



Costamare Inc.



## Second Quarter 2017 Financial Results Conference Call

July 26, 2017

# Forward-Looking Statements

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 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.

# Recent Transactions – Vessel deliveries, New financing transactions

## Vessel deliveries

- On May 15, 2017 and May 18, 2017, we accepted delivery of the 2014-built 4,957 TEU containerhips, *Leonidio* and *Kyparissia*, respectively. Both vessels are chartered to Maersk Line for a 7-year period.
- On May 16, 2017, we accepted delivery of the 2005-built 7,471 TEU containerhip, *Maersk Kowloon*. On June 12, 2017, the vessel commenced its 5-year charter with Maersk Line.
- On May 31, 2017, we accepted delivery of the 11,010 TEU containerhip *Cape Artemisio*, from the shipyard, which was acquired pursuant to our joint venture with York. The vessel commenced its charter in June 2017. Costamare holds a 49% interest in the entity that owns the vessel.

## New financing transactions

- In June 2017, we entered into two new financing agreements for the 2014-built 4,957 TEU containerhips *Leonidio* and *Kyparissia*, with a Chinese financial institution.
- We are currently in discussions for the financing of the 2005-built 7,471 TEU containerhip, *Maersk Kowloon*.

## Recent Transactions – Follow-on Offering

### Follow-on Offering

- On May 31, 2017, the Company completed a follow-on public offering of 13.5 million shares of its common stock at \$7.10 per share, upsized from an initial 12.5 million shares. The gross proceeds from the offering before the underwriting discount and other offering expenses were approximately \$95.85 million. Members of the Konstantakopoulos family, who in the aggregate own a majority of the common stock of the Company, purchased \$10.0 million of shares in the offering. We plan to use the net proceeds of this offering for capital expenditures, including vessel acquisitions, and for other general corporate purposes, which may include repayments of indebtedness.

# Recent Transactions – Charterings

## Charter Agreements

**We have no ships laid up including all vessels acquired under our JV with York Capital.**

**The Company entered into the following chartering arrangements:**

- Agreed to extend the charter of the 1995-built, 1,162 TEU containership *Zagora* with MSC for a period of 11 to 13 months, starting from June 1, 2017, at a daily rate of \$6,500.
- Agreed to charter the 2001-built, 1,078 TEU containership *Stadt Luebeck* to Sea Consortium, for a period of 25 days to 90 days starting from April 8, 2017, at a daily rate of \$6,500. Subsequently, agreed to extend the charter with Sea Consortium for a further period of 1 to 3 months, starting from May 6, 2017, at a daily rate of \$6,800.
- Agreed to extend the charter of the 2000-built, 2,474 TEU containership *Areopolis* with Evergreen for a period of 3 to 8 months, starting from July 21, 2017, at a daily rate of \$8,300.
- Agreed to extend the charter of the 2002-built, 4,132 TEU containership *MSC Ulsan* with MSC for a period up to August 20, 2017, starting from June 25, 2017, at a daily rate of \$8,000.
- Agreed to extend the charter of the 2000-built, 1,645 TEU containership *Neapolis* with Evergreen for a period of 3 to 8 months, starting from June 25, 2017, at a daily rate of \$6,900.
- Agreed to extend the charter of the 1998-built, 1,645 TEU containership *Padma* with Evergreen for a period of 4 to 8 months, starting from August 21, 2017, at a daily rate of \$6,800.

## Recent Transactions – Dividend Declarations

### Dividend Declarations

- On July 3, 2017, we declared a dividend for the second quarter ended June 30, 2017, of \$0.10 per share on our common stock, payable on August 7, 2017, to stockholders of record on July 24, 2017.
- As long term committed shareholders, members of the Konstantakopoulos family have each decided to reinvest in full the second quarter cash dividend under our dividend reinvestment plan available to all common stockholders.
- On July 3, 2017, we declared a dividend of \$0.476563 per share on our Series B Preferred Stock, a dividend of \$0.531250 per share on our Series C Preferred Stock and a dividend of \$0.546875 per share on our Series D Preferred Stock which were all paid on July 17, 2017 to holders of record on July 14, 2017.

# Q2 2017 Income Statement Snapshot



## Q2 2017 RESULTS

	2Q 2016	2Q 2017	% Change
Ownership Days	4,914	4,778	(2.8%)
Average Number of Vessels	54	52.5	(2.8%)
Voyage Revenues	\$119,525	\$105,017	(12.1%)
Net Interest and Finance Costs	17,394	16,892	(2.9%)
Adjusted Net Income Available to Common Stockholders <sup>(*)</sup>	31,891	20,575	(35.5%)
Weighted Average Number of Shares	75,549,644	96,635,709	



## Q2 2017 RESULTS – Non Cash and Other Adjustments

	2Q 2016	2Q 2017
Net Income Available to Common Stockholders	\$31,776	\$17,724
Accrued charter revenue	(1,615)	(2,808)
(Gain) Loss on sale of vessels	-	-
Loss on Asset held for sale	-	2,732
(Gain) Loss on derivative instruments	(472)	(116)
Amortization of Prepaid lease	1,239	2,162
G&As non-cash component	1,402	1,094
Realized (gain) loss on Euro/USD FX contracts	(439)	(213)
Adjusted Net Income Available to Common Stockholders <sup>(*)</sup>	31,891	20,575
Adjusted EPS <sup>(*)</sup>	\$0.42	\$0.21

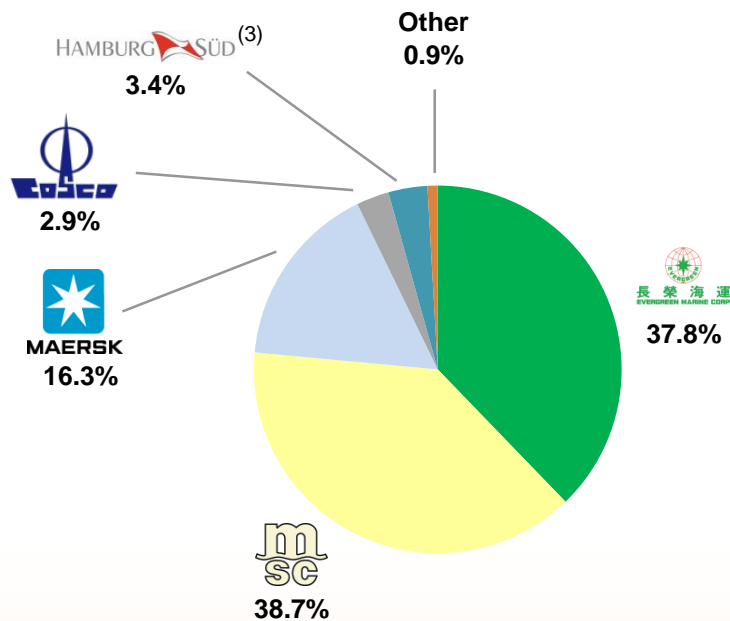
### Notes

All numbers in thousands, except ownership days, number of vessels, share and per share data

<sup>(\*)</sup> Non-GAAP Items, see Appendix for reconciliation

# High Quality & Stable Cash Flows

## Revenue Contribution (All Vessels)<sup>(1)(2)</sup>



- As of July 26, 2017, contracted revenues of approximately \$1.4Bn<sup>(1)(2)</sup>
- TEU-weighted average remaining time charter duration for the fleet is about 3.1 years<sup>(1)(2)</sup>

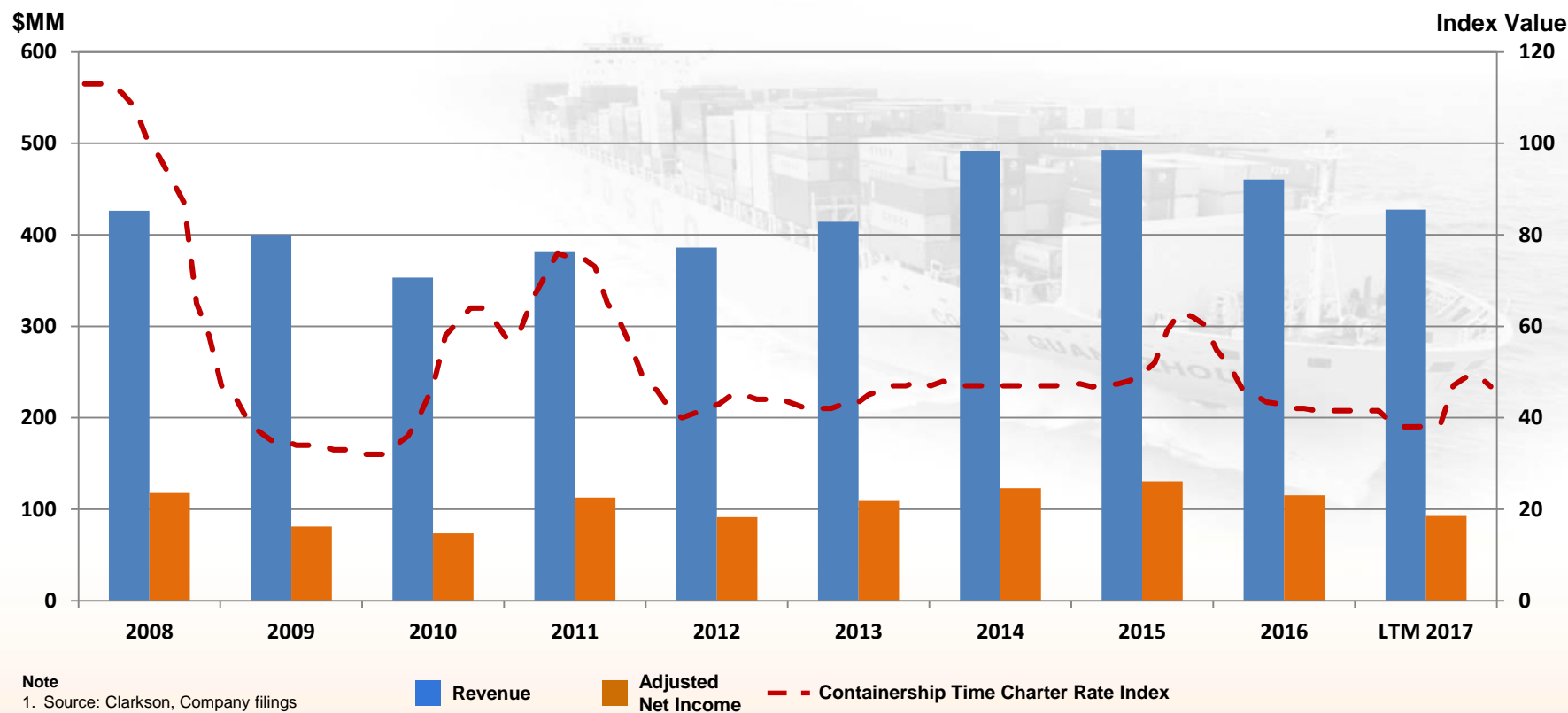
### Notes

1. Based on contracted revenues as of July 26, 2017. Revenues include our ownership percentage of contracted revenues for six secondhand vessels purchased and twelve newbuilds ordered pursuant to the Framework Agreement with York; ten of the twelve newbuilds have already been delivered
2. Assumes earliest re-delivery dates after giving effect to the exercise of any owners' extension options
3. Hamburg Süd is expected to be acquired by Maersk Lines once necessary regulatory approvals are granted.



# Consistently Strong Performance

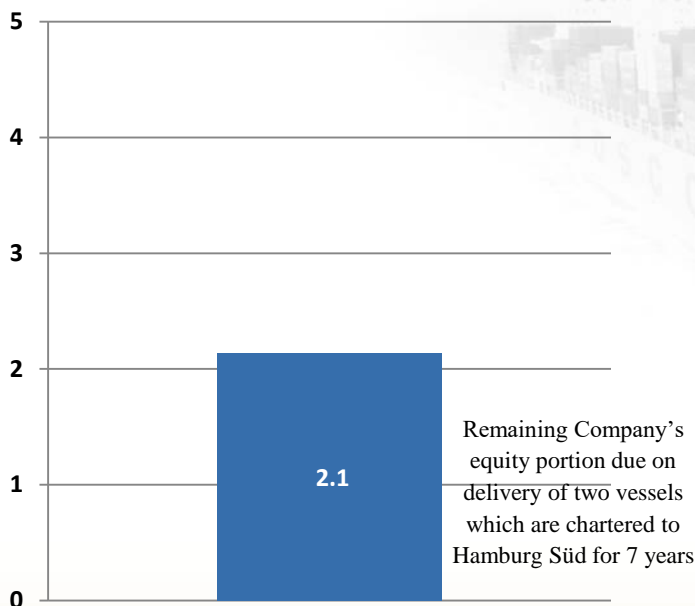
## Historical Financial Performance vs. Containership Time Charter Rate Index <sup>(1)</sup>





## Newbuild Capex Commitments <sup>(1)</sup>

\$MM



- Total Capex commitments of approximately \$2.1 million. Represents Company's portion in remaining equity required for 2x 3,800 TEU vessels on order, payable on delivery in 1H 2018.

### Note

1. Excludes financing fees and other pre-delivery expenses



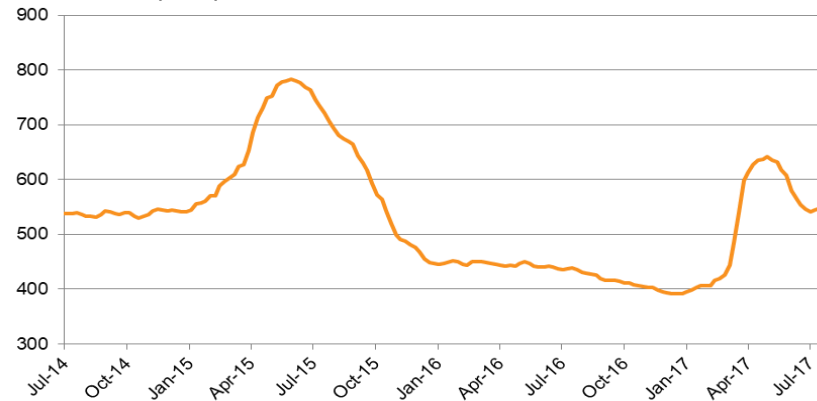
## New Acquisitions

- Acquired three secondhand vessels with long term time charters to Maersk Line.
  - Two wide beam containerships of approx. 5,000 TEUs, 2014-built.
    - 7 year time charters to Maersk Line
    - Financed under sale and leaseback transactions
  - One approx. 7,500 TEUs containership, 2005-built
    - 5 year time charter to Maersk Line
    - In advanced discussions to finance acquisition with debt
- Contracted revenues in excess of \$100MM
- Took delivery of the 11,010 TEU containership *Cape Artemisio*, from the shipyard, which was acquired pursuant to our joint venture with York. The vessel commenced its charter in June 2016.

# Container Shipping Industry

## Charter Rates

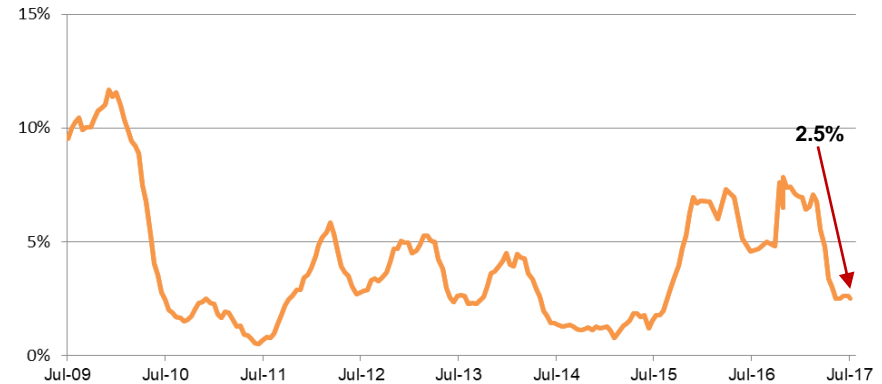
Charter Index (HRCI)<sup>(1)</sup>



Source: Howe Robinson as of July 19, 2017

## Idle Fleet

% of fleet



Source: AXS-Alphaliner as of July 18, 2017

## Orderbook

Orderbook/ Total Fleet (%)

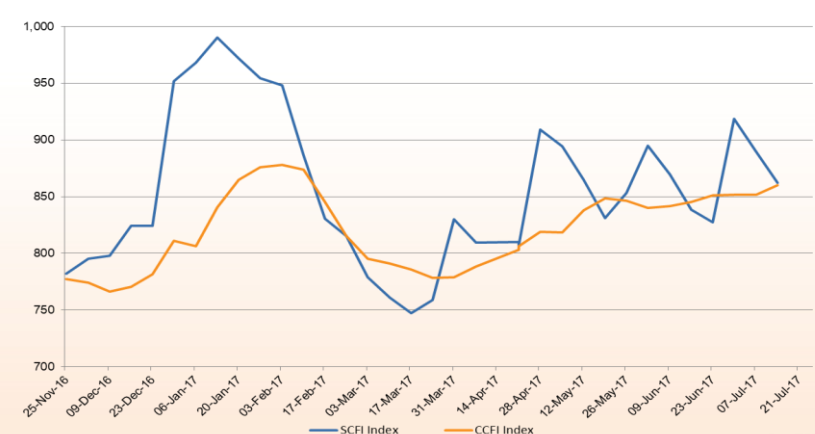


Source: Clarkson as of July 21, 2017

Note: (1) Howe Robinson Containership Index (HRCI) includes vessels ranging from 700 TEU to 8,500 TEU

## Box Rates

CCFI & SCFI Indices



Source: Clarkson as of July 21, 2017

## Q & A



## Net Income to Adj. Net Income Available to Common Stockholders and Adj. EPS Reconciliation

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

	Three-month period ended June 30,	
	2016	2017
<b>Net Income</b>	\$ 37,042	\$ 23,048
Earnings allocated to Preferred Stock	(5,266)	(5,324)
<b>Net Income available to common stockholders</b>	31,776	17,724
Accrued charter revenue	(1,615)	(2,808)
General and administrative expenses – non-cash component	1,402	1,094
Amortization of prepaid lease rentals, net	1,239	2,162
Realized Gain on Euro/USD forward contracts (1)	(439)	(213)
Loss on sale / disposals of vessels	-	-
Loss on vessel held for sale	-	2,732
Gain on derivative instruments, excluding interest accrued and realized on non-hedging derivative instruments (1)	(472)	(116)
<b>Adjusted Net Income available to common stockholders</b>	\$ 31,891	\$ 20,575
<b>Adjusted Earnings per Share</b>	\$ 0.42	\$ 0.21
Weighted average number of shares	75,549,644	96,635,709

**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 / (gain) on Euro/USD forward contracts, loss on sale / disposal of vessels, loss on vessel held for sale, general and administrative expenses - non-cash component, amortization of prepaid lease rentals, net 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. However, Adjusted Net Income available to common stockholders and Adjusted Earnings per Share are not recognized measurements under U.S. GAAP. We believe that the presentation of Adjusted Net Income available to common stockholders and Adjusted Earnings per Share 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 and Adjusted Earnings per Share 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 and Adjusted Earnings per Share 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 and Adjusted Earnings per Share generally eliminates the effects of the accounting effects of capital expenditures and acquisitions, certain hedging instruments and other accounting treatments, 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 and Adjusted Earnings per Share, 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 and Adjusted Earnings per Share 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 are reflected as deductions to Adjusted Net Income. Charges negatively impacting Net Income are reflected as increases to Adjusted Net Income.