

Second Quarter 2019 Earnings Presentation

July 31, 2019

Capital Product Partners L.P.



PRODUCT PARTNERS L.P.

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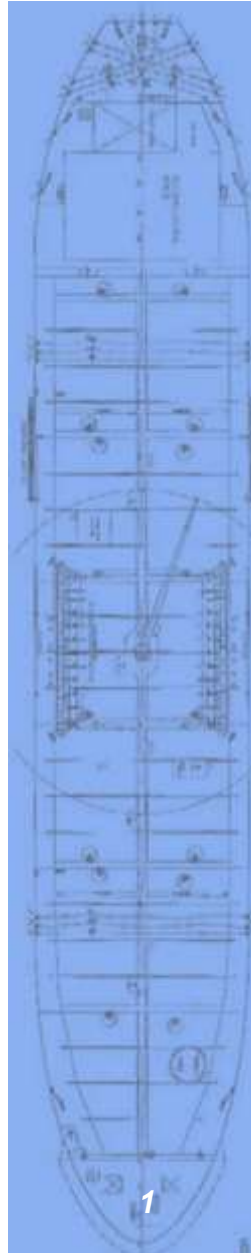
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IMPORTANT NOTICE

The statements in this press release that are not historical facts, including, among other things, the anticipated benefits of the DSS Transaction, the expected financial performance of CPLP's remaining business, CPLP's ability to pursue growth opportunities, CPLP's expectations or objectives regarding future distributions, and market and charter rate expectations are 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 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 filed with the SEC on Form 20-F. 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.

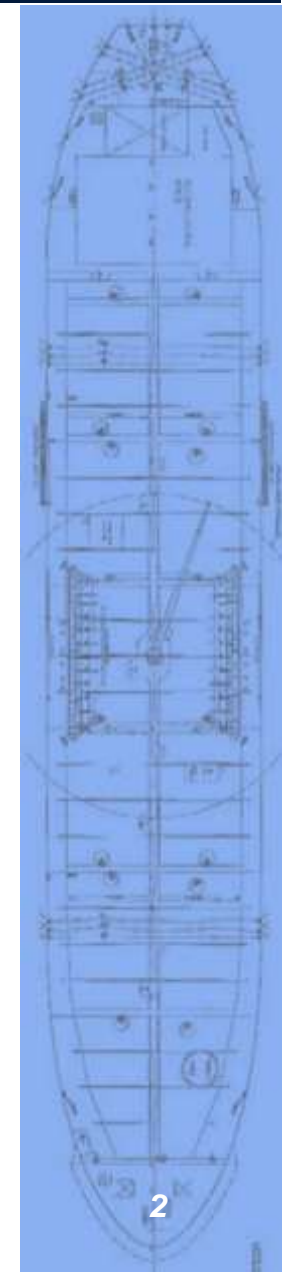
Non-GAAP Measures

This presentation contains non-GAAP measures. Operating Surplus 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. Operating Surplus is 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 or as a measure of profitability or liquidity.



Second Quarter 2019 Highlights

- Net income from continuing operations 2Q2019 of \$8.0 million.
- Cash distribution of \$0.315 per common unit.
- 1.5x common unit distribution coverage.
- Secured long-term employment for the M/V 'Agamemnon' and M/V 'Archimidis' with Mediterranean Shipping Company Co. S.A. ("MSC").
- Average remaining charter duration 5.0 years with 100% and 91% charter coverage for 2019 and 2020.



Statements Of Comprehensive Income

(\$ In Thousands)

	For the Three-Month Period Ended <u>June 30, 2019</u>	For the Three-Month Period Ended <u>June 30, 2018</u>
Revenues	27,417	28,818
Total Revenues	27,417	28,818
Expenses:		
Voyage expenses	592	2,254
Vessel operating expenses	5,481	6,761
Vessel operating expenses – related party	971	1,059
General and administrative expenses	980	1,464
Vessel depreciation and amortization	7,239	8,560
Operating income	12,154	8,720
Other income / (expense), net:		
Interest expense and finance cost	(4,420)	(5,009)
Interest and other income	301	458
Total other expense, net	(4,119)	(4,551)
Net income from continuing operations	8,035	4,169
Net loss from Discontinued operations	(203)	(142)
Net income	7,832	4,027

Operating Surplus For Calculation Of Unit Distribution¹

(\$ In Thousands)

	For the Three-Month Period Ended June 30, 2019		For the Three-Month Period Ended March 31, 2019	
Net income from continuing operations		8,035		7,230
Adjustments to net income from continuing operations				
Depreciation and amortization	7,515		7,493	
Amortization of above market acquired charters and straight-line revenue adjustments	1,304		1,414	
OPERATING SURPLUS FROM CONTINUING OPERATIONS		16,854		16,137
OPERATING SURPLUS FROM DISCONTINUED OPERATIONS		(203)		14,394
TOTAL OPERATING SURPLUS PRIOR TO CAPITAL RESERVE AND CLASS B PREFERRED UNITS DISTRIBUTION		\$16,651		\$30,531
Capital reserve		(7,703)		(7,703)
Class B preferred units distribution		-		(2,652)
OPERATING SURPLUS AFTER CAPITAL RESERVE AND CLASS B PREFERRED UNITS DISTRIBUTION		8,948		20,176
Increase in recommended reserves		(3,112)		(14,340)
AVAILABLE CASH		\$5,836		\$5,836

Common Unit Coverage: 1.5x

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

Strong Balance Sheet

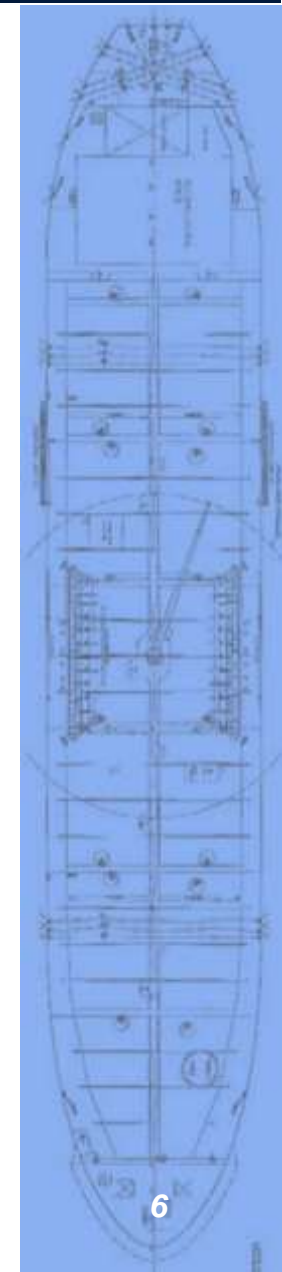
(\$ In Thousands)



	As Of <u>June 30, 2019</u>	As Of <u>December 31, 2018</u>
Assets		
Current Assets	\$68,308	\$40,862
Current Assets from discontinued operations	-	23,698
Fixed Assets	571,790	586,100
Other Non-Current Assets	64,129	80,117
Non-Current Assets from discontinued operations	-	654,468
Total Assets	\$704,227	\$1,385,245
Liabilities and Partners' Capital		
Current Liabilities	\$51,418	\$93,624
Current Liabilities from discontinued operations	-	21,535
Long-Term Liabilities	244,121	254,028
Long-Term Liabilities from discontinued operations	-	134,744
Partners' Capital	408,688	881,314
Total Liabilities and Partners' Capital	\$704,227	\$1,385,245

Net Debt⁽¹⁾/Capitalization: 31.3%

¹ Gross of deferred loan issuance costs

Fleet Employment Update



Name	TEU	Built	Charterer	Earliest Charter Expiry
M/V Agamemnon	8,266	2007		February 2024
M/V Archimidis	8,266	2006		February 2024

- Secured long-term employment for the M/V 'Agamemnon' and the M/V 'Archimidis', increasing cash flow visibility.
- Expanded the Partnership's relationship with MSC.

Strong Charter Coverage

- **Strong charter coverage on CPLP assets.**
 - ▶ 10 containerships and 1 drybulk vessel with 5.0 years remaining on charter on average.
- **100% and 91% charter coverage for 2019 and 2020, respectively.**

Charter Profile

Expiry of Current Charters

Rates

Vessel Type		Jul-19	Jul-20	Jul-21	Jul-22	Jul-23	Jul-24	Jul-25	Gross Rate Per Day
Eco Containership	CMA CGM Amazon								\$39,250
Drybulk	Cape Agamemnon								\$42,200
Eco Containership	CMA CGM Uruguay								\$39,250
Eco Containership	CMA CGM Magdalena								\$39,250
Containership	Agamemnon								— ²
Containership	Archimidis								— ²
Containership	Hyundai Prestige								\$29,350 / \$34,250 ¹
Containership	Hyundai Premium								\$29,350 / \$34,250 ¹
Containership	Hyundai Paramount								\$29,350 / \$34,250 ¹
Containership	Hyundai Privilege								\$29,350 / \$34,250 ¹
Containership	Hyundai Platinum								\$29,350 / \$34,250 ¹

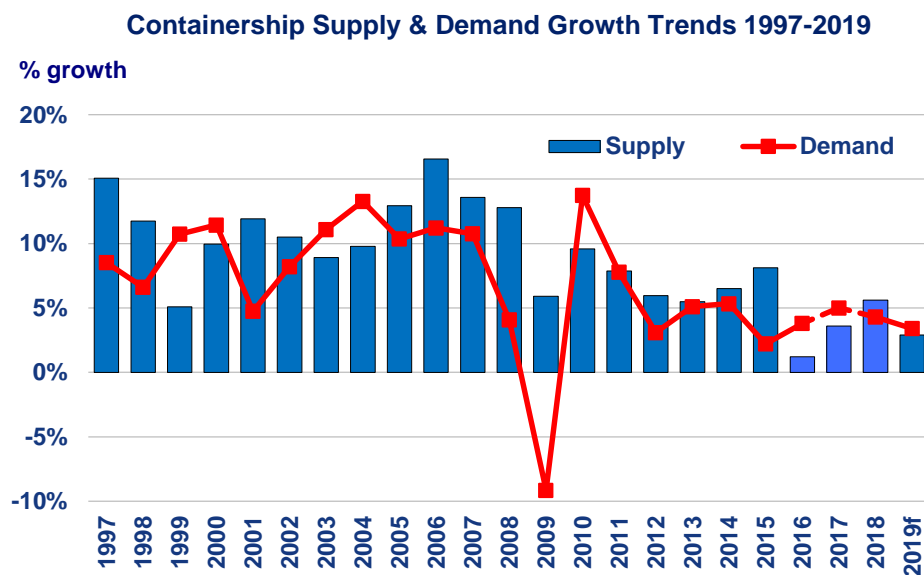
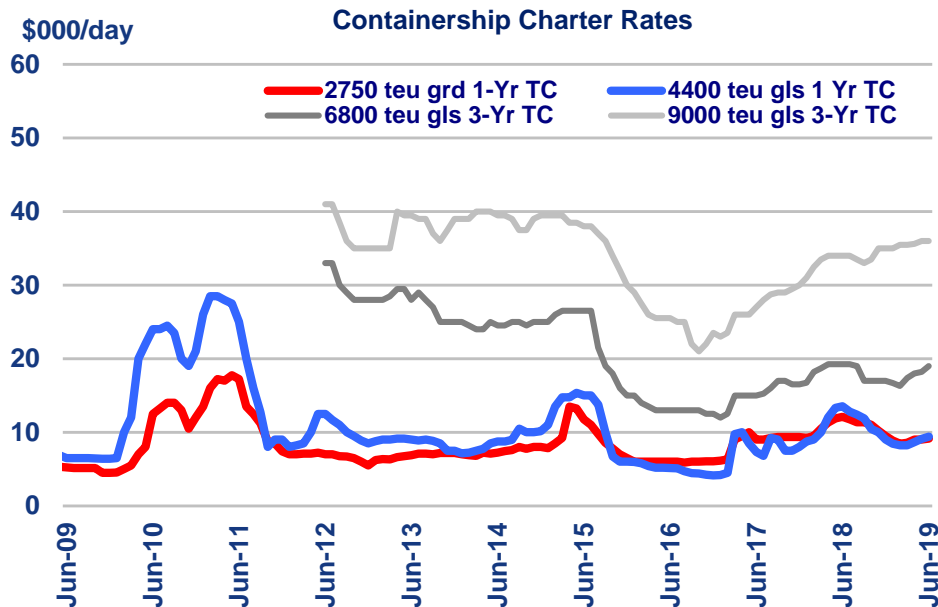
High Quality Customer Base



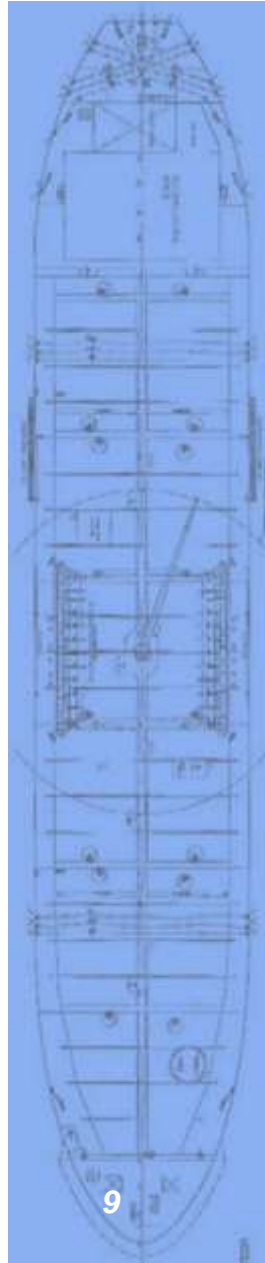
¹ \$23,480pd between July 18, 2016 to December 31, 2019. Further upward adjustment by \$4,900pd from January 2020 or fitting of scrubber, whichever is later, until charter expiry. ² Expected to generate collectively an EBITDA of approximately \$44.5 million.

Container Charter Market Review

- Charter rates for neo-panamaxs continue to increase.
- Currently no idle 8,000 TEU vessels.
- Slippage down to 19% in 1H2019 from 41% in 1Q2019.
- Demolition: 1H2019 scrapping at 118,676 TEU, higher than the FY 2018 levels of 111,705 TEU.
- Container orderbook at 2.6 million TEU or 11.0%, a decline from 12.6% in the previous quarter.
- Overall container vessel demand is forecast to grow by 3.4% in 2019, above supply growth of 2.9%. Vessels out for extended drydock due to installation of scrubber are not considered in the forecast.
- Aprx/ 9% and 16% of total TEU capacity to be installed with scrubbers in 2019 and 2020, respectively.
- 'Average speed' expected to drop due to IMO 2020 regulation.
- SCFI has fallen 16% from peak in January. Most apparent is the Asia – Europe routes which has declined 30% from this year's peak.



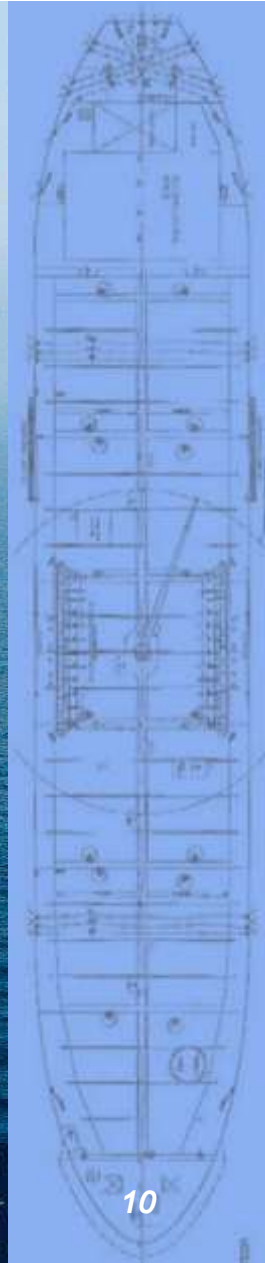
Dropdown Opportunities From Sponsor



Vessel Name	Type	DWT / TEU	Built	Yard	Employment	Expiry of Charter	Note
Anbar	Eco Crude	320,000	2019	Samsung	B/C (\$28,750)	Apr-26	Three 1-yr options at \$32,500
Hillah	Eco Crude	320,000	2019	Samsung	B/C (\$28,750)	May-26	
Baghdad	Eco Crude	300,000	2016	Daewoo	B/C (\$23,500)	May-23	Two 1-yr options at \$28,500 / \$29,500
Erbil	Eco Crude	300,000	2016	Daewoo	B/C (\$23,500)	Jun-23	
Karbala	Crude	297,950	2010	Universal	B/C (\$21,800)	Jun-23	Two 1-yr options at \$25,500 / \$26,500
Basra	Crude	321,300	2010	Daewoo	B/C (\$22,250)	Aug-22	2-yr option at \$22,250
Aristoklis	Eco Ice class 1C Crude Tanker	113,838	2017	Daehan	T/C (\$26,400)	Jan-22	-
Aitolos	Eco Crude	115,000	2020	Daehan	T/C (\$24,250)	Jan-23	Newbuilding
Aristomenis	Container	10,000	2011	Samsung	T/C (\$28,000)*	Apr-24	Two 1-yr options at \$32,500 / \$33,500
Athos	Container	10,000	2011	Samsung	T/C (\$28,000)**	Apr-24	
Athenian	Container	10,000	2011	Samsung	T/C (\$28,000)**	Jul-22	

Other sponsor-controlled assets include among others a number of LNG X-DF carriers due for delivery in 2020/2021, VLCC crude tankers, MR product tankers, Capesize dry bulk vessels and Feeder containers

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