



**CAPITAL**

PRODUCT PARTNERS L.P.

# Fourth Quarter 2021 Earnings Presentation

February 2, 2022

**Capital Product Partners L.P.**

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○ This presentation contains forward-looking statements (as such term is defined in Section 21E of the Securities Exchange Act of 1934, as amended). These statements can be identified by the fact that they do not relate only to historical or current facts. In particular, forward-looking statements include all statements that express forecasts, expectations, plans, outlook, objectives and projections with respect to future matters, including, among other things, the expected financial performance of CPLP's business following the acquisition, CPLP's expectations or objectives regarding future distributions, and market and charter rate expectations. These forward-looking statements involve risks and uncertainties that could cause the stated or forecasted results to be materially different from those anticipated. For a discussion of factors that could materially affect the outcome of forward-looking statements and other risks and uncertainties, see "Risk Factors" in CPLP's annual report on Form 20-F filed with the SEC on April 27, 2021. Any forward-looking statements made by or on behalf of CPLP speak only as of the date they are made. Unless required by law, CPLP expressly disclaims any obligation to update or revise any of these forward-looking statements, whether because of future events, new information, a change in its views or expectations, to conform them to actual results or otherwise. CPLP does not assume any responsibility for the accuracy and completeness of the forward-looking statements. You are cautioned not to place undue reliance on forward-looking statements.

## Non-GAAP Measures

○ This presentation contains non-GAAP measures, including Operating Surplus after Reserves and EBITDA. Operating Surplus after Reserves is a quantitative measure used in the publicly traded partnership investment community to assist in evaluating a partnership's financial performance and ability to make quarterly cash distributions. It should not be considered a measure of profitability or liquidity. We define Operating Surplus after Reserves as EBITDA less Debt Amortization and Interest Cost. We define EBITDA as Revenue less Operating Expenses and SG&A. These definitions may differ from similarly titled measures used by other companies and MLPs. These measures are not required by accounting principles generally accepted in the United States and should not be considered a substitute for net income, cash flow from operating activities and other operations or cash flow statement data prepared in accordance with accounting principles generally accepted in the United States.



# Fourth Quarter 2021 Highlights & Update

## **Financial Performance & Other Highlights:**

- Increased common unit distribution by 50% to \$0.15 per quarter.
- Net income for 4Q2021: \$40.0 million or \$18.6 million excluding the gain from the sale of the M/V ‘Adonis’.
- Partnership’s operating surplus: \$37.9 million or \$6.9 million after the quarterly allocation to the capital reserve.
- Delivered the M/V ‘Adonis’ to its new owners.

## **Acquisition of 4 x LNG Carriers (“LNGCs”):**

- Took delivery of four LNG carriers during 4Q2021, successfully completing the six 174,000 CBM latest generation X-DF LNG carrier acquisition program.

## **Successful Bond Issue:**

- Issued a €150.0 million senior unsecured bond on the Athens Exchange.
- Proceeds were used to partly finance the acquisition of three LNGCs.
- Hedged FX risk and fixed annual interest rate at 3.66% in US\$.

# Statements Of Comprehensive Income

(\$ In Thousands)

	For the Three-Month Period Ended December 31, 2021	For the Three-Month Period Ended December 31, 2020
<b>Revenues</b>	<b>63,574</b>	<b>35,085</b>
<b>Expenses / (income), net:</b>		
Voyage expenses	3,229	1,863
Vessel operating expenses	13,011	9,030
Vessel operating expenses – related parties	1,916	1,268
General and administrative expenses	2,747	1,753
Gain on sale of vessels	(21,428)	-
Vessel depreciation and amortization	14,834	10,678
<b>Operating income</b>	<b>49,265</b>	<b>10,493</b>
<b>Other income / (expense), net:</b>		
Interest expense and finance cost	(8,921)	(3,358)
Other (expense) / income	(323)	133
<b>Total other expense, net</b>	<b>(9,244)</b>	<b>(3,225)</b>
<b>Partnership's net income</b>	<b>40,021</b>	<b>7,268</b>

# Operating Surplus For Calculation Of Unit Distribution<sup>1</sup>

(\$ In Thousands)

	For the Three-Month Period Ended 31-Dec-21		For the Three-Month Period Ended 30-Sept-21	
Partnership's net income		40,021		11,875
<b>Adjustments to net income</b>				
Depreciation and amortization	16,485		11,819	
Amortization / accretion of above / below market acquired charters and straight-line revenue adjustments	2,808		2,123	
Gain on sale of vessel	(21,428)		-	
<b>OPERATING SURPLUS PRIOR TO CAPITAL RESERVE</b>		<b>37,886</b>		<b>25,817</b>
Capital reserve		(31,019)		(14,505)
<b>OPERATING SURPLUS AFTER CAPITAL RESERVE</b>		<b>6,867</b>		<b>11,312</b>
Increase in recommended reserves		( 3,906)		(9,337)
<b>AVAILABLE CASH</b>		<b>2,961</b>		<b>1,975</b>

**Common Unit Coverage: 2.3x**

<sup>1</sup> Operating Surplus is a non-GAAP measure. See Important Notice at the front of this presentation.

# Strong Balance Sheet

(\$ In Thousands)

	As Of December 31, 2021	As Of December 31, 2020
Assets		
Current Assets	37,684	57,779
Fixed Assets	1,781,858	712,197
Other Non-Current Assets	65,628	52,222
<b>Total Assets</b>	<b>1,885,170</b>	<b>822,198</b>
Liabilities and Partners' Capital		
Current Liabilities	130,801	61,606
Long-Term Liabilities	1,228,905	338,514
Total Partners' Capital	525,464	422,078
<b>Total Liabilities and Partners' Capital</b>	<b>1,885,170</b>	<b>822,198</b>

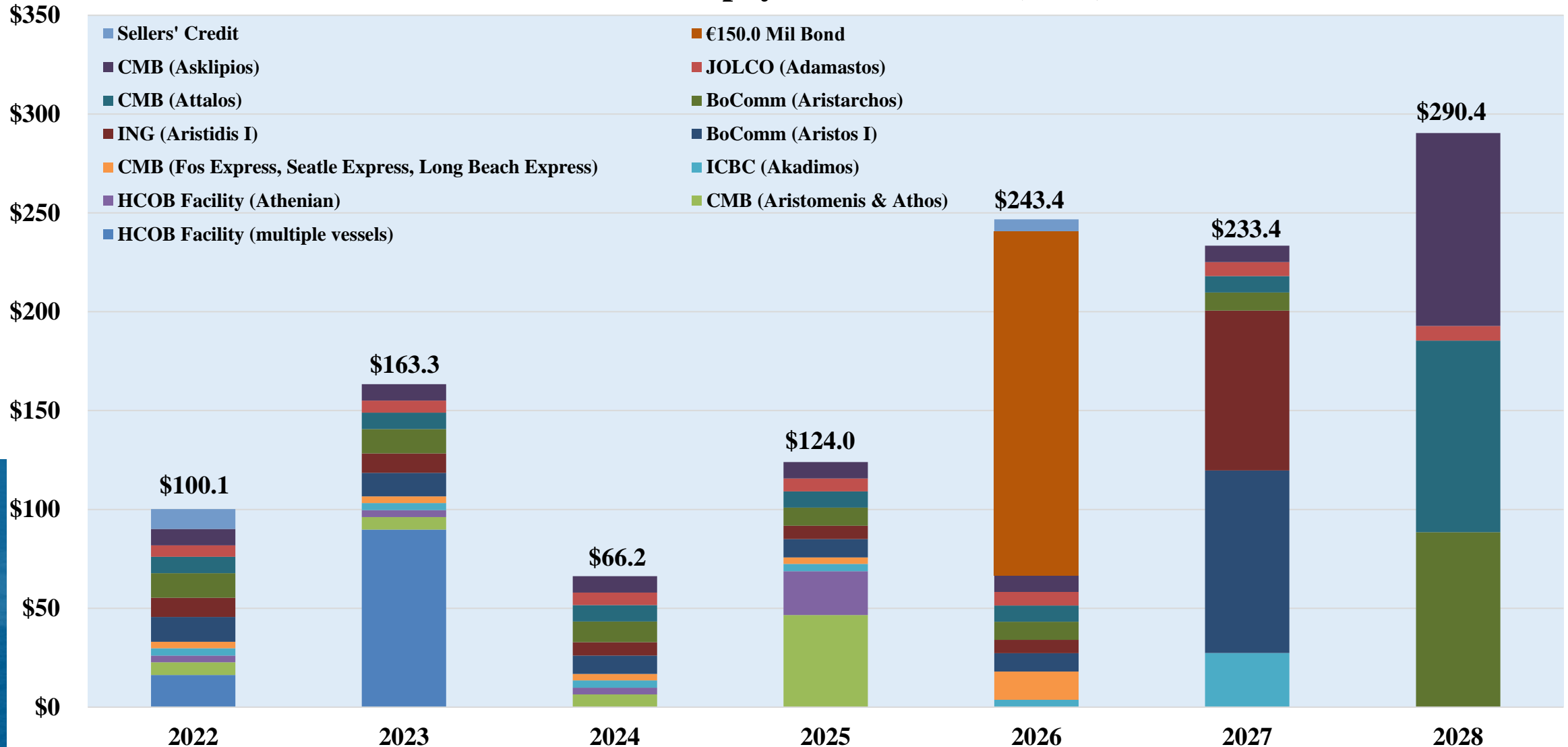
# Completion of Six LNGCs Acquisition Program

Vessel Name	CBM	Built	Type	Acquisition Date
<b>Aristos I</b>	174,000	2020	X-DF	Sept-21
<b>Aristarchos</b>	174,000	2021	X-DF	Sept-21
<b>Attalos</b>	174,000	2021	X-DF	Nov-21
<b>Adamastos</b>	174,000	2021	X-DF	Nov-21
<b>Asklipios</b>	174,000	2021	X-DF	Nov-21
<b>Aristidis I</b>	174,000	2021	X-DF	Dec-21

- Took delivery of 4 x LNGCs carriers during 4Q2021, successfully completing the 6 x 174,000 CBM latest generation X-DF LNGCs acquisition program.
- Average acquisition price of \$203.8 million with \$69,823 per day average rate and 5.7 years remaining charter duration.
- Full impact on the Partnership's financials expected in 1Q2022 with total operating days to amount to 540 versus 321 in 4Q2021.

# Debt Repayment Profile

## Debt Repayment Schedule (\$Mil)

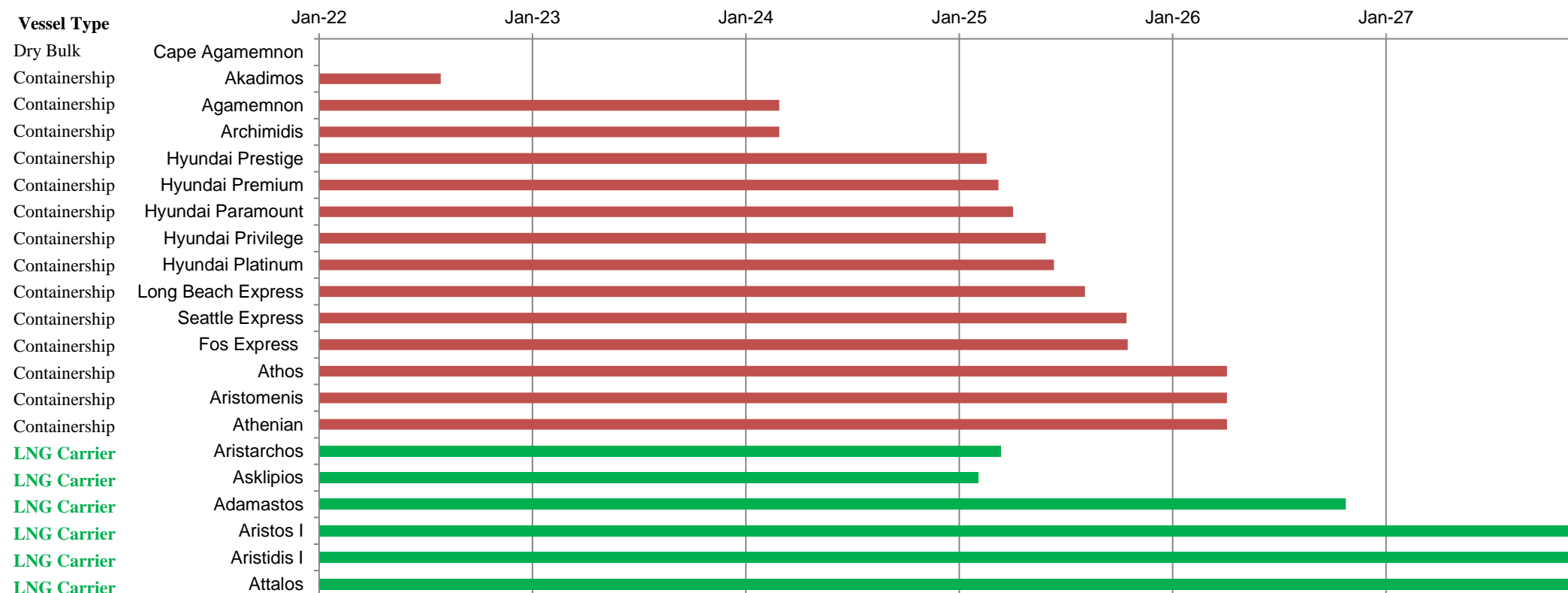




# Strong Charter Coverage & Duration

## Charter Profile\*

### Expiry of Current Charters

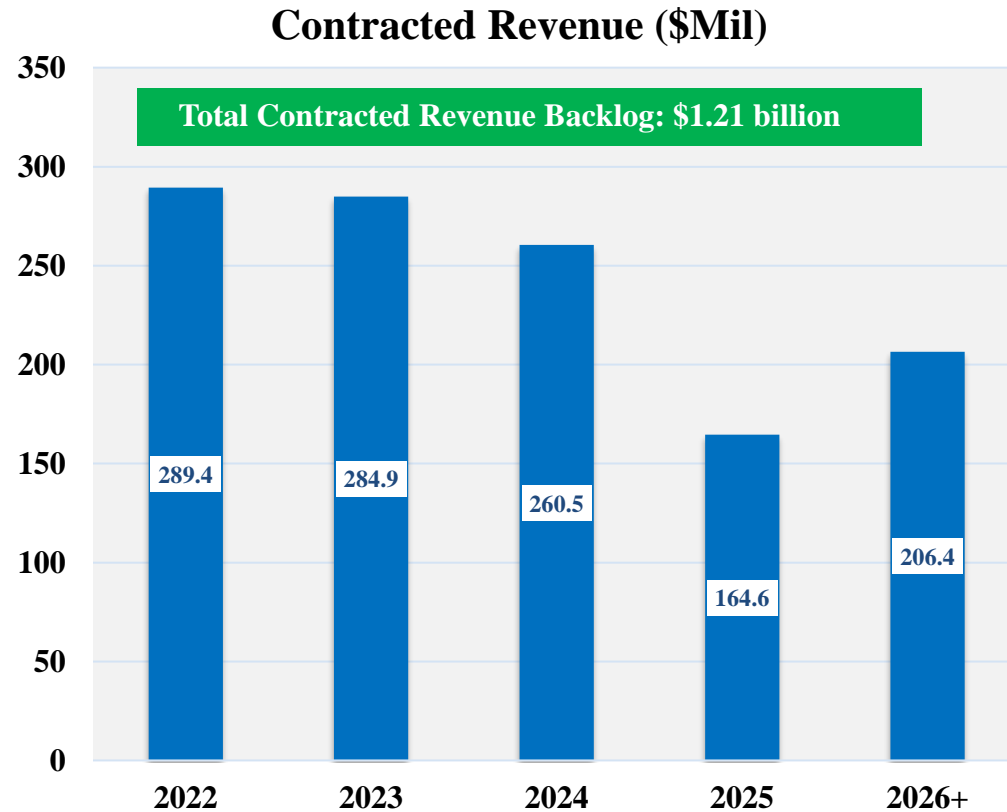


### Charter Coverage

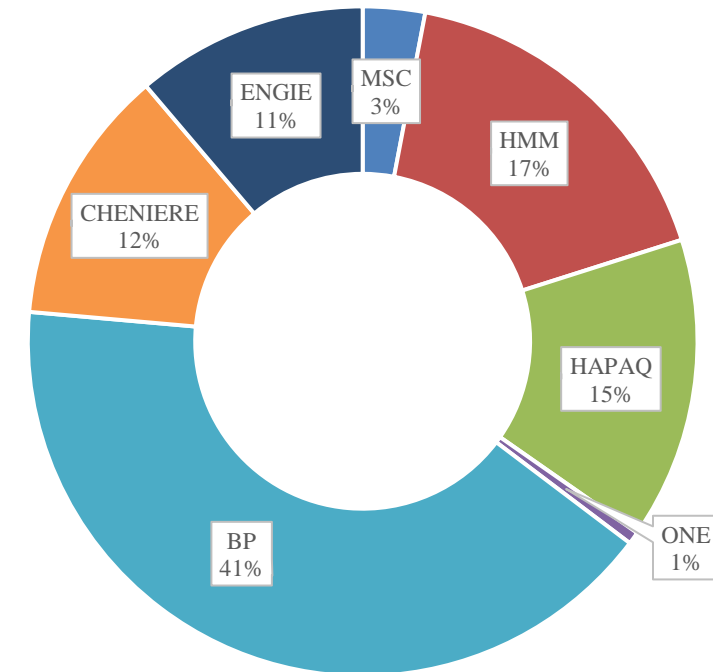
2022	2023	2024	2025	Remaining Charter Duration (Years)
95%	92%	83%	53%	4.9

\* We assume throughout this presentation the exercise of first two options (total 4 years per vessel) for the vessels on charter to BP, as the structure of the time charter party makes the exercise of these options highly likely.

# Secured Fleet Employment & Contracted Revenue



**Contracted Revenue Contribution**



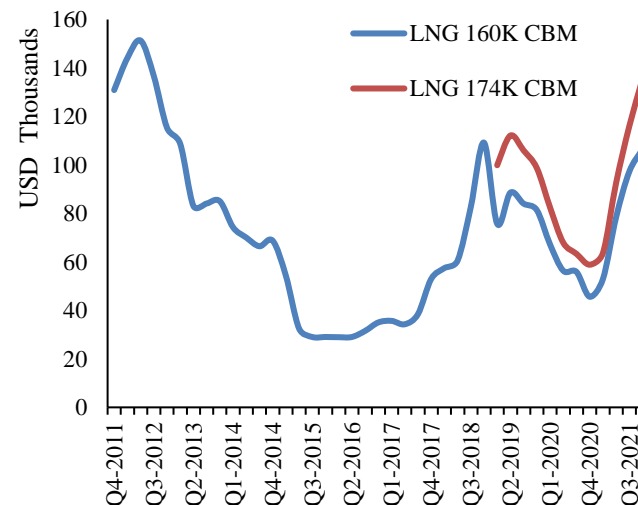
High Quality & Diversified Customer Base



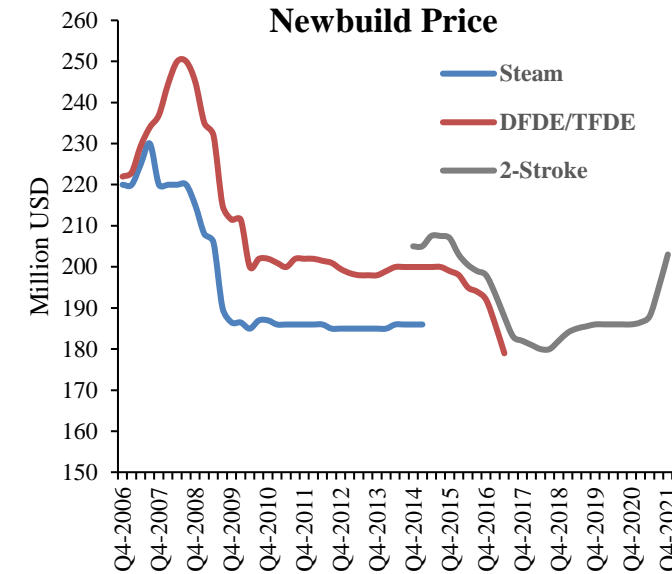
# LNGC Market Developments

- 4Q2021 experienced the usual common winter pattern of a very tight freight market with spot rates surging up to \$350,000 per day for a TFDE vessel.
- Milder weather and healthier inventories in Asia have led to more cargoes flowing towards Europe, reducing tonne-mile demand in recent weeks and resulting in a weaker spot market from the end of 4Q2021 onwards.
- High gas prices and attractive long-term fundamentals have kept the term market busy with 20 LNGCs fixed on charters longer than one year in FY 2021.
- New liquefaction capacity expected to double by 2027 with US LNG exports projected to grow by 13% in 2022.
- Orderbook currently stands at 27% of total fleet. Shipyards have limited capacity left for 2025.
- Following a drop in 2019-20, newbuild orders have reached an all-time high with 85 orders placed in 2021 with most of them against long-term employment.
- Asset Prices: Newbuilding prices continue to rise – currently around \$220 per vessel for higher spec LNGCs.
- Increasing focus on GHGs including methane emissions and new regulations expected to materially impair older LNGC technologies further increasing charterers' focus on latest generation vessels.

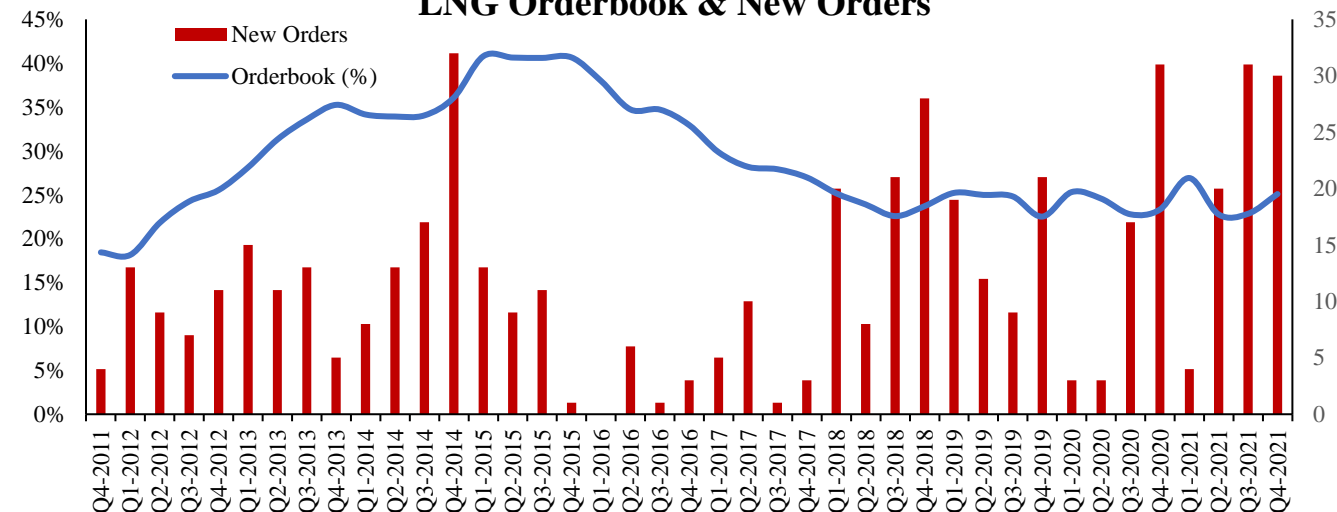
### 1 YR TC Rate



### Newbuild Price



### LNG Orderbook & New Orders

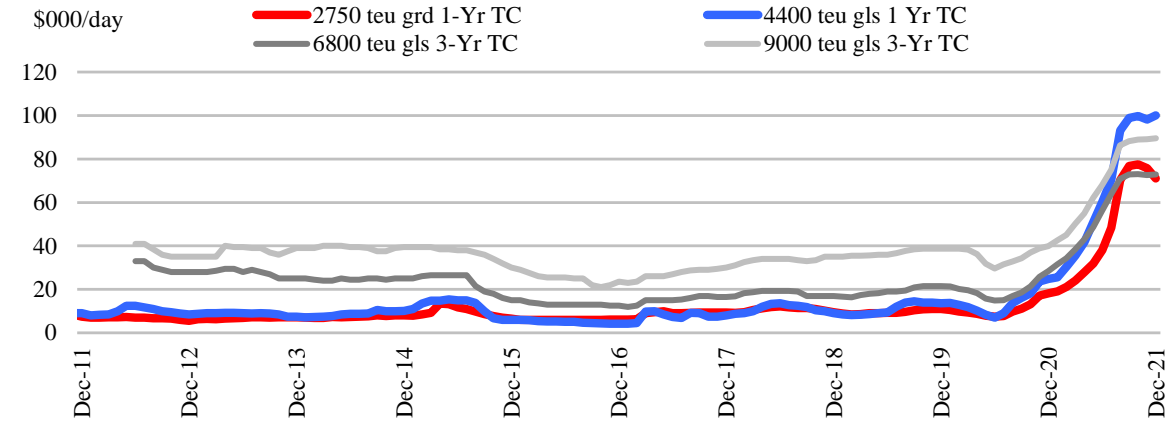


Source: Clarksons

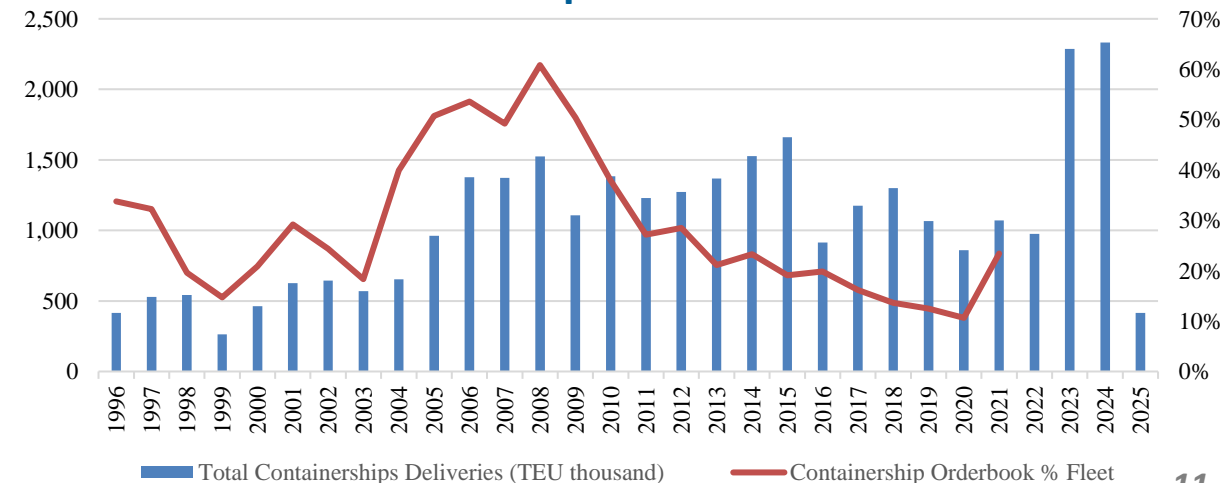
# Container Charter Market Review

- The container market experienced extraordinary positive momentum in 4Q2021 and into early 2022 with freight and charter rates surging to record highs.
- The Clarkson Containership Charter Rate Index stood at 362 points in December, up 280% since the beginning of 2021.
- Market driven by a range of factors, including strong demand, exceptional freight rates, severe logistical disruption and a trend towards longer periods that has restricted tonnage availability, especially in the larger sizes.
- Outlook remains positive for 2022. Low newbuild deliveries (1 mil TEU in 2022), and vessels that have been fixed on medium to long term period charters in 2021 will keep tonnage availability limited in 2022.
- Demand growth expected to outstrip supply growth for a second consecutive year. Overall, demand growth now expected at 3.8% for 2022 with supply growth forecast standing at 3.6%.
- The container vessel orderbook stood at 23.4% at mid-January 2022, with newbuilding activity decreased during 4Q2021.

### Containership Charter Rates



### Containership Orderbook & Deliveries



Source: Clarksons

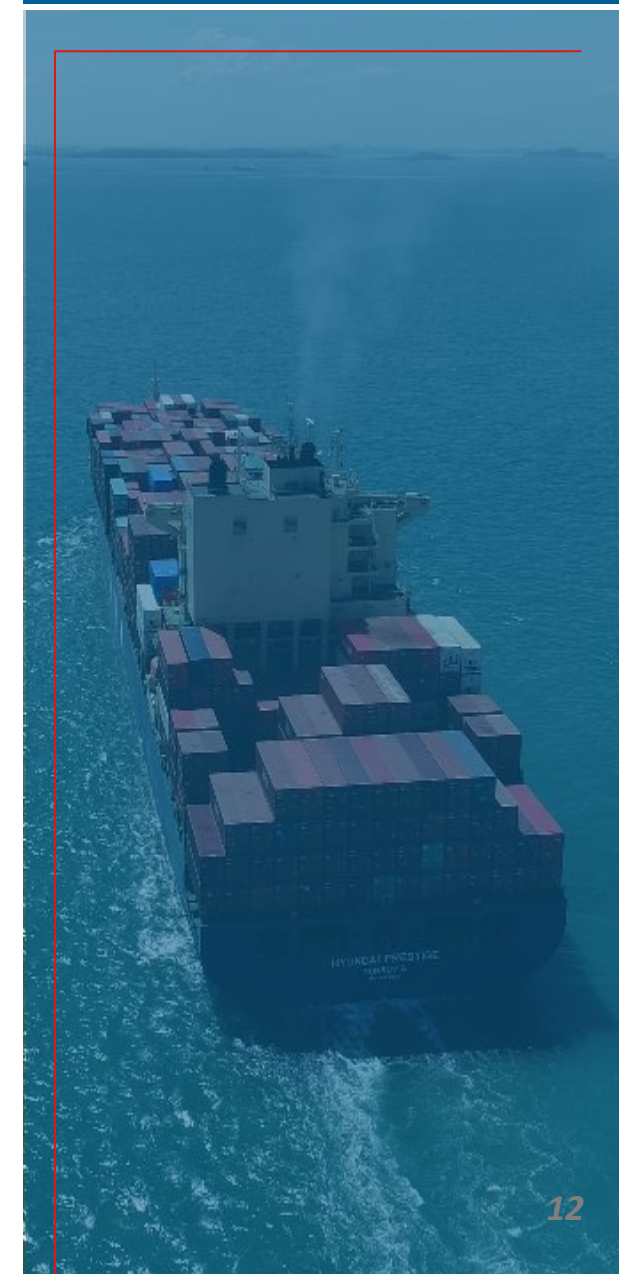
# Returning Capital to Unitholders

- The Partnership has set a new increased distribution guidance:

<b>Annual Distribution</b>	\$0.60
<b>Distribution Increase</b>	\$0.20 (50%)
<b>Effective Date</b>	4Q/2021


- Paid non-stop distributions to common and preferred unitholders for 58 consecutive quarters (since IPO in 2007), corresponding to a total of \$958.7 million including \$819.2 million in cash distributions and \$139.5 million in kind\*.
- Expect to continue increasing our common unit distribution, as we increase our distributable cash flow going forward with new additions to our fleet.
- Resuming unit buyback program from 1Q2022, as the Partnership builds up again liquidity.

\* Represents value of NYSE: DSSI shares distributed to unitholders at closing price of \$10.96 on March 28, 2019.



# Dropdown Opportunities

## Right of First Offer:

Vessel Name	Type	TEU / CBM	Delivery	Yard	Maximum Charter Duration*	Charterer
<b>Asterix I</b>	LNG Carrier	174,000 CBM	Jan-23	HHI	9 Years	TBA
<b>Amore Mio</b>	LNG Carrier	174,000 CBM	Oct-23	HHI	-	-
<b>Axios II</b>	LNG Carrier	174,000 CBM	Dec-23	HHI	-	-
<b>Aelios</b>	Container Carrier	13,278 TEU	Sep-22	HHI	16 Years	
<b>Archilochos</b>	Container Carrier	13,278 TEU	Jan-23	HHI	16 Years	
<b>Alkidis</b>	Container Carrier	13,278 TEU	May-23	HHI	16 Years	

## Additional LNGC Opportunities:

Vessel Name	Type	TEU / CBM	Delivery	Yard	Maximum Charter Duration	Charterer
<b>Hull-3341</b>	LNG Carrier	174,000 CBM	May-24	HHI	-	-
<b>Hull-3342</b>	LNG Carrier	174,000 CBM	Jun-24	HHI	-	-
<b>Hull-8140</b>	LNG Carrier	174,000 CBM	Jul-24	HHI	-	-

- Ultra modern, energy efficient fleet with reduced carbon footprint.
- Long term employment in place for the container vessels and one LNGC.

\* Including options

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