



# Third Quarter 2017 Earnings Presentation

October 27, 2017

## Capital Product Partners L.P.

**CAPITAL**

PRODUCT PARTNERS L.P.

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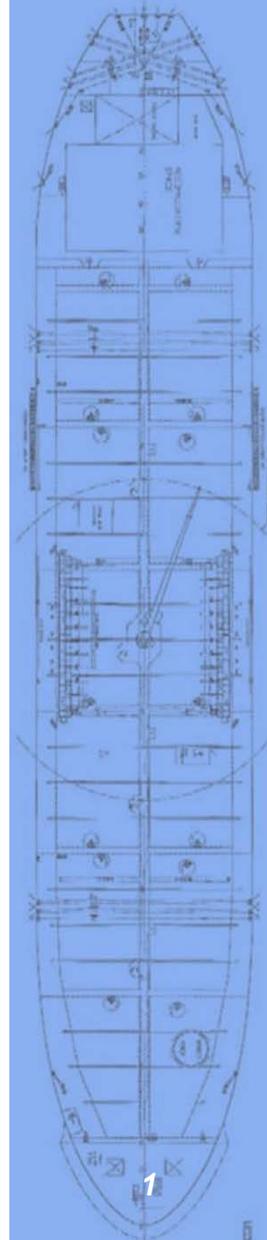
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# Forward Looking Statements

**This presentation contains forward-looking statements (as defined in Section 21E of the Securities Exchange Act of 1934, as amended) which reflect CPLP management's current assumptions and expectations with respect to expected future events and performance. The statements in this presentation that are not historical facts, including, among other things, cash generation, future debt levels and repayment, assumed net book value, our ability to pursue growth opportunities, our expectations or objectives regarding future distribution amounts, the capital reserve, future earnings, our expectations regarding employment of our vessels, redelivery dates and charter rates, fleet growth, market and charter rate expectations, may be forward-looking statements (as such term is defined in Section 21E of the Securities Exchange Act of 1934, as amended). These forward-looking statements involve risks and uncertainties that could cause actual results to be materially different from those expressed or implied in the forward-looking statements.**

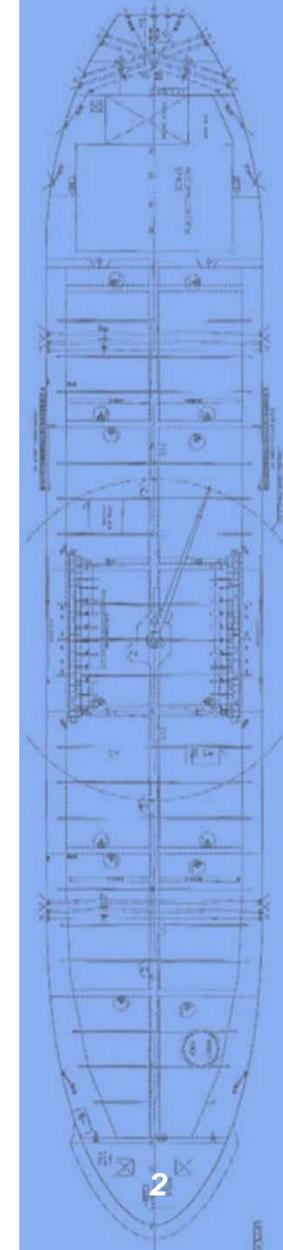
**Factors that could cause actual results to be materially different include those set forth in the "Risk Factors" section of our annual report on Form 20-F filed with the U.S. Securities and Exchange Commission. Unless required by law, we expressly disclaim any obligation to update or revise any of these forward-looking statements, whether because of future events, new information, a change in our views or expectations, to conform them to actual results or otherwise. We assume no responsibility for the accuracy and completeness of the forward-looking statements. We make no prediction or statement about the performance of our units.**

**For more information about the Partnership, please visit our website:  
[www.capitalpplp.com](http://www.capitalpplp.com)**



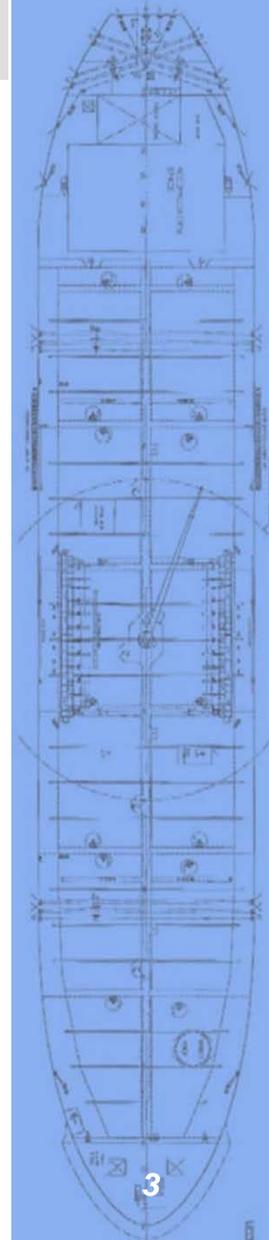
# Third Quarter 2017 Highlights

- Cash distribution of \$0.08 per common unit and \$0.21375 per class B unit.
- Net income for 3Q2017: \$9.7 million.
- 1.2x common unit distribution coverage after the capital reserve and the Class B distributions.
- Successfully repaid in October 2017 the 2011 credit facility and refinanced three of the four remaining credit facilities with a new \$460.0 million senior secured loan facility led by HSH Nordbank AG and ING Bank N.V. (“New Facility”) and \$116.2 million cash:
  - New Facility matures in 4Q2023, effectively addressing all near term bullet payments.
  - Significantly reduces Partnership’s indebtedness.
- Secured time charter employment for four of our vessels.
- Average remaining charter duration 5.3 years with 90% charter coverage for 2017 and 60% coverage for 2018.



# Statements Of Comprehensive Income

(\$ In Thousands)



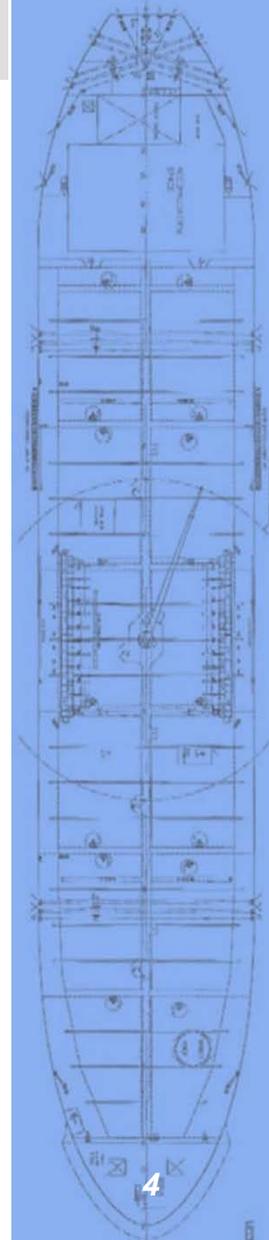
	For the Three-Month Period Ended <u>September 30, 2017</u>	For the Three-Month Period Ended <u>September 30, 2016</u>
Revenues	\$51,540	\$53,390
Revenues – related party	11,139	6,878
<b>Total Revenues</b>	<b>62,679</b>	<b>60,268</b>
<b>Expenses:</b>		
Voyage expenses	4,260	3,326
Voyage expenses – related party	-	79
Vessel operating expenses	18,473	16,404
Vessel operating expenses – related party	2,970	2,733
General and administrative expenses	1,587	1,782
Vessel depreciation and amortization	18,544	18,089
<b>Operating income</b>	<b>16,845</b>	<b>17,855</b>
Other income / (expense), net:		
Interest expense and finance cost	(7,485)	(6,020)
Interest and other income / (expense), net	291	(65)
<b>Total other expense, net</b>	<b>(7,194)</b>	<b>(6,085)</b>
<b>Partnership's net income</b>	<b>\$9,651</b>	<b>\$11,770</b>

# Operating Surplus For Calculation Of Unit Distribution

(\$ In Thousands)

	For the Three-Month Period Ended September 30, 2017		For the Three-Month Period Ended June 30, 2017	
Partnership's net income		\$9,651		\$9,819
<b>Adjustments to net income</b>				
Depreciation and amortization	19,193		19,060	
Amortization of above market acquired charters and straight line revenue adjustments	1,471		1,576	
<b>OPERATING SURPLUS PRIOR TO CAPITAL RESERVE AND CLASS B PREFERRED UNITS DISTRIBUTION</b>		<b>\$30,315</b>		<b>\$30,455</b>
Capital reserve		(14,644)		(14,644)
Class B preferred units distribution		(2,776)		(2,775)
<b>OPERATING SURPLUS AFTER CAPITAL RESERVE AND CLASS B PREFERRED UNITS DISTRIBUTION</b>		<b>\$12,895</b>		<b>\$13,036</b>
Increase in recommended reserves		(2,520)		(2,950)
<b>AVAILABLE CASH</b>		<b>\$10,375</b>		<b>\$10,086</b>

**Common Unit Coverage: 1.2x**



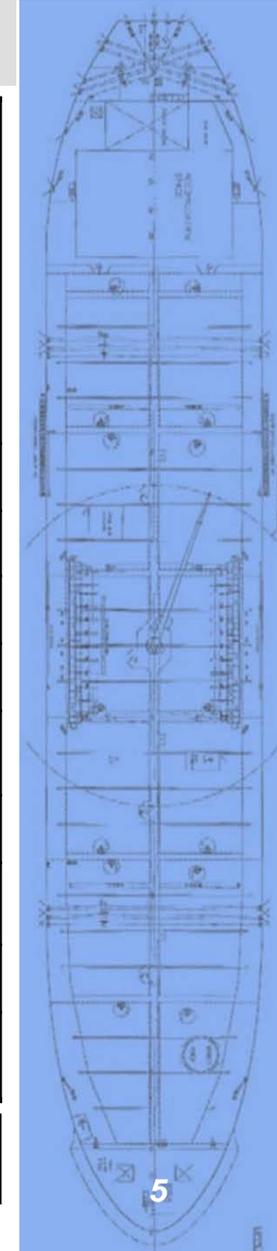
# Strong Balance Sheet

(\$ In Thousands)

	<u>As Of</u> <u>September 30, 2017</u>	<u>As Of</u> <u>December 31, 2016</u>
<b>Assets</b>		
<b>Total Current Assets</b>	170,620	117,879
<b>Total Fixed Assets</b>	1,315,133	1,367,731
<b>Other Non-Current Assets</b>	99,901	112,995
<b>Total Assets</b>	<b>\$1,585,654</b>	<b>\$1,598,605</b>
<b>Liabilities and Partners' Capital</b>		
<b>Total Current Liabilities</b>	\$209,642	\$92,196
<b>Total Long-Term Liabilities</b>	439,188	578,652
<b>Total Partners' Capital</b>	936,824	927,757
<b>Total Liabilities and Partners' Capital</b>	<b>\$1,585,654</b>	<b>\$1,598,605</b>

**Low Leverage: Net Debt<sup>(1)</sup>/Capitalization: 27.2%**

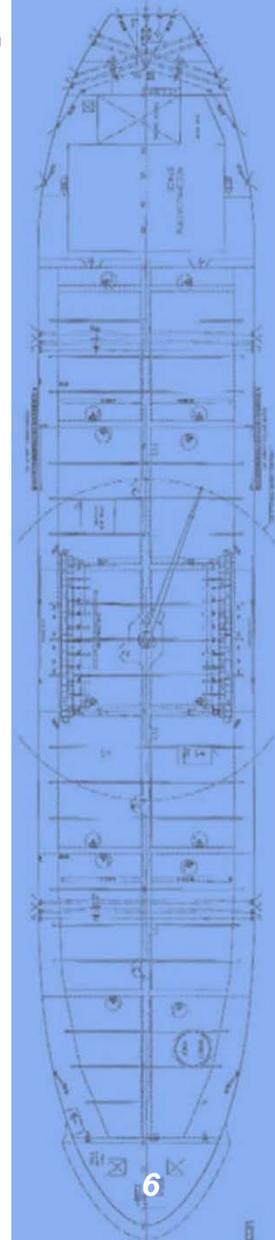
<sup>(1)</sup> Debt gross of unamortized debt discount



# Successful Refinancing Of Outstanding Indebtedness

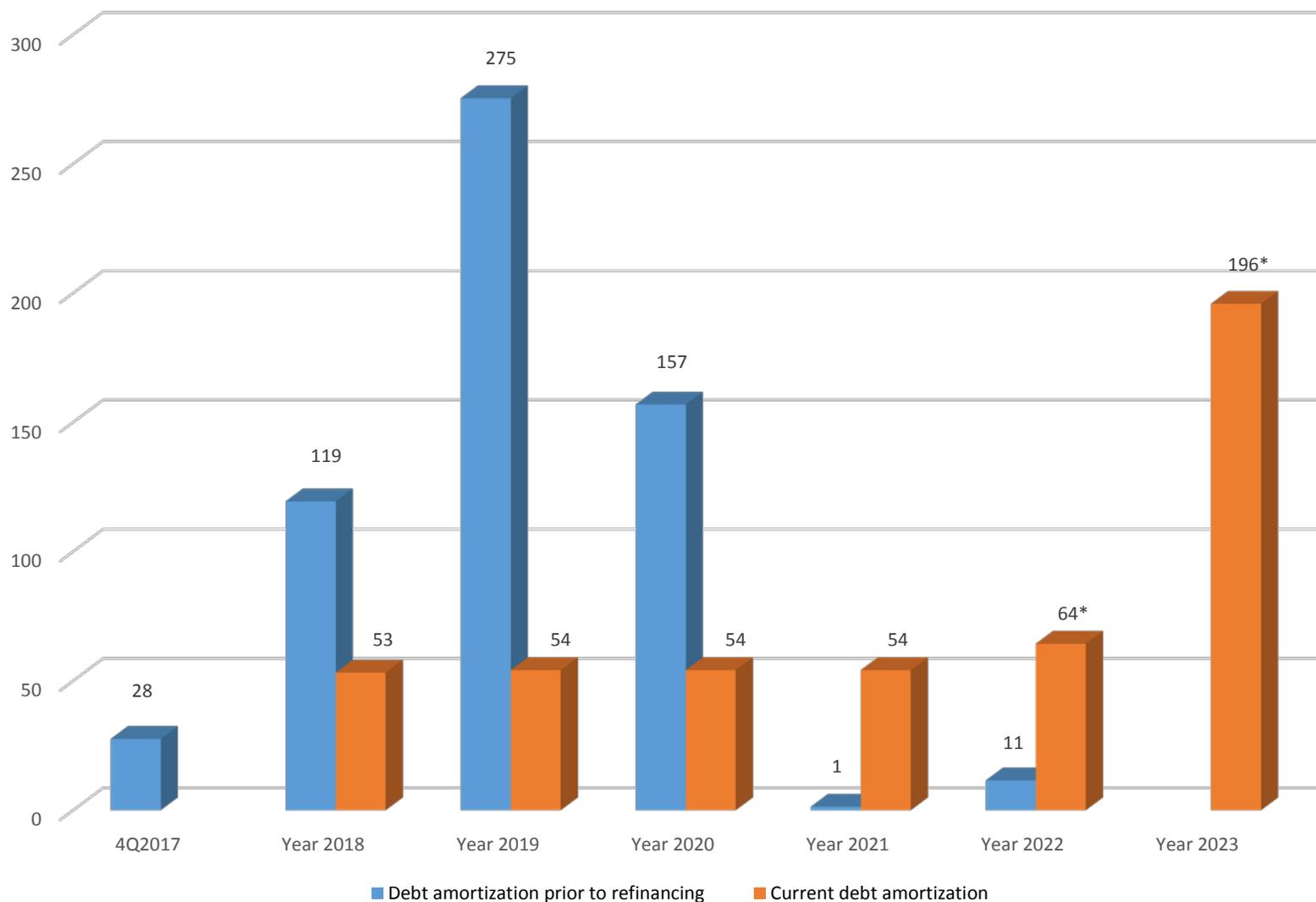
- Successfully closed a new six-year senior secured term loan facility led by HSH Nordbank AG and ING Bank N.V. for up to \$460.0 million (“New Facility”).  

- Repaid in full on October 2, 2017 the 2011 Credit Facility to the amount of \$14.0 million.
- Drew on October 4, 2017 the full amount of \$460.0 million under the New Facility and together with \$102.2 million available cash, refinanced \$562.2 million out of \$578.0 million total debt outstanding.
- New credit facility secured against collateral pool of 35 vessels in two tranches:
  - Tranche A (\$259.0 million) repaid in 24 equal quarterly instalments of \$4.8 million plus balloon instalment of \$143.0 million due in 4Q2023.
  - Tranche B (\$201.0 million) repaid fully in 24 equal quarterly instalments of \$8.4 million i.e. no balloon outstanding at maturity.
- Substantially the same financials covenants as per refinanced facilities with no restrictions on distributions.
- Tenor Six Years from drawdown (maturity in October 2023).
- Margin: 3.25% + LIBOR.
- Annual Amortization: \$52.8 million with \$143.0 million balloon.
- First amortization payment on January 4, 2018.

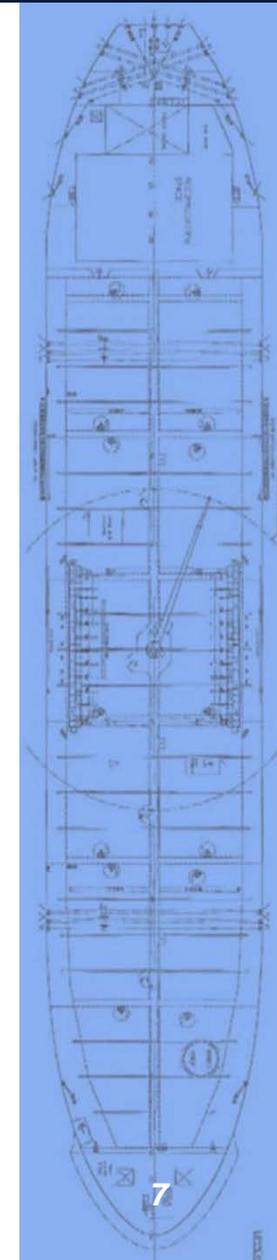


# New Debt Amortization Schedule Vs. Pre Refinancing Amortization

Prior vs Post Refinancing Debt Amortization In \$Millions



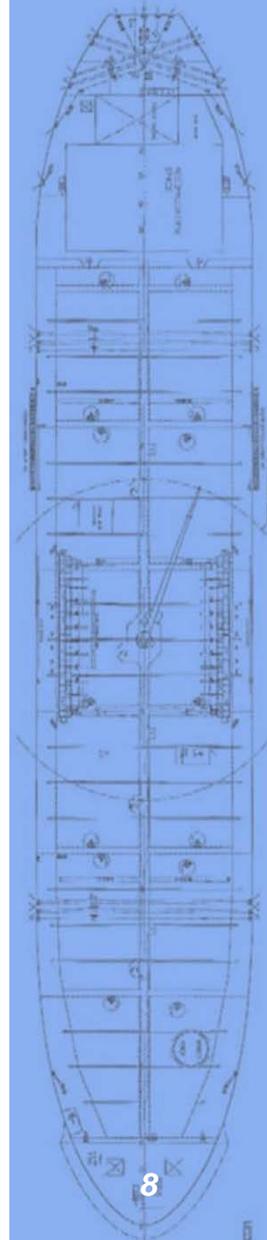
\* Including bullet payment for ING 2015 facility of \$10.2 million in 4Q2022 and for new \$460 million HSH facility of \$143 million in 4Q2023.



# Debt Profile Post Refinancing

Credit Facility	Maturity	Margin	Outstanding Debt Post Refinancing (in \$mil)	Debt amortization (in \$mil)						
				4Q2017	2018	2019	2020	2021	2022	2023
<b>HSH 2017</b>	Oct-23	3.25%	460.0	-	52.8	52.8	52.8	52.8	52.8	196.0*
<b>ING 2015</b>	Nov-22	2.50%	15.8	-	0.3	1.3	1.3	1.3	11.6*	-
<b>Total Amortization</b>				<b>-</b>	<b>53.1</b>	<b>54.1</b>	<b>54.1</b>	<b>54.1</b>	<b>64.4</b>	<b>196.0</b>
<b>Total Debt Outstanding</b>			<b>475.8</b>	<b>475.8</b>	<b>422.7</b>	<b>368.6</b>	<b>314.5</b>	<b>260.4</b>	<b>196.0</b>	<b>-</b>
<b>Fleet Book Value**</b>			1,315.1	1,297.3	1,225.9	1,154.5	1,083.0	1,011.6	940.2	868.8
<b>Debt to Book Value</b>			<b>36.2%</b>	<b>36.7%</b>	<b>34.5%</b>	<b>31.9%</b>	<b>29.0%</b>	<b>25.7%</b>	<b>20.8%</b>	<b>-</b>

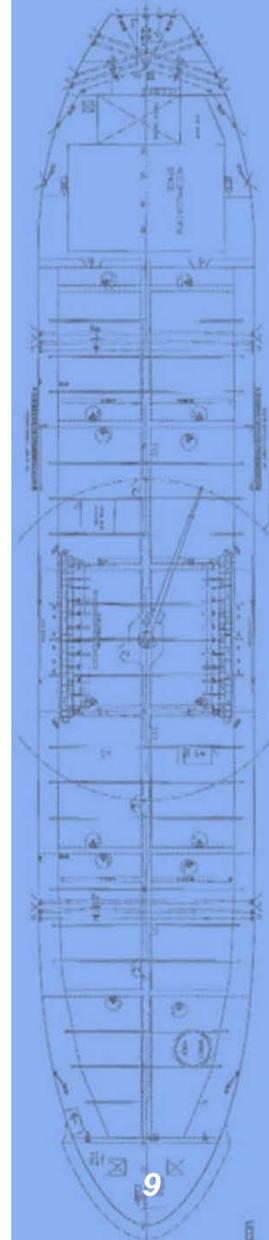
- **\$54.1 million annual total amortization vs. \$58.6 million current Capital Reserve in addition to interest cost savings.**
- **Modest initial leverage of 36.2% Total Debt to Book Value to be reduced further to 20.8% in 2022\*\*.**



\* Including a bullet payment for ING 2015 facility of \$10.2 million in 4Q2022 and for new \$460 million HSH facility of \$143 million in 4Q2023.

\*\* Assuming depreciation and amortization in line with our accounting policies and no write offs by year end 2023.

# Fleet Developments Update



Name	DWT	Built	Gross Rate (Per Day)	Profit Share	Charterer	Firm Period Charter Expiry
M/T Amadeus	50,108	2015	\$14,500	-		October 2018
M/T Miltiadis M II	162,397	2006	\$18,000	50/50 on actual earnings above \$22,000		September 2018
M/T Aktoras	36,759	2006	\$11,000	50/50 on actual earnings		August 2018
M/T Aiolos	36,725	2007	\$11,000	50/50 on actual earnings		August 2018

- Expanded relationship with Repsol.
- Continued period charter coverage support from our Sponsor including a profit share arrangements, allowing us to capture part of a potential market recovery.

# Strong Charter Coverage

## Charter Profile

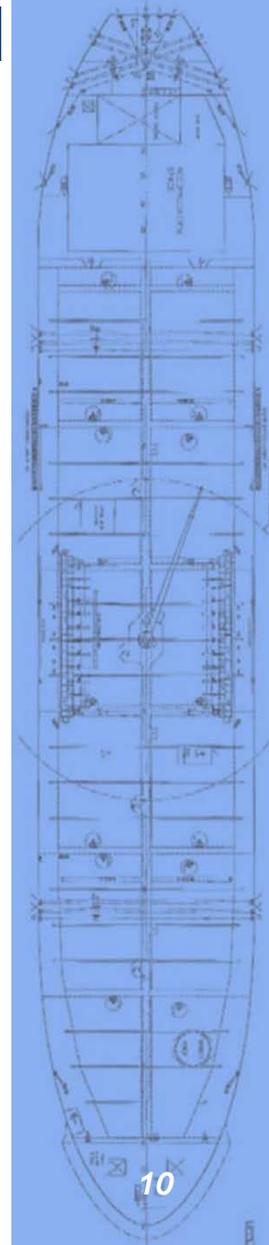
### Expiry Of Current Charters

### Rates

Vessel Type	Oct-17	Oct-18	Oct-19	Oct-20	Gross Rate Per Day
Crude tanker	Amore Mio II				Spot
Product tanker	Atlantas II				\$13,000
Product tanker	Active				\$13,500
Product tanker	Amor				\$14,000
Product tanker	Aristotelis				\$13,750
Product tanker	Arionas				\$11,000
Product tanker	Ayrton II				\$18,000
Crude tanker	Aias				\$26,500
Crude tanker	Amoureux				\$22,000
Containership	Archimidis				\$8,250
Product tanker	Assos				\$15,400
Containership	Agamemnon				\$8,250
Product tanker	Avax				\$15,400
Product tanker	Axios				\$15,400
Product tanker	Alexandros II				\$6,600 <sup>1</sup>
Product tanker	Aristotelis II				\$6,600 <sup>1</sup>
Product tanker	Aris II				\$6,600 <sup>1</sup>
Product tanker	Alkiviadis				\$12,750
Product tanker	Aiolos				\$11,000 + 50/50 PS
Product tanker	Aktoras				\$11,000 + 50/50 PS
Crude tanker	Miltiadis M II				\$18,000 +50/50 PS above \$22,000
Product tanker	Amadeus				\$14,500
Product tanker	Atrotos				\$17,750
Product tanker	Agisilaos				\$19,000
Product tanker	Apostolos				\$17,750
Product tanker	Anemos I				\$17,750
Product tanker	Akeraios				\$17,750
Containership	CMA CGM Amazon				\$39,250
Dry Bulk	Cape Agamemnon				\$42,200
Containership	CMA CGM Uruguay				\$39,250
Containership	CMA CGM Magdalena				\$39,250
Containership	Hyundai Prestige				\$29,350 <sup>2</sup>
Containership	Hyundai Premium				\$29,350 <sup>2</sup>
Containership	Hyundai Paramount				\$29,350 <sup>2</sup>
Containership	Hyundai Privilege				\$29,350 <sup>2</sup>
Containership	Hyundai Platinum				\$29,350 <sup>2</sup>

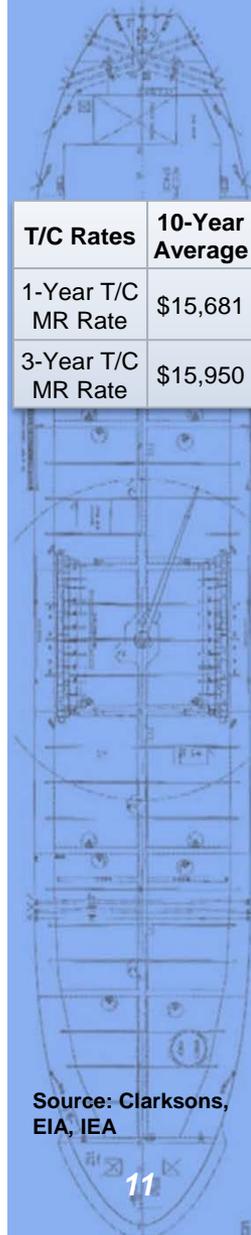
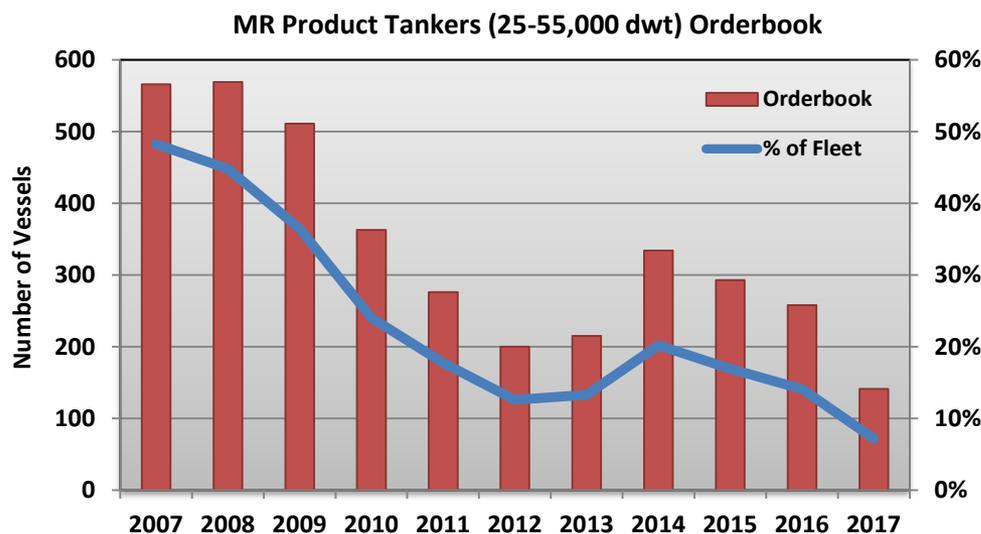
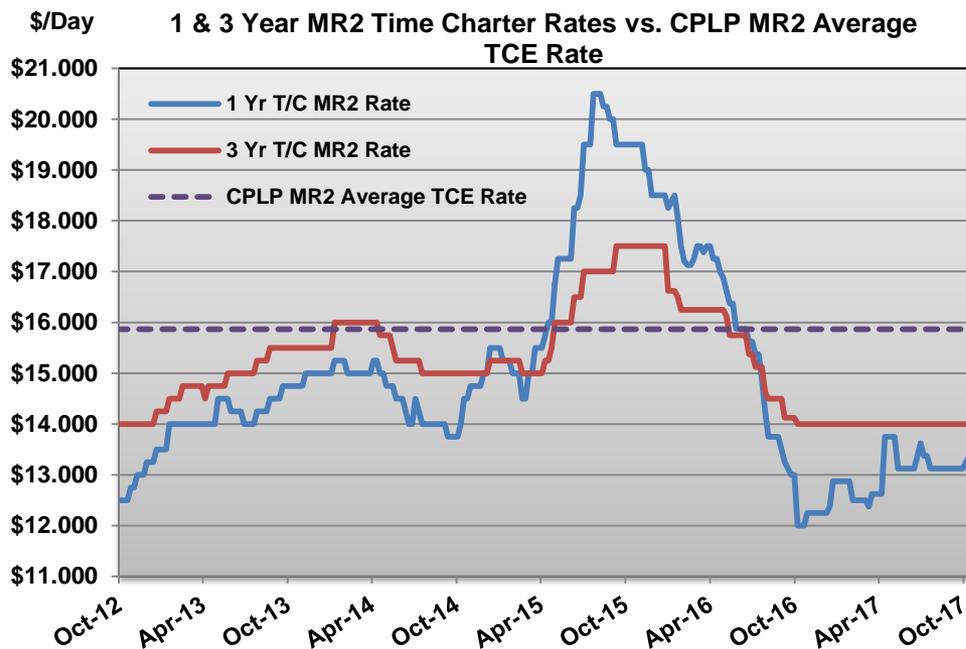
Revenue Weighted Average Remaining Charter Duration: 5.3 Years

<sup>1</sup> Bareboat. <sup>2</sup> \$23,480pd between July 18, 2016 to December 31, 2019.



# Product Tanker Market Overview

- MR spot charter rates modestly improved but remained at subdued levels during 3Q2017.
- Market positively affected by overall firm oil demand and Hurricane Harvey in September.
- Increases in product tanker rates were however mostly offset by:
  - Oil product inventories draws.
  - High product tanker fleet growth: 5.0% y-o-y as of the end of the quarter.
- Increased MR2 period activity despite weaker spot market.
- Improving fundamentals to support the market going forward:
  - Inventory normalization.
  - Refinery capacity expansion East of Suez increasing tonne/miles.
  - Orderbook for MR product tankers at 7.2% of total fleet, lowest on record.
  - Reduction of product tanker newbuilding capacity.
  - Slippage at 34% (9M2017).

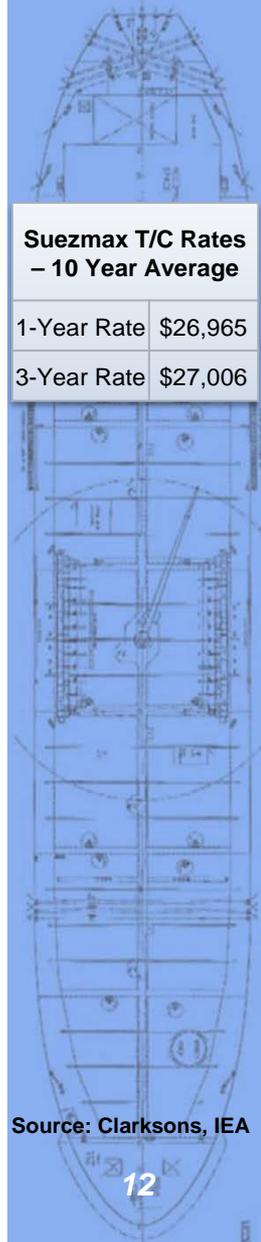
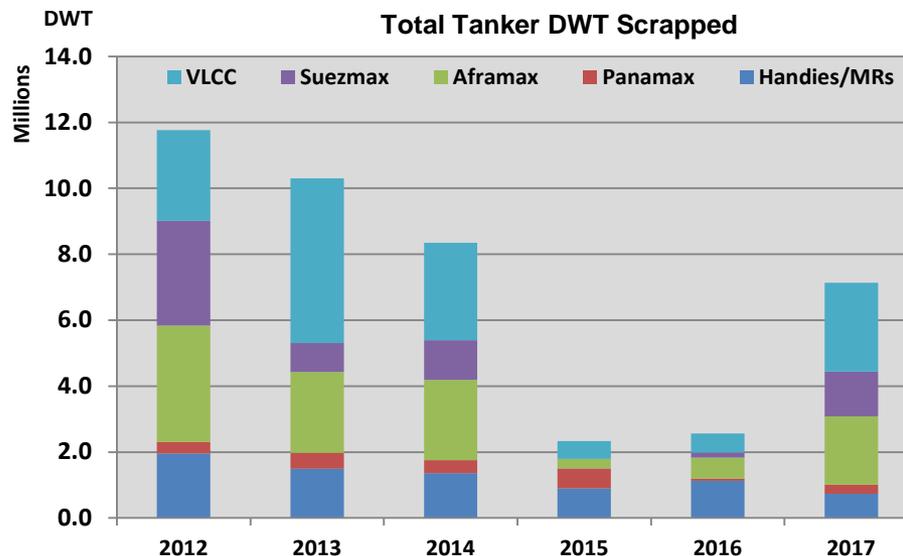
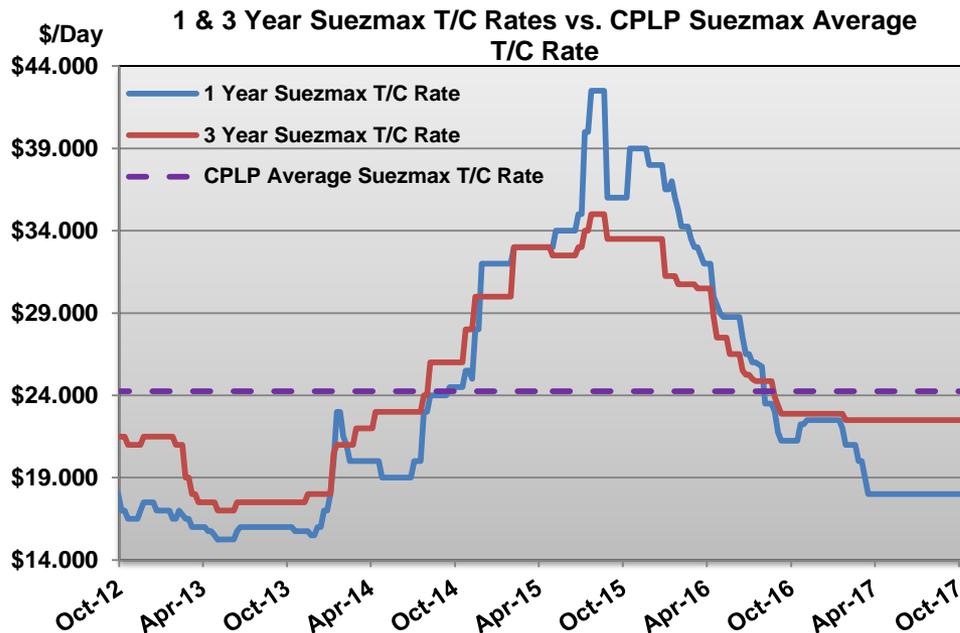


T/C Rates	10-Year Average
1-Year T/C MR Rate	\$15,681
3-Year T/C MR Rate	\$15,950

Source: Clarksons, EIA, IEA

# Suezmax Tanker Market Overview

- Suezmax spot market remained soft in 3Q2017 on the back of:
  - Increasing vessel deliveries: 14 Suezmaxes delivered during the quarter following 35 in 1H2017.
  - Seasonally weak demand: Chinese crude oil imports dropped to an 8-month low in August.
  - OPEC/Non-OPEC's oil production cut agreement exacerbating pressure on rates.
- Low demand for period business due to the weak spot rates.
- World oil demand growth estimated at 1.6 mb/d for 2017 and 1.4 mb/d for 2018.
- Suezmax tanker orderbook through 2019 corresponding to 11.0% of current fleet.
- Limited new ordering: 12 new orders placed YTD.
- 2017 marks the last year of increased deliveries.
- Slippage at 16% as of end September.
- Increased demolition: YTD 9 Suezmaxes scrapped compared to none in the same period of 2016.



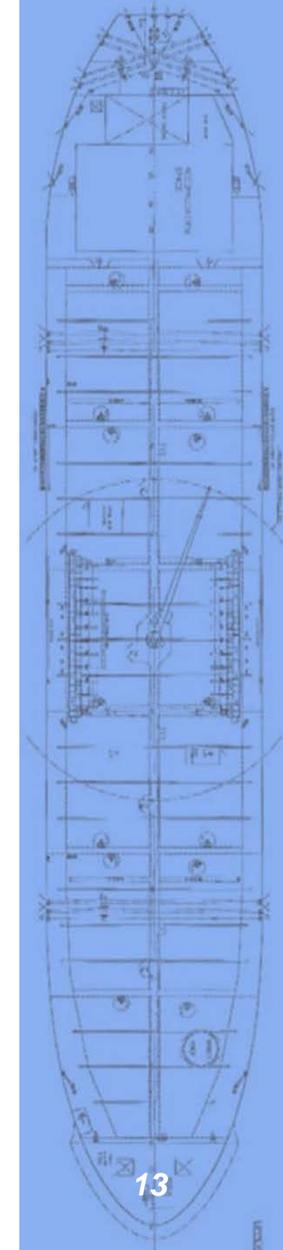
**Suezmax T/C Rates – 10 Year Average**

1-Year Rate	\$26,965
3-Year Rate	\$27,006

Source: Clarksons, IEA

# Common Unit Distribution Outlook

- **Many benefits to the refinancing:**
  - **Enhanced visibility on our financial position and debt obligations into 4Q2023.**
  - **Significant reduction to our indebtedness with pro forma gross debt to cap ratio 33.7% compared to 38.7% as of September 30, 2017 and no bullet payments due till 4Q2023 under the new credit facility.**
  - **Dual tranche structure mitigates refinancing risk: sole bullet payment upon maturity of \$143.0 million, compared to projected net book value of the collateral fleet of \$846.1 million in 2023.**
  - **Annual amortization under our new credit facility is lower than capital reserve, plus interest cost savings from our reduced indebtedness.**

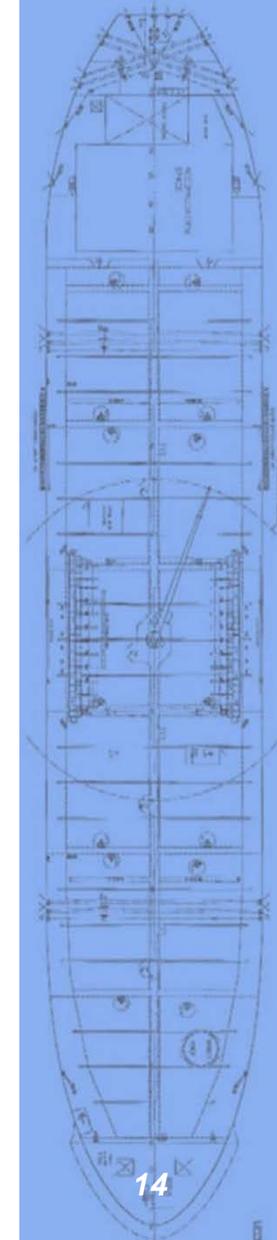


# Dropdown Opportunities

OPTIONAL VESSELS (CPLP HOLDS RIGHT OF FIRST REFUSAL)					
VESSEL NAME	TYPE	CAPACITY	BUILT	YARD	NOTE
ATHLOS	ECO IMO II/III CHEMICAL/PRODUCT TANKER	50,034 DWT	JAN-2016	SAMSUNG	FACILITY WITH DROPDOWN OPTION INTO CPLP AT 50% LTV AND 2 YEARS NON AMORTIZING PERIOD
ALKAIOS		50,137 DWT	MAR-2016	SAMSUNG	
ANIKITOS		50,082 DWT	JUN-2016	SAMSUNG	
ARCHON		50,099 DWT	SEP-2016	SAMSUNG	
AMFITRION		50,102 DWT	JAN-2017	SAMSUNG	

OTHER TANKER VESSELS WITH EMPLOYMENT					
VESSEL NAME	TYPE	CAPACITY	BUILT	YARD	NOTE
ATLANTAS	CRUDE TANKER	321,300 DWT	JUN-2010	DAEWOO	5 YEAR BAREBOAT CHARTER
ARISTAIOS	ECO CRUDE TANKER	113,689 DWT	JAN-2017	DAEHAN	4.3 YEAR CHARTER & CREDIT FACILITY WITH DROPDOWN OPTION INTO CPLP
ARISTOKLIS		113,838 DWT	JAN-2017	DAEHAN	4.3 YEAR CHARTER & CREDIT FACILITY WITH DROPDOWN OPTION INTO CPLP

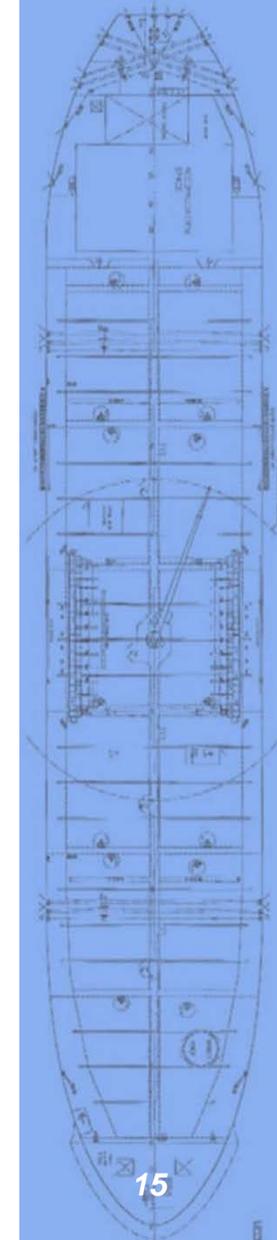
- We aim to further increase the long-term distributable cash flow of the Partnership by pursuing additional accretive transactions including a number of acquisition opportunities from our Sponsor.



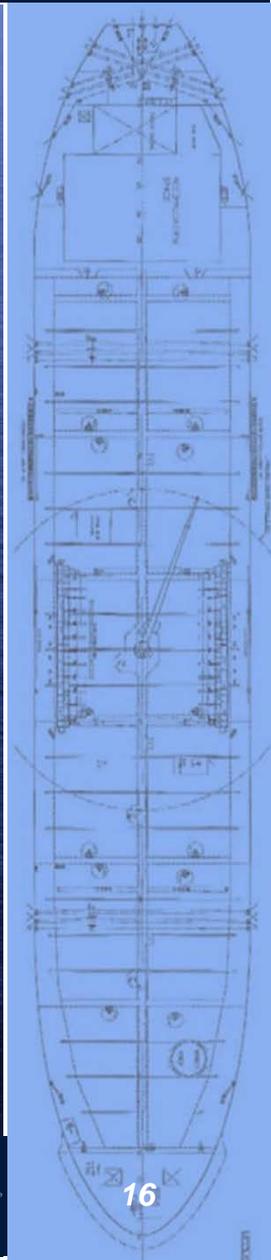
# Other Dropdown Opportunities

## OTHER CMTc CONTROLLED DROPDOWN CANDIDATES

VESSEL NAME	TYPE	CAPACITY	BUILT	YARD	NOTE
MILTADIS JUNIOR	ECO CRUDE TANKER	320,926 DWT	JUN-2014	SWS	
APOLLONAS		300,000 DWT	JAN-2016	DAEWOO	
ATROMITOS		300,000 DWT	APR-2016	DAEWOO	
ADAMASTOS	CONTAINER	9,954 TEU	JUN-2010	SAMSUNG H.I.	CREDIT FACILITY WITH DROPDOWN OPTION INTO CPLP
ASKLIPIOS	CONTAINER	9,954 TEU	APR-2011	SAMSUNG H.I.	CREDIT FACILITY WITH DROPDOWN OPTION INTO CPLP
ATHENIAN	CONTAINER	9,954 TEU	APR-2011	SAMSUNG H.I.	
ATHOS	CONTAINER	9,954 TEU	MAY-2011	SAMSUNG H.I.	
ARISTOMENIS	CONTAINER	9,954 TEU	MAR-2011	SAMSUNG H.I.	
AISOPOS II	ECO CONTAINER	2,000 TEU	APR-2016	STX	



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