



Ardmore Shipping Corporation

ARDMORE SHIPPING CORPORATION

**Third Quarter 2019
Earnings Presentation**



Disclaimer

This presentation contains certain statements that may be deemed to be “forward-looking statements” within the meaning of applicable U.S. federal securities laws. All statements, other than statements of historical facts, that address activities, events or developments that Ardmore Shipping Corporation (“Ardmore” or the “Company”) expects, projects, believes or anticipates will, or may occur in the future, are among these forward-looking statements including, without limitation, statements about: future operating or financial results, including expected profitability in fourth quarter of 2019; global and regional economic conditions and trends, including in emerging economies; the Company’s business strategy and expected operating expenses and operating leverage; the Company’s ability to benefit from tanker rate increases, including expected increases in EPS for given tanker rate increases; competition in the tanker industry; shipping market trends and market fundamentals, including expected tanker demand and scrapping levels and the sustainability of current market improvement; changes in governmental rules and regulations or actions taken by regulatory authorities and their consequences; the effect on tanker demand of the IMO 2020 regulations, including expected stockpiling and market disruption, the winter season and sanctions and the timing and duration of such effects; future tanker rates; expected tanker market fleet growth; expected timing of return of sanctioned fleets to worldwide trading fleet; the Company’s financial condition, liquidity and debt amortization; new credit facilities to refinance vessels and expected increase in cash flow as a result of refinancings and expected timing of refinancing; drydocking and expected capital expenditure including ballast water treatment systems; expected debt repayments during and debt balance at end of fourth quarter of 2019; expected contributions to earnings of any decrease in LIBOR due to Ardmore’s floating-rate obligations; future dividends; instances of off-hire and expected 2019 revenue days. Although the Company believes that its expectations stated in this presentation are based on reasonable assumptions, actual results may differ materially from those projected in the forward-looking statements.

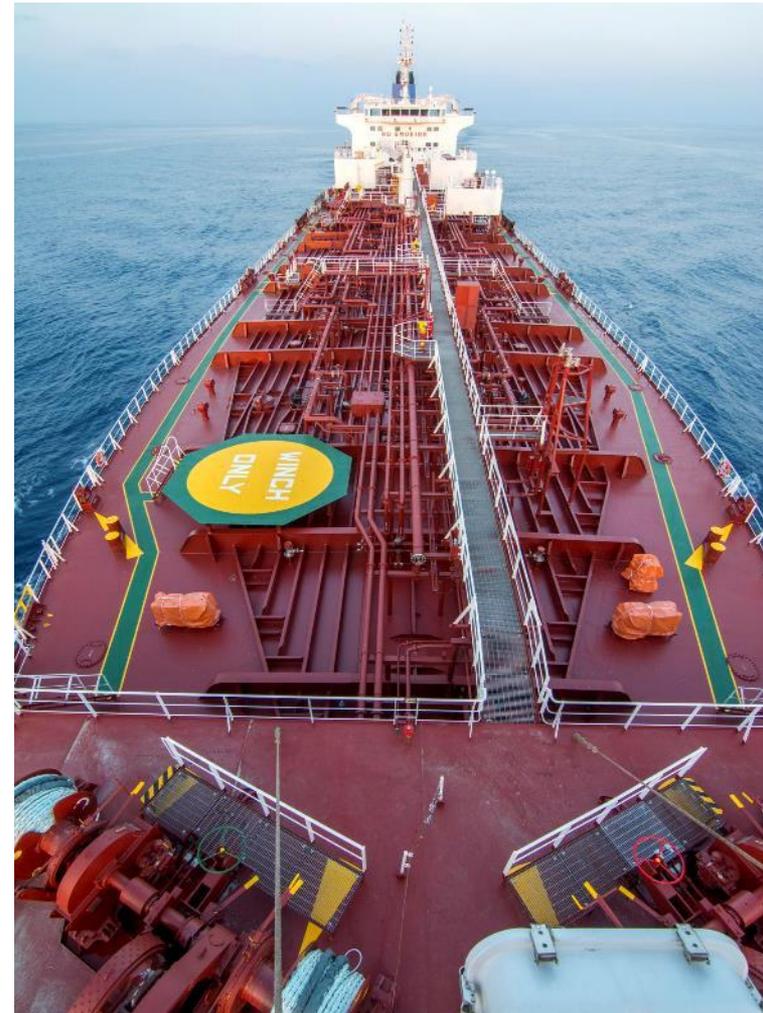
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Earnings Release: Third Quarter 2019

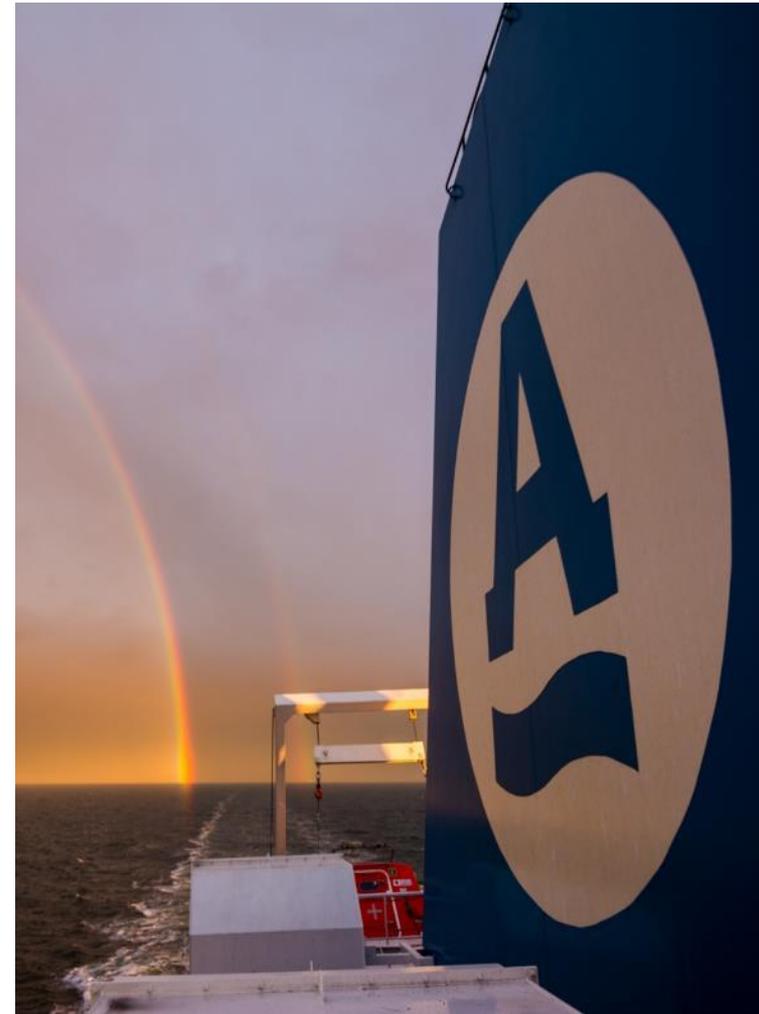
Agenda

- Highlights
- Key Market Developments
- Quarterly Performance
- Tanker Market Activity and Fundamentals
- Financial Review
- Summary



Highlights

- After three difficult years, the tanker market is believed to be in early stages of a sustained upcycle, characterized by repetitive spikes with settling periods in between, but at levels well above the recent past:
 - Sentiment has fundamentally changed over the past month, with rates now pushing up against a “demand ceiling” rather than bouncing along a “supply floor”
 - Rates for our MRs fixed since October 5, 2019 averaging \$20,085 / day⁽¹⁾ compared to average MR rates of \$13,800 / day⁽²⁾ for the third quarter
 - The immediate demand driver is IMO 2020: preparations are well underway, adding a new layer of demand to product tankers
- Ardmore poised to deliver strong earnings from the charter market upturn with 25 modern, fuel-efficient ships employed 100% in the spot market, where each \$1,000 / day increase in rates expected to translate into \$0.27 in EPS⁽³⁾
- Ardmore expects to be profitable in fourth quarter 2019 and on that basis dividend pay-outs to recommence as per our policy of 60% of net income from continuing operations⁽⁴⁾
- One non-market item to highlight: we have agreed refinancing terms with our existing banks on two credit facilities totaling \$201.5 million on improved terms, to be described later⁽⁵⁾



1. Based on contract to discharge for MRs in fleet

2. TCE is reported on a discharge to discharge basis. This is the net rate after deducting voyage expenses incurred, divided by revenue days, including among other expenses, all commissions and pool administration fees

3. Calculations based on existing cost structure and assume (a) fleet of 25 vessels, (b) utilization of 99.3%, (c) 33.1mln shares as at September 30, 2019. Assumes no change in tax rate, cost of debt or share count

4. Assumes TCE rates for quarter to date will be maintained or increase over the rest of the quarter

5. Refinancing is approved on one facility subject to documentation and the other is subject to final approval and documentation



Key Market Developments

- Many factors discussed and anticipated now coming into play: in particular, tightening product tanker supply-demand and the demand impact of IMO 2020. Other positive factors are now emerging to bolster the market
- Preparations for IMO 2020 are accelerating: third quarter stockpiling was lower than expected; as a consequence, heightened disruption expected in fourth quarter and beyond
- Demand for gasoil likely to be higher than anticipated because of fewer scrubber installations, strong market resulting in higher speed and consumption, and risk aversion resulting in initial preference for gasoil over VLSFO
- Middle East tensions persist: recently sanctioned tanker fleets not expected to return to worldwide trading any time soon; other disruptions are possible
- Winter market coming but no impact yet: typically commences in late November, boosting product tanker demand due to weather delays and increased volumes of refined products
- Oil consumption growth for 2020 predicted to rise from 2019 levels
- Recession fears dissipating⁽¹⁾: GDP growth in 2020 could be better than expected, which would result in demand lift for refined products
- Longer-term supply constraint: regulatory uncertainty around industry's targets for GHG⁽²⁾ emissions reductions and charterer preference for "green" transport expected to put a damper on newbuilding activity until regulations become clear and new ship designs emerge



1. IMF World Economic Outlook, October 2019. Growth is projected to pick up to 3.4% in 2020, reflecting primarily a projected improvement in economic performance in a number of emerging markets in Latin America, the Middle East, and emerging and developing Europe
2. GHG = Greenhouse Gas

Performance and Tanker Market



Quarterly Performance

- Reporting net loss and net loss from continuing operations⁽¹⁾ of \$5.7 million, or \$0.17 per share for 3Q19, compared to GAAP net loss of \$9.9 million, or \$0.30 per share, and net loss from continuing operations of \$3.4 million, or \$0.10 per share for 2Q19
- Ardmore fleet TCE averaged \$13,029 / day in 3Q19 and \$14,045 / day year-to-date⁽²⁾
 - MR spot rates averaged \$13,784 / day (\$14,601 / day in 2Q19)
 - Chemical tankers averaged \$11,013 / day (\$12,830 / day in 2Q19)
- Charter rates significantly rebounded in October
 - Since October 5, 2019 Ardmore's MR fixtures have averaged \$20,085 / day⁽³⁾
 - With 45% of the days booked for 4Q19 our MR fleet is averaging \$17,000 / day and expect the remaining 55% of the days to be approx. \$20,000 / day in line with current market levels
- Fleet continues to perform very well operationally
- Completed drydock for the *Ardmore Seamariner* in July; one remaining drydock scheduled in the fourth quarter



1. Net loss from continuing operations is a non-GAAP measure. A definition of this measure and a reconciliation of this measure to its nearest GAAP comparable measure are included within Ardmore's earnings release for September 30, 2019

2. As of September 30, 2019

3. Based on contract to discharge for MRs in fleet

Recent Tanker Market Activity and Outlook

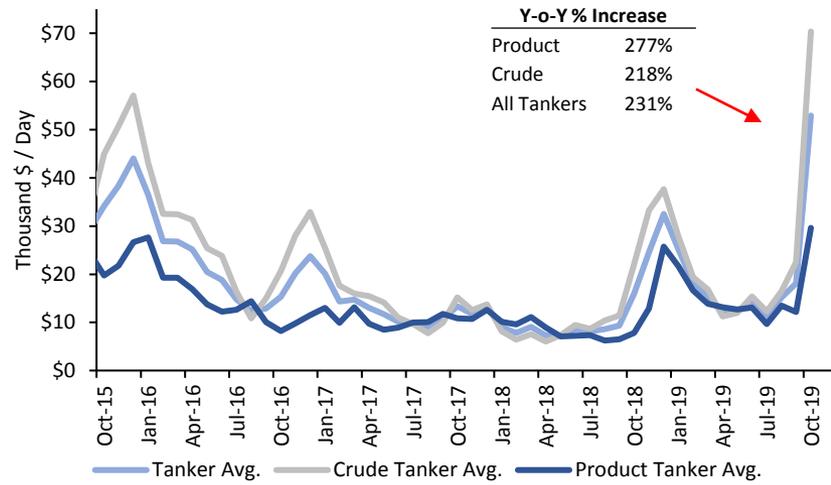
Recent market activity:

- 3Q19 charter market was more subdued particularly in the Atlantic, while market east of Suez was firmer on the back of strong Chinese exports⁽¹⁾;
 - Increased refinery maintenance and downtime in the US and Europe⁽²⁾
 - Chinese refinery throughput in August was up 730 kbd y-o-y⁽³⁾
- Surprisingly low stockpiling in preparation for IMO 2020; many bunker suppliers delayed full preparations until VLSFO⁽⁴⁾ liftings commenced
 - Industry estimates 10 -15% of barge infrastructure prepared for VLSFO as of end of September
- Middle East (“ME”) tensions exposed tightness in the tanker market; rates surged across all tankers at same time as IMO 2020 preparations intensified⁽⁵⁾

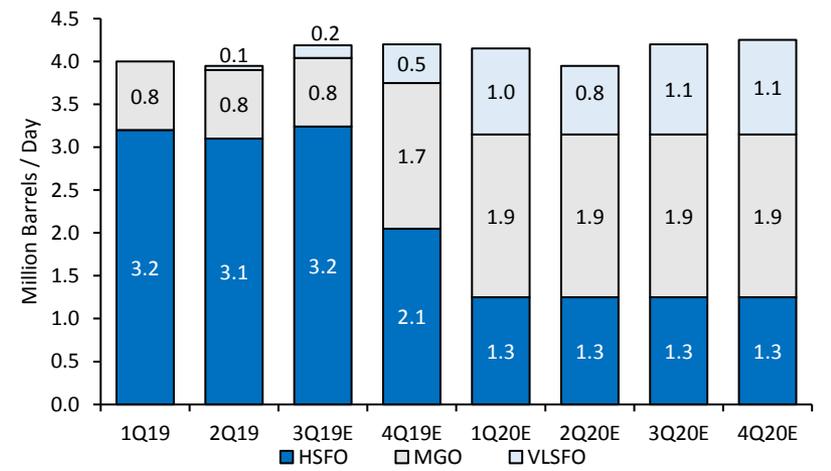
Market outlook and trends; product tanker market looks set for a sustained market upturn:

- IMO 2020 is delivering as expected; gasoil demand expected to surge through the two – three year market transition to VLSFO
- Shipping companies expected to significantly increase liftings of VLSFO in early November in advance of year end; expect delays and increased wait times
- Continued strong crude tanker market to further support product tanker demand; approx. ten LR2s switched from clean to dirty in past few weeks⁽⁶⁾
- Winter market expected to add typical seasonal uptick in tanker demand; expect increased cargo volumes of refined products and weather related delays

Global Tanker Charter Rates⁽⁵⁾



Forecasted MGO Demand⁽⁷⁾



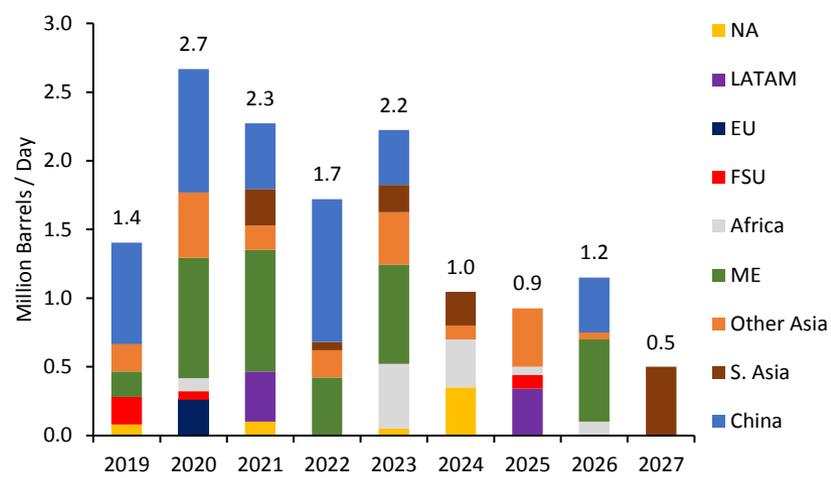
1. Vessels Value, October 30, 2019
 2. Bloomberg, October 2019
 3. IEA, Oil Market Report, October, 2019
 4. VLSFO = Very Low Sulfur Fuel Oil
 5. Monthly average of tanker charter rates, Howe Robinson. October 31, 2019
 6. This switch is based on global fleet
 7. IEA, Oil Market Report, September 2019



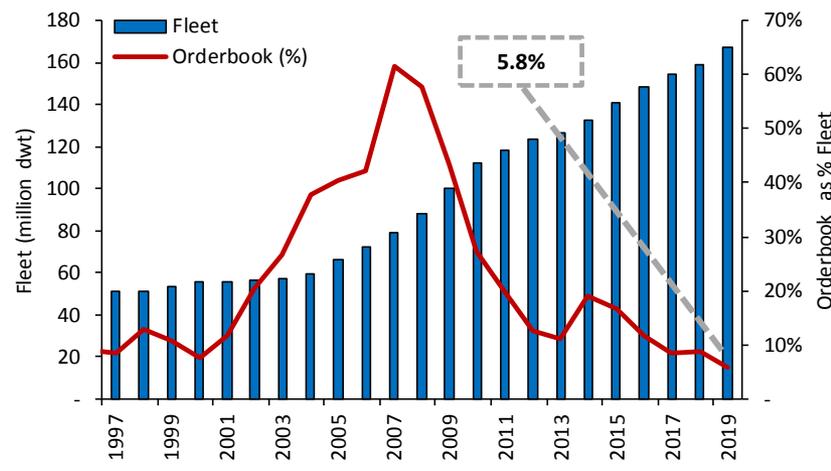
Product Tanker Fundamentals

- Product tanker demand fundamentals remain positive:
 - Ongoing strong oil consumption growth is increasing, estimates of 1.2 mbd for 2020⁽¹⁾
 - Refinery capacity additions in export-oriented locations expected to average 1.7 mbd per year for the next eight years⁽²⁾
- IMO 2020 expected to result in additional product tanker demand which will gradually increase over the next few months⁽³⁾
- Product tanker (MR / LR1 / LR2) net fleet growth remains exceptionally low⁽⁴⁾⁽⁵⁾:
 - Total orderbook stands at 170 product tankers (39 LRs and 131 MRs) or 5.8% of existing fleet delivering from 4Q19 to 1Q23
 - Forecasting 120 product tankers (37 LRs and 83 MRs) to deliver for full year 2019 (114 year-to-date) while scrapping run rate is approx. 30-40 ships per year (61 scrapped in 2018)
 - Total product tanker fleet growth, net of scrapping, expected to be approx. 3.2% in 2019 and 2.0% in 2020 (estimated MR net fleet growth approx. 2.8% in 2019)
- Chemical tanker fundamentals are positive:
 - Orderbook at historical lows of 4.6% with net fleet growth continuing at 2% - 2.7% for 2019⁽⁴⁾⁽⁵⁾
- Regulatory uncertainty around IMO targets for GHG emissions reductions should put a damper on newbuilding activity until regulations become clear
- Overall, we believe the strong tanker fundamentals will provide a solid foundation for a sustained upturn in product and chemical tanker rates

Refinery Expansion Projects by Region⁽²⁾



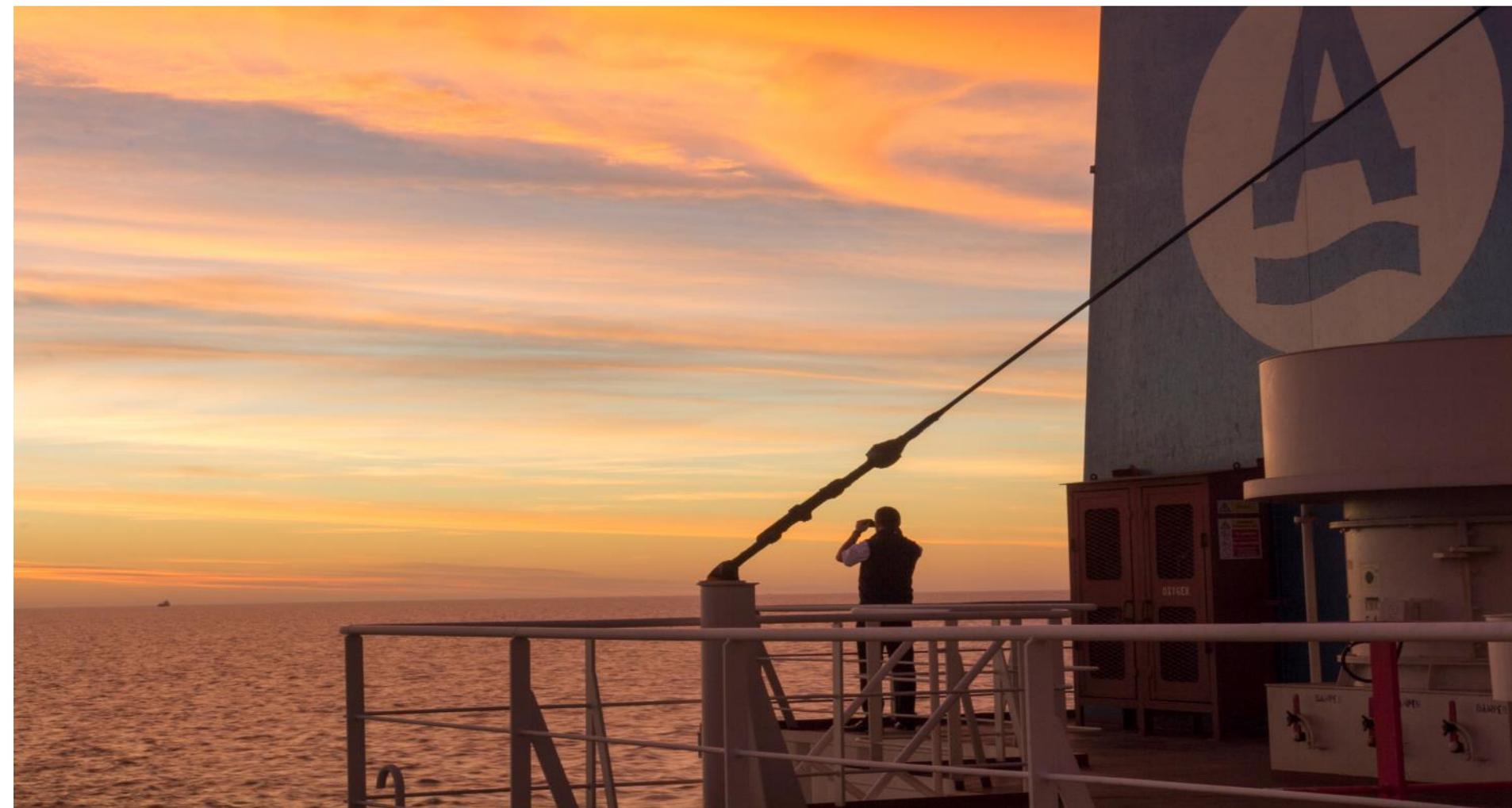
Product Tanker Orderbook and Fleet Development⁽⁴⁾⁽⁵⁾



1. IEA, Oil Market Report, October 2019
 2. Maritime Strategies International, October 2019
 3. Braemar ACM Shipping, IMO 2020: The Tanker Markets, October 2019
 4. Clarksons Shipping Intelligence Network and Management's estimates. Note these numbers include slippage. Management's estimates based on 12.5% of full year scheduled deliveries slipping into 2020.
 5. Clarksons Shipping Intelligence Network and Management's estimates for MR, LR1 and LR2 fleet.



Financial Review

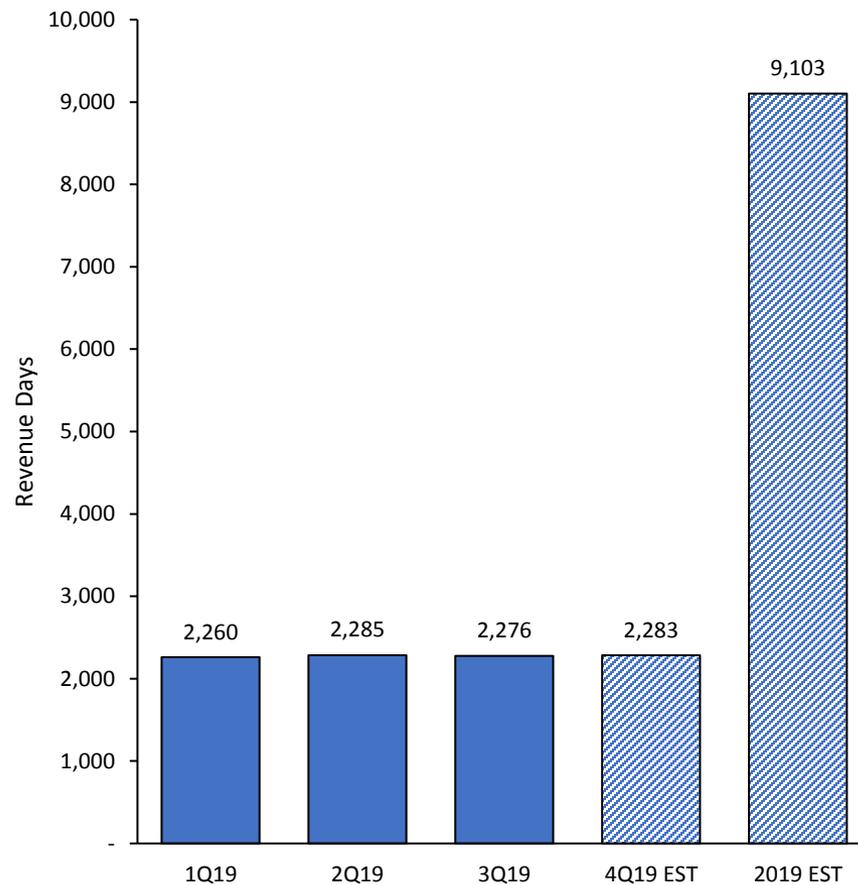


Fleet Update

- Revenue days estimated to be 9,103 for full year 2019
- Drydocking and Ballast Water Treatment System (“BWTS”) installation:
 - 3Q19: 22 drydocking days; *Ardmore Seamariner* completed in July, 2019
 - 4Q19: 15 drydocking days (estimate)



Revenue Days Profile⁽¹⁾



1. Revenue days based on Management's estimates



Financial Performance

Financial Performance Data

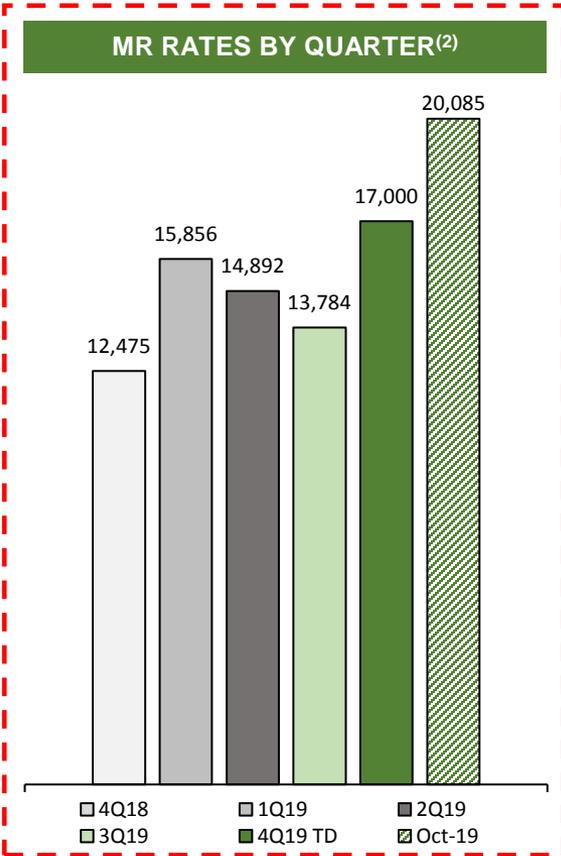
INCOME STATEMENT DATA	Three Months	Three Months
<i>US\$ millions, unless otherwise stated</i>	Sept 30, 2019	Sept 30, 2018
Results		
EBITDA ⁽¹⁾	\$9.6	\$3.9
Adjusted net (loss) / income ⁽²⁾	(\$5.7)	(\$12.2)
Adjusted net (loss) / income per share (\$/share) ⁽²⁾	(\$0.17)	(\$0.37)
General and Administrative expenses		
Corporate	(\$3.9)	(\$3.4)
Commercial and Chartering	(\$0.8)	(\$1.0)
Depreciation & Amortization	(\$9.2)	(\$9.9)
Interest and Deferred Finance Fees Amortization	(\$6.1)	(\$6.2)
OTHER OPERATING DATA		
Average Number of Vessels	25.0	28.0
Fleet time charter equivalent per day (\$/day) ⁽³⁾	\$13,029	\$10,261
Vessel operating expenses	\$14.9	\$16.3
Fleet operating cost per day (\$/day) ⁽⁴⁾	\$6,194	\$6,176
Eco-Design MR (\$/day) ⁽³⁾	\$6,262	\$6,279
Eco-Mod MR (\$/day) ⁽³⁾	\$5,982	\$5,903
Eco-Design Chemical (\$/day) ⁽³⁾	\$6,264	\$6,249

1. EBITDA is a non-GAAP measure. A definition of this measure and a reconciliation of this measure to its nearest GAAP comparable measure are included within Ardmore's earnings release for September 30, 2019
2. Adjusted net loss is a non-GAAP measure. A definition of this measure and a reconciliation of this measure to its nearest GAAP comparable measure are included within Ardmore's earnings release for September 30, 2019
3. Time Charter Equivalent ("TCE") rate represents net revenues (a non-GAAP measure representing revenues less commissions and voyage expenses) divided by revenue days. Revenue days are the total number of calendar days the vessels are in Ardmore's possession less off-hire days generally associated with drydocking or repairs. For vessels employed on voyage charters, TCE is the net rate after deducting voyage expenses incurred, divided by revenue days, including among other expenses, all commissions and pool administration fees. TCE is reported on a discharge to discharge basis
4. Fleet operating costs per day are routine operating expenses and comprise crewing, repairs and maintenance, insurance, stores, lube oils, communication costs and technical management fees paid to third-party managers. They do not include additional expenses related to the upgrading or enhancement of the vessels that are not capitalized



Product and Chemical Tanker Charter Rates

Time Charter Equivalent (\$ / day)⁽¹⁾

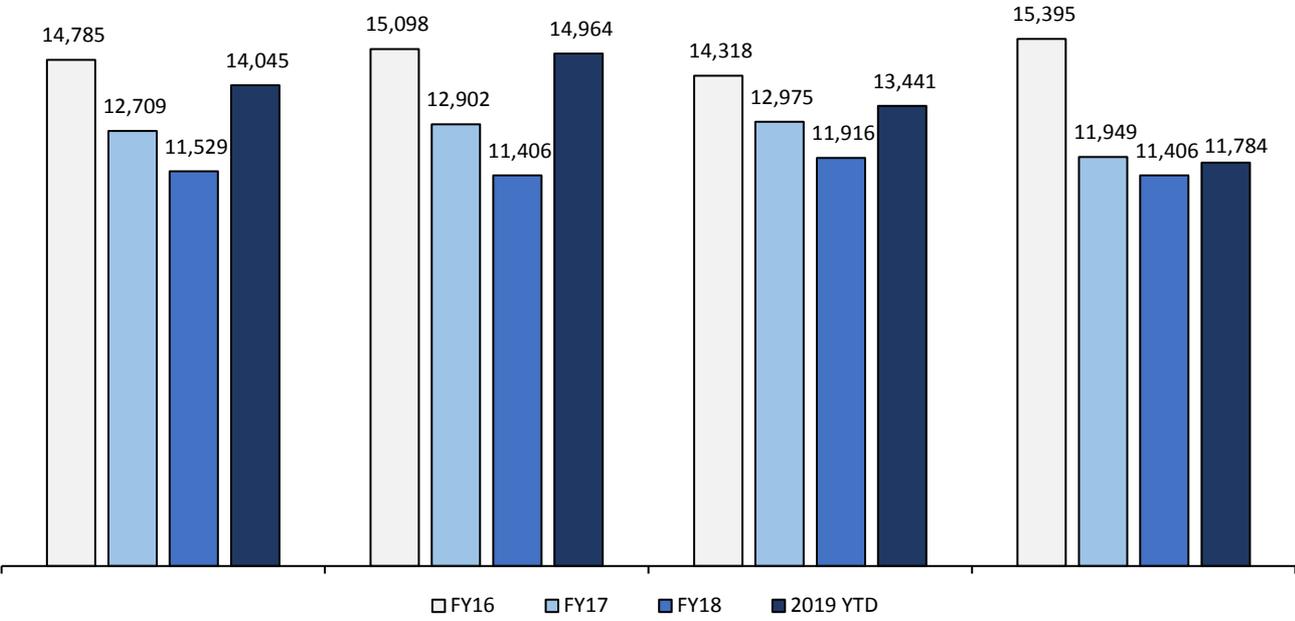


AVG. FLEET

MR ECO-DES

MR ECO-MOD

CHEM. TANKERS



For every \$1,000 / day increase in rates, EPS expected to increase by approximately \$0.27 cents⁽³⁾

1. Time Charter Equivalent ("TCE") daily rate, represents net revenues (a non-GAAP measure representing revenues less commissions and voyage expenses) divided by revenue days. Revenue days are the total number of calendar days the vessels are in Ardmore's possession less off-hire days generally associated with drydocking or repairs. For vessels employed on voyage charters, TCE is the net rate after deducting voyage expenses incurred, divided by revenue days, including among other expenses, all commissions and pool administration fees. TCE is reported on a discharge to discharge basis. Fleet TCE excludes one-off costs related to the transfer of vessels to Ardmore MR Pool

2. 4Q19 MR Rates to date as of November 1, 2019; Oct. 2019 rates based on contract to discharge for MRs in fleet from October 5, 2019

3. Calculations based on existing cost structure and assume (a) fleet of 25 vessels, (b) utilization of 99.3%, (c) 33.1mln shares as at September 30, 2019. Assumes no change in tax rate, cost of debt or share count



Strong Balance Sheet

BALANCE SHEET DATA

US\$ millions, unless otherwise stated

	As at	
	Sept 30, 2019	Dec 31, 2018
Cash	46.2	56.9
Receivables, Inventories and Other Current Assets	38.1	44.5
Vessels Held for Sale		8.1
Vessels, Drydocking & Other Non-Current Assets ⁽¹⁾	677.9	730.4
Total Assets⁽¹⁾	762.3	839.9
Payables and Accruals	18.3	26.4
Debt & Capital Lease Obligations ⁽²⁾	420.5	467.0
Equity	323.4	346.6
Total Liabilities and Equity⁽²⁾	762.3	839.9
Leverage (Net Debt)	52.3%	52.4%

- Maintaining a conservative capital structure and strong liquidity position

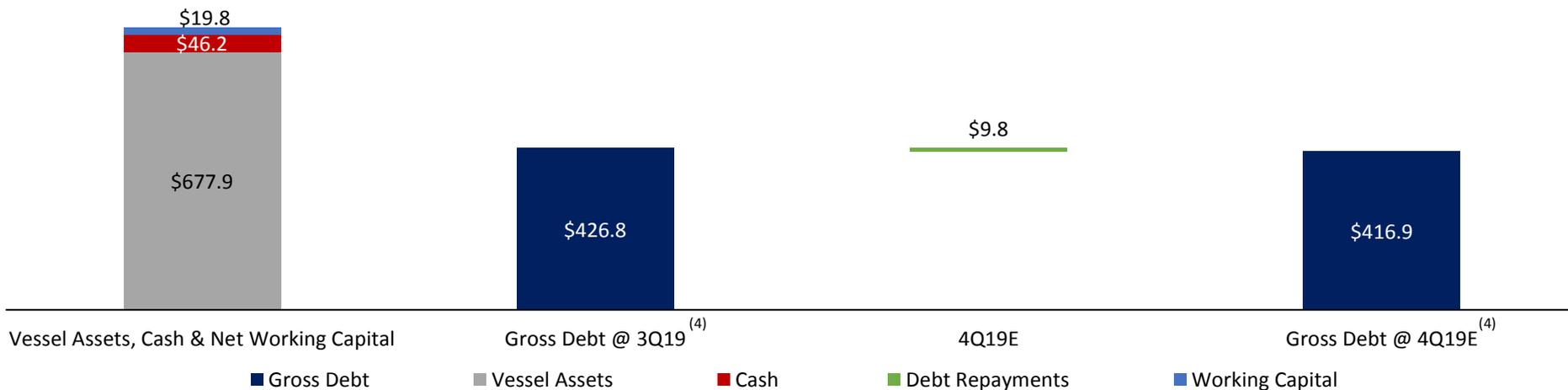


1. Excludes \$2.9m receivable in respect of capital leases representing seller's credit under the sale and leaseback financings of the Ardmore Sealeader and Ardmore Sealifter effected in 2Q17
 2. Debt balance includes impact of netting of deferred finance fees of \$6.3m in 3Q19 (\$8.0m in 4Q18) and netting of \$2.9m receivable in respect of capital leases in both 3Q19 and 4Q18

Strong Liquidity Position and Continuing to De-Lever

- Strong liquidity position at quarter end with cash of \$46.2 million and an additional \$19.8 million in net working capital
- Agreed terms on two new credit facilities for \$201.5 million in the aggregate to refinance 12 ships on attractive terms⁽¹⁾:
 - Two facilities (i) \$140 million refinancing on eight ships including a \$40 million revolver and (ii) \$61.5 million refinancing on four ships
 - Reduces margin to LIBOR + 2.40% and extends maturity to 2024
 - Provides cash release of \$15.8 million⁽²⁾ and expected to contribute an additional \$1.7 million of cashflow annually
- Maintaining low leverage and continuing to pay down debt; all debt and leases are amortizing at approximately \$40 million per year⁽³⁾
- LIBOR has been reducing; over 90% of total debt and leases are LIBOR-based; every 25 bps reduction in interest rates expected to contribute an additional \$1 million of earnings, or \$0.03 in EPS annually, based on current floating-rate debt and lease amounts

Debt Repayment Profile (\$mIn)⁽³⁾



1. Refinancing on the \$140mIn facility is subject to documentation, which is expected to be completed in 4Q19, while the \$61.5mIn facility is subject to final approval and documentation, which is also expected to be completed in 4Q19

2. Cash release is net of financing fees

3. Debt repayment profile is based on current schedule and excludes the impact of refinancing

4. Gross debt is net of sellers' credit of \$2.9mIn, excludes netting of deferred finance fees of \$6.3mIn



Summary



Summary

- After three difficult years, we believe the tanker market is in the early stages of a sustained upcycle, characterized by repetitive spikes with settling periods in between, but at levels well above the recent past:
 - IMO 2020 is playing out as expected and we believe now substantially boosting product tanker demand
 - Gasoil demand in the fourth quarter 2019 and into the first quarter 2020 now anticipated to rise more than expected
 - Geopolitical tensions in the Middle East resulting in tanker tonnage out of service for extended period, with more disruptions possible
 - Winter market is coming but not yet here
 - Global recession fears dissipating; stronger growth could result in an unexpected layer of product tanker demand next year
 - Oil consumption growth is projected to recover to 1.2 mbd in 2020 and could rise higher if global economy is stronger than expected
 - Orderbook for product tankers remains at historical lows
 - Regulatory uncertainty around IMO targets for GHG emissions reductions, and charterer preference for “green” transport, should put a damper on newbuilding activity until regulations become clear and new ship designs emerge
- In the midst of these positive market developments, we remain resolutely focused on operating performance and effective capital allocation to maximize returns
- With a modern, fuel-efficient fleet of 25 MR product & chemical tankers and a cost-efficient structure, we believe we are poised to take advantage of improved market conditions and to generate strong returns for our shareholders, where every \$1,000 / day increase in rates translates into \$0.27 in EPS⁽¹⁾
- In addition, Ardmore expects to be profitable in fourth quarter 2019 and believes dividend will recommence as per our policy of paying out 60% of net income from continuing operations⁽²⁾

1. Calculations based on existing cost structure and assume (a) fleet of 25 vessels, (b) utilization of 99.3%, (c) 33.1mln shares as at September 30, 2019. Assumes no change in tax rate, cost of debt or share count
2. Assumes TCE rates for quarter to date will be maintained or increase over the rest of the quarter.





Fleet Profile

High Quality Vessels

- ✓ Modern, highly fuel-efficient fleet of MRs
- ✓ Average age of 6.2 years⁽¹⁾
- ✓ Built at high-quality yards in Korea and Japan
- ✓ Quality fleet = lower operating cost, higher utilization and maximum value appreciation
- ✓ Complementary fleet
- ✓ Increased scale improves commercial flexibility

Vessel Name	Type	Dwt Tonnes	IMO	Built	Country	Flag	Specification
<i>Ardmore Seavaliant</i>	Product/Chemical	49,998	2/3	Feb-13	Korea	MI	Eco-design
<i>Ardmore Seaventure</i>	Product/Chemical	49,998	2/3	Jun-13	Korea	MI	Eco-design
<i>Ardmore Seavantage</i>	Product/Chemical	49,997	2/3	Jan-14	Korea	MI	Eco-design
<i>Ardmore Seavanguard</i>	Product/Chemical	49,998	2/3	Feb-14	Korea	MI	Eco-design
<i>Ardmore Sealion</i>	Product/Chemical	49,999	2/3	May-15	Korea	MI	Eco-design
<i>Ardmore Seafox</i>	Product/Chemical	49,999	2/3	Jun-15	Korea	MI	Eco-design
<i>Ardmore Seawolf</i>	Product/Chemical	49,999	2/3	Aug-15	Korea	MI	Eco-design
<i>Ardmore Seahawk</i>	Product/Chemical	49,999	2/3	Nov-15	Korea	MI	Eco-design
<i>Ardmore Endeavour</i>	Product/Chemical	49,997	2/3	Jul-13	Korea	MI	Eco-design
<i>Ardmore Enterprise</i>	Product/Chemical	49,453	2/3	Sep-13	Korea	MI	Eco-design
<i>Ardmore Endurance</i>	Product/Chemical	49,466	2/3	Dec-13	Korea	MI	Eco-design
<i>Ardmore Explorer</i>	Product/Chemical	49,494	2/3	Jan-14	Korea	MI	Eco-design
<i>Ardmore Encounter</i>	Product/Chemical	49,478	2/3	Jan-14	Korea	MI	Eco-design
<i>Ardmore Exporter</i>	Product/Chemical	49,466	2/3	Feb-14	Korea	MI	Eco-design
<i>Ardmore Engineer</i>	Product/Chemical	49,420	2/3	Mar-14	Korea	MI	Eco-design
<i>Ardmore Seamariner</i>	Product/Chemical	45,726	3	Oct-06	Japan	MI	Eco-mod
<i>Ardmore Sealancer</i>	Product	47,451	—	Jun-08	Japan	MI	Eco-mod
<i>Ardmore Sealeader</i>	Product	47,463	—	Aug-08	Japan	MI	Eco-mod
<i>Ardmore Sealifter</i>	Product	47,472	—	Jul-08	Japan	MI	Eco-mod
<i>Ardmore Dauntless</i>	Product/Chemical	37,764	2	Feb-15	Korea	MI	Eco-design
<i>Ardmore Defender</i>	Product/Chemical	37,791	2	Feb-15	Korea	MI	Eco-design
<i>Ardmore Cherokee</i>	Product/Chemical	25,215	2	Jan-15	Japan	MI	Eco-design
<i>Ardmore Cheyenne</i>	Product/Chemical	25,217	2	Mar-15	Japan	MI	Eco-design
<i>Ardmore Chinook</i>	Product/Chemical	25,217	2	Jul-15	Japan	MI	Eco-design
<i>Ardmore Chippewa</i>	Product/Chemical	25,217	2	Nov-15	Japan	MI	Eco-design
Total	25	1,111,294		6.2			

1. Average age as at September 30, 2019

