



# Investor Presentation

## MLPA Conference

June 2017

**CAPITAL**

PRODUCT PARTNERS L.P.

[www.capitalpplp.com](http://www.capitalpplp.com)

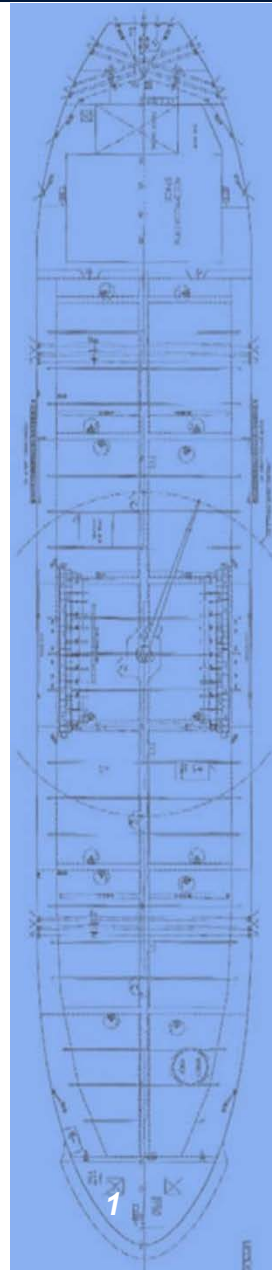
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# Forward Looking Statements

**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, our ability to repay or refinance external debt, future earnings, our expectations regarding employment of our vessels, redelivery dates and charter rates, fleet growth, as well as market and charter rate expectations, charterers' performance, and our expectations or objectives regarding future distribution amounts, our ability to pursue growth opportunities and grow our distributions and annual distribution guidance, 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)**



# Investment Highlights

**Diversified Maritime MLP** with high specification, modern fleet of 36 vessels including 21 product tankers, 4 suezmax tankers, 10 containers and 1 capesize dry bulk vessel.

- **Long charter duration:** 33 of our vessels fixed under period contracts with remaining charter duration of 5.5 years with 82% charter coverage for 2017 and 50% for 2018.
- **Strong balance sheet** with net debt to capitalization of 29.9% as of March 31, 2017.
- **Quarterly capital reserve** of \$14.6 million providing for debt repayments between 2016-2018.
- **Increased quarterly common unit distribution** in 4Q2016 by 7% to \$0.08. Annualized distribution yield of ca. 9.5%\*.
- **Strong Common Unit Coverage** of quarterly distribution after capital reserves: 1.5x for 1Q2017 and 1.7x for FY2016.
- **Consistent Fleet Growth:** The fleet has grown by 40% in terms of number of vessels over the last 5 years.
- **Dropdown opportunities** from Sponsor and second hand market.
- **Committed Sponsor:** Capital Maritime & Trading Corp. supports the Partnership with dropdown opportunities, charter coverage and by having participated in most equity offerings.

\* Closing unit price of \$3.36 on 5/25/2017 basis 1Q2017 annualized distribution of \$0.32 per common unit.



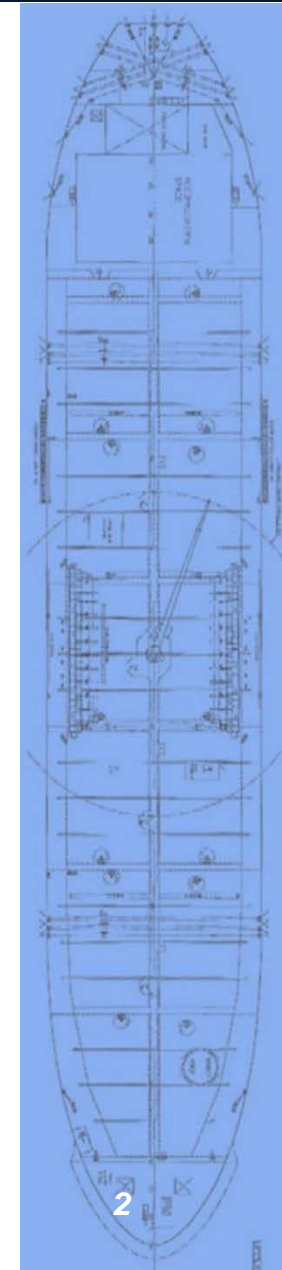
M/T 'Agisilaos' (Product / Chemical Tanker)



M/T 'Aias' (Crude Tanker)

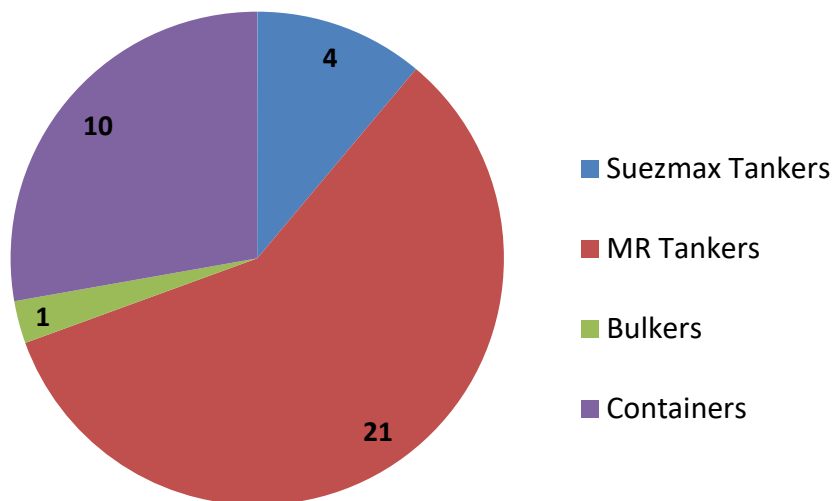


M/V 'Archimidis' (Container Vessel)

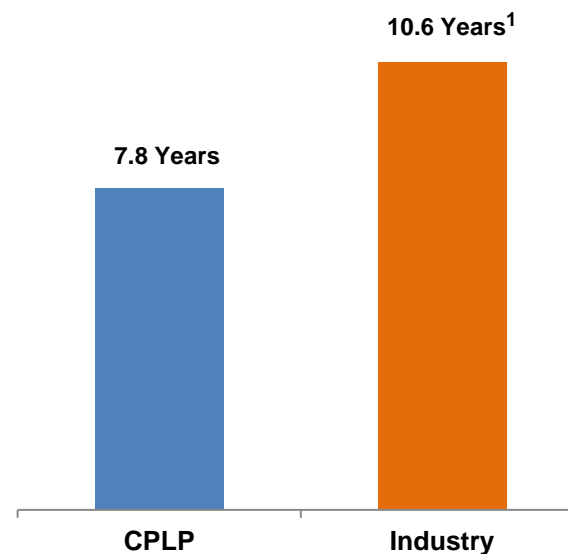


# Modern High-Specification Fleet

## Fleet Profile



## Fleet Age



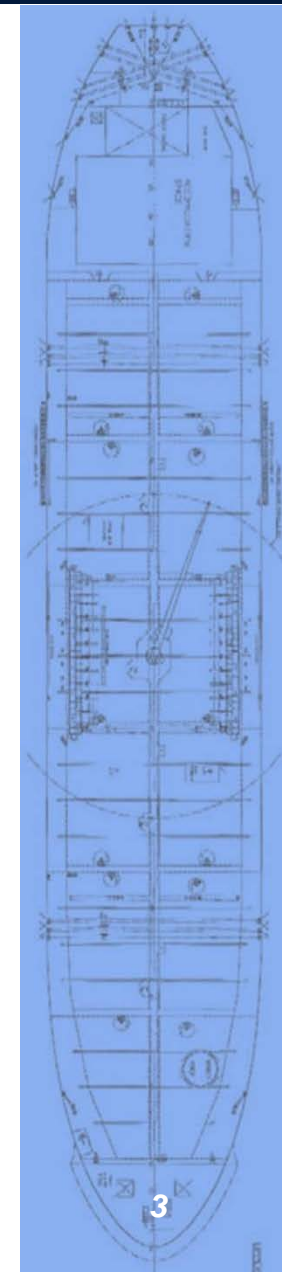
## Diversified Customer Base



36 Vessels - 2.6mm DWT (~70k TEUs)

7.8 Years Weighted Average Fleet Age

<sup>1</sup> Industry average age data from Clarksons as of May 2017 weighted by dwt for the composition of the CPLP fleet.

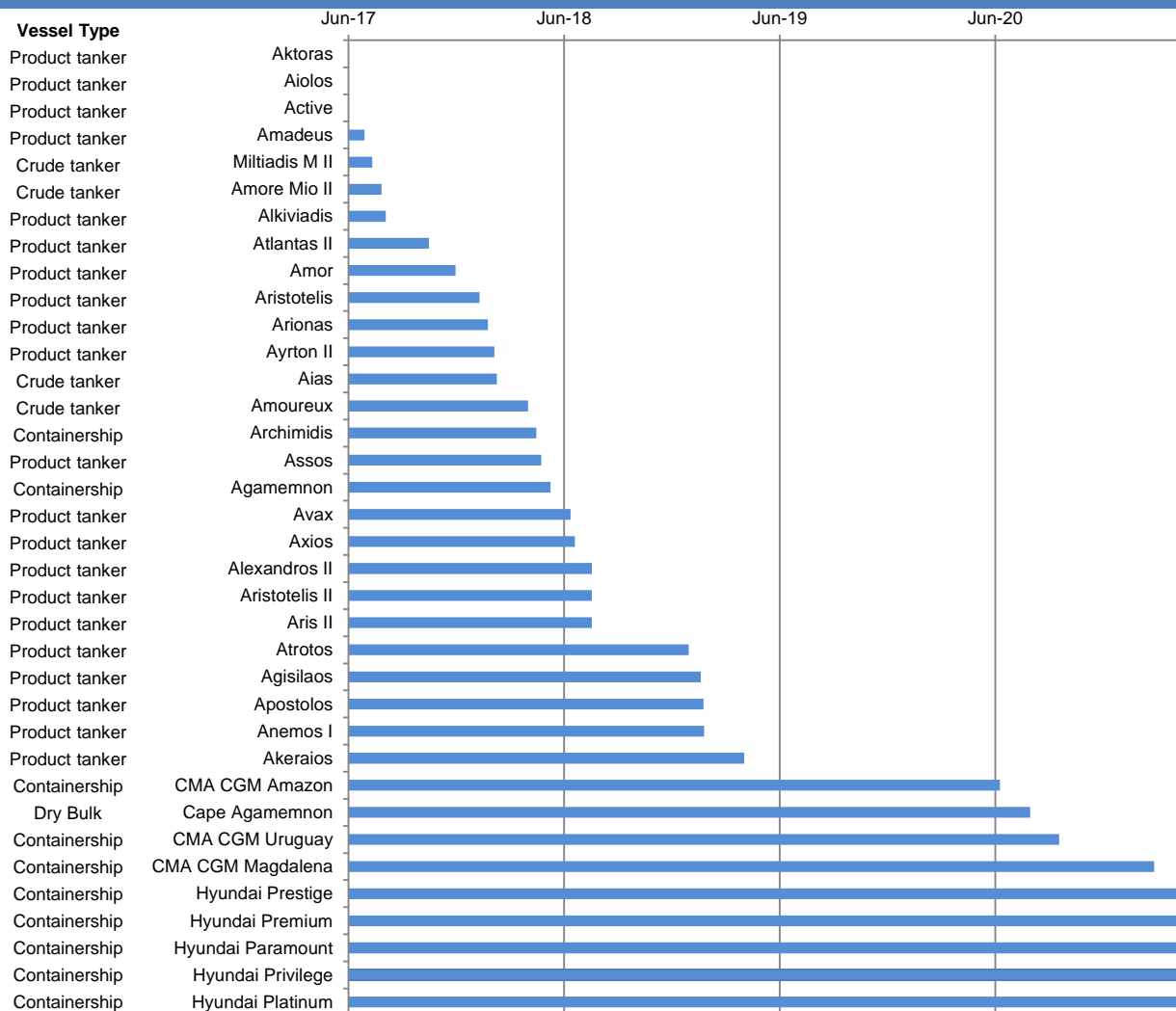




# Strong Charter Coverage At Attractive Rates

## Charter Profile

### Expiry Of Current Charters

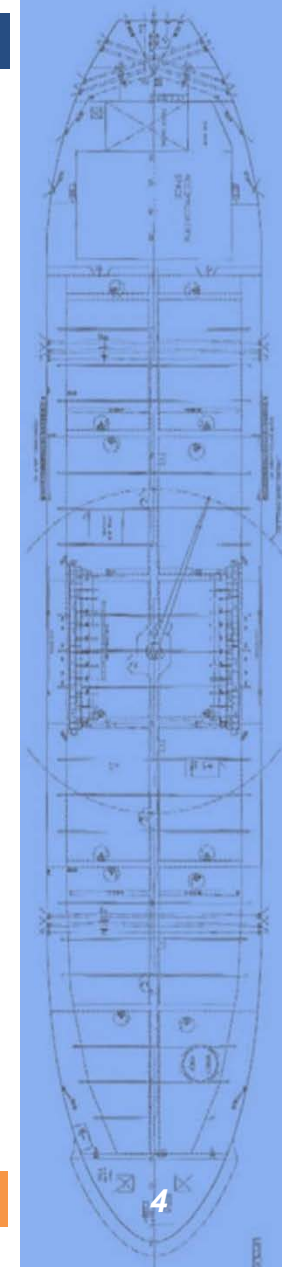


### Rates

Gross Rate
Voyage Charter
Voyage Charter
Voyage Charter
\$17,000
\$25,000
\$21,000
\$13,300
\$13,000
\$17,500
\$13,750
\$11,000
\$18,000
\$26,500
\$22,000
\$8,250
\$15,400
\$8,250
\$15,400
\$15,400
\$6,600 <sup>1</sup>
\$6,600 <sup>1</sup>
\$6,600 <sup>1</sup>
\$17,750
\$19,000
\$17,750
\$17,750
\$17,750
\$39,250
\$42,200
\$39,250
\$39,250
\$29,350 <sup>2</sup>
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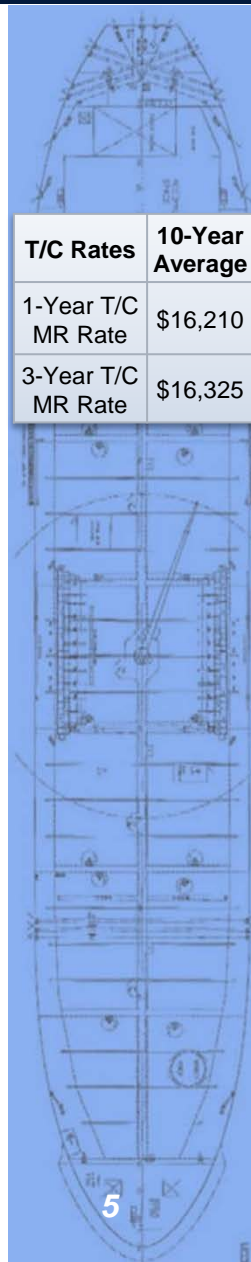
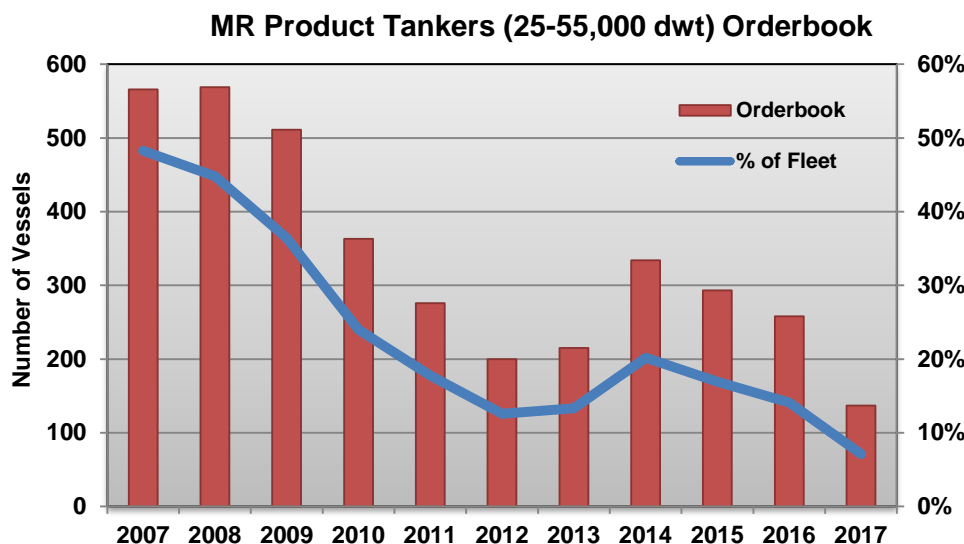
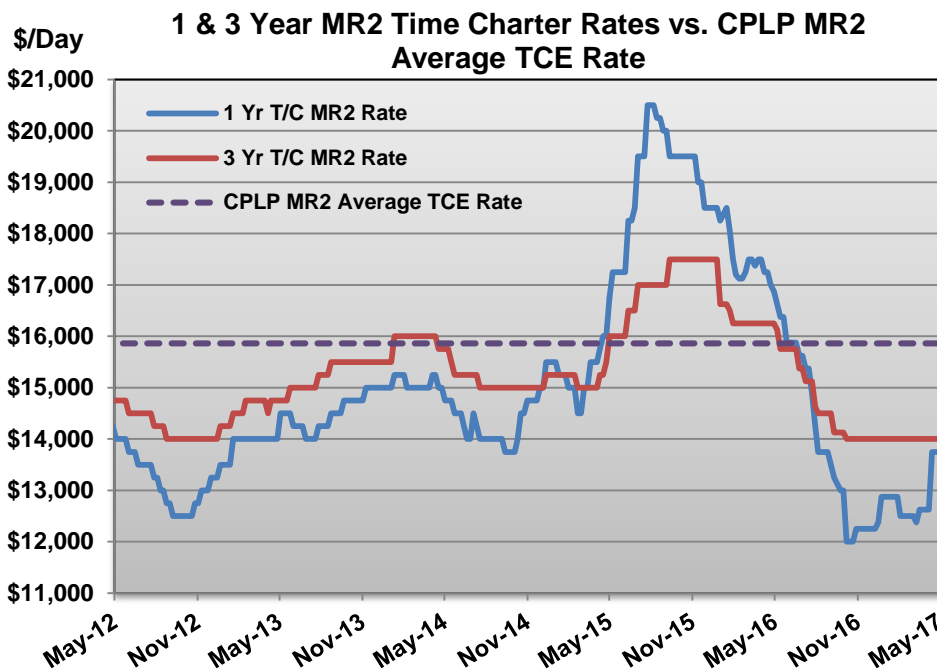
Revenue Weighted Average Remaining Charter Duration: 5.5 Years

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



# Product Tanker Charter Market

- Softer MR spot charter rates 2017YTD on the back of:
  - High product inventories limiting imports.
  - Lack of arbitrage opportunities.
  - Increased product tanker deliveries: 5.1% net fleet growth y-o-y.
- Increased period activity but rates at subdued levels as a result of the softer spot market.
- Improving fundamentals to support the market going forward:
  - Limited ordering activity.
  - Orderbook for MR product tankers at 7.1% of total fleet, lowest on record.
  - Reduction of product tanker newbuilding capacity.
  - Slippage at 38% (1Q2017).
  - Refinery capacity expansion East of Suez increasing tonne/miles.
- MR product tanker supply and demand projected to grow by 2.7% and 1.9% in 2017.



T/C Rates	10-Year Average
1-Year T/C MR Rate	\$16,210
3-Year T/C MR Rate	\$16,325

# Positive Long Term Product Tanker Fundamentals

## ■ Favorable structural changes in the refinery market:

■ 2.3 mb/d refinery capacity removals in OECD countries in 2012-2016.

■ 4.5 mb/d refinery capacity expansion East of Suez in 2017-2019.

## ■ 2017 refinery capacity additions:

■ 200 kb/d Huizhou in China (2Q/2017).

■ 150 kb/d Yulin in China (4Q/2017).

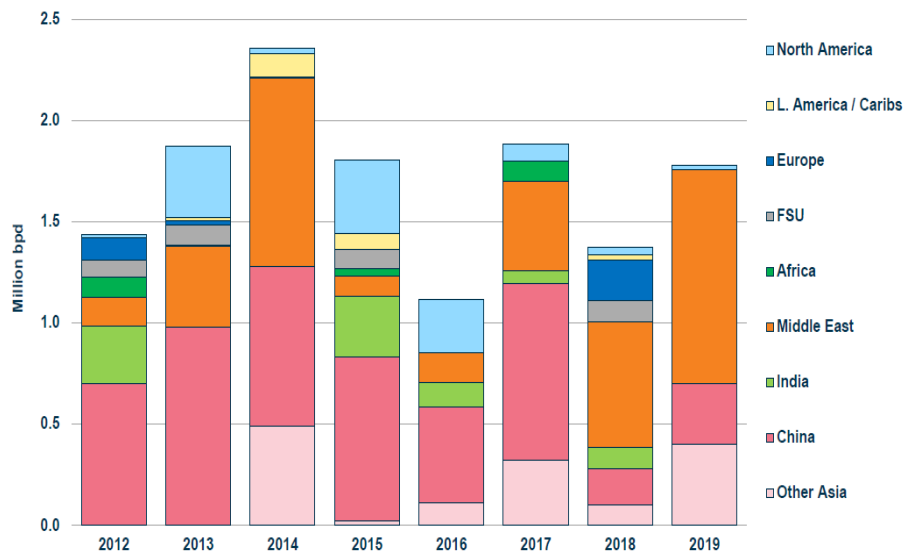
■ 120 kb/d Bandar Abbas in Iran (4Q/2017).

## ■ Strong U.S. oil product exports increasing fleet utilization for product tankers:

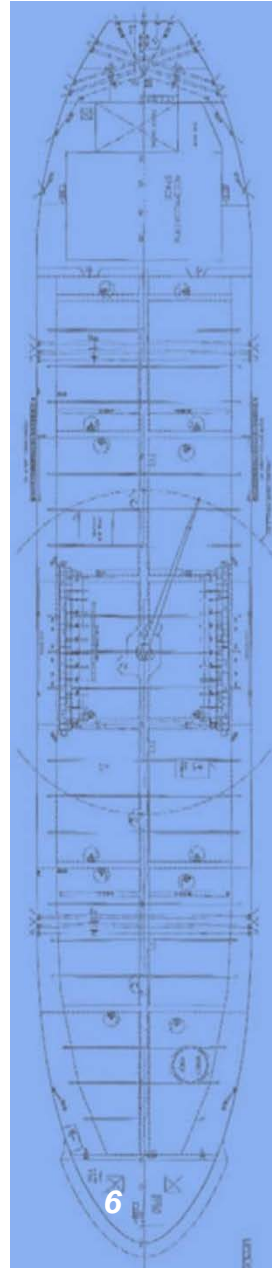
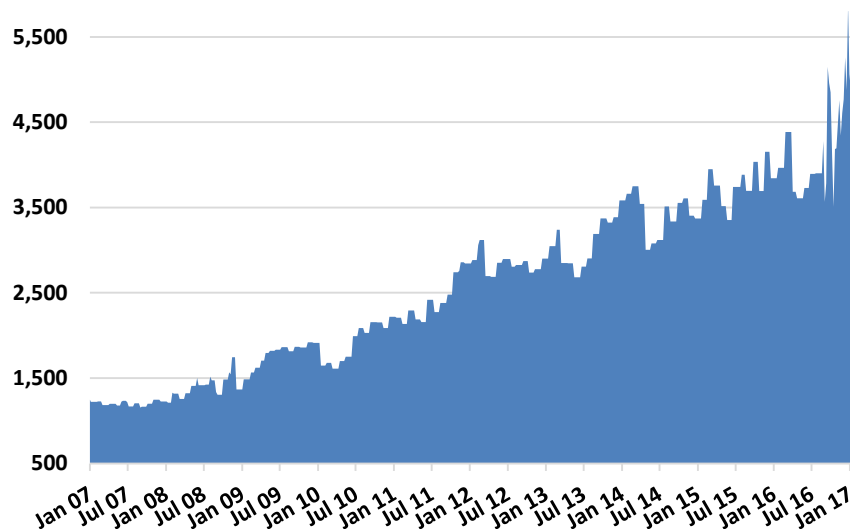
■ U.S. product exports at 4.9 mb/d on average in 2017YTD and 4.1 mb/d FY 2016 vs. 0.96 mb/d in FY 2004.

## ■ Record U.S. product exports along with the widening refinery dislocation are expected to increase tonne / miles and trading volumes.

Refinery Capacity Growth

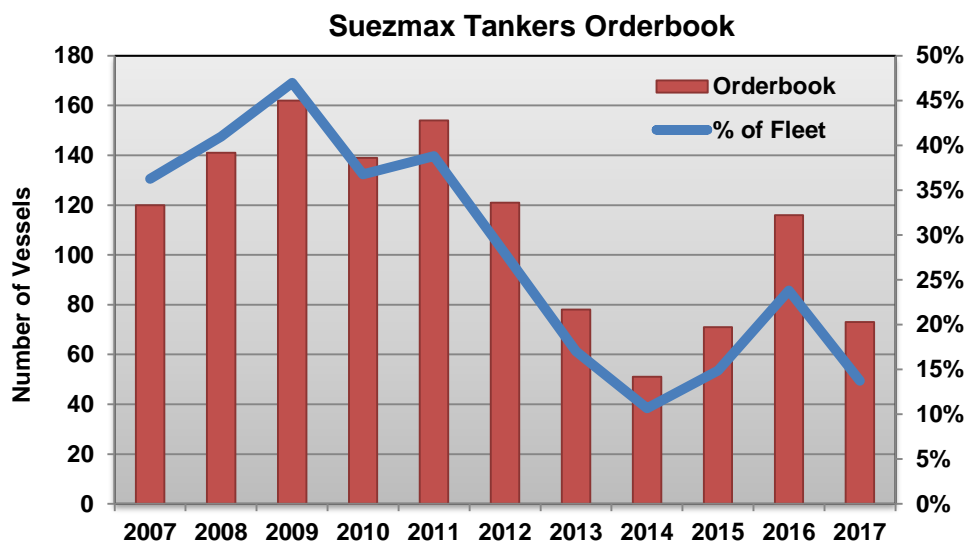
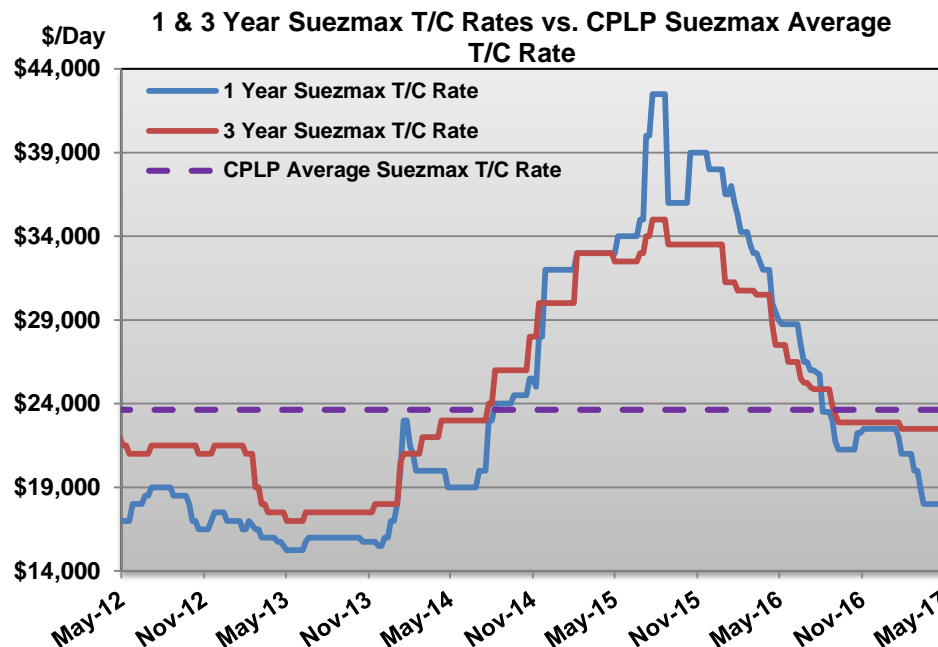


U.S. Petroleum Exports (kbpd)



# Suezmax Charter Market

- Suezmax spot market weaker in 2017YTD on the back of:
- OPEC/Non-OPEC's oil production cut agreements.
- High crude oil inventories.
- Increased tonnage supply due to newbuilding deliveries.
- Firm Chinese crude imports and more crude sourced from the Atlantic provide support to rates.
- Low demand for period business due to the weak spot rates.
- World oil demand growth estimated at 1.3 mb/d for 2017, according to the IEA.
- Suezmax tanker orderbook through 2018 corresponding to 13.7% of current fleet.
- Limited new ordering: 2 new orders placed YTD and 16 Suezmax orders in FY 2016 vs. 59 in FY 2015.
- 2017 marks the last year of increased deliveries.
- High order slippage of 53% as of end 1Q2017.



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

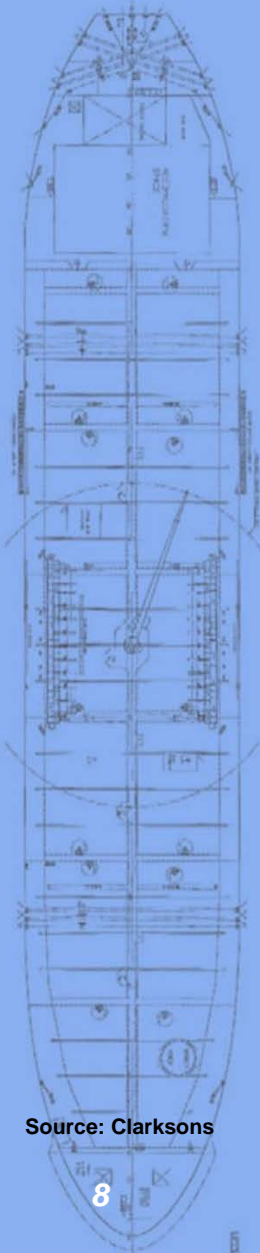
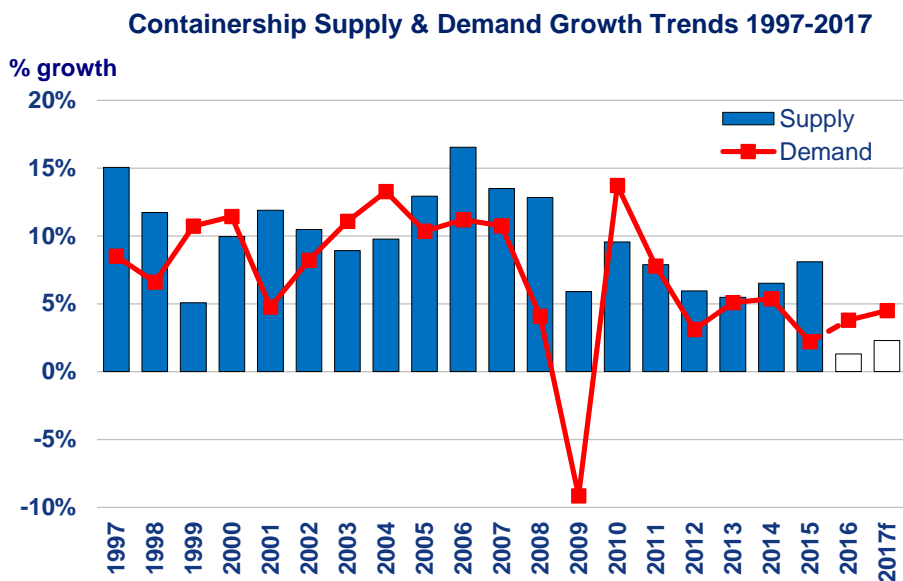
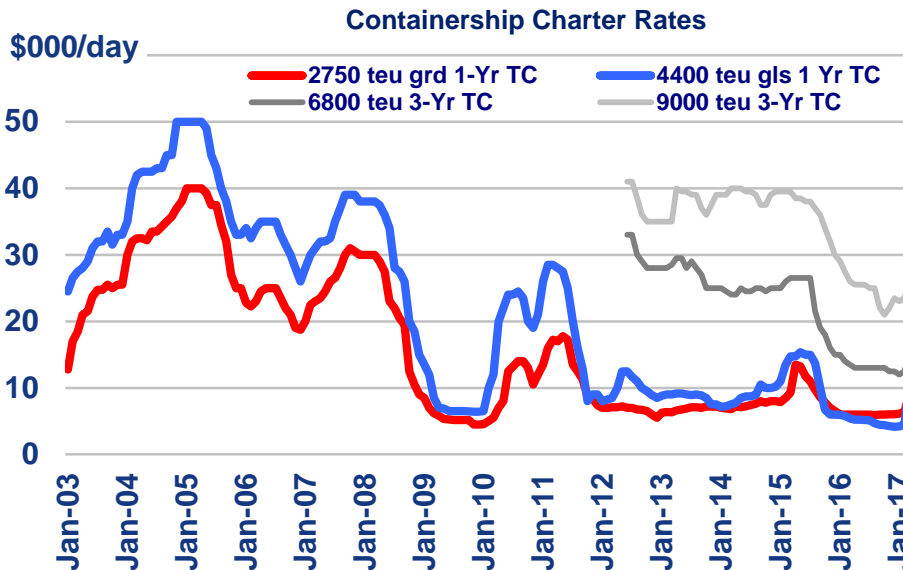
1-Year Rate	\$28,042
3-Year Rate	\$27,663

Source: Clarksons, IEA



# Container Charter Market

- Second half of the 1Q2017 saw increasing charter rates for most container vessel types.
- Idle container fleet has decreased to approximately 3% currently from 7% at the end of the 4Q2016.
- Improving supply fundamentals:
  - Container orderbook at 13.9% - the lowest on record.
  - Limited contracting activity.
- Record demolition: 660,000 TEU in FY 2016 and 260,000 TEU 2017YTD.
- Average age of scrapped vessels reduced to 19.4 years in 1Q2017 vs. 23 years in 2015.
- High order slippage of 61% (1Q2017). 2017YTD only ca. 390,000 TEU delivered.
- Overall container vessel demand is forecasted to grow by 4.5% in 2017, exceeding supply growth of 2.3%.



Source: Clarksons

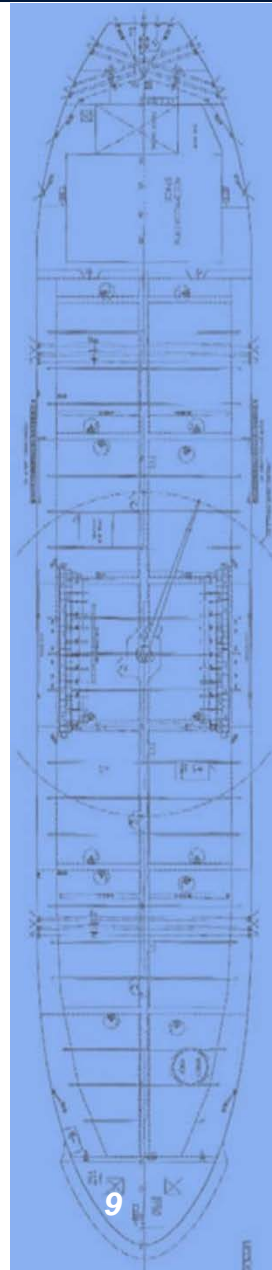
# Capital Reserve Providing For Debt Repayments Until 2018

- The Partnership established a quarterly capital reserve of \$14.6 million in 1Q2016 to provide for debt repayments between 2016-2018 equal to ca\$177 million:

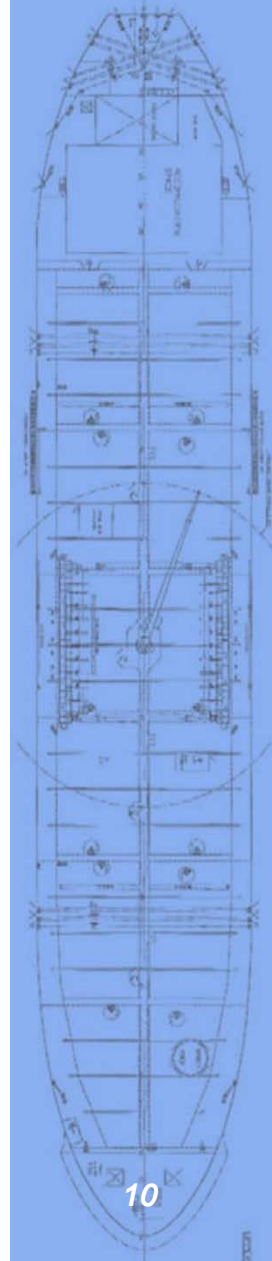
Credit Facility	Maturity	Margin	Outstanding Debt as of Mar-2017 (in \$millions)	Debt amortization (in \$millions) <sup>(1)</sup>			
				2017	2018	2019	Thereafter
HSH 2007	Dec-2019	3.00%	186.0	13.0	51.9	121.1	-
HSH 2008	Dec-2019	3.00%	181.6	9.2	36.8	135.6	-
CA 2011	Mar-2018	3.25%	14.0	1.0	13.0	-	-
ING 2013	Dec-2020	3.50%	203.3	13.0	17.4	17.4	155.6
ING 2015	Nov-2022	2.50%	15.8	-	0.3	1.3	14.1
Blended Average		3.17%	Total: 600.7	36.2	119.4	275.4	169.7

\$155.6 million

- Capital reserve allows CPLP to service its debt through the end of 2018 thereby increasing the Partnership's flexibility to refinance its debt under favorable terms:
  - Outstanding debt to decrease from \$601 million currently to \$445 million at the end of 2018.
  - Pro forma net debt to capitalization of 25.8% at end 2018 vs. 29.9% as at the end of 1Q2017.



# Common Unit Distribution Outlook



## ■ Common unit distribution well underpinned by:

- Strong balance sheet with capital reserve in place for debt amortization payments until end of 2018.
- Solid Common Unit Coverage after the capital reserve and Class B distributions.
- 82% charter coverage of available days for 2017.
- Long term positive tanker fundamentals.
- Modern, high specification fleet with cost efficient manager with excellent track record and vetted for period business.

## ■ Distribution growth potential:

- Pursue additional accretive transactions, thus further increasing the long term distributable cash flow of the Partnership.
- Refinancing our debt under favorable terms.

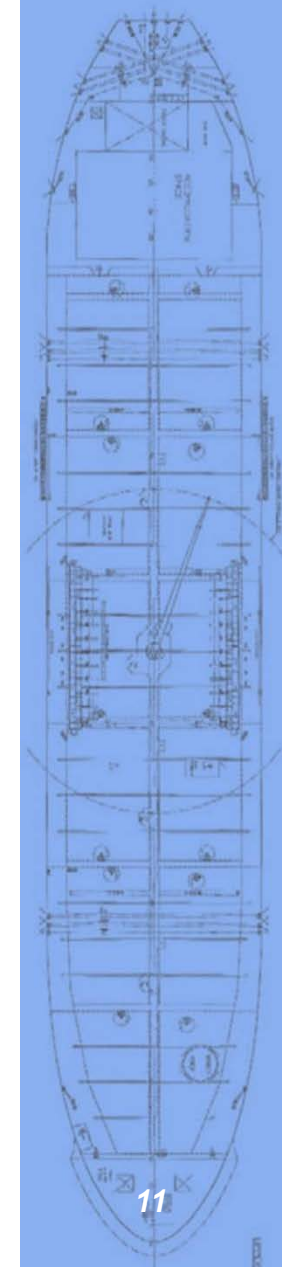
# Additional Dropdown Opportunities

## OPTIONAL VESSELS (CPLP HOLDS RIGHT OF FIRST REFUSAL)

VESSEL NAME	TYPE	CAPACITY	BUILT	YARD	NOTE
ATHLOS	ECO IMO II/III CHEMICAL/PRODUCT TANKER	50,000 DWT	JAN-2016	SAMSUNG	FACILITY WITH DROPDOWN OPTION INTO CPLP AT 50% LTV AND 2 YEARS NON AMORTIZING PERIOD
ALKAIOS		50,000 DWT	MAR-2016	SAMSUNG	
ANIKITOS		50,000 DWT	JUN-2016	SAMSUNG	
ARCHON		50,000 DWT	SEP-2016	SAMSUNG	
AMFITRION		50,000 DWT	JAN-2017	SAMSUNG	

## OTHER CMTc CONTROLLED DROPDOWN CANDIDATES

VESSEL NAME	TYPE	CAPACITY	BUILT	YARD	NOTE
MILTADIS JUNIOR	ECO CRUDE TANKER	320,000 DWT	JUN-2014	SWS	
APOLLONAS		300,000 DWT	JAN-2016	DAEWOO	
ATROMITOS		300,000 DWT	APR-2016	DAEWOO	
ARISTAIOS		112,800 DWT	JAN-2017	DAEHAN	5 YEAR CHARTER & CREDIT FACILITY WITH DROPDOWN OPTION INTO CPLP
ARISTOKLIS		112,800 DWT	JAN-2017	DAEHAN	5 YEAR CHARTER & CREDIT FACILITY WITH DROPDOWN OPTION INTO CPLP



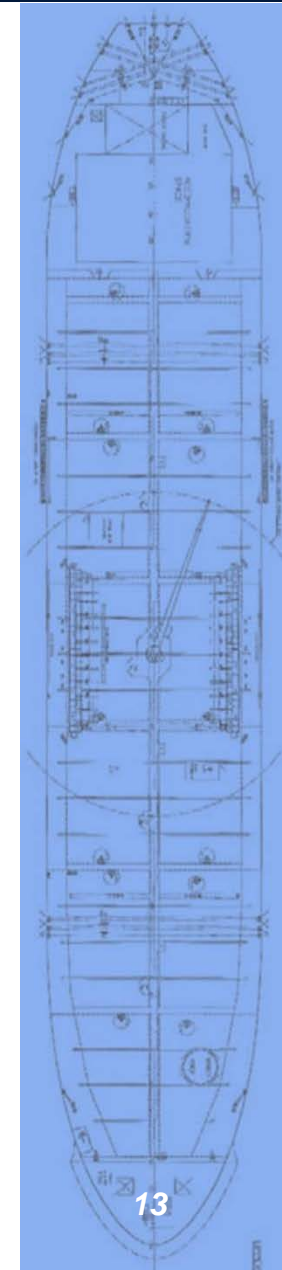




# APPENDIX

# First Quarter 2017 Highlights

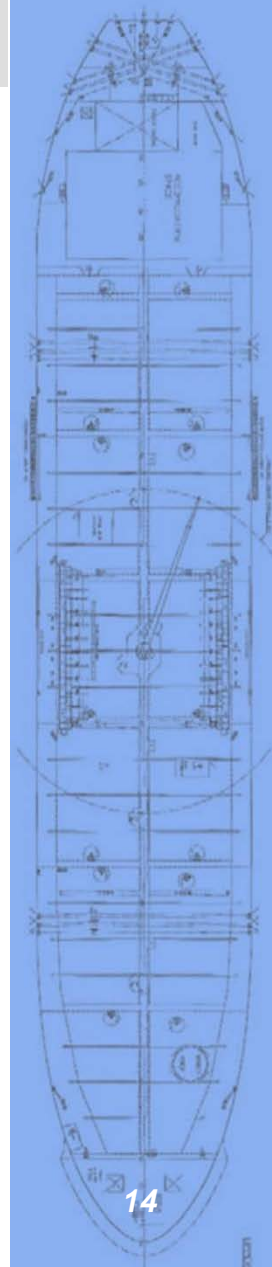
- Cash distribution of \$0.08 per common unit and \$0.21375 per class B unit.
- Net income for 1Q2017: \$12.3 million.
- 1.5x common unit distribution coverage after the capital reserve and the Class B distributions.
- Secured one-year time charter employment for the M/T 'Amoureux' with our sponsor Capital Maritime & Trading Corp. ('Capital Maritime').
- Agreed with Pacific International Lines ('PIL') to extend the time charter of the M/V 'Agamemnon' and M/V 'Archimidis' for one year.
- Average remaining charter duration 5.5 years with 85% charter coverage for 2017 and 50% coverage for 2018.



# Statements Of Comprehensive Income

(\$ In Thousands)

	For the Three-Month Period Ended <u>March 31, 2017</u>	For the Three-Month Period Ended <u>March 31, 2016</u>
Revenues	\$50,308	\$47,329
Revenues – related party	9,962	10,718
<b>Total Revenues</b>	<b>60,270</b>	<b>58,047</b>
<b>Expenses:</b>		
Voyage expenses	2,288	1,852
Voyage expenses – related party	-	101
Vessel operating expenses	16,845	16,719
Vessel operating expenses – related party	2,783	2,616
General and administrative expenses	1,435	1,265
Depreciation & amortization	18,526	17,453
<b>Operating income</b>	<b>18,393</b>	<b>18,041</b>
Other income / (expense), net:		
Interest expense and finance cost	(6,350)	(6,097)
Other income	210	158
<b>Total other expense, net</b>	<b>(6,140)</b>	<b>(5,939)</b>
<b>Partnership's net income</b>	<b>\$12,253</b>	<b>\$12,102</b>

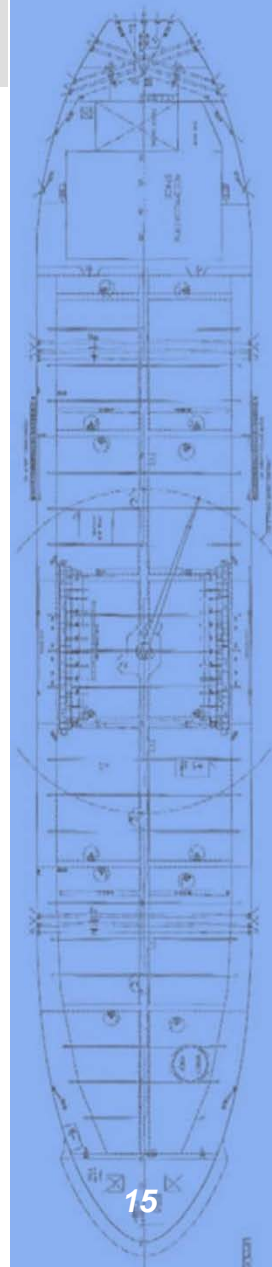


# Operating Surplus For Calculation Of Unit Distribution

(\$ In Thousands)

	For the Three-Month Period Ended March 31, 2017		For the Three-Month Period Ended December 31, 2016	
Net income		\$12,253		\$13,744
<b>Adjustments to net income</b>				
Depreciation and amortization	19,054		18,928	
Amortization of above market acquired charters and straight line revenue adjustments	1,401		1,355	
<b>OPERATING SURPLUS PRIOR TO CAPITAL RESERVE AND CLASS B PREFERRED UNITS DISTRIBUTION</b>		<b>\$32,708</b>		<b>\$34,027</b>
Capital reserve		(14,644)		(14,644)
Class B preferred units distribution		(2,775)		(2,775)
<b>OPERATING SURPLUS AFTER CAPITAL RESERVE AND CLASS B PREFERRED UNITS DISTRIBUTION</b>		<b>\$15,289</b>		<b>\$16,608</b>
Increase in recommended reserves		(5,203)		(6,625)
<b>AVAILABLE CASH</b>		<b>\$10,086</b>		<b>\$9,983</b>

**Common Unit Coverage: 1.5x**





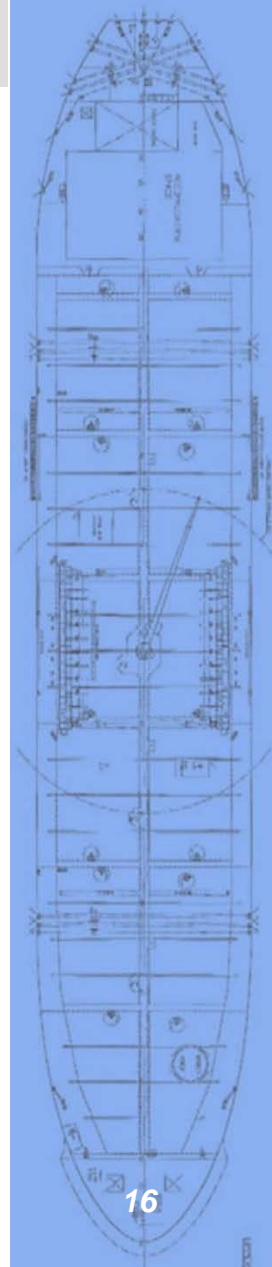
# Strong Balance Sheet

(\$ In Thousands)

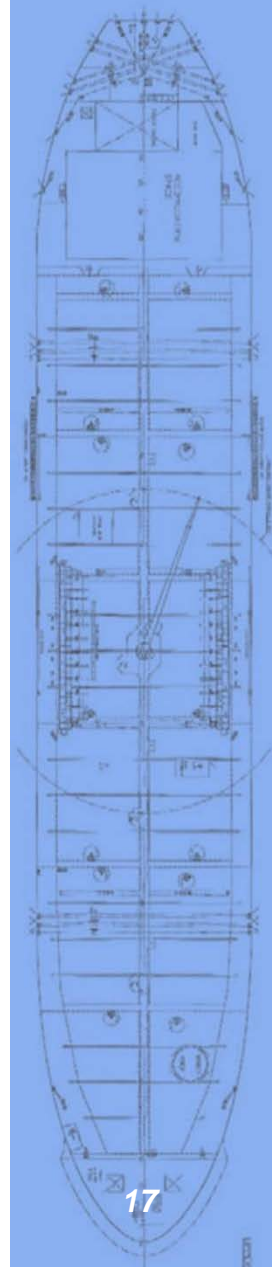
	As Of <u>March 31, 2017</u>	As Of <u>December 31, 2016</u>
<b>Assets</b>		
<b>Total Current Assets</b>	<b>135,304</b>	<b>117,879</b>
<b>Total Fixed Assets</b>	<b>1,350,719</b>	<b>1,367,731</b>
<b>Other Non-Current Assets</b>	<b>109,316</b>	<b>112,995</b>
<b>Total Assets</b>	<b>\$1,595,339</b>	<b>\$1,598,605</b>
<b>Liabilities and Partners' Capital</b>		
<b>Total Current Liabilities</b>	<b>\$126,955</b>	<b>\$92,196</b>
<b>Total Long-Term Liabilities</b>	<b>536,868</b>	<b>578,652</b>
<b>Total Partners' Capital</b>	<b>931,516</b>	<b>927,757</b>
<b>Total Liabilities and Partners' Capital</b>	<b>\$1,595,339</b>	<b>\$1,598,605</b>




**Low Leverage: Net Debt<sup>(1)</sup>/Capitalization: 29.9%**

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



# Fleet Developments Update



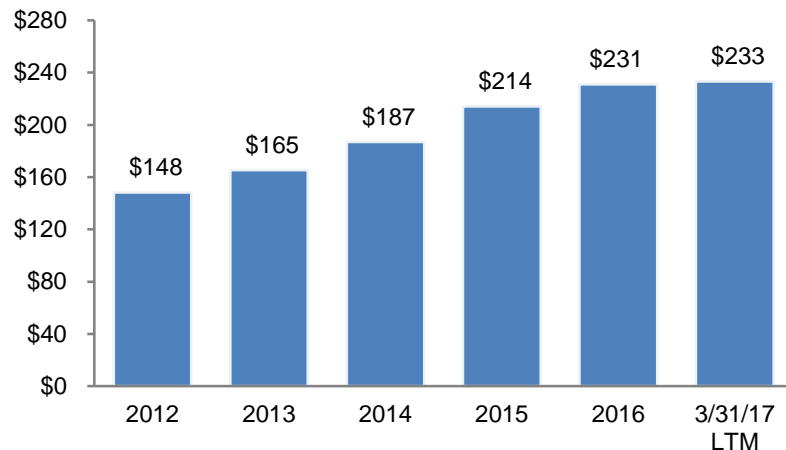
Name	DWT	Built	Gross Rate (Per Day)	Charterer	Charter Expiry
M/T Amoureux	149,993	2008	\$22,000		April 2018
M/V Archimidis	108,892	2007	\$8,250		April 2018
M/T Agamemnon	108,892	2006	\$8,250		May 2018

- Chartered the M/T 'Amoureux' to Capital Maritime for a year at a gross daily rate of \$22,000.
- Agreed with Pacific International Lines to extend the time charter contracts for the M/V 'Agamemnon' and M/V 'Archimidis' for one year at similar rate to previous employment.

# Solid Historical Operating Performance

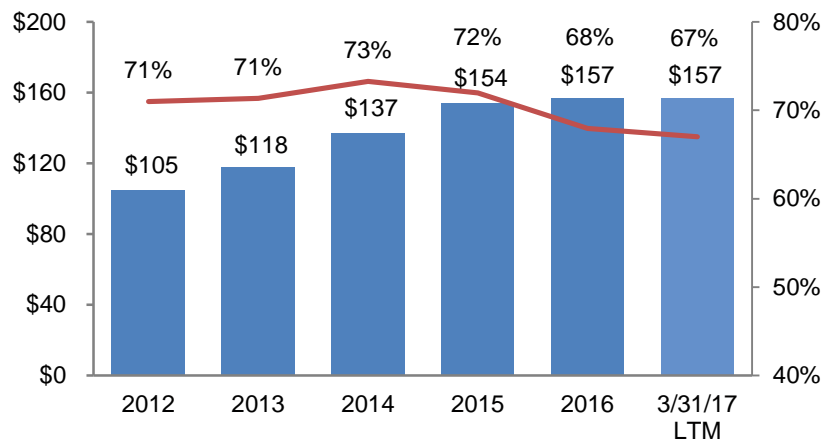
## Net revenue<sup>1</sup>

(US\$ millions)



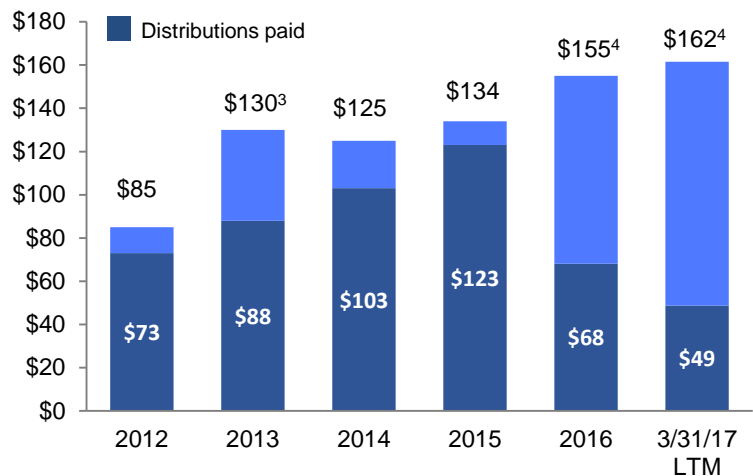
## EBITDA and margin (%)

(US\$ millions)



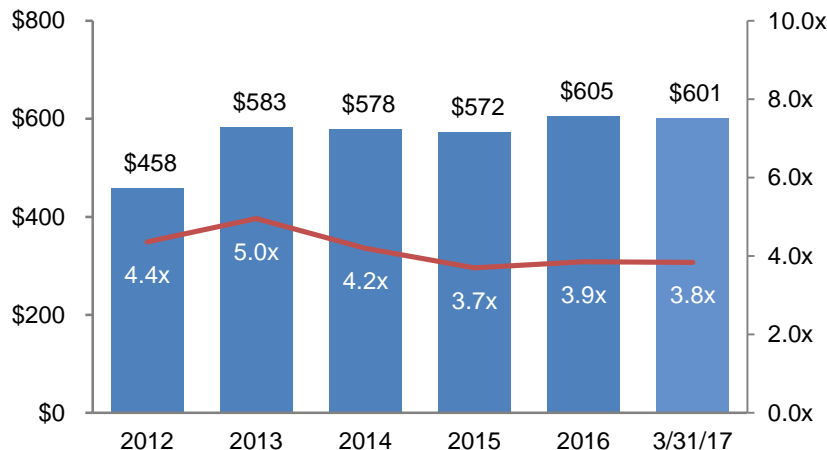
## Cash flow from operations<sup>2</sup>

(US\$ millions)



## Gross debt and leverage

(US\$ millions)



<sup>1</sup> Revenue is net of voyage expenses.

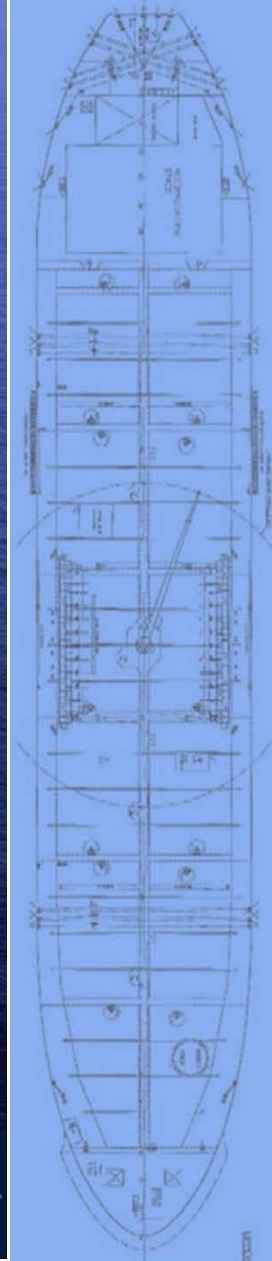
<sup>2</sup> Cash flow from operations is calculated as net income less depreciation & amortization, gain from bargain purchases, equity compensation expenses and changes in operating assets.

<sup>3</sup> Includes \$31.4mm gain on the sale of the OSG Claim.

<sup>4</sup> Includes \$29.7mm proceeds from the sale of Hyundai Merchant Marine shares.



# Capital Product Partners L.P.



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