Euronav

Second Quarter 2023 Earnings

August 3, 2023, 8:00 A.M. Eastern

CORPORATE PARTICIPANTS

Brian Gallagher - *Head of Investor Relations and Communications*

Lieve Logghe - *Interim Chief Executive Officer, Chief Financial Officer*

PRESENTATION

Operator
Good day and welcome to Euronav Second Quarter 2023 Earnings Call. All participants will be in listen-only mode. Should you need assistance, please signal a conference specialist by pressing the star key followed by zero.

After today's presentation, there will be an opportunity to ask questions. To ask a question, you may press star than one on your touchtone phone. To withdraw your question, please press star then two. Please note this event is being recorded.

I would now like to turn the conference over to Brian Gallagher. Please go ahead.

Brian Gallagher
Thank you. Good morning and afternoon to everyone, and thanks for joining Euronav's Q2 2023 earnings call. Before I start, I'd like to say a few words. The information discussed on this call is based on information as of today, Thursday, the 3rd of August, 2023, and may contain forward-looking statements that may involve risks and uncertainties.

Forward-looking statements reflect current views with respect to future events and financial performance, and may include statements concerning plans, objectives, goals, strategies, future events, performance, underlying assumptions, and other statements which are not statements of historical facts. All forward-looking statements attributable to the company or to persons acting on its behalf are expressly qualified in their entirety by reference to the risks, uncertainties, and other factors discussed in the company's filings with the SEC, which are available free of charge on the SEC website at www.SEC.gov, and on our own company website at www.Euronav.com.

You should not place undue attention or reliance on forward-looking statements. Each forward-looking statement speaks only as of the date of the particular statement, and the company undertakes no obligation to publicly update or revise any forward-looking statements. Actual results may differ materially from these forward-looking statements. Please take a moment to read our safe harbor statement on page two of the slide presentation.

I will now pass on to our interim Chief Executive and CFO, Lieve Logghe, to start with the content slide on slide three. Lieve, over to you.

Lieve Logghe
Thank you, Brian, and good morning or afternoon to wherever you are, and welcome to our call. I will run through the Q2 highlights and financials before passing back to Brian, our head of Investor Relations and Communications, to provide some further wider market thoughts. I will return to summarize the outlook.

The current year continues to confound tanker market convention. It would be more usual to be discussing Q2 in context [inaudible] seasonal slowdown in freight activity and refinery maintenance programs. However, the freight market for Q2 was very similar in outcome to Q1. This included a spike in rates towards the end of the quarter, reflecting a relative tight dynamic between supply of vessels and demand for crude movements.

What these results also underline is the value of the Euronav platform and its striking ability to harness this market dynamic for the benefit of shareholders. This was our best ever Q2 operating performance outside the COVID pandemic. I'll say a bit more about operating leverage in a minute.

With a new supervisory board in place, a strong balance sheet, and good visibility on very positive medium-term fundamentals, Euronav investors stand to continue benefiting in dividend terms. The Q2 dividend of $0.80 per share reflects the board's confidence in the Euronav platform and the strength of the current and upcoming tanker cycle.

Turning now to the financials in more depth, this slide reflects the strength of the Euronav platform financially, operationally, and strategically. Operationally, the operational leverage is reflected in strong returns, with the net profit at $161.8 million, similar to Q1 results. Financially, balance sheet leverage is at 47.5%. The finance team has further boosted our liquidity with a new facility to $742 million.

Last but not least, strategically the Euronav platform continues to grow. During the first half, we have added three brand-new VLCCs, with maximum optionality to deal with the challenges of fueling tankers going forward. Last month, we took delivery of a new Suezmax and look forward to adding four more such vessels in the next 12 months, at the start of what we have consistently said over the past year is what we believe to be a multiyear up cycle for the large crude tanker market.

With that, I will now pass it over to Brian to give some further thoughts on the current market cycle.

Brian Gallagher
Thank you, Lieve. Tanker markets, as always, remain very dynamic but, in our sense, also very constructive. Forecasts for oil demand have continued to grow consistently over the last 9 to 10 months, and this is illustrated on slide eight. The IEA have forecast consistent upgrades to this number, and this has supported tanker markets, along with positive ton mile development.

On the left-hand side, you can see that loadings west of Suez and therefore heading to the Far East have continued to grow at the expense of those coming in the other direction. Put very simply, crude is traveling much further than it was previously, and that's helping to drive the higher demand for shipping, even if consumption and production are at sort of similar numbers.

On slide nine, we now move to a project which we've been involved with over the recent months, an operation we'll continue to be engaged with off the Yemeni coast. The salvage of the FSO Safer off the Yemeni coast is a critical mission, that Euronav has provided a VLCC to the UN in order to take the excess 1.2 million barrels of oil away from this particular site.

This careful exchange is currently ongoing, with Euronav continuing to provide operational support and staff to the wider salvage operation. We have been proud to be involved in this operation and hope it will conclude successfully in the coming weeks.

We now turn, on slide 10, to an issue which continues to arise in the minds of oil market and tanker investors alike, Iran. On slide 10, we refer to the recent speculation that again resurfaced in May regarding Iran and a potential deal involving the nuclear talks and a return to a more normal oil market engagement for the country. We believe it is important to remind investors of the outsized effect this would have on the tanker markets should this event occur either in partial or total terms.

As the chart on slide 10 on the left-hand side shows, Iran has ramped up production to a five year high at around 1.5 million barrels per day. Most of this production is being exported by the dark fleet. If, and it remains a very big if, Iran were to return to the world economic order and is permitted to ask for crude via commercial tonnage, this would imply around 1.5 million barrels per day of export opportunity that is currently denied commercial players like Euronav.

This is likely to expand, as the right-hand side of the chart shows, as Iran has recently, as of 2017, been producing up to 3.5 million barrels per day of crude. Iran remains one of the few nations capable of expanding production relatively quickly. So, again, whilst it remains a big if, the world is already consuming this Iranian oil. Any production uplift from here would increase the net supply for global consumption.

However, for shipping now, the effect is far larger, and this would benefit from the 1.5 million barrels per day currently being consumed that it cannot access, and any increase on this would also benefit tanker markets exponentially. Clearly, some of this shipping would come from Iran's own fleet, but Iran's return remains a potential seismic positive for tanker markets and should not be forgotten.

With that, I will turn it back to Lieve for any summary comments and our focus on the traffic lights. Lieve, back to you.

Lieve Logghe
Thanks, Brian. Q2 was the second best quarter for rates since 1990. In VLCC terms, it was the seventh best. This gives context to how well underpinned and strong our markets are.

Demand continues to remain robust, supported by ton mile growth. OPEC cuts are beginning to gain traction, but the impact needs to be seen against stronger seasonal demand, which we expect from later this current quarter. We've made no change to our traffic lights, but anticipate a positive seasonal trading pattern to emerge for this winter.

Now, to sum up, the Euronav platform is in robust shape. We are positioned for further growth, and have a balance sheet to support further strategic opportunities as they arise. And in the meantime, the platform is delivering returns to shareholders via dividends. All of this means that we can look to the future with confidence.

And with that, Brian and I will be very happy to take your questions, so I'll hand it back to the operator for the Q&A.

QUESTION AND ANSWER

Operator
Thank you. We will now begin the question and answer session. To ask a question, you may press star then one on your touchtone phone. If you are using a speakerphone, please pick up your handset before pressing the keys. To withdraw your question, please press star then two. In the interest of time, please limit yourself to one question and one follow-up. At this time, we'll pause just momentarily to assemble our roster.

And our first question comes from Jon Chappell from Evercore ISI. Please go ahead.

Jon Chappell
Thank you. Good morning or good afternoon. Lieve, first question for you. I'm sure the answer is it's a board decision on a quarterly basis. However, noteworthy that the payout ratio moved up to 100% this quarter not just within the context of your liquidity being so strong and the market being as robust as it is, but also with the new board members in tow. So, should we read this as being a one quarter anomaly and we'll take it as it goes, or is this may be the view of the new board that, given the market strength, the payout ratio could be above the 80% threshold?

Lieve Logghe
Hi, Jon. Good to hear you. Good morning or good afternoon. So, indeed a very good question. We don't know if it's a one-off. But the supervisory board clearly has made a decision based on our current LTV, which is 30%, and they don't see bad days coming. So, based on that, the Q2 payout ratio was 100%.

If this continues, it's something that we have to see and have a look at indeed in our Q3. But as you rightfully mentioned, in the past it was an 80% payout ratio and will be looked at, what Q3 brings. Absolutely it's like you say. It's a supervisory board decision. We propose, but it's in the end a supervisory board representing the shareholders who are taking the decisions. And there you have other dependent shareholders, but you also--board members, but also our independent board members who are representing the minority shareholders. So, it's a common decision which is taken each quarter.

Jon Chappell
Okay. Thank you. For my follow-up, Brian, as it relates to the back half outlook, so these Saudi cuts, seems like they're finally biting from an output perspective, but maybe not so much on the tanker rates. How much of this is what's called substitution, as you laid out kind of on slide eight, and how much of it is more the fact that just the demand is improving at a greater pace than people had expected and there's probably a little bit of inventory build ahead of the winter in the Northern Hemisphere?

Brian Gallagher
I think it's both of those, Jon, but I think we'd factor in another situation, which is we've felt there's been some buyers of the dark trade who've been warned off. There's been some sort of crackdown at the moment every now and then in China and in India, and that they've come back into the commercial fleet, as it were, so that they're buying barrels from the more conventional sources and being shipped both from commercial players like us.

They were not trading with us, obviously. And we've not been doing those trades anyway, obviously, as you know. But those buyers of the dark trade I think has been a third factor which has offset that. So, you've had ton miles, and those two factors that you said along with these sort of people jumping across the fence from the dark trade. So, I think that's really negated almost all of the cuts that we've seen so far.

Jon Chappell
Okay. That's helpful. Thanks, Brian. Thanks, Lieve.

Brian Gallagher
Thanks, Jon.

Lieve Logghe

Thank you.

Operator
The next question comes from Amit Mehrotra from Deutsche Bank. Please go ahead.

Chris Robertson
Hey, good morning, Lieve and Brian. This is Chris Robertson on for Amit. How are you doing?

Lieve Logghe
Hi, Chris. Good to hear you.

Chris Robertson
Yeah, you as well. A question for either of you. This is just around the cash breakeven levels currently for the company, so if you could just walk through that.

Lieve Logghe
Yeah. So, I'm the number cruncher here, so just the numbers to give you an insight in this, Chris. So, our Suezmax cash breakeven for the time being is 16,000 and VLCC 19,000. So, this is what we are currently having as a cash breakeven. The P&L breakeven was in the presentation, 18,000 Suezmaxes and 23,000 for VLCC.

Chris Robertson
Okay, great. Yeah, that straightforward. Thank you. Brian, this might be a question for you. So, over the past few days, we've heard from some of the product tanker companies talking about their aging fleet, especially as it relates to LR2s, and they've mentioned a few times about 15-year-old LR2s potentially going dirty and coming into the crude trade at some point. Just wanted to get your thoughts around that. And is there any worry from your end--I know you guys don't operate in the Aframax segment, but is there any worry on your end that that supply could be coming?

Brian Gallagher
Not unduly. I think we've always had the strong view that we've never really understood the view that there'd be a lot of jumping between the two segments. And of course, it's quite costly, and operationally you still have an asterisk against your name when you do flip between the two sectors. And it's always something the product guys talk about more than the crude guys.

We don't really see anything there. And I still think the--as you rightly say, we're not involved in the Aframax. You've got this potential another leg of growth for Aframax coming from the Canadian export market with the pipelines potentially opening there on the Pacific coast. So, no, it's not something that keeps us awake at night. Far from it. And we've always felt that any switching between a product and a crude is reasonably marginal and reasonably specialized. And the trends are too great, really, that we're seeing to give us any sort of concern on that front.

Chris Robertson
All right, got it. Yeah, thanks for that. I'll turn it over. Thank you.

Brian Gallagher
Thanks, Chris.

Operator

The next question comes from Chris Tsung from Webber Research. Please go ahead.

Chris Tsung
Hey, good afternoon, Lieve and Brian. How are you?

Brian Gallagher
Good, thanks.

Lieve Logghe
Good, thank you.

Chris Tsung
I wanted to just ask about your fleet renewal. You guys have a few 17-year-old plus Vs and Suezmaxes. How do you think about that in the narrative of firming asset prices?

Lieve Logghe
Here we will continue on our strategy. So, indeed, if there is an opportunity, we will grasp it and, indeed, continue the pathway we had previously, indeed, selling and then taking opportunities for new builds to come in.

For your information, you have read we still have four to come on the water, Suezmaxes, after the Brugge, which has been delivered in July. So, we continue that strategy going forward. And if there are opportunities, we remain interested, and absolutely will propose this to our supervisory board.

Chris Tsung
Okay, fair enough. And just as my follow up, I noticed the G&A fell significantly. Is that more of an outlier, or how should we think of it on like a run rate going forward?

Lieve Logghe
Oh, yeah, good question. Indeed, we touched upon it also last time. Our G&A is still a bit loaded with what we call corporate cost. In the first quarter, we still have those legal costs which were kicking in. And also in Q2, we still have some extra load there. But indeed, it goes into the good direction. It's absolutely a very clear focus for us to have that cost under control as much as possible. But good shot.

Chris Tsung
Okay. All right, fair enough. Thanks so much. That's it for me. I'll turn it over.

Lieve Logghe
Thank you.

Operator
The next question comes from Chris Wetherbee from Citigroup. Please go ahead.

Unidentified Analyst
Hey, guys, this is Matt on for Chris. Thanks for taking my question. If we could just go over to the red light/green light chart, and just thinking about the demand for crude specifically as you think about the state of the global macro playing out, just wanted to get your sense of the puts and takes about the remainder of 2023 regarding any incremental changes that you might see specific to China as they attempt to emerge from a little bit of a weaker economic period. I know

you'd noted in the past that China is a crucial swing factor, so just wanted to hear any thoughts there, as well as how Iran could play into the scenario.

Brian Gallagher
Yeah, good question. I mean, there's three things on the China side, is that, clearly from our perspective, we don't see the Chinese just buying from an economic GDP perspective. That's clearly a very important part of what they're doing. The second factor which we think is not being probably focused on, partly because it's very hard to get some numbers, is they're continuing to buy, from our rationale, from a strategic perspective, so they're still--they're building reserves. And the third element is obviously that there's a very strong chain of refinery expansion in that country which needs the crude as a feedstock to be then repatriated as diesel and other product back into the global markets.

So, there's a diversity to the Chinese angle which we think gives it a certain amount of resilience. But again, your guess is as good as ours in terms of if they're going to have a substantial slowdown from here. But we're not seeing any entity of that, and we get a lot of confidence from those three factors. I think all of us on the call from six months ago are surprised how resilient the global GDP background has been. And again, that's been sort of reasonably well documented and is underpinned. And you've seen that in our presentation, with the IEA upgrading almost consistently since November. And I've noticed a number of investment banks have upgraded this the last few weeks.

And with regard to Iran, it's not something that we are sort of hanging our hats on. It's just the fact that it just--it's a story that refuses to go away. We were as surprised as anyone a few weeks ago when we saw it sort of being talked about. And of course, because it's a source of quite rapid production growth potentially and then that turning into exports, that it could happen. There could be some sort of deal, which would mean Iran would come back into the fold. And I think it just--we wanted to test investors and commentators to make sure that there are aware of how outsized the impact will be on tanker markets. It would have a much bigger impact on our market that it would on oil markets.

So, round-trip, yeah, we feel that there are a number of resilient themes with regard to the outlook for crude demand. And that's been reflected short-term in the pricing of crude, but also in particular, as we see from our specific market, a very good freight rate in what is traditionally a very, very quiet time of the year.

Unidentified Analyst
Fantastic. I really appreciate that. And then just following up on the Iran comment, is there sort of any type of timeline that you guys would be sort of eyeballing in terms of when that potential benefit could come online? And then what exactly would that--how exactly would that translate for Euronav specifically?

Brian Gallagher
Oh, no, no, we've got no timeline. I mean, I don't want anyone of the call to think we've got a hotline to Mr. Biden or anything. But no, it's more to flag the potential change that could happen. It's obviously the fact that there are very--relatively few sources that can be tapped to immediately increase the supply of oil. And with the war against inflation, that could become a very important sort of factor.

In terms of timelines and background to that, no, there's no sense of when it would happen. How it would impact on Euronav and other commercial players in the quoted space like ourselves, it's that you're opening up the barrels which are currently not available to us. If they were available to be shipped by Iran--sorry, if we were able to ship from Iran, then that's 1.5 million barrels per day of potential market which is completely boxed away from all of us on the commercial side at the moment. That's the reason to flag it.

But, look, it's a black swan, if you like, a positive one, but one which we don't have any greater visibility than anyone else. But we felt it was worth flagging, given it had been a story which had sort of risen out of nowhere earlier on in Q2.

Unidentified Analyst
Understood. Okay. Thank you very much for the clarification. Very good.

Brian Gallagher
Not at all.

Unidentified Analyst
I'll turn it over.

Brian Gallagher
Thank you.

Operator
The next question comes from Omar Nokta from Jefferies. Please go ahead.

Omar Nokta
Thank you. Hey, good afternoon, Lieve and Brian. I just wanted ask about how things are kind of operating from a corporate standpoint. Clearly, from the results today, things look like they're running quite well. But just wanted ask, given all the changes that have been taking place with Hugo gone and the new supervisory board in place, have there been any changes in how the business at Euronav is running day-to-day? And really, how involved is the new board with management's decision-making?

Lieve Logghe
Omar, indeed, good afternoon. To tell you indeed there, the focus of the current team remains very well on the strategy as always run in the past. So, this is at least very, very clear for everyone working at Euronav, also for stakeholders in there. And then, the new supervisory board currently gives us a positive dynamic.

I think it's professional and contributive in the sense that the current or the new supervisory board is challenging us in terms of costs, fleet renewal, and for sure they are wanting us to be the best compared to competition. And this gives us a positive dynamic, making us very focused on the way forward. And hence, you saw the results, and saw them robust and even beating expectations there. So, from that perspective, I think it's very positive, a plus that we could mention here.

Omar Nokta
Okay. Thanks, Lieve. That's good color, because I was going to ask just sort of strategically about where you see Euronav heading. Obviously, you mentioned the strategy, and whether it's disposal of assets, looking at new buildings. I did want to maybe ask, is there some kind of--is a restructuring of Euronav a foregone conclusion, do you think, or can the business sort of operate as it is? And is there perhaps maybe a strategic big picture that's going to be

announced here in the next perhaps few quarters or few months that says, okay, this is what Euronav plans to do going forward, here's our new strategy? Is there anything like that that's on the horizon based off of your conversations with the management team and the board? How would you kind of characterize where Euronav is strategically here in the coming months?

Lieve Logghe
Yeah. So, Omar, seen from that perspective--and I can understand the question because this is--I think a lot of shareholders and stakeholders here are having that question on the top of their mind. But here I can confirm to you that apparently currently there is absolutely no change in strategy. We run the vertical integrated platform. It's delivering, and this is where we continue our journey.

And in case I could imagine if there is a change, we will be informed and everything will be announced directly to the market. But for the time being, no changes. We continue and we enjoy the current up cycle. This is where we're standing for. And I cannot say more here than we continue the journey with the teams we have and the strategy which is in place.

Omar Nokta
Thanks, Lieve. No, that's helpful color. Obviously, very sensitive questions and sensitive dynamic overall, and just wanted to hear how you viewed it. Thank you. I'll pass it over.

Lieve Logghe
No, thank you, Omar.

Operator
The next question comes from Frode Morkedal from Clarkson Securities. Please go ahead.

Frode Morkedal
Thank you. Hi, everyone.

Lieve Logghe
Hi, Frode.

Frode Morkedal
Yeah. Thank you. Could we discuss the impact of Russian crude exports? How are the cuts from August affecting the market, and what's your outlook for the situation going forward?

Brian Gallagher
Hi, Frode. It's Brian here. Yeah, as we mentioned before, we've seen some evidence that there's been some, during Q2, buyers of what would have previously been sort of dark trade or sanctioned trade from Russia, and also India, who've jumped over into the commercial play and engaged commercial tanker companies like ourselves in taking some barrels from a few--more likely from the Atlantic that anywhere else. So, there has been, as Jonathan said earlier, maybe a bit of a substitution effect.

But that preceded any sort of real cuts that we'd seen in production and exports from Russia, so that's only sort of strengthening that trend. It's not a trade we're doing ourselves, obviously, as I'm sure you're aware. And of course, with the pricing now with the other crude underlying where it is against the Urals pricing, we think that pressure's going to continue.

So, I think what we would expect to see is that the dark fleet's going to sort of have to sort of shoulder a more exaggerated element of that trade disappearing, partly because they've been doing most of it themselves, but also partly because it's an inefficient trade. We think a lot of those players will just sort of park their ships for a period of time. So, we actually think there's going to be a reasonably muted impact on the commercial players like ourselves for the time being, unless those cuts become very, very profound, and we don't really see that outlook either. So, for the moment, we think it's going to be a relatively limited impact on us.

Frode Morkedal
Okay. Are there any other reasons for the weaker Aframax and these net rates you're seeing now? How do you see those relative to VLCCs? They used to trade at a premium to VLCCs, right? Do you expect a comeback with that premium, or is that now behind us?

Brian Gallagher
Over time, we would expect, if you like, that longer-term, as you say, medium-term market sort of structure and profile to return where the Vs would be more leading. We've felt that Vs has been, if you like, fighting back as a subsector. They've been more and more involved in the STS trades, transfer trades, and taking some of that oil ultimately to China and to India. And we would expect to see the fact that we're seeing very long haul trades beginning to develop on a substitution basis from the Atlantic to the Far East, that that would reestablish itself.

We're still going to see pockets, as you mentioned before. The Aframax still feels reasonably well positioned to us, with some new growth opportunities in particular coming from Canada. But the Suezmax will be somewhere in between. But this isn't going to be in instant sort of reestablishment of that orderly market. I think it's going to take another--we think it's going to take another six to 12 months before we see that. But we're very comfortable in the view that the Vs will sort of reassert their preeminence, probably more likely in 2024.

Frode Morkedal
Okay, sounds good. Thank you.

Brian Gallagher
Thanks, Frode.

Operator
The next question comes from Ben Nolan from Stifel. Please go ahead.

Ben Nolan
Yeah. Thanks. So, I have a couple. The first is I believe that there has been an expansion of Corpus just recently, an expansion of some of the Corpus Christi export capacity that enables greater loading for VLCCs, which removes a little of the reverse laddering dynamic. Just trying to think through, Brian, if you guys have considered sort of how we should think about or how you think about the impact of that. Does it draw in more Vs and thus help the V market, or does the inefficiency of reverse laddering sort of offset that?

Brian Gallagher
No, I think it's the same as before, Ben, in particular from where we were if you go back to the ancient times of sort of 2017, '18, when there was like an arms race between each of the locations down there, with Corpus Christi being one of the most prominent ones. We think it's sort of reestablishing itself now as a theme. I mean, we're consistently now in the high 4s, low 5

million barrels per day of U.S. exports. So, no, we think it's going to become a new growth mode.

And the good news for the commercial sector in particular and those quoting companies is that, as you know, it's a reasonably focused market, and the players that can enjoy that market are those big commercial players like ourselves. So, no, we feel that's a trend that's really beginning to reassert itself again, and as we know there, the marginal export--or marginal, sorry, production of U.S. crude is it's being exported.

So, no, it's a bit of a reheating. And we actually did paper on this in one of our annual reports. I think it was in 2017. A lot of that was obviously taken away with COVID, but a lot of those themes we wrote about then are relevant today again.

Ben Nolan
Okay. And then as it relates to the advisory board, and I appreciate that, A, there's some degree of just we'll see how it plays out, but in thinking about the fleet and acknowledging that it's business as usual, but is it fair to assume that in the near-term there's probably unlikely to be any material changes in the fleet mix between--other than the new buildings, you're not really being active in buying or selling anything? Is that a fair assumption?

Lieve Logghe
Ben, again, I have a bit to repeat myself. Our board members, and this is really a plus, have a strong understanding of our business, and they have an interest in maximizing value for Euronav and all its investors, including themselves for sure. But here, we are confident that, if we come with good files, good things, that there will be ears and eyes and a decision taken.

So, from that perspective also, I only can reiterate what I am saying, is that having the supervisory board currently, that if we come with good topics, they are absolutely supportive and will contribute to the net bottom line.

Ben Nolan
Okay. All right. Thank you.

Brian Gallagher
Thanks, Ben.

Lieve Logghe
Thank you, Ben.

Operator
Again, if you have a question, please press star then one. And the next question comes from Thijs Berkelder from ABN AMRO ODDO BHF. Please go ahead.

Thijs Berkelder
Yeah, good afternoon. Congratulations with the beautiful performance, especially you, Lieve, showing well as interim or of interim CEO. Can you maybe give us a bit of an update on how we should look at the procedure of finding or appointing a new CEO, and whether you are part of that procedure?

Lieve Logghe

Well, Thijs, thank you, first of all. Good afternoon. So, indeed, for your information, the interim position continues. And honestly, we don't ask the question or raise the question. We have now a bit of confidence because of the good results and thanks to the team. This isn't only me, but this is the full Euronav team.

But for the time being, there is no urgency in one or the other direction. The team continues to be focused on the platform, delivering results for our shareholders. So, seen from that perspective, there is no urgency. And let's see where it brings us. We need to give a bit of reasonable time to all stakeholders to settle in and see what comes. But there is nothing on the horizon in one or the other direction, Thijs.

Thijs Berkelder
But it's not that, let's say, recruiters have been hired to find someone else also?

Lieve Logghe
Not that I'm aware of, I think here. Not that I'm aware of, Thijs, no.

Thijs Berkelder
Okay. Then a follow-up question on a potential change in strategies. Is it possible or happening already right now that you propose special CapEx in other vessel classes than VLCC or Suezmax?

Lieve Logghe
Thijs, to be clear on this, we are Suezmaxes, VLCCs. So, there we have absolute expertise. So, you could imagine that, if we go with files, that this will be primarily oriented towards Suezmax, VLCCs. You never know that there is an interest in doing something else. But for the time being, we continue with our expertise, what we have with the teams, and which is very much focused on Suezmaxes and VLCCs.

Thijs Berkelder
Okay, very good. Have a good day.

Lieve Logghe
Thank you, Thijs. You too.

Operator
The next question comes from Sherif Elmaghrabi from BTIG. Go ahead.

Sherif Elmaghrabi
Good afternoon. Thanks for taking my question. I wanted to ask about forward bookings. Almost half of Q3 has been fixed at about $45,000 for scrubber fitted VLCCs. Can you remind us how much of your VLCC fleet has scrubbers? And is there program to outfit the rest of the fleet over time?

Lieve Logghe
So, currently, I see it as one, Suezmaxes as well as VLCCs. We will have 20 scrubber fitted vessels on a total of about 70. So, this is currently what we target, so a good diversification, well-balanced from that perspective. So, all our new builds having scrubbers, and we do indeed, for some VLCCs who are below 10 years old, we have done some retrofitting with a scrubber. So, in total, 20 on the total fleet for the time being.

Sherif Elmaghrabi
Okay. Thank you very much.

Lieve Logghe
Thank you.

Operator
This concludes our question and answer session. I would like to turn the conference back over to Lieve Logghe for any closing remarks.

CONCLUSION

Lieve Logghe
Thank you, Jason. So, thank you to give me the opportunity to thank Brian and Enya to stand by my side for this call. I would like to thank the whole Euronav team for the quarter, which has been run very, very well, and looking forward to what comes next. And I would like to thank all the listeners to this call for their interest in Euronav.

I think as a concluding remark or a conclusion, I can say the Euronav platform is well-positioned to continue its journey for all its shareholders and taking advantage of the up cycle. Wishing you all a very good day and hear you next time. Thank you. Bye-bye.

Operator
The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.