



## Navios Maritime Containers L.P. Reports Financial Results for the First Quarter Ended March 31, 2019

May 6, 2019

- **\$31.8 million revenue**
- **\$0.04 million net cash used in operating activities**
- **\$12.0 million EBITDA**
- **\$105.0 million investment in two 10,000 TEU containerships**
- **New two-year indexed floating-rate time charters**

MONACO, May 06, 2019 (GLOBE NEWSWIRE) -- Navios Maritime Containers L.P. ("Navios Containers" or the "Company") (NASDAQ: NMCI), a growth vehicle dedicated to the container sector of the maritime industry, today reported its financial results for the first quarter ended March 31, 2019.

Angeliki Frangou, Chairman and Chief Executive Officer, stated, "I am pleased with the results for the first quarter of 2019, where Navios Containers reported \$31.8 million of Revenue and \$12.0 million of EBITDA."

Angeliki Frangou continued, "In a little more than two years, Navios Containers grew its fleet to 30 containerships, acquiring the fleet for a price close to the related scrap value. Most recently, Navios Containers acquired two 2011-built 10,000 TEU containerships for \$105 million, reflecting a 30% discount to newbuild parity. These containerships are on long-term time charters at around \$27,000 per day that should generate cumulative EBITDA of \$35.2 million."

### HIGHLIGHTS -- RECENT DEVELOPMENTS

#### Vessel Acquisitions

##### **\$105.0 million acquisition of two 10,000 TEU, 2011-built containerships**

On April 23, 2019, Navios Containers took delivery of a 2011-built 10,000 TEU containership. The vessel was acquired from an unrelated third party for a purchase price of \$52.5 million. The containership is chartered out at a net rate of \$26,325 per day until November 2020 and \$27,300 per day until October 2021.

In February 2019, Navios Containers announced the exercise of an option to acquire a 2011-built 10,000 TEU containership from an unrelated third party for a purchase price of \$52.5 million. The containership is chartered out at a net rate of \$26,663 until July 2019, \$26,325 per day until July 2021 and \$27,300 per day until June 2022, and is expected to be delivered in the third quarter of 2019.

The vessels are being partially financed with a: (i) loan of up to \$62.2 million from a commercial bank maturing in July 2023 and bearing interest at LIBOR plus 325 bps per annum and a (ii) \$20.0 million credit by the seller for a period until January 2020 at a rate of 5.0% per annum.

#### Financing Developments

##### **Refinancing of existing facility**

On March 13, 2019, Navios Containers drew \$30.2 million in order to refinance an existing credit facility with an outstanding balance of \$22.9 million. The facility is repayable in 18 equal consecutive quarterly installments of \$0.7 million each, with a \$17.5 million balloon payment on the last repayment date. The facility matures in July 2023 and bears interest at LIBOR plus 325 bps per annum.

The Company has no debt maturities until 2022.

##### **Indexed Floating-Rate Time Charters**

During the quarter we entered into indexed floating-rate time charters for two 4,250 TEU containerships through each of December 2020 and July 2021. The charter rate will be calculated according to the Container Ship Time Charter Assessment Index (ConTex) as published for a 4,250 TEU vessel for a 12 month period. The indexed charters provide us with long-term employment for our vessels while allowing us to benefit from a potential improvement in charter rates.

#### Fleet Employment

Navios Containers owns a fleet of 30 vessels, including one containership of which we expect to take delivery in the third quarter of 2019, totaling 152,821 TEU. The current average age of the fleet is 10.7 years (See Exhibit II). As of May 6, 2019, Navios Containers has chartered-out 55.7% and 15.6% of available days for the remaining nine months of 2019 and for 2020, respectively (excluding index-linked charters), which are expected to generate \$75.2 million and \$44.5 million in revenue, respectively. The average expected daily contracted charter-out rate for the fleet is \$16,655 and \$26,029 for the remaining nine months of 2019 and for 2020, respectively, and the total expected available days for the remaining nine months of 2019 and for 2020, are 8,105 days and 10,980 days, respectively.

#### Earnings Highlights

For the following results and the selected financial data presented herein, Navios Containers has compiled consolidated statements of operations for

the three month periods ended March 31, 2019 and 2018. The quarterly information was derived from the unaudited condensed consolidated financial statements for the respective periods. EBITDA is a non-U.S. GAAP financial measure and should not be used in isolation or as a substitute for Navios Containers' results calculated in accordance with U.S. generally accepted accounting principles ("U.S. GAAP").

See Exhibit I under the heading, "Disclosure of Non-GAAP Financial Measures," for a discussion of EBITDA of Navios Containers and a reconciliation of such measure to the most comparable measures calculated under U.S. GAAP.

On November 30, 2018, in connection with our listing on the Nasdaq Global Select Market, we converted into a limited partnership at a ratio of one common share of Navios Maritime Containers Inc. for each common unit of Navios Containers.

<i>(in thousands of U.S. dollars, except per unit data)</i>	<b>Three Month Period Ended March 31, 2019 (unaudited)</b>	<b>Three Month Period Ended March 31, 2018 (unaudited)</b>
Revenue	\$ 31,832	\$ 29,917
Net Income	\$ 53	\$ 3,041
Net cash (used in)/provided by operating activities	\$ (37)	\$ 7,381
EBITDA	\$ 12,048	\$ 15,706
Net Earnings per common unit (basic and diluted)	\$ 0.00	\$ 0.10

Revenue for the three month period ended March 31, 2019 was \$31.8 million, as compared to \$29.9 million for the same period during 2018. The increase of \$1.9 million was due to the increase in the number of vessels operating during the three month period ended March 31, 2019 and the resulting increase in the number of available days from 1,907 for the three month period ended March 31, 2018, to 2,471 for the three month period ended March 31, 2019, offset by the decrease in time charter rates reflecting primarily the expiration of a number of our legacy time charter contracts. TCE per day declined from \$15,259 for the three month period ended March 31, 2018 to \$12,217 for the same period during 2019, primarily as a result of the expiration of these contracts between the two periods.

Net Income for the three months ended March 31, 2019 was \$0.1 million compared to \$3.0 million for the same period in 2018. The \$2.9 million decrease in Net income was mainly due to a: (i) \$3.7 million decrease in EBITDA; (ii) \$2.2 million increase in interest expense and finance cost, net related to the financing of new vessels; and (iii) \$0.5 million increase in amortization of deferred drydock and special survey costs, in each case, relating to the increase in the size of the fleet. This overall resulting decrease of \$6.4 million was partially offset by a \$3.5 million decrease in depreciation and amortization expenses, relating mainly to the lower amortization of intangible assets.

EBITDA for the three months ended March 31, 2019 decreased by \$3.7 million to \$12.0 million as compared to \$15.7 million for the same period in 2018. The decrease in EBITDA was primarily due to a: (i) \$4.1 million increase in management fees mainly due to the increase of the available days from 1,907 days for the three month period ended March 31, 2018, to 2,471 days for the three month period ended March 31, 2019; (ii) \$0.8 million increase in general and administrative expenses also mainly related to the growth in our fleet; and (iii) \$0.8 million increase in time charter and voyage expenses. This overall resulting decrease of \$5.7 million was partially offset by \$1.9 million increase in revenue described above reflecting the growth in the number of vessels operating in the fleet during the period and a \$0.1 million increase in other income/(expense) net.

#### **Fleet Summary Data:**

The following table reflects certain key indicators indicative of the performance of the Navios Containers' operations and its fleet performance for the three month periods ended March 31, 2019 and 2018.

	<b>Three Month Period Ended March 31, 2019 (unaudited)</b>	<b>Three Month Period Ended March 31, 2018 (unaudited)</b>
Available Days <sup>(1)</sup>	2,471	1,907
Operating Days <sup>(2)</sup>	2,463	1,877
Fleet Utilization <sup>(3)</sup>	99.7%	98.4%
Vessels operating at period end	28	22
TCE <sup>(4)</sup>	\$ 12,217	\$ 15,259

Available days for the fleet are total calendar days the vessels were in Navios Containers' possession for the relevant period after subtracting (1) off-hire days associated with scheduled repairs or repairs under guarantee, vessel upgrades, drydocking or special surveys. The shipping industry uses available days to measure the number of days in a relevant period during which vessels should be capable of generating revenues.

Operating days are the number of available days in the relevant period less the aggregate number of days that the vessels are off-hire due to any (2) reason, including unforeseen circumstances. The shipping industry uses operating days to measure the aggregate number of days in a relevant period during which vessels actually generate revenues.

Fleet utilization is the percentage of time that Navios Containers' vessels were available for generating revenue, and is determined by dividing the (3) number of operating days during a relevant period by the number of available days during that period. The shipping industry uses fleet utilization to measure a company's efficiency in finding suitable employment for its vessels.

(4) TCE is defined as voyage and time charter revenues less voyage expenses during a relevant period divided by the number of available days during the period.

#### **Conference Call:**

As previously announced, Navios Containers will host a conference call on Tuesday, May 7, 2019, at 8:30 am ET, during which time Navios Containers' senior management will provide highlights and commentary on earnings results for the first quarter ended March 31, 2019.

A supplemental slide presentation will be available on the Navios Containers website at [www.navios-containers.com](http://www.navios-containers.com) under the "Investors" section by 8:00 am ET on the day of the call.

Conference Call details:

Call Date/Time: Tuesday, May 7, 2019 at 8:30 am ET

Call Title: Navios Containers Q1 2019 Financial Results Conference Call

US Dial In: +1.866.703.4207

International Dial In: +1.636.692.6440

Conference ID: 269 6279

The conference call replay will be available two hours after the live call and remain available for one week at the following numbers:

US Replay Dial In: +1.800.585.8367

International Replay Dial In: +1.404.537.3406

Conference ID: 269 6279

This call will be simultaneously Webcast. The Webcast will be available on the Navios Containers' website, [www.navios-containers.com](http://www.navios-containers.com) under the "Investors" section. The Webcast will be archived and available at the same Web address for two weeks following the call.

**About Navios Maritime Containers L.P.**

Navios Maritime Containers L.P. is a growth-oriented international owner and operator of containerships. For more information, please visit our website at [www.navios-containers.com](http://www.navios-containers.com).

**Forward Looking Statements - Safe Harbor**

This press release contains forward-looking statements concerning future events, including future contracted revenues and rates, EBITDA, future available days, future financial performance of the fleet, timing of vessel deliveries, vessel acquisitions, financing activities, and Navios Containers' growth strategy and measures to implement such strategy, including future vessel acquisitions and the ability to secure or refinance related financing, the further growth of our containership fleet, and entering into further time charters. Words such as "may," "expects," "intends," "plans," "believes," "anticipates," "hopes," "estimates," and variations of such words and similar expressions are intended to identify forward-looking statements. These forward-looking statements are based on the information available to, and the expectations and assumptions deemed reasonable by Navios Containers at the time these statements were made. Although Navios Containers believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. These statements involve known and unknown risks and are based upon a number of assumptions and estimates which are inherently subject to significant uncertainties and contingencies, many of which are beyond the control of Navios Containers. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, risks relating to: the favorable timing for acquisitions and chartering opportunities in the container shipping sector and Navios Containers' ability to take advantage of such opportunities; the value of container shipping vessels; Navios Containers' ability to identify container shipping vessels for acquisition at attractive prices, if at all, including the availability of distressed acquisition opportunities in the container shipping industry; Navios Containers' ability to execute on a low-cost operating structure; Navios Containers' ability to achieve a return on investment for and to pay cash distributions to our unitholders or make common unit repurchases from our unitholders; the level of trade growth and recovery of charter rates and asset values in the container shipping industry; general market conditions and shipping industry trends, including charter rates, vessel values and the future supply of, and demand for, ocean-going containership shipping services; any advantages resulting from Navios Containers' strategic focus on intermediate-size containerships; Navios Containers' ability to leverage the scale, experience, reputation and relationships of the Navios Group, consisting of Navios Maritime Holdings Inc., Navios Maritime Acquisition Corporation, Navios Maritime Partners L.P., and any one or more of their subsidiaries, including the wholly-owned subsidiary of Navios Maritime Holdings Inc. which manages the commercial and technical operation of Navios Containers' fleet pursuant to a management agreement (the "Manager"); Navios Containers' ability to maintain or develop new and existing customer relationships with existing charterers and new customers, including liner companies; Navios Containers' ability to successfully grow its business and its capacity to manage its expanding business; future levels of dividends, as well as Navios Containers' dividend policy; Navios Containers' current and future competitive strengths and business strategies and other plans and objectives for future operations; Navios Containers' future operating and financial results, its ability to identify and consummate desirable fleet acquisitions, business strategy, areas of possible expansion and expected capital expenditure or operating expenses; container shipping industry trends, including charter rates and vessel values and factors affecting vessel supply and demand as well as trends and conditions in the newbuilding markets and scrapping of vessels; Navios Containers' future financial condition or results of operations and its future revenues and expenses, including its estimated adjusted cash flow; the loss of any customer or charter or vessel; the aging of Navios Containers' vessels and resultant increases in operation and drydocking costs; the ability of Navios Containers' vessels to pass classification, security and customs inspections; significant changes in vessel performance, including increased equipment breakdowns; the creditworthiness of Navios Containers' charterers and the ability of its contract counterparties to fulfill their obligations to Navios Containers; Navios Containers' ability to maintain long-term relationships with major liner companies; Navios Containers' ability to retain key executive officers and the Manager's ability to attract and retain skilled employees; Navios Containers' ability to access debt, credit and equity markets; changes in the availability and costs of funding due to conditions in the bank market, capital markets and other factors; Navios Containers' ability to repay outstanding indebtedness, to obtain additional financing and to obtain replacement charters for its vessels, in each case, at commercially acceptable rates or at all; estimated future acquisition, maintenance and replacement expenditures; potential liability from litigation and our vessel operations, including discharge of pollutants; Navios Containers' and the Navios Group's performance in safety, environmental and regulatory matters; global economic outlook and growth and changes in general economic and business conditions; general domestic and international political conditions, including wars, acts of piracy and terrorism; changes in production of or demand for container shipments, either globally or in particular regions; changes in the standard of service or the ability of the Manager to be approved as required; increases in costs and expenses, including but not limited to, crew wages, insurance, technical maintenance costs, spares, stores and supplies, charter brokerage commissions on gross voyage revenues and general and administrative expenses; the adequacy of Navios Containers' insurance arrangements and its ability to obtain insurance and required certifications; the expected cost of, and Navios Containers' ability to comply with, governmental regulations and maritime self-regulatory organization standards, as well as standard regulations imposed by its charterers applicable to its business; the changes to the regulatory requirements applicable to the shipping and container transportation industry, including, without limitation, stricter requirements adopted by international organizations, such as the International Maritime

Organization and the European Union, or by individual countries or charterers and actions taken by regulatory authorities and governing such areas as safety and environmental compliance; the anticipated taxation of Navios Containers and its unitholders; potential liability and costs due to environmental, safety and other incidents involving Navios Containers' vessels; and the effects of increasing emphasis on environmental and safety concerns by customers, governments and others, as well as changes in maritime regulations and standards. Navios Containers expressly disclaims any obligations or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Navios Containers' expectations with respect thereto or any change in events, conditions or circumstances on which any statement is based. Navios Containers makes no prediction or statement about the performance of its common units.

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**EXHIBIT I**

**NAVIOS MARITIME CONTAINERS L.P.**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
(Expressed in thousands of U.S. dollars - except for unit and per unit data)

	<b>Three Month Period Ended March 31, 2019 (unaudited)</b>	<b>Three Month Period Ended March 31, 2018 (unaudited)</b>
Revenue	\$ 31,832	\$ 29,917
Time charter and voyage expenses	(1,647)	(811)
Direct vessel expenses	(788)	(228)
Management fees (entirely through related parties transactions)	(15,723)	(11,639)
General and administrative expenses	(2,494)	(1,690)
Depreciation and amortization	(7,109)	(10,566)
Interest expense and finance cost, net	(4,098)	(1,871)
Other income/(expense), net	80	(71)
<b>Net income</b>	<b>\$ 53</b>	<b>\$ 3,041</b>
<b>Net earnings per unit, basic and diluted</b>	<b>\$ 0.00</b>	<b>\$ 0.10</b>
<b>Weighted average number of units, basic and diluted</b>	<b>34,603,100</b>	<b>30,239,463</b>

**NAVIOS MARITIME CONTAINERS L.P.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Expressed in thousands of U.S. dollars – except for unit data)

	<b>March 31, 2019 (unaudited)</b>	<b>December 31, 2018 (unaudited)</b>
<b>ASSETS</b>		
Cash and cash equivalents, including restricted cash	\$ 14,601	\$ 18,892
Vessels and deferred dry dock and special survey costs, net	355,678	354,079
Other assets (including current and non-current)	15,813	15,206
Intangible assets	20,316	25,350
<b>Total assets</b>	<b>\$ 406,408</b>	<b>\$ 413,527</b>
<b>LIABILITIES AND PARTNERS' CAPITAL</b>		
Other current liabilities	\$ 6,815	\$ 12,093
Current portion of long term borrowings, net	34,794	35,291
Long-term borrowings, net of current portion	182,273	183,670
Total Partners' capital	182,526	182,473
<b>Total liabilities and partners' capital</b>	<b>\$ 406,408</b>	<b>\$ 413,527</b>

**Disclosure of Non-GAAP Financial Measures**

EBITDA is a “non-U.S. GAAP financial measure” and should not be used in isolation or considered a substitute for net income/(loss), cash flow from operating activities and other operations or cash flow statement data prepared in accordance with generally accepted accounting principles in the United States.

EBITDA represents net income/(loss) attributable to Navios Containers’ common unitholders before interest and finance costs, before depreciation and amortization. Navios Containers uses EBITDA as a liquidity measure and reconciles EBITDA to net cash provided by/(used in) operating activities, the most comparable U.S. GAAP liquidity measure. EBITDA is calculated as follows: net cash provided by operating activities adding back, when applicable and as the case may be, the effect of (i) net increase/(decrease) in operating assets; (ii) net (increase)/decrease in operating liabilities; (iii) net interest cost; (iv) deferred finance charges; and (v) payments for drydock and special survey costs. Navios Containers believes that EBITDA is a basis upon which liquidity can be assessed and represents useful information to investors regarding Navios Containers’ ability to service and/or incur indebtedness, pay capital expenditures, meet working capital requirements and pay dividends. Navios Containers also believes that EBITDA is used: (i) by prospective and current lessors as well as potential lenders to evaluate potential transactions; (ii) to evaluate and price potential acquisition candidates; and (iii) by securities analysts, investors and other interested parties in the evaluation of companies in our industry.

EBITDA is presented to provide additional information with respect to the ability of Navios Containers to satisfy its respective obligations, including debt service, capital expenditures, working capital requirements and pay dividends. While EBITDA is frequently used as measures of operating results and the ability to meet debt service requirements, the definitions of EBITDA used here may not be comparable to those used by other companies due to differences in methods of calculation.

EBITDA has limitations as an analytical tool, and therefore, should not be considered in isolation or as a substitute for the analysis of Navios Containers’ results as reported under U.S. GAAP. Some of these limitations are: (i) EBITDA does not reflect changes in, or cash requirements for, working capital needs; (ii) EBITDA does not reflect the amounts necessary to service interest or principal payments on our debt and other financing arrangements; and (iii) although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future. EBITDA does not reflect any cash requirements for such capital expenditures. Because of these limitations, among others, EBITDA should not be considered as a principal indicator of Navios Containers’ performance. Furthermore, our calculation of EBITDA may not be comparable to that reported by other companies due to differences in methods of calculation.

### Reconciliation of EBITDA to Cash from Operations

<b>Three Month Period Ended</b> <b>(in thousands of U.S. dollars)</b>	<b>March 31,</b> <b>2019</b> <b>(unaudited)</b>	<b>March 31,</b> <b>2018</b> <b>(unaudited)</b>
Net cash (used in)/ provided by operating activities	\$ (37)	\$ 7,381
Net increase in operating assets	607	8,934
Net decrease /(increase) in operating liabilities	5,277	(2,209)
Net interest cost	4,098	1,871
Deferred finance charges	(604)	(271)
Payments for drydock and special survey costs	2,707	-
<b>EBITDA</b>	<b>\$ 12,048</b>	<b>\$ 15,706</b>

<b>Three Month Period Ended</b> <b>(in thousands of U.S. dollars)</b>	<b>March 31,</b> <b>2019</b> <b>(unaudited)</b>	<b>March 31,</b> <b>2018</b> <b>(unaudited)</b>
Net cash (used in)/ provided by operating activities	\$ (37)	\$ 7,381
Net cash used in investing activities	\$ (1,755)	\$ (12,788)
Net cash (used in)/provided by financing activities	\$ (2,499)	\$ 24,197

### EXHIBIT II

#### Owned Vessels

<b>Vessel Name</b>	<b>TEU</b>	<b>Year Built</b>
Navios Summer <sup>(1)</sup>	3,450	2006
Navios Verano <sup>(1)</sup>	3,450	2006
Navios Spring <sup>(1)</sup>	3,450	2007
Navios Amaranth <sup>(1)</sup>	4,250	2007
Navios Indigo <sup>(1)</sup>	4,250	2007
Navios Vermilion <sup>(1)</sup>	4,250	2007
Navios Verde <sup>(1)</sup>	4,250	2007
Navios Amarillo <sup>(1)</sup>	4,250	2007
Navios Azure <sup>(1)</sup>	4,250	2007

Navios Domino <sup>(1)</sup> (ex MOL Dominance)	4,250	2008
Navios Delight <sup>(1)</sup> (ex MOL Delight)	4,250	2008
Navios Dedication <sup>(1)</sup> (ex MOL Dedication)	4,250	2008
Navios Devotion <sup>(1)</sup> (ex MOL Devotion)	4,250	2009
Navios Destiny <sup>(1)</sup> (ex MOL Destiny)	4,250	2009
Navios Lapis	4,250	2009
Navios Tempo	4,250	2009
Niledutch Okapi (ex Navios Dorado)	4,250	2010
Navios Felicitas	4,360	2010
Bahamas	4,360	2010
Bermuda	4,360	2010
Navios Miami	4,563	2009
APL Oakland	4,730	2008
APL Los Angeles	4,730	2008
APL Denver	4,730	2008
APL Atlanta	4,730	2008
YM Utmost	8,204	2006
Navios Unite (ex YM Unity)	8,204	2006
Navios Unison	10,000	2010
TBN Navios Constellation	10,000	2011
<b>Vessel to be delivered</b>		
TBN 1	10,000	2011

(1) The vessel is subject to a sale and leaseback transaction for a period of up to five years, at which time Navios Containers has an obligation to purchase the vessel.



Source: Navios Maritime Containers L.P.