



Fourth Quarter 2019 Financial Results
Conference Call
January 29, 2020

This presentation contains certain “forward-looking statements” (as such term is defined in Section 21E of the Securities Exchange Act of 1934, as amended). All statements, other than statements of historical facts, that address activities, events or developments that the Company expects, projects, believes or anticipates will or may occur in the future, including, without limitation, future operating or financial results and future revenues and expenses, future, pending or recent acquisitions, general market conditions and shipping industry trends, the financial condition and liquidity of the Company, cash available for dividend payments, future capital expenditures and dry-docking costs and newbuild vessels and expected delivery dates, are forward-looking statements. Although the Company believes that its expectations stated in this presentation are based on reasonable assumptions, actual results may differ from those projected in the forward-looking statements. Important factors that, in our view, could cause actual results to differ materially from the future results discussed in the forward-looking statements include, without limitation, global supply and demand for containerships, the financial stability of the Company’s counterparties and charterers, global economic weakness, disruptions in the world financial markets, the loss of one or more customers, a decrease in the level of Chinese exports, the availability of debt financing, our ability to expand through newbuildings and secondhand acquisitions, risks associated with the operation of the Framework Agreement with our joint venture partner, delay in the delivery of newbuildings, rising crew and fuel costs, increases in capital expenditure requirements or operating costs, a decrease in containership values, increased competition in the industry, re-chartering risk, fluctuations in interest rates, actions taken by governmental and regulatory authorities, potential liability for future litigation and environmental liabilities, the availability of adequate insurance coverage, potential disruption of shipping routes due to accidents or political conditions and the other factors discussed in the Company’s most recent Annual Report on Form 20-F (File No. 001-34934) under the caption “Risk Factors”. All forward-looking statements reflect management’s current views with respect to certain future events, and the Company expressly disclaims any obligation to update or revise any of these forward-looking statements, whether because of future events, new information, a change in the Company’s views or expectations, or otherwise.

Financial Performance

➤ Q4 2019

- Net Income of \$35.9m (82% increase vs Q4 2018).
- Earnings per Share of \$0.24 (118% increase vs Q4 2018).
- Adjusted Net Income⁽¹⁾ of \$38.4m (189% increase vs Q4 2018).
- Adjusted Earnings per Share⁽¹⁾ of \$0.32 (167% increase vs Q4 2018).

➤ YE 2019

- Net Income of \$99.0m (47% increase vs 2018).
- Earnings per Share of \$0.59 (79% increase vs 2018).
- Adjusted Net Income⁽¹⁾ of \$105.1m (124% increase vs 2018).
- Adjusted Earnings per Share⁽¹⁾ of \$0.91 (117% increase vs 2018).

Notes

1. Adjusted Net Income and Adjusted Earnings per Share are non-GAAP measures. See Appendix I for definitions and reconciliations to the nearest GAAP measures.

Fleet Renewal

- Acquisition of four Panamax size sister containerships with an average age of 11 years. More specifically:
 - *Vela* (2009-built, 4,258 TEU capacity).
 - *JPO Virgo* (2009-built, 4,258 TEU capacity).
 - *Volans* (2010-built, 4,258 TEU capacity).
 - *Vulpecula* (2010-built, 4,258 TEU capacity).
- Sale of four containerships with an average age of 27 years. More specifically:
 - *Sierra II* (1991-built, 2,023 TEU capacity).
 - *Namibia II* (1991-built, 2,023 TEU capacity).
 - *Reunion* (1992-built, 2,024 TEU capacity).
 - *Neapolis* (2000-built, 1,645 TEU capacity)⁽¹⁾.

Notes

1. Sale is expected to be concluded in January 2020.

Strong Balance Sheet

- Estimated Leverage⁽¹⁾ of 41% (as of December 31, 2019).
- No substantial balloon payments over the next 12 months.
- Never restructured any debt obligations or requested covenant waivers / debt deferral payments.

New Financing Arrangements

- Signing of 4 financing agreements with leading European and U.S. financial institutions involving four 11,010 TEU containerships owned under the JV with York Capital, for a total amount of up to \$265m.

Operational Performance

- Fleet utilization of 99.7%⁽²⁾.
- Ownership Days 5,447.
- Q4 2019 Operating Expenses \$28.8m.
- Q4 2019 Average Operating Expenses p.d.⁽³⁾ **\$5,283**.

Notes

1. *(Total Liabilities minus Cash and Cash Equivalents) / (Total Market Value Adjusted Assets minus Cash and Cash Equivalents). Calculated in accordance with relevant provisions of bank financing agreements.*
2. *Revenue Days (adjusted for scheduled off-hire days) / Ownership Days.*
3. *Q4 Operating Expenses / Q4 Ownership Days*

Staggered Charter Maturities

- 18 ships larger than 5,000 TEUs coming off charter over the next 12 months.
- Currently positive supply and demand dynamics for larger vessels due to:
 - Scrubber retrofits leading to a reduction in supply.
 - Further consolidation and upsizing of liner services generating greater demand for large containerships.
 - Slow steaming.

Containership Market

- Current orderbook at a low level of 10.6%⁽¹⁾.
- Effective idle fleet (adjusted for inactive vessels due to scrubber retrofits) represents 1.5% of existing fleet⁽²⁾.
- Large containerships benefit from a continued short supply environment⁽²⁾.

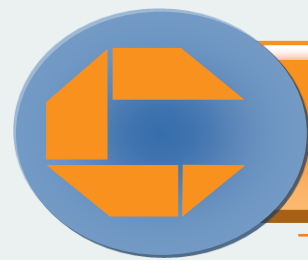
Dividends / Strong Sponsor Support

- 37 consecutive quarterly common dividend payments since IPO.
- Q4 2019 common shares dividend of \$0.10 declared and scheduled to be paid on February 5, 2020.
- Largest shareholder has continued to participate in the Dividend Reinvestment Plan (“DRIP”) since its inception (July 2016), with \$82m reinvested to date.

Notes

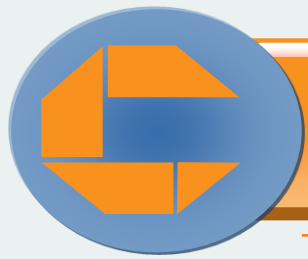
1. Source: Clarksons Data as of January 16, 2020.
2. Source: Alphaliner Report as of January 14, 2020.

Q4 2019 Income Statement Snapshot



Q4 2019 RESULTS

	Q4 2018	Q4 2019	% Change
Ownership Days	5,505	5,447	(1.1%)
Average Number of Vessels	59.8	59.2	(1.0%)
Voyage Revenues	106,153	124,468	17.3%
Net Interest and Finance Costs (*)	18,924	18,828	(0.5%)
Adjusted Net Income Available to Common Stockholders(**)	13,259	38,382	189.5%
Weighted Average Number of Shares	111,951,107	118,724,718	



Q4 2019 RESULTS – Non Cash and Other Adjustments

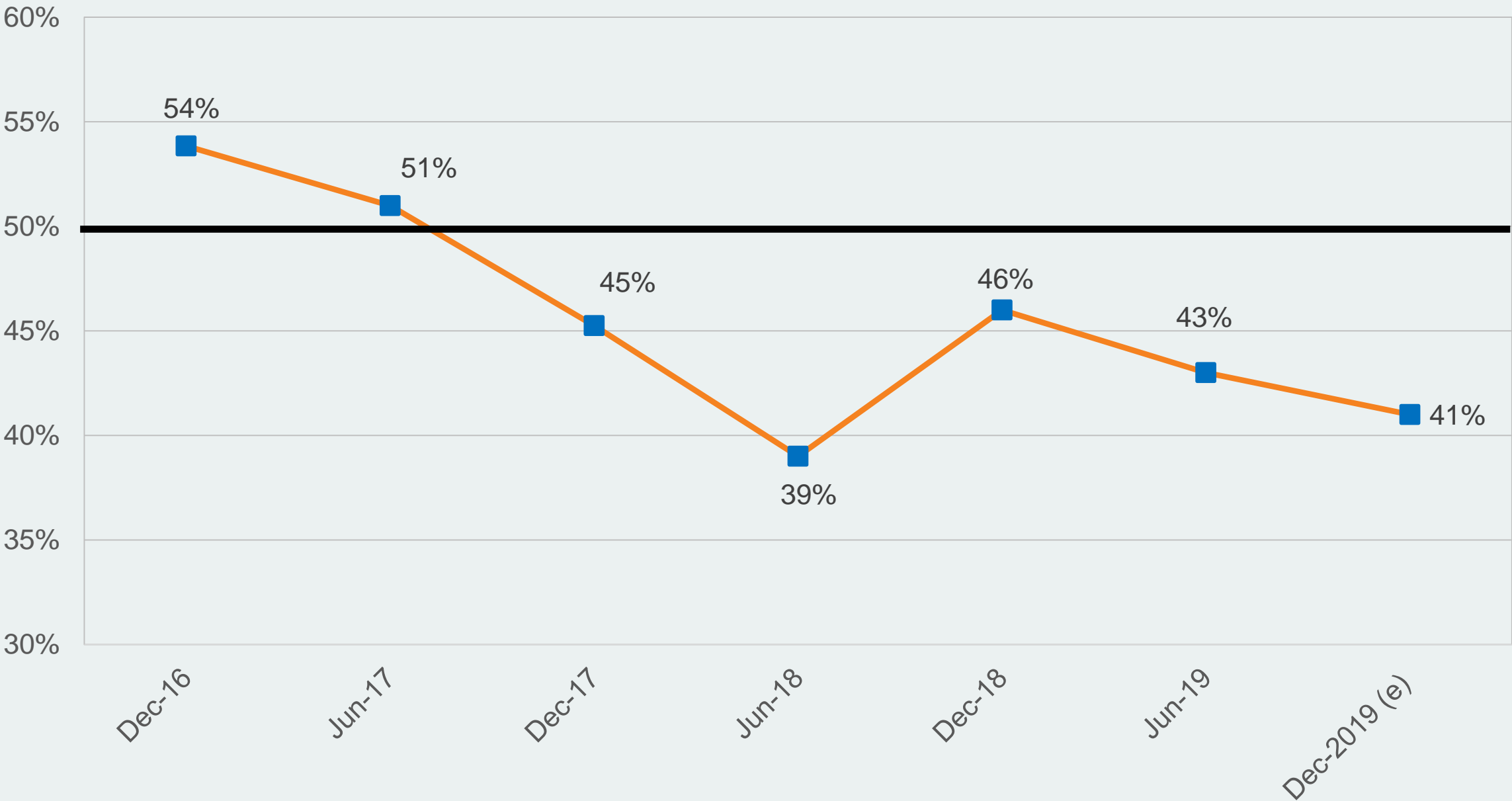
	Q4 2018	Q4 2019
Net Income Available to Common Stockholders	\$ 11,915	\$ 28,070
Accrued charter revenue	(2,263)	4,008
Amortization of time charter assumed	26	48
(Gain) Loss on sale of vessels	291	689
Loss on assets held for sale	101	2,495
(Gain) Loss on derivative instruments	322	(418)
Amortization of prepaid lease rentals	2,055	-
Non-cash G&A and other con-cash itemns	657	1,426
IMO 2020 tank cleaning	-	1,524
JV IMO 2020 tank cleaning	-	92
JV Loss on sale of vessels	43	-
JV Loss on asset held for sale	112	-
Realized (gain) loss on Euro/USD FX contracts	-	186
Non-recurring, non cash write-off of loan deferred financing costs	-	126
JV non-recurring, non cash write-off of loan deferred financing costs	-	136
Adjusted Net Income Available to Common Stockholders(**)	13,259	38,382
Adjusted EPS(**)	\$0.12	\$0.32

All numbers in thousands of U.S. dollars, except ownership days, number of vessels, share and per share data.

(*) Interest and finance costs *minus* Interest Income

(**) Non-GAAP items, see Appendix I for definitions and reconciliations to the nearest GAAP measure.

LEVERAGE RATIO⁽¹⁾



Note 1: (Total Liabilities *minus* Cash and Cash Equivalents) / (Total Market Value Adjusted Assets *minus* Cash and Cash Equivalents). Calculated in accordance with relevant provisions of bank financing agreements.

NET DEBT / ADJUSTED EBITDA⁽²⁾⁽³⁾

(' 000 US\$)		2019
NET INCOME		98,999
Net Interest and Finance Costs		85,658
Depreciation and Amortization		122,410
EBITDA		307,067
ADJUSTED EBITDA ⁽²⁾		344,419

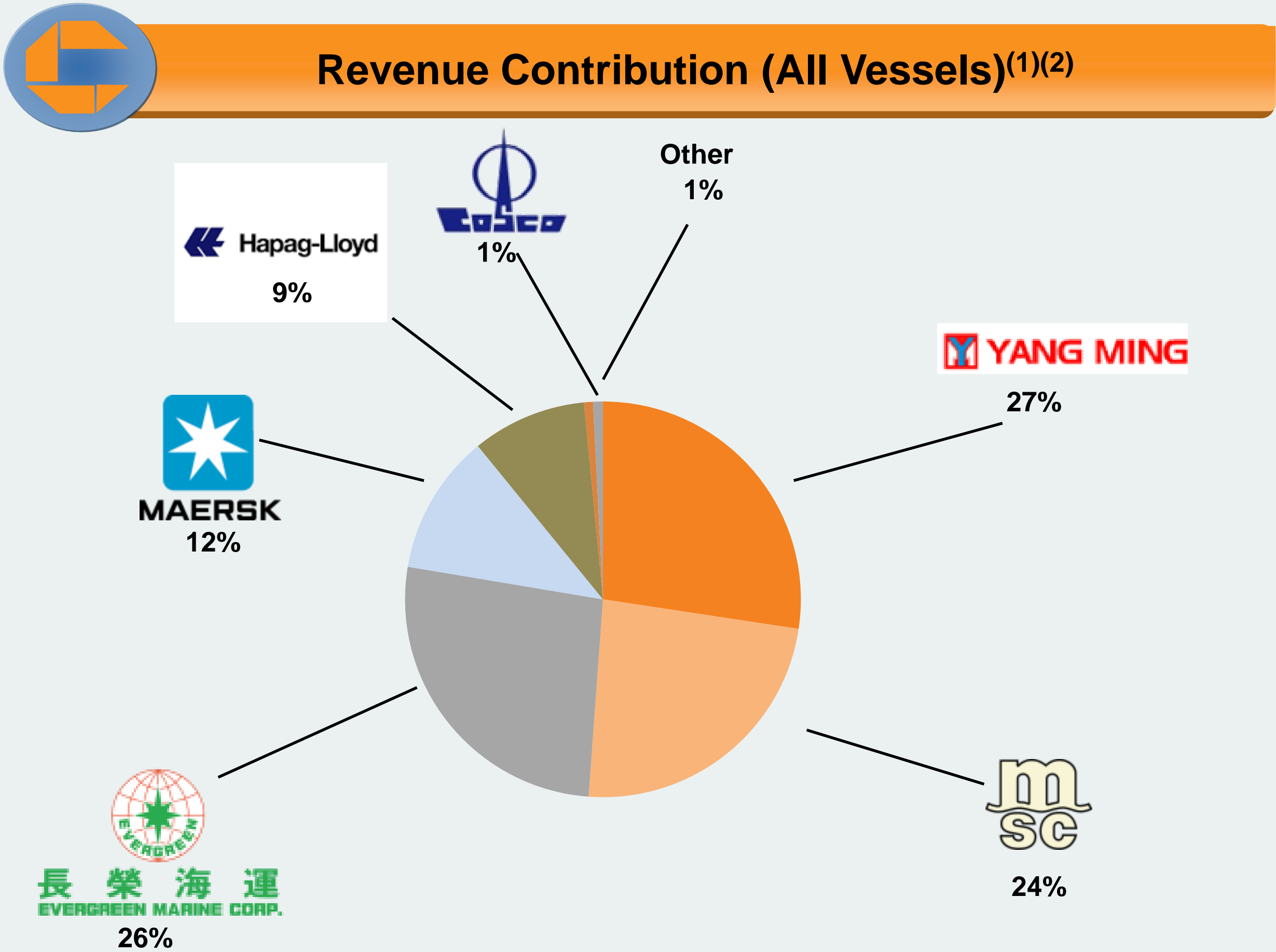
Total Debt and Finance Leases ⁽⁴⁾	1,466,337
Cash and Cash Equivalents	195,871
Adjusted EBITDA to Net Interest and Finance Costs	4.02x
Net Debt⁽⁵⁾ to Adjusted EBITDA	3.69x

Note 2: Refer to Appendix II for reconciliation of EBITDA to Adjusted EBITDA

Note 3: EBITDA and Adjusted EBITDA are non-GAAP measures. See Appendix I and Appendix II for definitions and reconciliations to the nearest GAAP measure, respectively.

Note 4: As of December 31, 2019. Excludes pre-delivery financing obligations related to our 5 newbuildings, for which no EBITDA is generated yet.

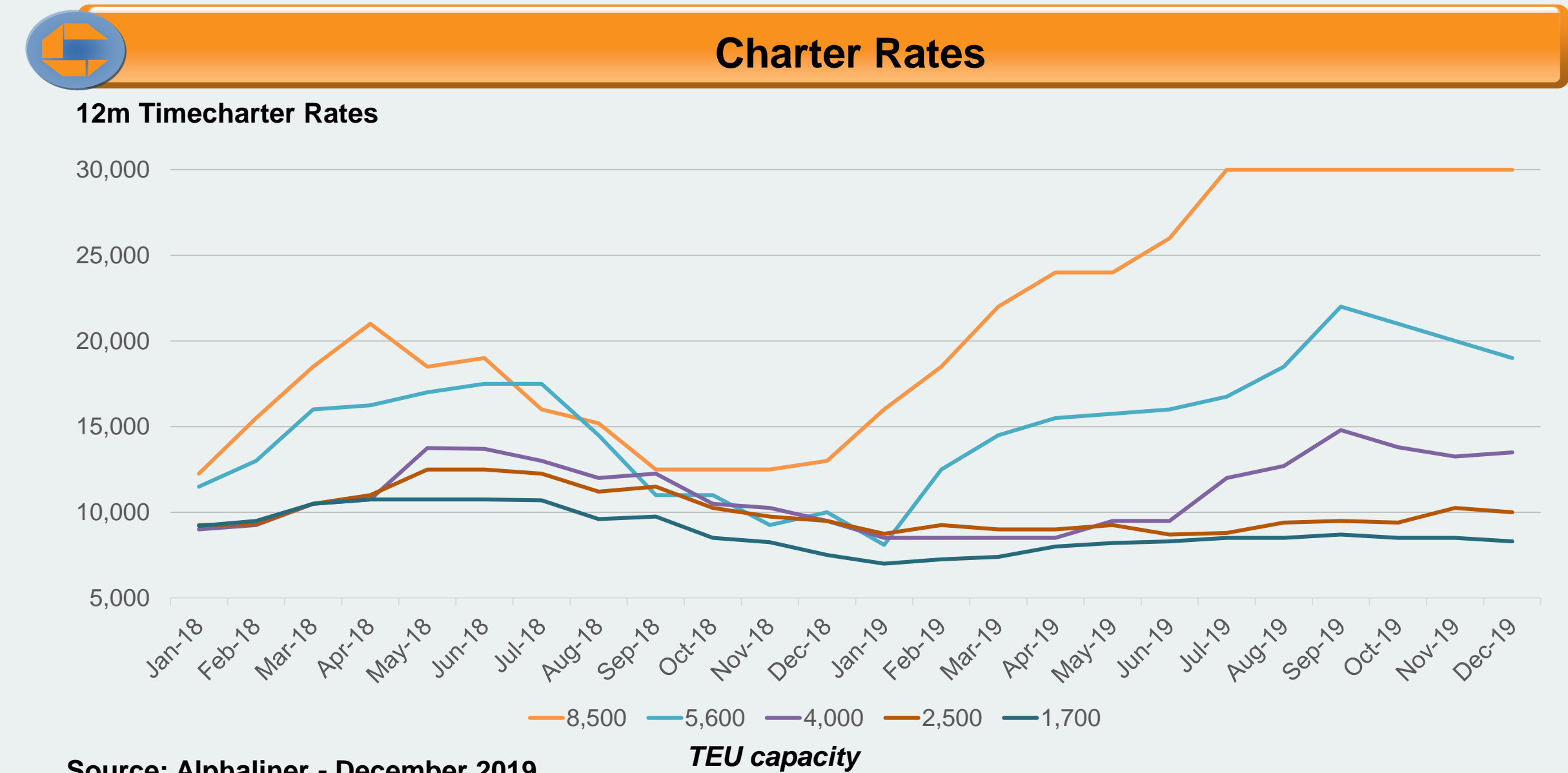
Note 5: Total Debt and Finance Lease *minus* Cash and Cash Equivalents



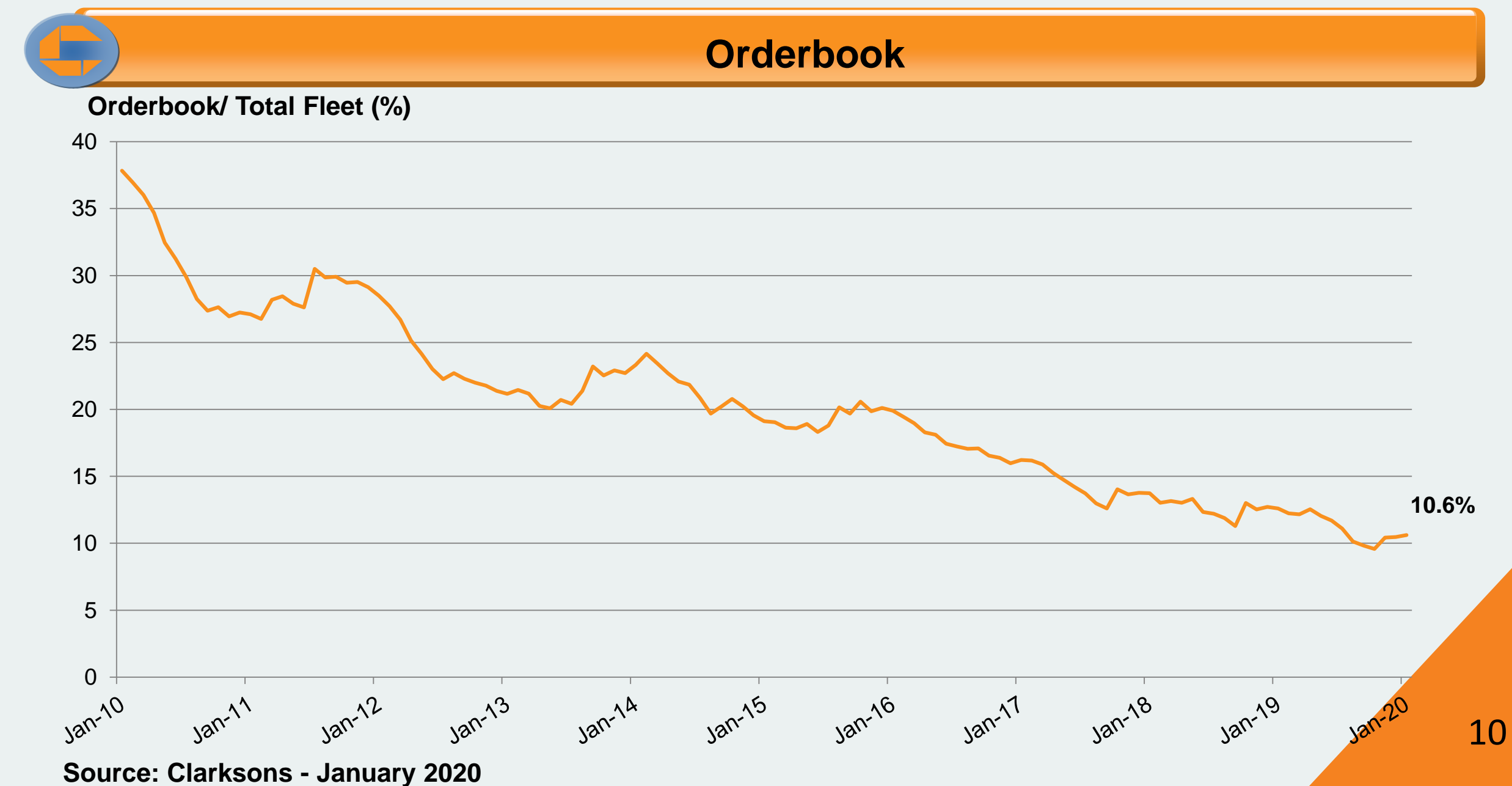
- As of January 28, 2020, contracted revenues of approximately \$2.2Bn⁽¹⁾⁽²⁾
- TEU-weighted average remaining time charter duration for the fleet is about 3.5 years⁽¹⁾⁽²⁾

Notes
1. Based on contracted revenues as of January 28, 2020. Revenues include our ownership percentage of contracted revenues for ten vessels owned pursuant to the Framework Agreement with York. Revenues also include the 5 newbuilds under construction.
2. Assumes earliest re-delivery dates after giving effect to the exercise of any owners' extension options.

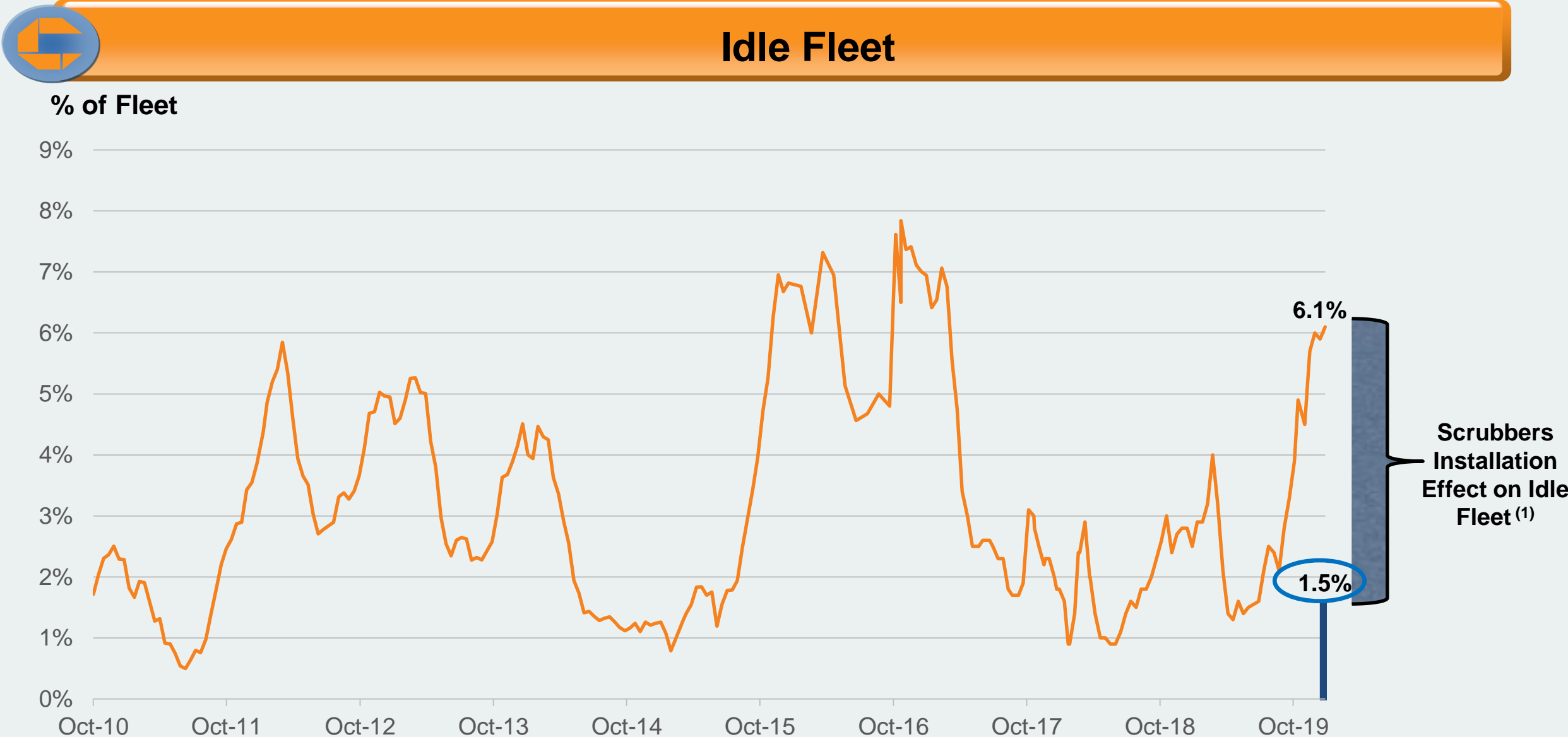
- Charter rates for larger ships have been rising.
- Recent medium to long term charter agreements for larger tonnage.



- Orderbook at historically low levels.
- Very thin delivery schedule from 2022 onwards.

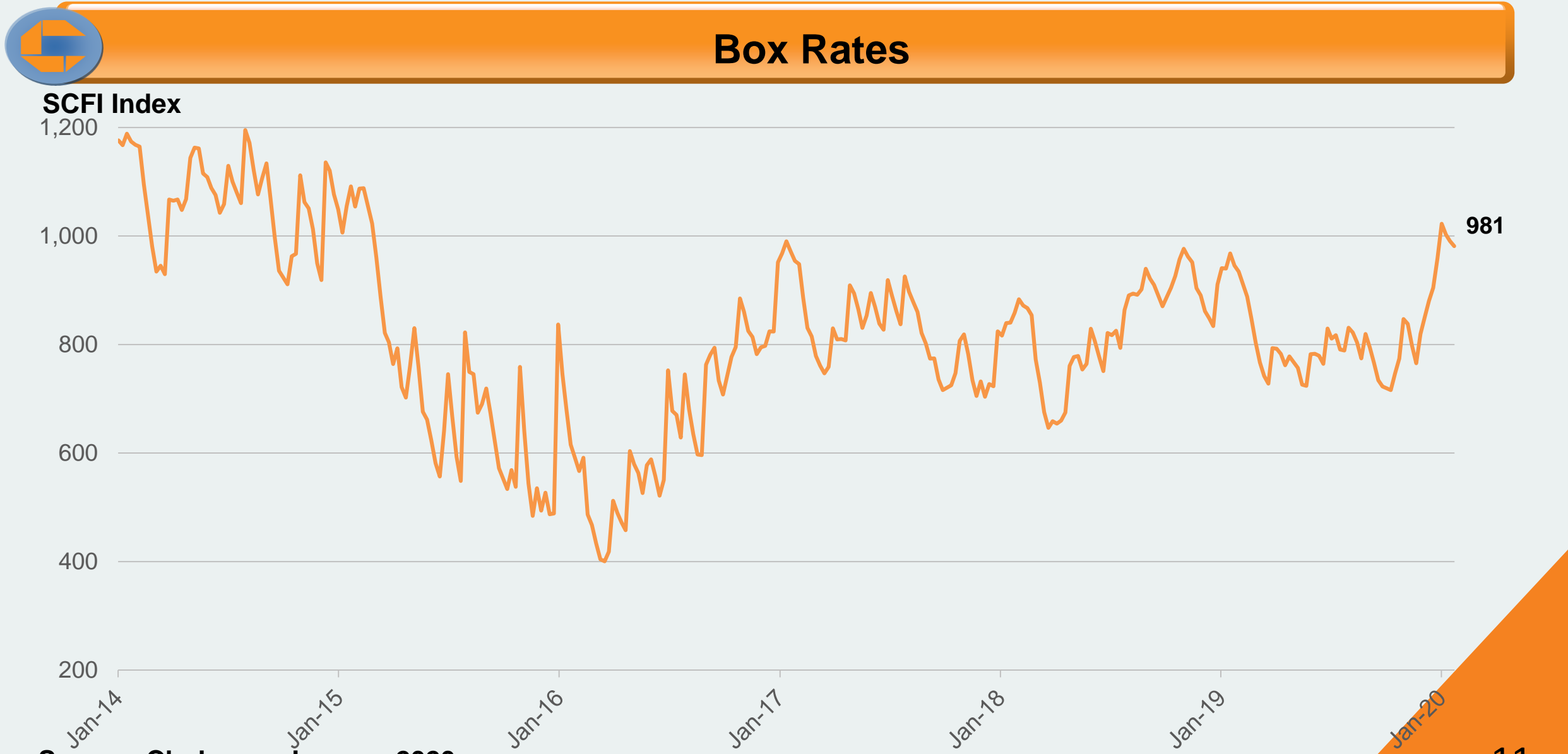


- Effective idle fleet at low levels.
- Positive supply / demand dynamics for post-panamax tonnage.



Source: Alphaliner-January 2020

- Improved box rates over the past 6 months.
- Implementation of Bunker Adjustment Factor (BAF).



Source: Clarksons-January 2020

Note: (1) Since Q1 2019 idle fleet data is “distorted” because vessels undergoing scrubber installations are shown as idle. Adjusting for scrubber installation cases, effective idle fleet data stood at 1.5%.

Q & A





Net Income to Adj. Net Income Available to Common Stockholders and Adj. EPS Reconciliations– EBITDA and Adjusted EBITDA Definitions

(Expressed in thousands of U.S. dollars, except share and per share data)

	Three-month period ended December 31,	
	2018	2019
Net Income	\$ 19,732	\$ 35,887
Earnings allocated to Preferred Stock	(7,817)	(7,817)
Net Income available to common stockholders	11,915	28,070
Accrued charter revenue	(2,263)	4,008
General and administrative expenses – non-cash component	657	1,426
Non-recurring, non-cash write-off of loan deferred financing costs	-	126
Amortization of prepaid lease rentals, net	2,055	-
Amortization of Time charter assumed	26	48
Realized loss on Euro/USD forward contracts (1)	-	186
Vessels' impairment loss	-	-
Loss on sale / disposal of vessels	291	689
Swaps' breakage costs	-	-
Non-recurring, voyage expenses, tank cleaning costs in order to comply with the global sulphur cap of 0.5% m/m in anticipation of the entry into force on January 1, 2020 of the relevant MARPOL Annex VI regulations	-	1,524
Loss on vessels held for sale	101	2,495
Loss on sale / disposal of vessel by a jointly owned company with York included in equity gain on investments	43	-
Non-recurring, voyage expenses tank cleaning costs in order to comply with the global sulphur cap of 0.5% m/m in anticipation of the entry into force on January 1, 2020 of the relevant MARPOL Annex VI regulations incurred by jointly owned companies with York	-	92
Non-recurring, non-cash write-off of loan deferred financing costs by jointly owned companies with York	-	136
Loss on asset held for sale by a jointly owned company with York included in equity gain on investments	112	-
(Gain) / loss on derivative instruments, excluding interest accrued and realized on non-hedging derivative instruments (1)	322	(418)
Adjusted Net Income available to common stockholders	\$ 13,259	\$ 38,382
Adjusted Earnings per Share	\$ 0.12	\$ 0.32
Weighted average number of shares	111,951,107	118,724,718

Note: Adjusted Net Income available to common stockholders and Adjusted Earnings per Share represent Net Income after earnings allocated to preferred stock, but before non-cash "Accrued charter revenue" recorded under charters with escalating charter rates, realized loss on Euro/USD forward contracts, vessels' impairment loss, loss on sale / disposal of vessels, swaps' breakage costs, (Gain) / loss on sale / disposal of vessel by a jointly owned company with York included in equity gain on investments, loss on asset held for sale by a jointly owned company with York included in equity gain on investments, non-cash general and administrative expenses and non-cash other items, amortization of prepaid lease rentals, net, amortization of Time charter assumed and non-cash changes in fair value of derivatives. "Accrued charter revenue" is attributed to the timing difference between the revenue recognition and the cash collection. EBITDA represents net income before interest and finance costs, interest income, depreciation and amortization. Adjusted EBITDA represents net income before interest and finance costs, interest income, depreciation, amortization, book loss on sale of vessels, impairment loss, general and administrative non-cash expenses, loss on an asset held for sale, write-off of deferred financing fees and other non-cash items. However, Adjusted Net Income available to common stockholders, Adjusted Earnings per Share EBITDA and Adjusted EBITDA are not recognized measurements under U.S. GAAP. We believe that the presentation of Adjusted Net Income available to common stockholders, Adjusted Earnings per Shares, EBITDA and Adjusted EBITDA are useful to investors because they are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. We also believe that Adjusted Net Income available to common stockholders, Adjusted Earnings per Shares, EBITDA and Adjusted EBITDA are useful in evaluating our ability to service additional debt and make capital expenditures. In addition, we believe that Adjusted Net Income available to common stockholders, Adjusted Earnings per Shares, EBITDA and Adjusted EBITDA are useful in evaluating our operating performance and liquidity position compared to that of other companies in our industry because the calculation of Adjusted Net Income available to common stockholders, Adjusted Earnings per Shares, EBITDA and Adjusted EBITDA generally eliminates the effects of financings, income taxes and the accounting effects of capital expenditures and acquisitions, items which may vary for different companies for reasons unrelated to overall operating performance and liquidity. In evaluating Adjusted Net Income available to common stockholders, Adjusted Earnings per Shares, EBITDA and Adjusted EBITDA, you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in this presentation. Our presentation of Adjusted Net Income available to common stockholders, Adjusted Earnings per Shares, EBITDA and Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items.

(1) Items to consider for comparability include gains and charges. Gains positively impacting Net Income available to common stockholders are reflected as deductions to Adjusted Net Income available to common stockholders. Charges negatively impacting Net Income available to common stockholders are reflected as increases to Adjusted Net Income available to common stockholders.



EBITDA to Adjusted EBITDA Reconciliation for 2019

(' 000 US\$)	2019
NET INCOME	98,999
Interest and Finance Costs	89,007
Interest Income	(3,349)
Depreciation	113,462
Amortization	8,948
EBITDA	307,067
(Gain) Loss on sale of vessels / Assets held for sale	22,122
Impairment Loss	3,042
G&A non-cash Expenses	3,879
IMO 2020 tank cleaning	1,616
Write-off of Deferred Financing Fees	1,389
Other non-cash Items	5,304
ADJUSTED EBITDA	344,419