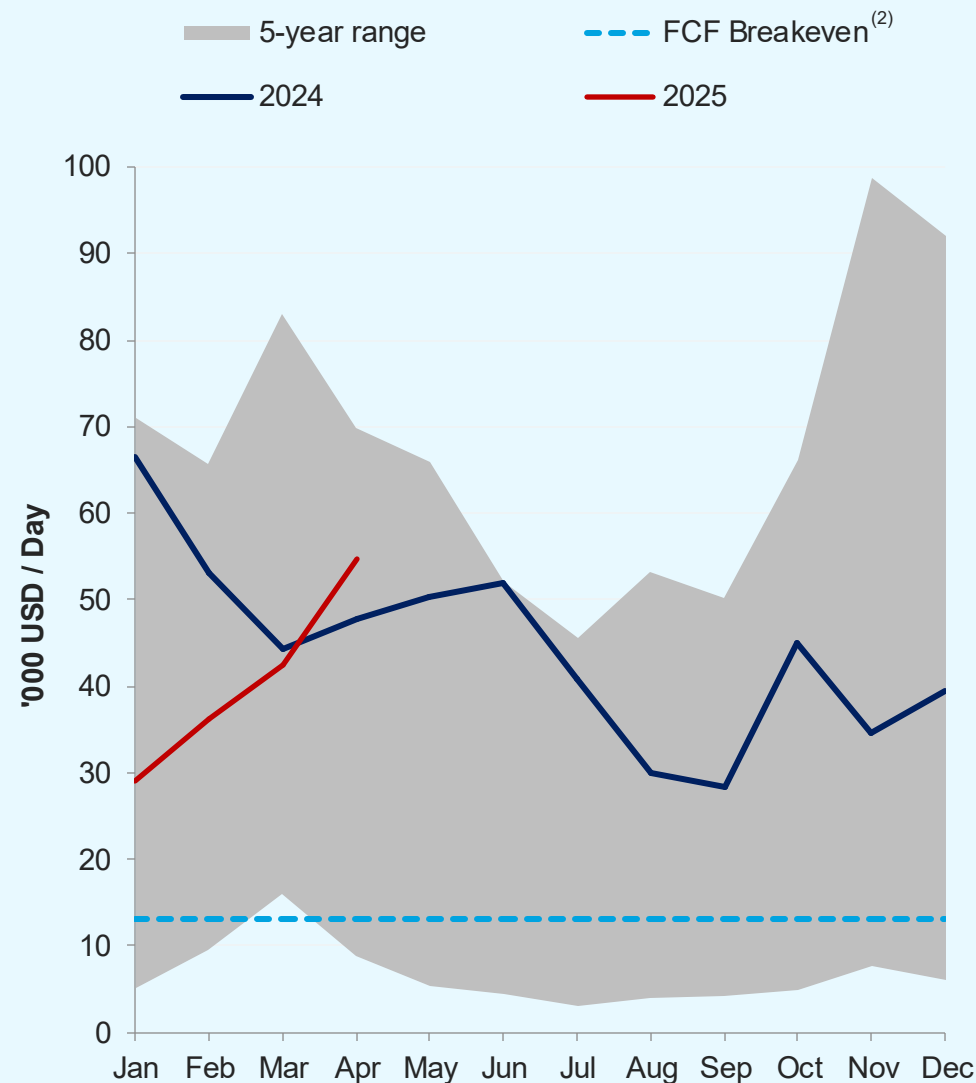
% days booked

Spot Market Update

Sharp uptick in spot rates since the start of the year

- After a sluggish start to the year, mid-size tanker spot rates have increased to the highest level since Q1-2024
- Longer voyage distances due to an increase in West-to-East crude oil movements have boosted tonne-miles
 - Rising oil production from Atlantic basin producers
 - Tighter sanctions on Iran and Russia have led to Asian buyers sourcing more crude from the Atlantic Basin
- Compliant fleet supply has tightened as more vessels have been drawn into Russian trading due to increased sanctions
 - Urals crude has been regularly trading below the \$60 / bbl price cap

Mid-Size Tanker Spot Rates⁽¹⁾



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

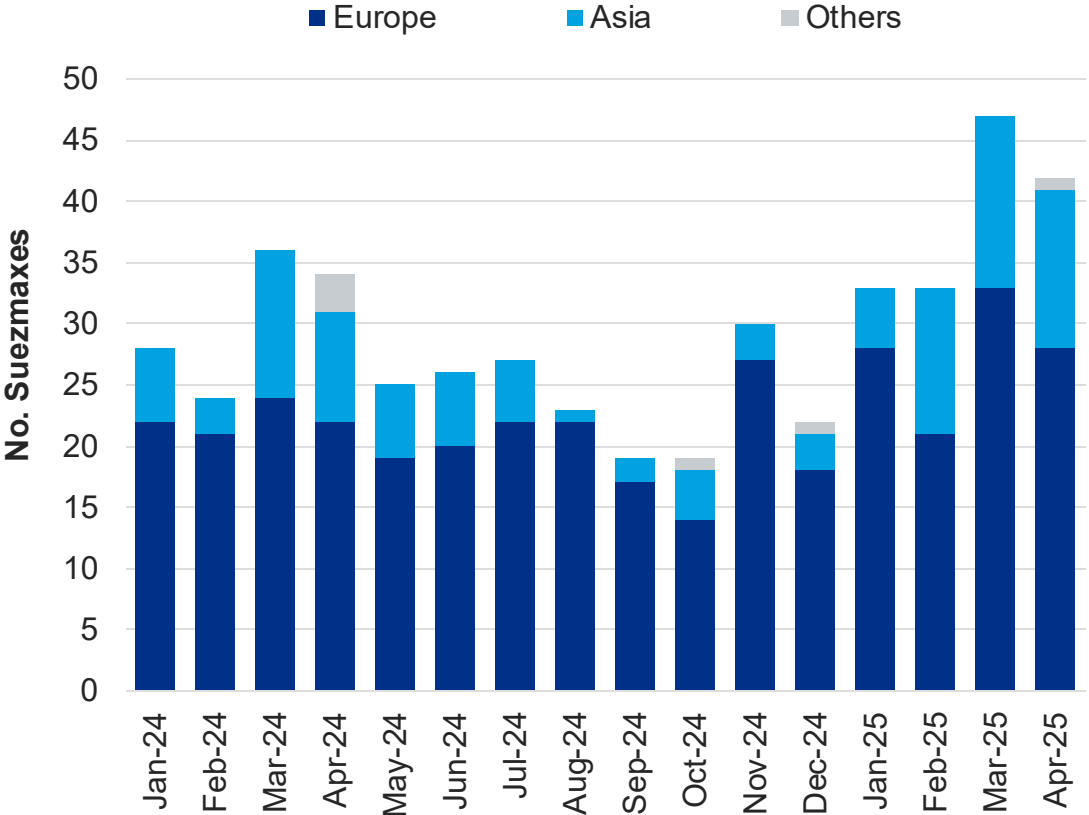
(2) Free cash flow (FCF) is a non-GAAP financial measure. Please see appendix slide 18 for the definition. Break-even is based on 12 months ending March 31, 2026, the current fleet and all in-charters and out-charters shown on slides 13 and 14. Optional periods for chartered-in vessels were excluded.



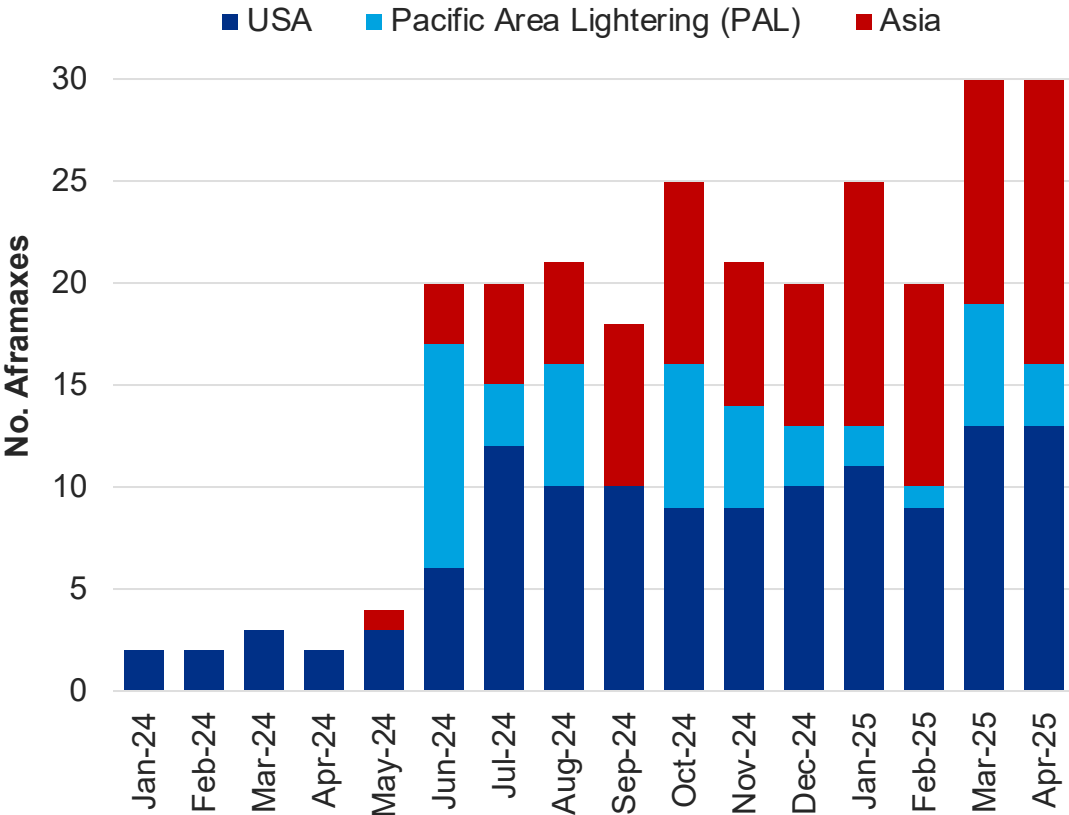
Strong Export Volumes and Longer Distances

Mid-size tanker tonne-miles the highest in 18 months during March 2025

Suezmax liftings of Kazakh crude from the CPC terminal at a record high in March 2025 with high volumes to Asia



Aframax loadings from TMX (Vancouver) at a record high 30 cargos in March and April 2025 with over half the volumes heading to China



Source: Vortexa

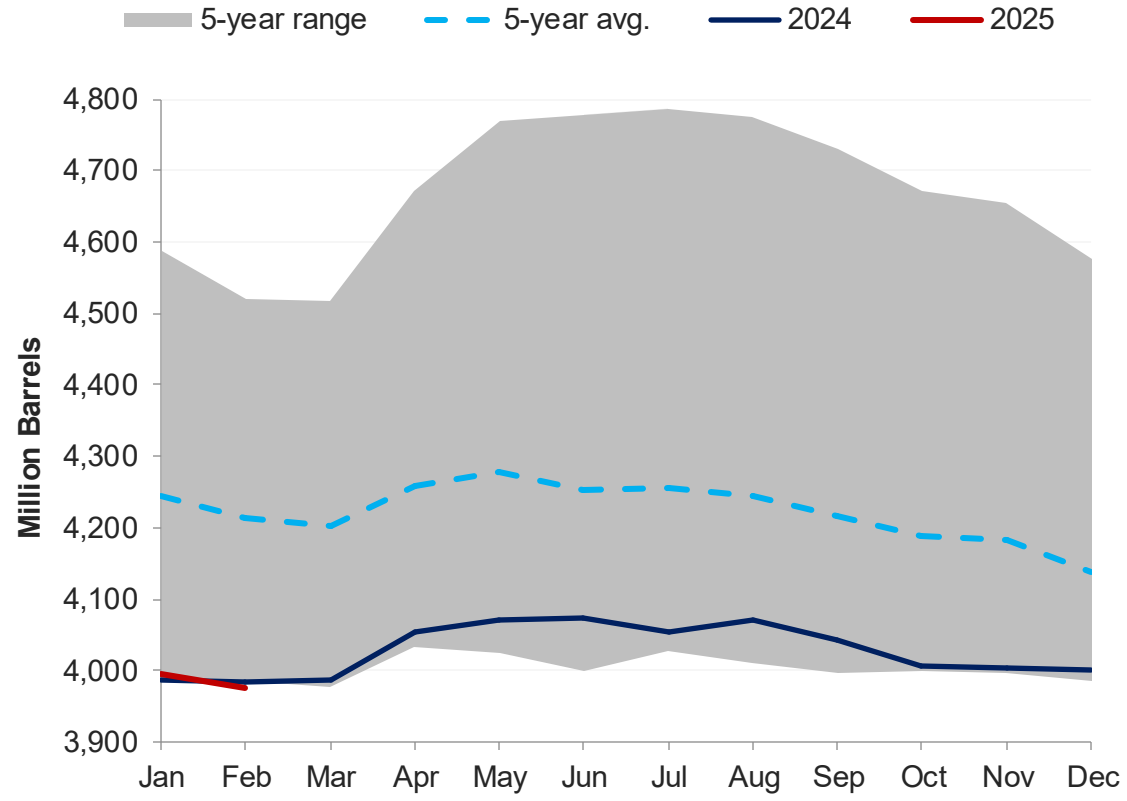
Oil Market Appears Supportive in the Near-Term

Falling oil prices leading to lower bunker fuel costs and potential re-stocking of oil inventories

Oil prices fell to a 4-year low at the start of May 2025 with the potential for a contango structure to emerge⁽¹⁾



OECD oil inventories (industry + government) are at the bottom of the 5-year range with potential replenishment during 2025⁽²⁾



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

Medium-Term Market Dynamics

Oil demand expected to grow in 2025/26 but multiple factors clouding the medium-term outlook



Global economy

Tariffs / trade wars may impact global economic and oil demand growth



USTR Proposal

Manageable impact on the oil and tanker markets compared to initial proposal



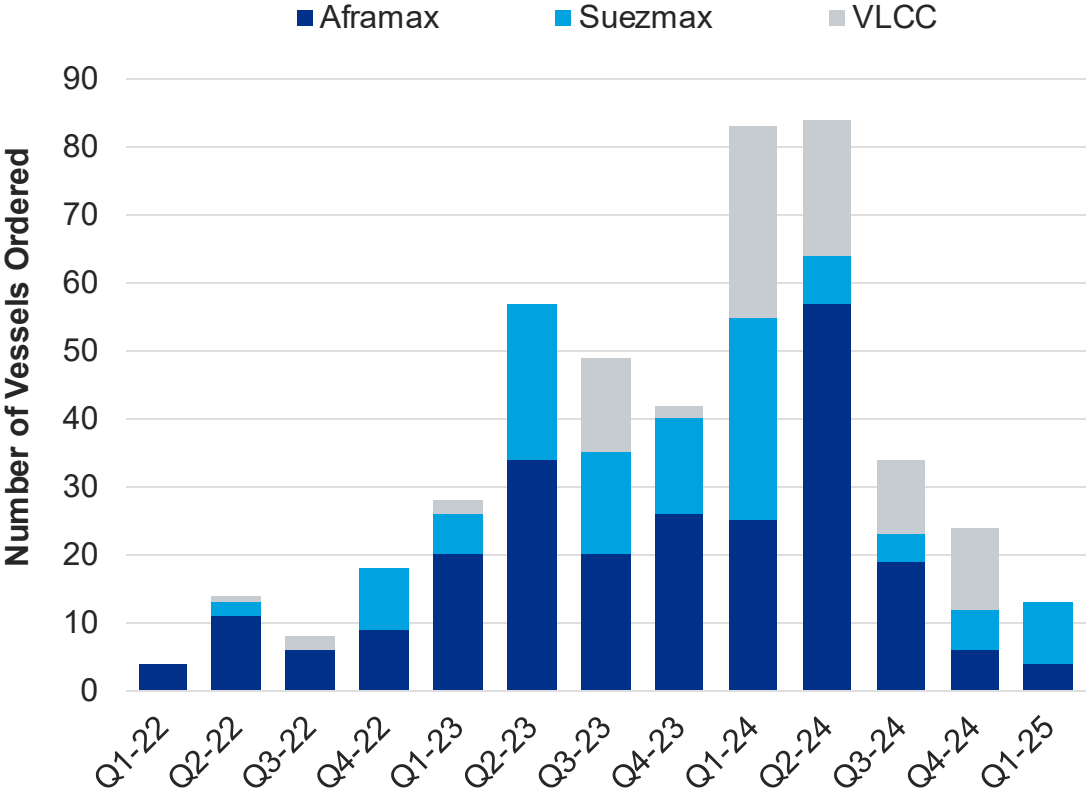
Geopolitics

War in Ukraine, Iranian sanctions, Red Sea vessel transits

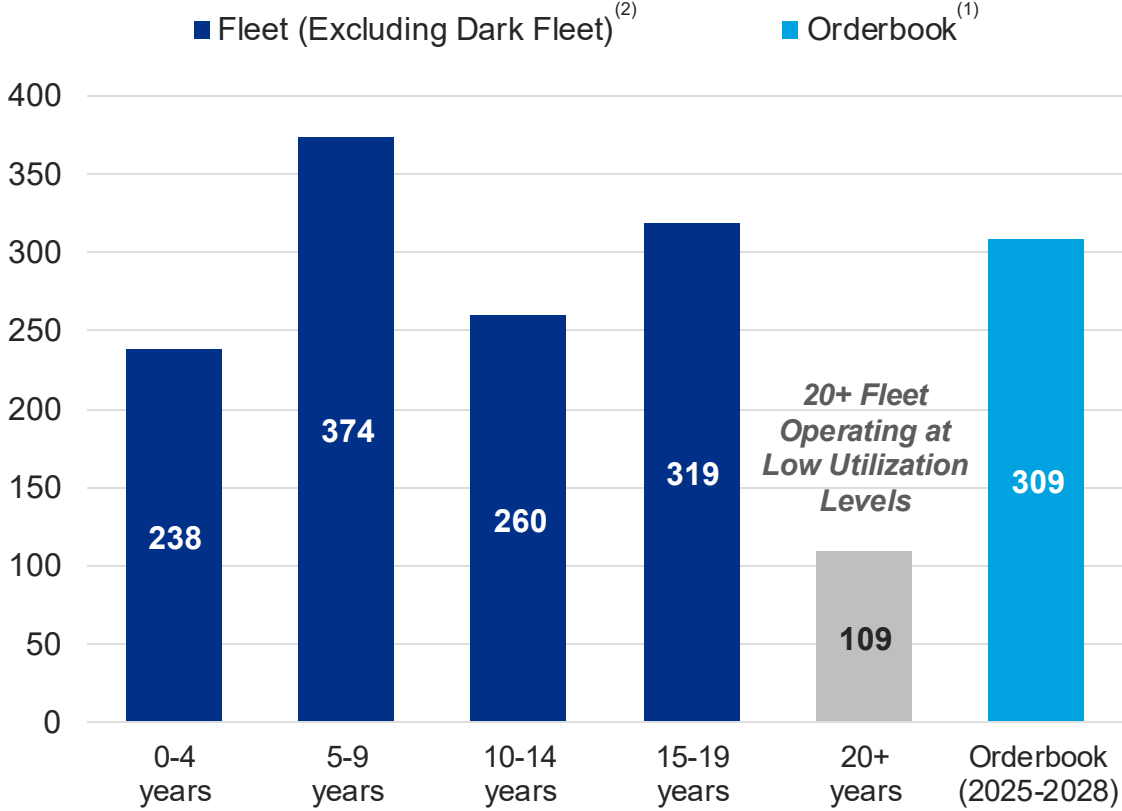
Fleet Supply Outlook Remains Supportive

Slowdown in newbuild ordering and rapidly aging fleet limits net fleet growth through 2028

The pace of new tanker contracting has fallen since mid-2024 due to increased market uncertainty⁽¹⁾



Size of the mid-size tanker orderbook is balanced by the number of ships which will need replacing in the coming years



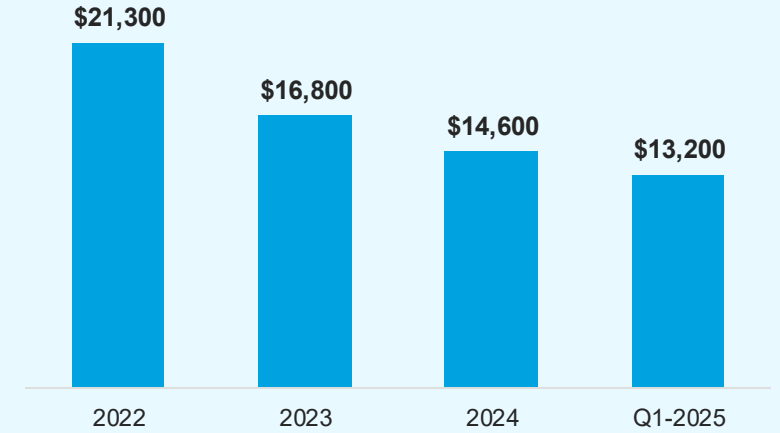
(1) Source: Clarksons
 (2) Dark fleet definition: sanctioned vessels and non-sanctioned vessels dedicated to Iranian and Russian trading (estimated to be 468 mid-size vessels with an average age of 19.8)

Strong Cash Flow Generation, Patient Fleet Renewal

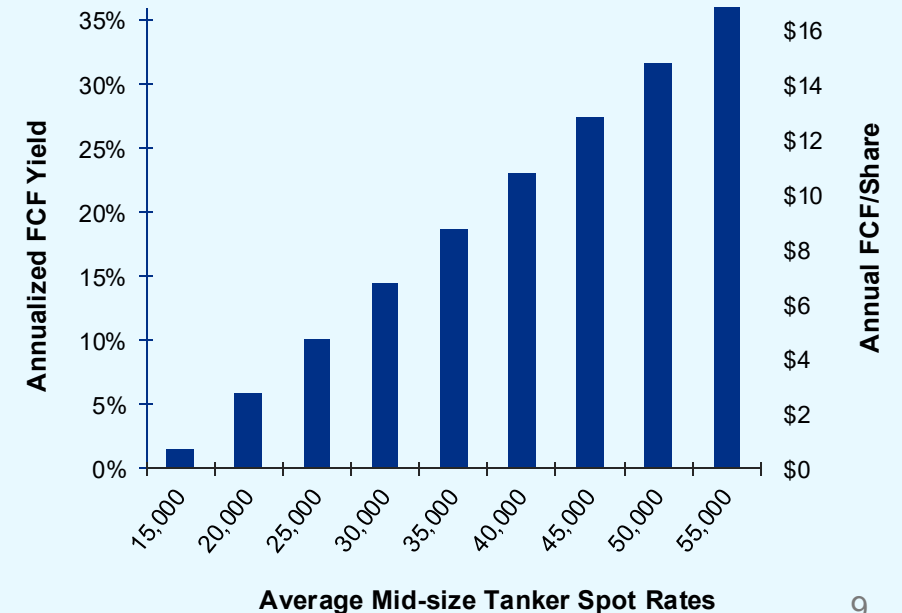
Low cash flow break-even levels, strong balance sheet, and high operating leverage

- Low fleet FCF break-even of approximately \$13,200 per day⁽¹⁾⁽²⁾
- Significant potential FCF generation with high operating leverage in rising market
 - Every \$5,000 increase in spot rates above TNK's FCF break-even expected to increase annual FCF yield by 4.4%^(2,3) or generate \$2.01⁽²⁾ of annual FCF per share
- Well positioned to take advantage of market volatility

FCF⁽⁴⁾ Break-even Declining Over Time



FCF Per Share Spot Rate Sensitivity Next 12 Months ^(1,2,3)



(1) Free cash flow (FCF) is a non-GAAP financial measure. Please see appendix slide 18 for the definition.
 (2) For 12 months ending March 31, 2026, based on the current fleet and all in-charters and out-charters shown on slides 13 and 14. Optional periods for in-charter options were excluded.
 (3) Free Cash Flow (FCF) yield is equal to annual FCF divided by TNK's closing share price on May 7, 2025 of \$46.18.
 (4) Historical FCF are for 12 months ending December 31 of the respective year and includes scheduled debt repayment, TNK became debt free on a consolidated basis after the last prepayment made during Q1-2024.



Q&A

Appendix



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Teekay Corporation Q1-25 Highlights

GAAP Net Income	GAAP EPS
\$14.9 million	\$0.17 per share

- Declared a special dividend of \$1.00 per share payable in July 2025
- Repurchased \$4.2 million worth of its outstanding common shares at an average price of \$6.69 per share
- Current sum-of-the-parts (SOTP) value:

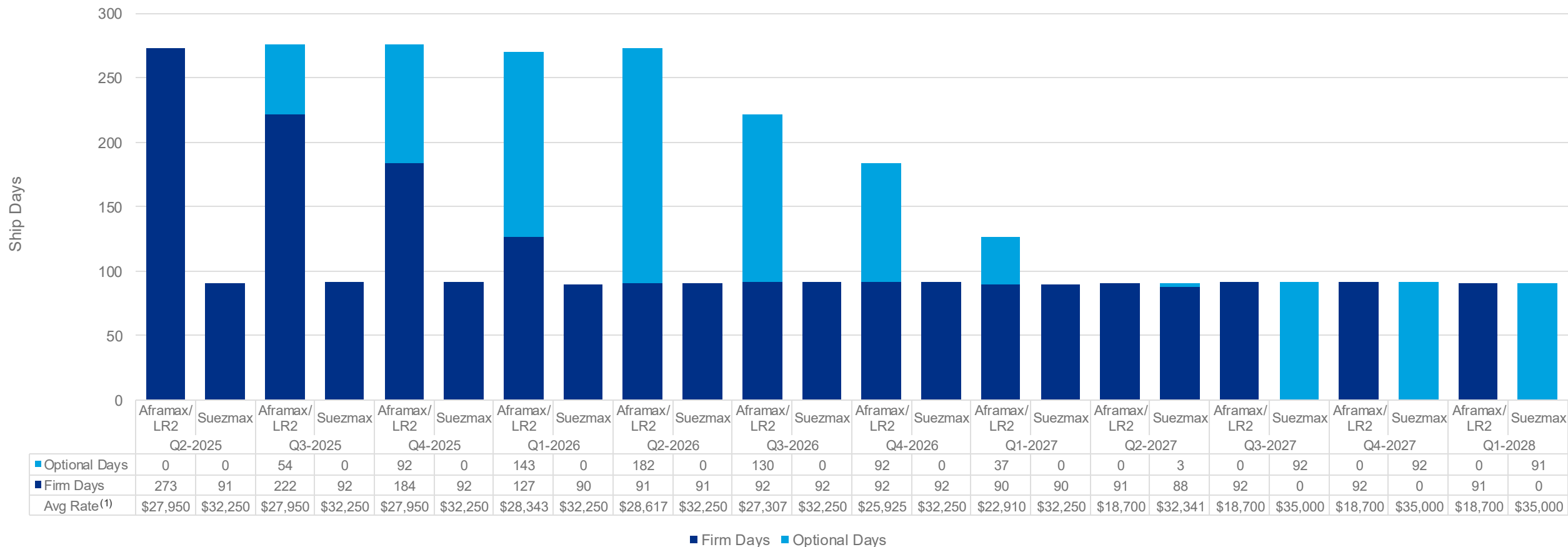
In millions	SOTP
TNK investment as of May 7, 2025	\$492
Net cash position ⁽¹⁾	\$177
TKC SOTP	\$669
# of TKC shares outstanding ⁽¹⁾	83.5
TKC SOTP per share	\$8.01



(1) Shares outstanding and net cash as of March 31, 2025



Fleet In-charters



(1) Weighted average rate for the firm and optional period hire rates

Fleet Out-charters



Adjusted Net Income⁽¹⁾

Q1-25 vs. Q4-24

(In thousands of U.S. dollars)

Statement Item	Q1-2025 (unaudited)	Q4-2024 (unaudited) ⁽²⁾	Variance	Comments
Revenues	231,639	228,483	3,156	
Voyage expenses	(86,867)	(94,934)	8,067	
Net revenues ⁽³⁾	144,772	133,549	11,223	Increase primarily due to the acquisition of Teekay's Australian operations at the end of Q4-24, partially offset by lower overall spot TCE rates, the sale of six tankers during Q4-24 and Q1-25, as well as the redelivery of two in-chartered tankers during Q4-24 and Q1-25.
Vessel operating expenses	(61,168)	(36,663)	(24,505)	Increase primarily due to the acquisition of Teekay's Australian operations at the end of Q4-24, partially offset by the sale of six tankers during Q4-24 and Q1-25.
Charter hire expenses	(14,409)	(17,144)	2,735	Decrease primarily due to the redelivery of two in-chartered tankers during Q4-24 and Q1-25, partially offset by the delivery of one chartered-in bunker tanker in Q4-24.
Depreciation and amortization	(23,240)	(24,446)	1,206	Decrease primarily due to the sale of four tankers in Q1-25.
General and administrative expenses	(9,712)	(10,155)	443	
Write-down of assets	(786)	-	(786)	
Income from operations	35,457	45,141	(9,684)	
Interest expense	(773)	(798)	25	
Interest income	5,857	5,851	6	
Equity income	230	615	(385)	
Other income (expense)	562	(33)	595	
Income tax recovery	470	1,050	(580)	
Adjusted net income	41,803	51,826	(10,023)	

(1) For the Q1-25 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 Q1-25 earnings presentation.

(2) Q4-24 adjusted net income is prepared on a pre-recast basis and does not include results from the Australian operations and management service companies that were acquired by Teekay Tankers on December 31, 2024. Please refer to the Q4-24 earnings presentation for the reconciliation.

(3) Net revenues is a non-GAAP financial measure. Please refer to the Teekay Tankers Q1-25 Earnings Release for a definition and reconciliation of this term.



Q2-25 Outlook

Income Statement Item	Q1-25 in thousands adjusted basis ⁽¹⁾	Q2-25 Outlook ⁽¹⁾ (expected changes from Q1-25)
Net revenues ⁽²⁾	144,772	<p>Decrease of approximately 451 net revenue days, consisting of a decrease of 423 spot days and a decrease of 28 fixed days, primarily due to the sales of six tankers between Q1-25 and Q2-25, the redelivery of one in-chartered tanker in Q1-25, as well as more scheduled dry dockings in Q2-25, partially offset by the acquisition of one tanker that is expected to be delivered in Q2-25. In addition, there is the expected redelivery of one tanker from its fixed time-charter contract in Q2-25.</p> <p>Refer to Slide 3 for Q2-25 booked to-date spot tanker rates. We anticipate 1,844 Suezmax and 1,575 Aframax / LR2 spot ship days available for Q2-25. Refer to Slide 14 for a summary of fleet out-charter employment.</p>
Charter hire expenses	(14,409)	Decrease of approximately \$2.5 million, primarily due to the redelivery of one in-chartered tanker in Q1-25.
Depreciation and amortization	(23,240)	Decrease of approximately \$1.5 million, primarily due to the sales of four tankers and the classification of another two tankers as held-for-sale during Q1-25, partially offset by the acquisition of one tanker that is expected to be delivered in Q2-25.
General and administrative expenses	(9,712)	Increase of approximately \$3.5 million, primarily due to the annual recognition of equity-based compensation in the second quarter and the timing of expenditures.
Interest income	5,857	Increase of approximately \$1.5 million, primarily due to interest income earned on expected higher cash balances during Q2-25.



(1) Changes described are after adjusting Q1-25 for items included in Appendix A of Teekay Tankers' Q1-25 Earnings Release. See slide 17 for the reconciliation.

(2) Net revenues is a non-GAAP financial measure. Please refer to the Teekay Tankers Q1-25 Earnings Release for a definition and reconciliation of this term.

Consolidated Adjusted Statement of Income

Q1-25

(In thousands of U.S. dollars)

Statement Item	As Reported	Appendix A Items ⁽¹⁾	As Adjusted
Total revenues	231,639	-	231,639
Voyage expenses	(86,867)	-	(86,867)
Net revenues ⁽²⁾	144,772	-	144,772
Vessel operating expenses	(61,168)	-	(61,168)
Charter hire expenses	(14,409)	-	(14,409)
Depreciation and amortization	(23,240)	-	(23,240)
General and administrative expenses	(9,712)	-	(9,712)
Gain on sale and (write-down) of assets	38,163	(38,949)	(786)
Income from operations	74,406	(38,949)	35,457
Interest expense	(773)	-	(773)
Interest income	5,857	-	5,857
Equity income	230	-	230
Other (expense) income	(4,158)	4,720	562
Income tax recovery	470	-	470
Net income	76,032	(34,229)	41,803



(1) Please refer to Appendix A in Teekay Tankers Q1-25 Earnings Release for a description of Appendix A items.

(2) Net revenues is a non-GAAP financial measure. Please refer to the Teekay Tankers Q1-25 Earnings Release for a definition of this term.

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 March 31, 2025 (unaudited)
Net income - GAAP basis	76,032
<i>Add:</i>	
Depreciation and amortization	23,240
Proportionate share of free cash flow from equity-accounted joint venture	738
Unrealized loss on marketable securities	4,720
Write-down of assets	786
<i>Less:</i>	
Gain on sale of vessels	(38,949)
Equity income	(230)
Dry-docking and capital expenditures	(973)
Free cash flow	65,364

Dry-dock & Off-hire Schedule⁽¹⁾⁽²⁾⁽³⁾

Teekay Tankers Segment	March 31, 2025 (A)		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
Spot Tanker	1	27	3	108	7	245	-	-	11	380
Fixed-Rate Tanker	-	-	-	-	-	-	-	-	-	-
Other - Unplanned Offhire ⁽⁴⁾	-	44	-	47	-	23	-	23	-	137
	1	71	3	155	7	268	-	23	11	517

(1) Includes vessels scheduled for dry docking and an estimate of unscheduled offhire.

(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.

(4) Includes 41 days and 19 days during the quarter ended March 31, 2025 and June 30, 2025, respectively, related to days for certain vessels that were unavailable for hire while awaiting delivery to their purchasers.

