



Costamare Inc.



## First Quarter 2017 Financial Results Conference Call

April 28, 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.

## Newbuild Charter Agreements

- The Company has entered into time charter agreements for all five 11,000TEU newbuild vessels acquired under our JV with York Capital. The vessels have been chartered for periods of up to 12 months at an average rate of about \$18,000 per day. The first two vessels, the Cape Akritas and Cape Tainaro have been delivered to their charterers and have commenced operations. The third and fourth vessels, the Cape Kortia and Cape Sounio, are expected to be delivered to their charterers during the first week of May 2017, while the last vessel, the Cape Artemisio, is expected to be delivered from the shipyard and to her charterers during the second week of June 2017.

## New Acquisitions

- In March 2017, the Company agreed to purchase the 2014-built 4,957TEU wide-beam container vessels Leonidio and Kyparissia. Both vessels are expected to be delivered to the Company in May 2017. The Company has agreed to charter the vessels to Maersk Line for a period of 7 years. The acquisitions will be initially funded with equity. The Company is in advanced discussions to finance the vessels' acquisition cost with debt.
- In April 2017, the Company agreed to purchase the 2005-built 7,491TEU container vessel Megalopolis. The vessel is expected to be delivered to the Company in May 2017. The Company has agreed to charter the vessel to Maersk Line for a period of 5 years. The acquisition will be initially funded with equity. The Company is in discussions to finance the vessel's acquisition cost with debt.

# 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 charter the 2003-built, 5,928 TEU containership Venetiko to Hapag-Lloyd, for a period of 5 to 14 months starting from March 19, 2017, at a daily rate of \$6,600.
- Agreed to charter the 2001-built, 5,576 TEU containership Ensenada to PIL, for a period of 6 to 10 months starting from March 31, 2017, at a daily rate of \$6,950.
- Agreed to charter the 2004-built, 4,992 TEU containership Piraeus to TS Lines, for a period of 4 to 8 months starting from April 6, 2017, at a daily rate of \$5,100.
- Agreed to extend the charter of the 1998-built, 3,842 TEU containership Itea with ACL for a period expiring at the charterers' option during the period from September 15, 2017 to October 25, 2017, starting from April 30, 2017, at a daily rate of \$7,250.
- Agreed to charter the 1999-built, 2,526 TEU containership Elafonisos to MSC for a period of 11 to 13 months starting from March 15, 2017, at a daily rate of \$6,200.
- Agreed to extend the charter of the 1996-built, 1,504 TEU containership Prosper with Sea Consortium for a period of 2 to 6 months, starting from April 26, 2017, at a daily rate of \$6,750.
- Agreed to charter the 2001-built, 1,078 TEU containership Stadt Luebeck to Sea Consortium for a period of 25 to 90 days starting from April 10, 2017, at a daily rate of \$6,500.

# Recent Transactions – New Financing Transactions, Vessel Disposals

## New financing transactions

- In April 2017, we entered into a loan agreement with a leading European financial institution for the financing of the last 11,000 TEU vessel on order, acquired under our JV with York Capital. The facility is for an amount of up to US \$44 million which will be repayable over 3 years. The proceeds are expected to finance the remaining yard installment for the vessel.

## Vessel Disposals

- In January 2017 and March 2017 we sold for demolition the 5,050TEU container vessel Romanos and the 3,351 TEU container vessel Marina, respectively.

## Recent Transactions – Dividend Declarations

### Dividend Declarations

- On April 3, 2017, we declared a dividend for the quarter ended March 31, 2017 of \$0.10 per share on our common stock, payable on May 8, 2017, to stockholders of record on April 21, 2017.
- As long term committed shareholders, members of the Konstantakopoulos family have each decided to reinvest in full the first quarter cash dividend under our dividend reinvestment plan available to all common stockholders.
- On April 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 April 17, 2017 to holders of record on April 13, 2017.

# Q1 2017 Income Statement Snapshot

## Q1 2017 RESULTS

	1Q 2016	1Q 2017	% Change
Ownership Days	4,914	4,678	(4.8%)
Average Number of Vessels	54	52	(3.7%)
Voyage Revenues	\$120,274	\$105,524	(12.3%)
Net Interest and Finance Costs	18,545	17,330	(6.6%)
Adjusted Net Income Available to Common Stockholders <sup>(*)</sup>	34,307	20,774	(39.4%)
Weighted Average Number of Shares	75,400,044	91,036,935	
Adjusted EPS <sup>(*)</sup>	\$0.45	\$0.23	(49.8%)

## Q1 2017 RESULTS – Non Cash and Other Adjustments

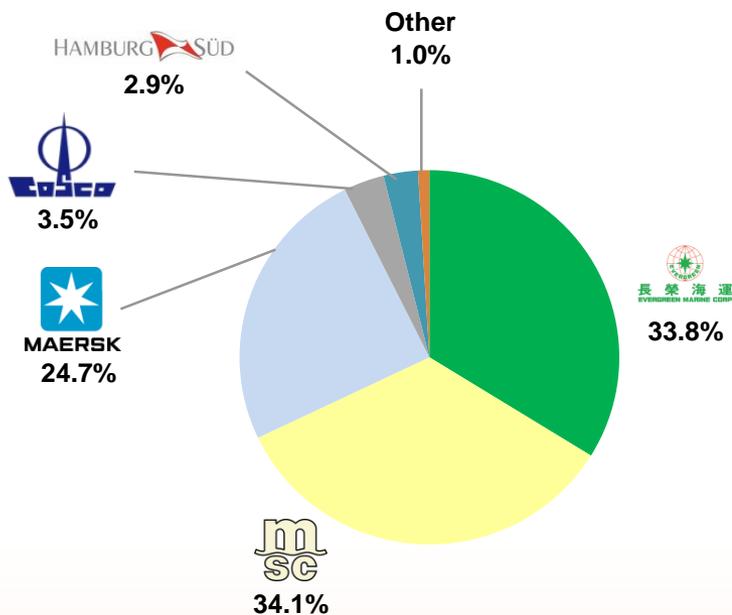
	1Q 2016	1Q 2017
Net Income Available to Common Stockholders	\$29,789	\$17,866
Accrued charter revenue	(452)	(2,791)
(Gain) Loss on sale of vessels	–	3,638
(Gain) Loss on derivative instruments	2,627	(1,113)
Amortization of Prepaid lease	1,238	2,158
G&As non-cash component	1,344	984
Realized (gain) loss on Euro/USD FX contracts	(239)	32
Adjusted Net Income Available to Common Stockholders <sup>(*)</sup>	34,307	20,774
Adjusted EPS <sup>(*)</sup>	\$0.45	\$0.23

### Notes

All numbers in thousands, except ownership days, number of vessels, share and per share data  
 (\*) Non-GAAP Items, see Appendix for reconciliation

# High Quality & Stable Cash Flows

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



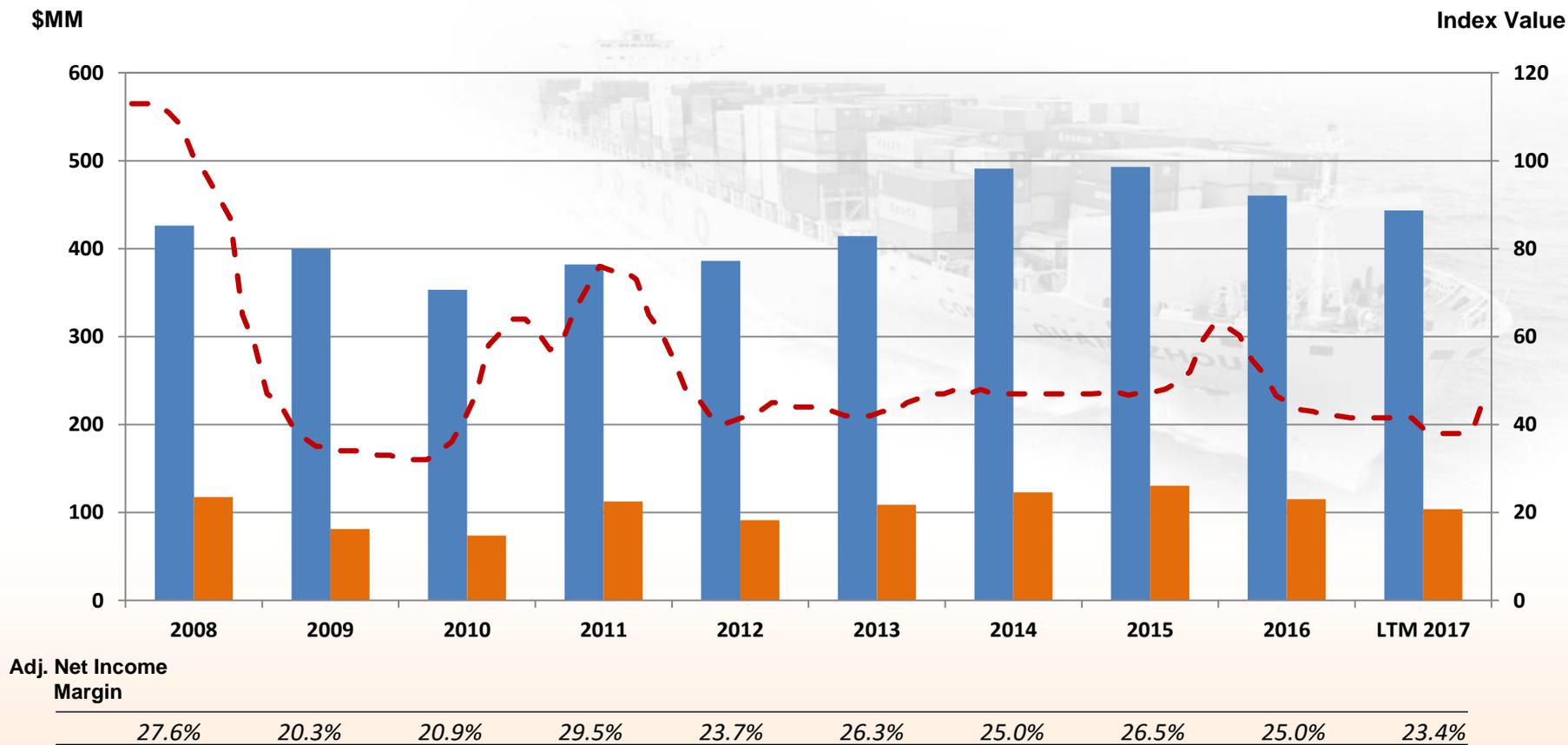
- As of April 27, 2017, contracted revenues of approximately \$1.6Bn<sup>(1)(2)</sup>
- TEU-weighted average remaining time charter duration for the fleet is about 3.3 years<sup>(1)(2)</sup>

### Notes

1. Based on contracted revenues as of April 27, 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; nine 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

# Consistently Strong Performance

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



**Note**

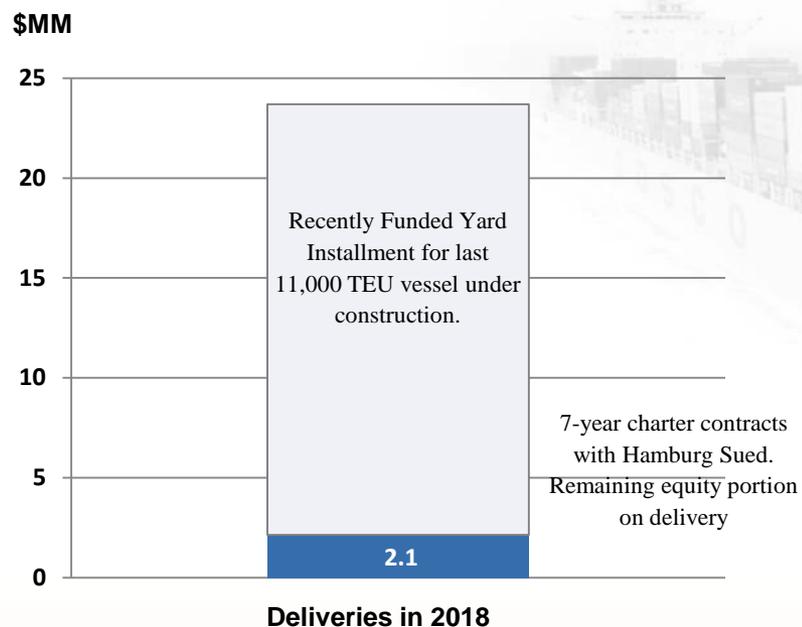
1. Source: Clarkson, Company filings

■ Revenue     
 ■ Adjusted Net Income     
 - - - Containership Time Charter Rate Index

# CAPEX – New Acquisitions



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



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



## New Acquisitions

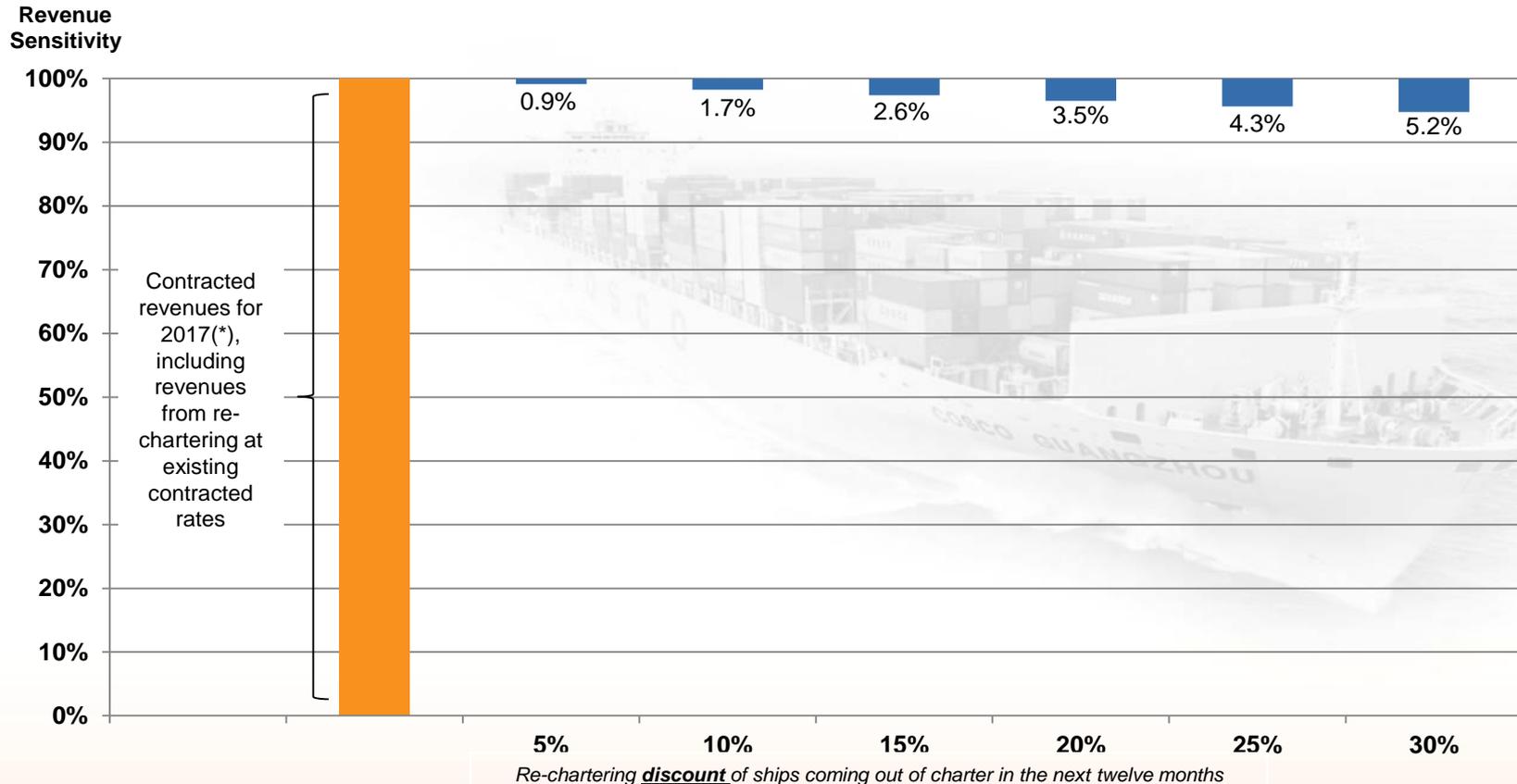
- Have agreed to acquire three secondhand vessels with long term time charters to Maersk Line.
- Aggregate contracted revenues in excess of \$100MM
- Two wide beam approx. 5,000 TEU, 2014 built.
  - 7 yrs TC to Maersk Line
  - In advanced discussions to finance acquisition with debt
- One 7,500 TEU, 2005 built.
  - 5 yrs TC to Maersk Line
  - In discussions to finance acquisition with debt
- Further strengthens long standing relationship with leading liner company
- Creates long term shareholder value

**Note**

1. Excludes financing fees and other pre-delivery expenses and second hand acquisitions

# Re-chartering Revenue Sensitivity for remainder of 2017

2017 Revenue Sensitivity Based on Re-Chartering Discount <sup>(1)</sup>



- Solid revenue base; even if re-chartering takes place at rates 30% lower than previous contracted rates for all ships coming out of charter during the next nine months, effect of about 5.0%.

**Notes**

1. Revenues for CMRE wholly owned vessels only, currently on a charter; excludes JV vessels

(\*) Starting from March 31, 2017

# Container Shipping Industry



## Charter Rates

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

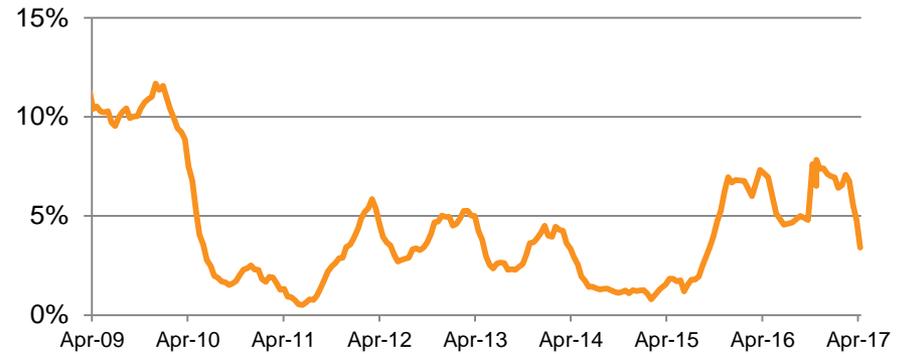


Source: Howe Robinson as of April 19, 2017



## Idle Fleet

%of fleet



Source: AXS-Alphaliner as of April 17, 2017



## Orderbook

Orderbook/ Total Fleet (%)



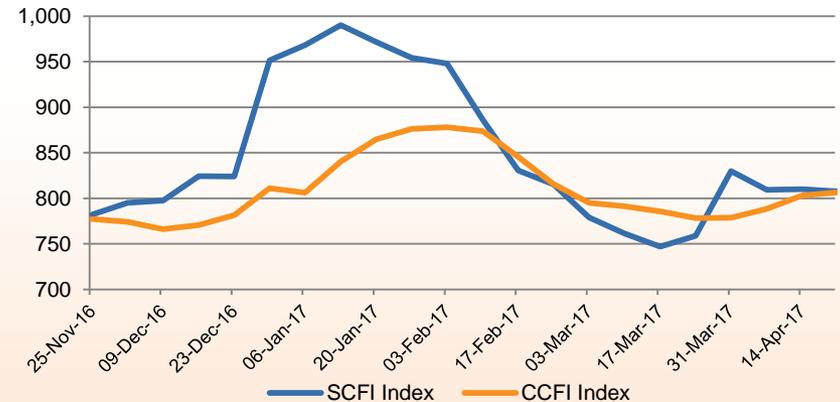
Source: Clarkson as of April 25, 2017

Note: (1) Howe Robinson Containership Index (HRCI) includes vessels ranging from 650TEU to 5,500TEU



## Box Rates

CCFI & SCFI Indices



Source: Clarkson as of April 25, 2017

## Q & A

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

	<u>Three-month period ended March 31,</u>	
	<u>2016</u>	<u>2017</u>
(Expressed in thousands of U.S. dollars, except share and per share data)		
<b>Net Income</b>	\$ 34,996	\$ 23,015
Earnings allocated to Preferred Stock	(5,207)	(5,149)
<b>Net Income available to common stockholders</b>	<u>29,789</u>	<u>17,866</u>
Accrued charter revenue	(452)	(2,791)
Loss on sale / disposal of vessels	-	3,638
General and administrative expenses - non-cash component	1,344	984
Amortization of prepaid lease rentals	1,238	2,158
Realized Loss / (Gain) on Euro/USD forward contracts (1)	(239)	32
Loss / (Gain) on derivative instruments, excluding interest accrued and realized on non-hedging derivative instruments (1)	<u>2,627</u>	<u>(1,113)</u>
<b>Adjusted Net income available to common stockholders</b>	<u>\$ 34,307</u>	<u>\$ 20,774</u>
<b>Adjusted Earnings per Share</b>	<u>\$ 0.45</u>	<u>\$ 0.23</u>
Weighted average number of shares	<u>75,400,044</u>	<u>91,036,935</u>

**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, general and administrative expenses - non-cash component, amortization of prepaid lease rentals 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.