

# NMM Earnings Call Transcript

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**Quarter: 3**

Operator: Thank you for joining us for Navios Maritime Partners' Third Quarter 2025 Earnings Conference Call. With us today from the company are Chairman and CEO, Mr. Angeliki Frangou, Chief Operating Officer, Mr. Efstratios Desypris, Chief Financial Officer; Mrs. Erifile Tsironi and Chief Trading Officer, Mr. Vincent Vandewalle. As a reminder, this conference call is being webcast. To access the webcast, please go to the Investors section of Navios Partners' website at [www.navios-mlp.com](http://www.navios-mlp.com). You'll see the webcasting link in the middle of the page and a copy of the presentation referenced in today's earnings conference call will also be found there. Now I will review the safe harbor statement. This conference call could contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 about Navios Partners. Forward-looking statements are statements that are not historical facts. Such forward-looking statements are based upon the current beliefs and expectations of Navios Partners' management and are subject to risks and uncertainties and which could cause actual results to differ materially from the forward-looking statements. Such risks are not fully discussed in Navios Partners' filings with the Securities and Exchange Commission. The information set forth herein should be understood in light of such risks. Navios Partners does not assume any obligation to update the information contained in this conference call. The agenda for today's call is as follows: First, Ms. Frangou will offer opening remarks. Next, Mr. Desypris will give an overview of Navios Partners' segment data. Next, Mr. Tsironi will give an overview of Navios Partners' financial results. Then Mr. Vandewalle, who will provide an industry overview. And lastly, we'll open the call to take questions. Now I turn the call over to Navios Partners' Chairwoman and CEO; Ms. Angeliki Frangou. Angeliki?

Angeliki Frangou: Good morning, and thank you all for joining us on today's call. I am pleased with the results for the third quarter and first 9 months of 2025 and which reported revenue of \$346.9 million and \$978.6 million, respectively. We also reported EBITDA of \$193.9 million and \$519.8 million respectively, and net income of \$56.3 million and \$168 million, respectively. Earnings per common unit was \$1.90 for the quarter and \$5.52 for the 9-month period. For the past 5 years, it seems as if we have been addressing constant change, not operating environment driven by geopolitical and other brands. Yet, we have remained laser-focused on our business, modernizing our fleet. As you can see on Slide 3, our fleet has an average age of 9.7 years compared to an industry average of 13.5 years for our 3 segments. Our reinvestment program puts us in a fortunate position of having a fleet that is almost 30% [indiscernible] than the have an almost half when you look at our tanker fleet.

Angeliki Frangou: Please turn to Slide 4. Navios is a leading maritime transportation company owning operating a charter and modern fleet of 171 vessels across 3 segments, and 15 asset classes. As it split about 1/3 in its category by vessel number and vessel values. Vessel values are \$6.3 billion in gross value and \$3.8 billion net equity. We also enjoy a low net LTV of 34.5% and have \$412 million available liquidity and strong credit rating of Ba3 by Moody's and BB by S&P.;

Angeliki Frangou: Please turn to Slide 5. We believe that diversification is strength when embedded in the culture of risk management, we have a business providing significant optionality in our decision-making process. For example, on charter-in, if we are able to secure long-term charters that

provide a reasonable return on our investment will limit our exposure to short-term waiting for sector opportunity to return. We approached the allocation of capital similarly, patiently observing the market for either opportunistic purchases or acquisitions that can be held by long-term charters with the credit was counterparty. These activities are accompanied by deleverage cost we maintain strong balance sheet and a target net F&D; of 20%, 25%. I would offer that all this works because of our strong lease management case. We are continuously monitoring and assessing as we evaluate and structure our transactions with risk management professionals who are equal partners in all our activities. We also obtained robust insurance coverage for liability and losses. And we have implemented many tools to manage operational risk and crew training.

Angeliki Frangou: Please turn to Slide 6. Our gross LTV was 40.6% at the end of the third quarter. Net LTV was 34.5% in and we aim to continue to drive net LTV lows. We added \$745 million of long-term contracted revenue during the quarter and net revenue backlog is \$3.7 billion. Currently, virtually all of the fleet is covered for the fourth quarter of 2025.

Angeliki Frangou: Please turn to Slide 7. I would like to focus on prospects for 2026, which are shaping up nicely. We have covered 58% of our days induced a cash breakeven to \$894 per day for the remaining remaining 23,387 open and index days. You can see the breakdown of each segment on the right part of the slide, 92% of our container base and 7 [indiscernible] of our tankers are fixed we drive bank base, representing most of our market exposure by a number of days.

Angeliki Frangou: Please turn to Slide 8. A few weeks ago, we took the opportunity to offer a \$300 million senior secured bond in the Norwegian market. We drive one at par at a coupon of 7.75% with a -- the profit and usually paid \$292.3 million of floating rate debt and the bias for issuance fees and for general corporate purposes. This transaction has no impact on our leverage rate because the profits are used to refinance existing debt, but we believe opportunistic financing reduces interest rate risk by replacing floating rate debt with a fixed interest rate. It also releases collateral, and we have around \$1.2 billion of debt-free vessels. Pro forma for this transaction, we have 41% of our debt fixed at an average interest rate of 6.2%. [indiscernible] won't also introduce us to the Norwegian market, providing a targeted source of financing.

Angeliki Frangou: Please turn to Slide 9 where we outlined a term capital program. As you can see here to date, we have returned \$42.2 million under the dividend and unit repurchase program. Today, we purchased almost 5% of the number of units outstanding determined as of the date we launched the program. We have \$37.3 million purchase power enable. These purchases have resulted in \$4.6 per unit value creation, assuming the annual estimate of NAV of around \$138 per unit.

Angeliki Frangou: Please turn to Slide 10. Navios is a proven platform that has been executing its strategy in a challenging environment. I refer to the many uncertainties when we started this discussion, certainly the geopolitical risk, regional conflict change in global tariff regime and evolving trend patterns and unprecedented in recent history. We have remained focused on over the past 4 years. We have built [indiscernible] with an EBITDA run rate of about \$750 million while increasing our book of contracted revenue to \$3.7 billion and a vessel value to \$6.3 billion. At the same time, we have decreased a net NPV by 33% to 34.5%. We have more to do, but we believe that this proven platform containing a divisive freight fleet with a risk management is the way to do it. I now turn the presentation over to Mr. Efstratios Desypris, Navios Partners Chief Operating Officer. Despyris?

Efstratios Desypris: Thank you, Angeliki, and good morning all. Please turn to Slide 11, which details operating free cash flow potential for Q4 of 2025 and 2026. For Q4 2025, we fixed 88% of our available days at a net average rate of \$24,871 per day. Contracted revenue exceeds estimated total cash operating costs by about \$86 million, and we have 1,594 remaining open or index-linked base that should provide additional cash flow. For 2026, we have fixed about 58% of available days at a net average rate of \$27,088 per day, generating about \$860 million in revenue. This almost covers our ultimate cash operating cost for the year, resulting in a breakeven of \$894 per day on our 23,387 open index dates. .

Efstratios Desypris: Please turn to Slide 12. We are constantly renewing our fleet in order to maintain a young profile. We reduced our carbon footprint by modernizing our fleet, benefiting from new technologies and advanced environmental trading features. During Q3, we acquired 4 new building, 8,800 TEU contracts for a total \$460 million. These vessels have already been chartered out for a fair period of over 5 years at a net rate of \$44,145 per day, generating revenues of \$336 million. We have 25 new building vessels delivered into our fleet since 2028, representing \$1.9 billion of investment. Based on our financing, both are billing process, we have about \$250 million of equity remaining to be paid. In container ships, we have 8 vessels to be delivered with a total acquisition price of about \$0.9 billion. We have mitigated the residual value risk with long-term credit working charges expected to generate about \$0.6 billion in revenue over a 5-year average stated duration. In tankers, we have 17 vessels to be delivered for a total price of \$1 billion. We chartered out 11 of these vessels for an average period of 5 years, expected to generate aggregate contracted revenue of about \$0.6 million. We also continue to opportunistically sell all the vessels. In 2025, we sold 12 rent vessels, 6 dry bulk, 3 targets and 3 containerships with average age of over 18 years for a total of about \$275 million.

Efstratios Desypris: Moving to Slide 13. We continue to maintain a strong backlog of contracted revenue that creates visibility in an uncertain environment. During the quarter, we added \$745 million of contracted revenue. \$595 million from containerships, including the \$336 million on the 4 new building vessels, \$138 million on tankers and \$12 million on dry bulk vessels. Total contracted revenue amounts to \$3.7 billion, \$1.3 billion relates to our tankers fleet, \$0.2 billion relates to our dry bulk fleet, and \$2.2 billion relates to our containerships. Charters are extending through 2037 with diverse group of quality counterparties. I now pass the call to Erifili Tsironi, our CFO, who will take you through the financial highlights. Eri?.

Erifili Tsironi: Thank you, Stratos, and good morning all. I will briefly review our unaudited financial results for the third quarter and the 9 months ended September 30, 2025. The financial information is included in the press release and is summarized in the slide presentation available on the company's website. Moving to the earnings highlights on Slide 14. Total revenue for the third quarter of 2025 increased by 1.8% to \$347 million compared to \$341 million for the same period in 2024 due to higher fleet combined time charter equivalent rate despite lower available days. Our combined TCE rate for the third quarter of 2025 increased by 2.4% to \$24,167 per day, while our available days decreased by 0.8% to 13,443 days compared to Q3 '24. In terms of sector performance, a CCLA for our combined container and tanker fleet increased by 3.7% and 1.7% to 31,832 and 26,238 per day, respectively. In contrast, our TC rate for our dry bulk fleet was 3.5% lower at \$17,976 per day. for the third quarter and first 9 months of '25 was adjusted as explained in the slide footnote. Adjusted EBITDA for Q3 25 decreased by \$1.4 million to \$194 million compared to Q3 20 million. The decrease was primarily driven by a \$4.5 million decrease in other income net, mainly due to the decrease in foreign exchange gains and a \$3.2 million increase in vessel operating expenses mainly due to a \$3.4 million increase in OpEx pay and a \$2 million increase in general and administrative expenses in accordance with our administrative services agreement. The above decrease was partially mitigated by a \$6.1 million increase in time charter and voyage revenues and a \$2.2 million decrease in time charter and voyage expenses, mainly due to the decrease in banker expenses as a result of lower freight volume base in the third quarter of '25. Our average combined OpEx rate was 6,798 per day, only \$10 more than Q3 '24. Adjusted net income for Q3 '25 was \$84 million compared to \$97 million in Q3 '24. The decrease is mainly due to a \$9 million increase in depreciation and amortization and a \$2 million increase in interest expense and finance cost net. Adjusted earnings and earnings per common unit for the third quarter '25 were \$2.8 and \$1.9, respectively. For the first 9 months of '25, revenue decreased by \$33 million to \$979 million, adjusted EBITDA decreased by \$29 million to \$520 million and adjusted net income decreased by \$67 million to \$196 million compared to the same period in 2024. Our combined PCE rates the first 9 months of '25 was [indiscernible] per day. In terms of performance, the TCE rate for our containers increased by 3.1% to \$31,213 per day compared to the same period in '24. In contrast, our dry bulk and tanker TCE rates were approximately 9.2% and 3.5% lower, respectively. TCE rates for our dry bulk vessels stood at \$15,369 per day and for our tankers \$26,290 per day for the first 9 months

of '25. Our average combined OpEx rate was 2.4% higher compared to the first 9 months of '24 at \$6,161 per day, also as a result of the change in the composition of our fleet. Adjusted earnings -- per common unit for the first 9 months of 25 was \$6.6 and \$5.60, respectively.

Erifili Tsironi: Turning to Slide 15. I will briefly discuss some key balance sheet data. As of September 30 '25, cash and cash equivalents, including restricted cash and time deposits in excess of 3 months were \$382 million. During the first 9 months of '25, we paid \$178 million underwriting building program, net of debt. We concluded the sale of 6 vessels for \$75 million, adding about \$49 million cash after debt repayment. Long-term borrowings yielding the current portion, net of deferred fees, increased to \$0.2 billion following the delivery of 6 vessels during the first 9 months of the year. Net debt to book capitalization improved to 33.8%.

Erifili Tsironi: We Slide 16 highlights our debt profile. With our recent \$300 million senior unsecured bonds, we further diversified our funding new sources in addition to bank debt and leasing structures. The bond has a fixed interest rate of 7.75% and pro forma for the bond 41% of our debt is fixed at an average rate of 6.2%. We also have mitigated part of the increased interest rate cost by reducing the average margin for our floating debt and bareboat liabilities for -- in water fleet to 1.8%. I would like to note that the average margins for the completed undrawn floating rate debt of our new building program is 1.5%. Our maturity profile is targeted with no significant volumes due in any single year until 2030 when the bond matures. In Q3 '25, Navios Partners' completed 3 facilities for a total amount of \$246 million, 1 additional facility of \$68 million was signed in October.

Efstratios Desypris: I now pass the call to Vincent Vandewalle, Navios Partners', Chief Trading Officer, to take you through the investor section. Vincent?

Vincent Vandewalle: Thank you, Eri. Please turn to Slide 18. Geopolitical developments continue to shift worldwide trading routes caused by the tariff war, restricted Suez Canal passages, Ukraine war and Port fee impositions by U.S. and China. Announced tariffs and the implementation pauses in effect, are not expected to have a significant effect on tankers and dry bulk trade apart from steel. Tariff impacts on grain and container ships are expected to reduce following the recent trade deal between U.S. and China. The Red Sea entrance leading to the Suez Canal continues to operate at restricted transit levels increasing -- for most vessel types. Since the Gaza ceasefire, Houthis announced that they have ceased the tax on shipping, but there were several piracy incidents of Somalia at the beginning of November. Ukraine war is shift in trading patterns, limiting grain exports out of the Black Sea and benefiting exports out of Brazil and U.S.A. Russian crude and product exports are adjusting to tie to sanctions on Russian oil producers, Rosneft and LUKOIL, elevating rates for non-sanctioned vessels. USTR port fees on Chinese vessels and similar Chinese port fee on U.S. vessels have been put on hold for the year, while the 2 countries negotiate a more permanent solution.

Vincent Vandewalle: Please turn to Slide 20 for the review of the dry bulk industry. Demand growth for dry bulk has been relatively stable over the last 25 years at about 4% average annual ton mile growth. The current order book stands at about 11% of the total fleet and will remain low due to high newbuilding prices, uncertainty about new fuel regulations and availability and general market outlook. The fleet is aging quickly with 39% of the vessels 15 years old, and with the older vessels for [indiscernible] on order, supply should be constrained over the medium term.

Vincent Vandewalle: Please turn to Slide 21. The main driver of dry bulk demand will be strong Atlantic basin item growth over the next several years with new projects in Guinea and Brazil. The biggest new project is Simadou in Guinea starting now, which will ramp up to 120 million by '27. Also, Vale in Brazil has 3 new projects totaling 50 million tons expected to start exporting by the end of '26. The total of 170 million tonnes are all long-haul ton mile trades, creating demand for an additional 234 capes -- with the current order book of only 173 capes, the further tightening of supply and demand is expected over the next few years, benefiting rates. Overall, the dry bulk market looks positive based on steady long-term demand growth and a constrained supply of vessels.

Vincent Vandewalle: Please turn to Slide 23 for the review of the tank industry. Reviewing the supply side as in dry, we see a relatively low tanker order book of 6% with 51% of the fleet already over 15 years old, rising quickly in the next few years. With all vessels exceeding the order book and the [indiscernible] offering first deliveries in late '28, supply is set to be tight for several years.

Vincent Vandewalle: Please turn to Slide 24. The U.S. Office of Foreign Asset Control, OFAC, the EU and the U.K. continue to sanction Russian, Venezuelan and Iranian oil revenue and the ship is delivering their crude and products. These tighter sanctions have 2 main effects. Sanctioned oil volumes from these 3 countries have more difficulty finding willing buyers, raising demand for compliant barrels and nonsanctioned vessels to carry that all. Secondly, with 785 tankers now sanctioned, the fleet has already seen a significant reduction of about 14% of total capacity. The tanker market also looks positive over the medium term based on a low order book and aging fleet and a reduced fleet due to sanctions.

Vincent Vandewalle: Please turn now to Slide 26 for a review of the container industry. After the COVID pandemics, containership ordering focusing mainly on the biggest units with fleet expansion in large vessels set to continue from high levels this year into next. Currently, 80% of the order book is for bigger ships with 9,000 TEU capacity or greater, and only 70% of the order book is for 2,000 to 9,000 TEU capacity where Navios is most active. Smaller segments of the fleets are well positioned to take advantage of shifting trading patterns. As shown on the right hand graph, growth non-Mainland trades, far exceeds the traditional mainly trades to the U.S. and Europe due to tariffs and higher growth in developing economies. It involving the Southern Hemisphere, mostly served by smaller-sized vessels are expected to see continued help growth as this trade shift continues. Overall, Navios Fleet is well positioned within the container market and continues to benefit from long-term employment with our high-quality charters. This concludes our presentation. I would now like to turn the call over to Angeliki Frangou for her final comments. Angeliki?

Angeliki Frangou: Thank you, Vincent. And this concludes our formal presentation, and we'll open the questions.

Operator: [Operator Instructions] We'll take our first question from Omar Nokta with Jefferies.

Omar Nokta: Slide 11 has a really nice summary that shows and by '26, how you have 42% of your available days open to say the spot market or index rates yet given how much target could you have, you only need \$894 to breakeven on those ships. Clearly, a great place to be, gives you plenty of flexibility. With that, how does that shape your interest in fixing your vessel kind of going forward from here, at least into '26. Do you keep what's available now to the spot market to keep those free and open given you've got that, say, flexibility? Or do you want to continue to put these ships on contract and fix the coverage out. .

Angeliki Frangou: Let me take you through, and I think throughout the -- like to add a couple of things. One of the things we are doing is we use maximum flexibility. So you will see that the [indiscernible] the vessels that are open for 2026 is the majority is dry bulk. And basically, those vessels are on -- a lot of them are index-based with the premiums. So those we are actually very comfortable on how we are reaching that quarter forward, depending on what we have shown on the market. This is a very nice position wherein majority of our container vessels have been fixed. And basically, that is the area where we see a lot of upside. We also are seeing for the first time after quite some period that we see a fixed period for dry bulk that we haven't seen for some time. And with that, I'd like Efstratios to give you a little bit of feedback.

Efstratios Desypris: Just asking to what [indiscernible] in 2026, we said [indiscernible] the container ship is covered. So there is an exposure in that sector, which is a sector that has -- people are discussing a lot of uncertainty. The majority, I would say, more than 50% of the tankers of CapEx. So the majority of the exposures in detail. You see that with the contracted revenue, we only have \$20 million to cover for the next year, and we have 23,400 days approximately with basically [indiscernible].

We have seen a very big strength of the dry bulk sector recently, with rates across all the sectors of dry bulk being very healthy. And we have seen also the forward [indiscernible] being very healthy. So the exposure that we have today provides a very good opportunity for us, and it shows how much of the upside you can have on this portfolio.

Omar Nokta: And just a follow-up. Clearly, we're seeing a pretty healthy containership chartering market and you've been able to take advantage of really good, strong, I would say, liner interest to build ships against contracts. And you've been fairly active in recent years in that 5,000 to maybe, say, 9,000 TEU range. There's been some focus recently or at least it feels like there's been a shift where liners are starting to look more at the feeder size kind of the net sub 2000 TEU size range. You don't have a big focus on that in today's -- with your fleet today. But is that something you see an opportunity in? Are there opportunities to build these smaller ships against contracts? Or is that more just talk at this point?

Angeliki Frangou: There is always projects, and I will tell you that we see a lot of activity in every side. What you have to be very good is counterparty and duration because newbuilding prices remain at the levels we have seen. So it's very important, the [indiscernible], you mentioned into a value of the risk factor. But we see an increased activity. I mean it is quite interesting that there is a focus. We see a lot of inefficiency in the market, the trading patterns and it seems that the smaller vessels give more flexibility to the lines in order to achieve their this may -- this ever changing trading patterns. It's almost on a yearly basis, you will have new -- I mean, we saw China and United States having a 1-year agreement. So -- and basically, we see that it will happen in a lot of other areas. So you need to be alert and smaller vessels gives us flexibility.

Omar Nokta: That makes sense. Okay. And maybe just finally, you had the successful \$300 million bond issue last month, unsecured good rate. How are you thinking about those proceeds in terms of how you plan to employ them?

Angeliki Frangou: As you said, I mean, addressing the market, [indiscernible] market is quite important. It hasn't been open for quite a time, I think, almost 10 years for the Maritime section. So what we achieved with that is we fixed our interest rate at 41% at 6.2%. We got a diversification in sources but also very importantly, we've got \$1.2 billion of debt reverses. Basically, our net debt is the same before and after. And that gives us about \$1 billion of debt-free vessels that gives us the most important thing that we get optionality. And this is a nice -- but we will see how to -- you have 1.2% of your vessels of 6.6%, basically that are...

Omar Nokta: Very good. I'll turn it over. .

Operator: And now I will turn the call back to Angeliki for final comments.

Angeliki Frangou: Thank you, this concludes Q3 results. .

Operator: Thank you, ladies and gentlemen. This does conclude today's program. Thank you for your participation, and you may disconnect at any time.