

Shipping M&A:

The Commodore is the Control Shareholder

November 16, 2023

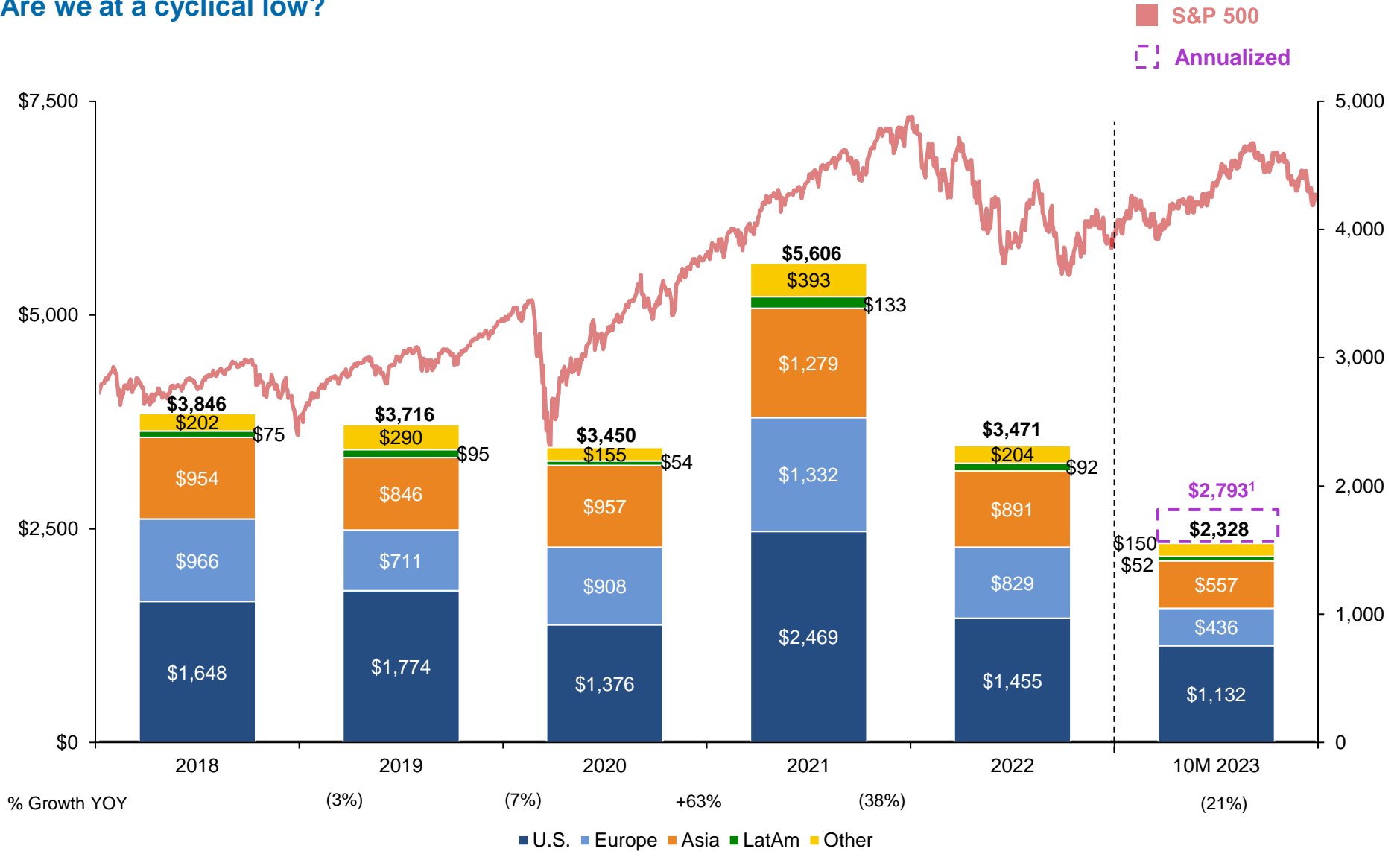
EVERCORE

MARINE
M O N E Y

Global M&A Trends Over Time

(\$ in billions)

Are we at a cyclical low?



Source: Refinitiv as of 10/31/2023, FactSet
 Note: Bars represent announced M&A activity
 1. Annualized for remaining two months of 2023

Key Factors Impacting M&A Activity

1 High share prices / strong valuation

2 Valuation disparity among peers






3 Financing costs

4 Synergies

5 Capital market rationale

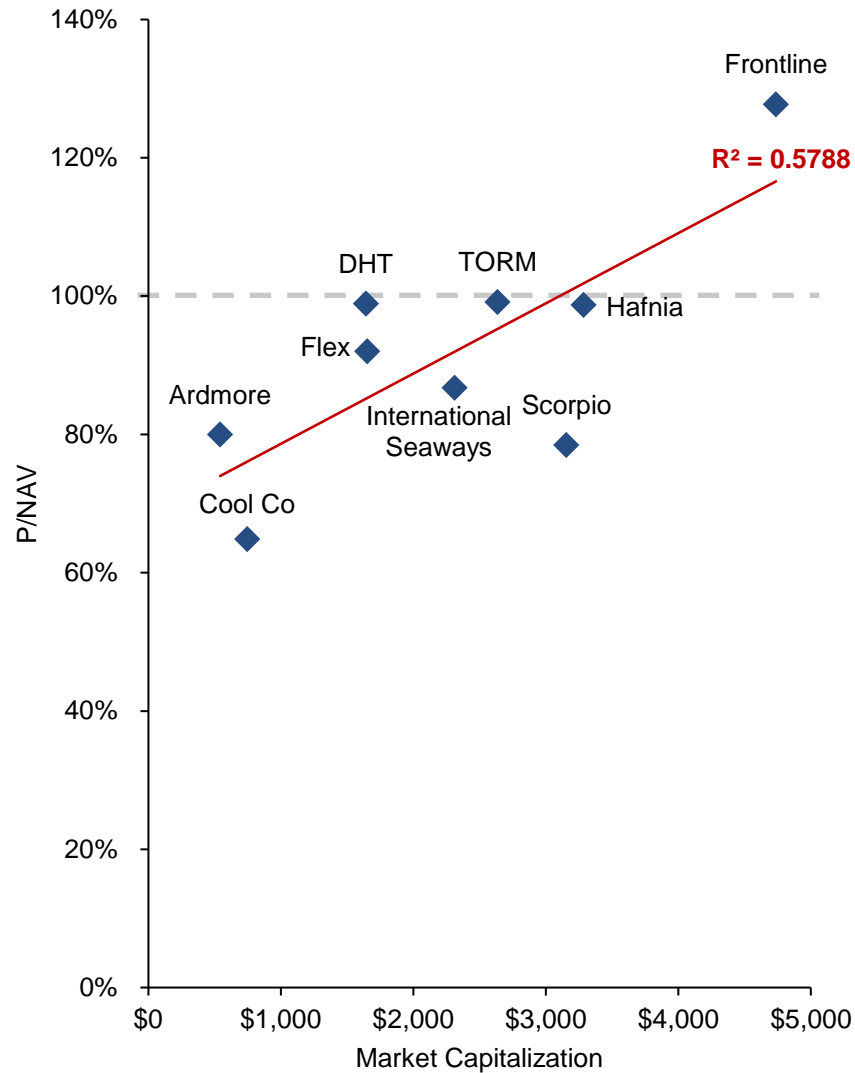
6 Needs or wants of the large shareholder

Current Assessment

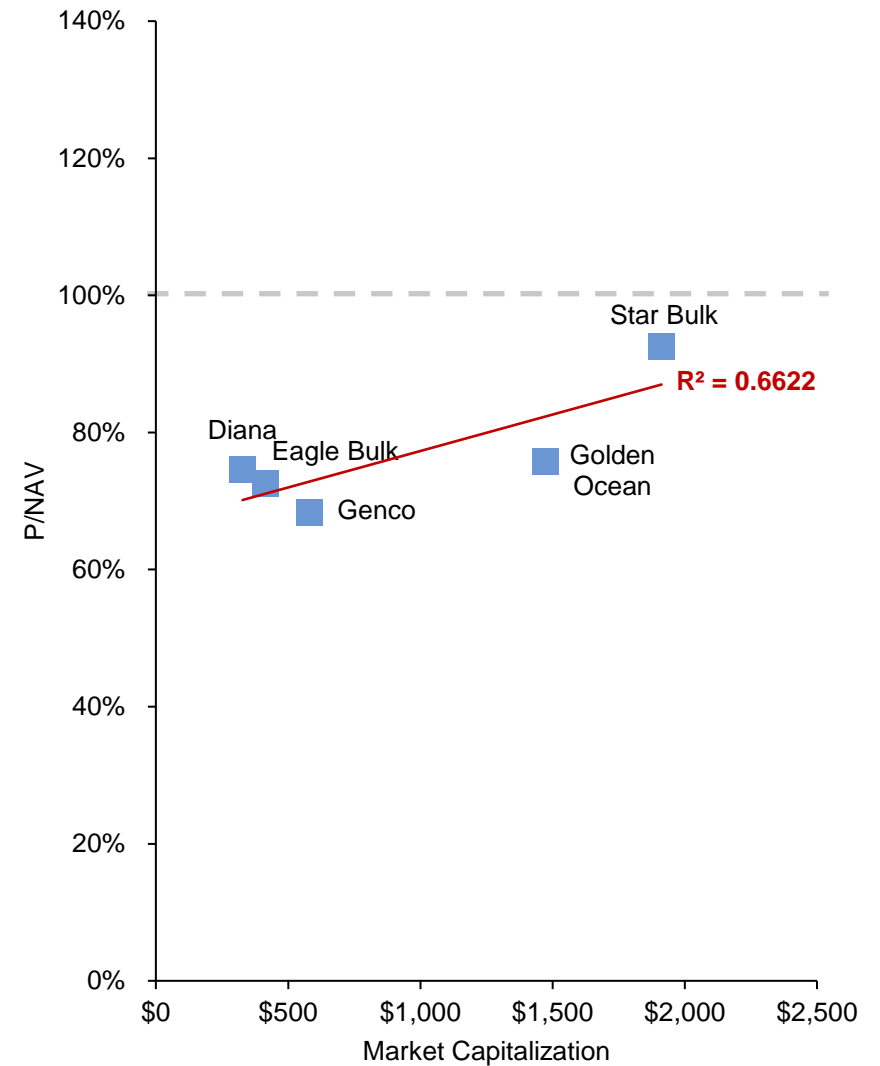
M&A Driver	Significance	Comments
1 High share prices / strong valuation	 <p>Tankers</p> <p>Bulkers</p>	<ul style="list-style-type: none"> ■ Strong share prices but generally below NAV ■ Modest share prices
2 Valuation disparity among peers		<ul style="list-style-type: none"> ■ Generally small disparity
3 Financing costs		<ul style="list-style-type: none"> ■ Most shipping mergers are “stock-for-stock” with reference to NAV ■ Financing costs impacting ships purchased for cash
4 Synergies		<ul style="list-style-type: none"> ■ Operational and financial synergies generally small relative to levered free cash flow
5 Capital market rationale		<ul style="list-style-type: none"> ■ Rationale can be meaningful as some companies have enhanced liquidity and sponsorship

Market Cap vs. NAV: Bigger is Often Better

(\$ in millions)






◆ Tankers



■ Dry Bulk










Source: Wall Street research, FactSet (11/9/23)

Recent Unaffiliated Merger Activity

Acquirer / Target	Date Announced	Deal Catalysts
	October 9, 2023	<ul style="list-style-type: none"> Supported by management teams but outcome became driven by large shareholders Frontline “premium” being shared with Euronav shareholders Blocked by EURN large shareholder Led to stalemate and then alternative transaction with Euronav
	October 12, 2022	<ul style="list-style-type: none"> Taylor Maritime owned ~26% of outstanding shares at time of tender offer Grindrod family very open to Sale Transaction
	March 31, 2021	<ul style="list-style-type: none"> Large Diamond S shareholders (First Reserve, W.L. Ross) sought out merger partner

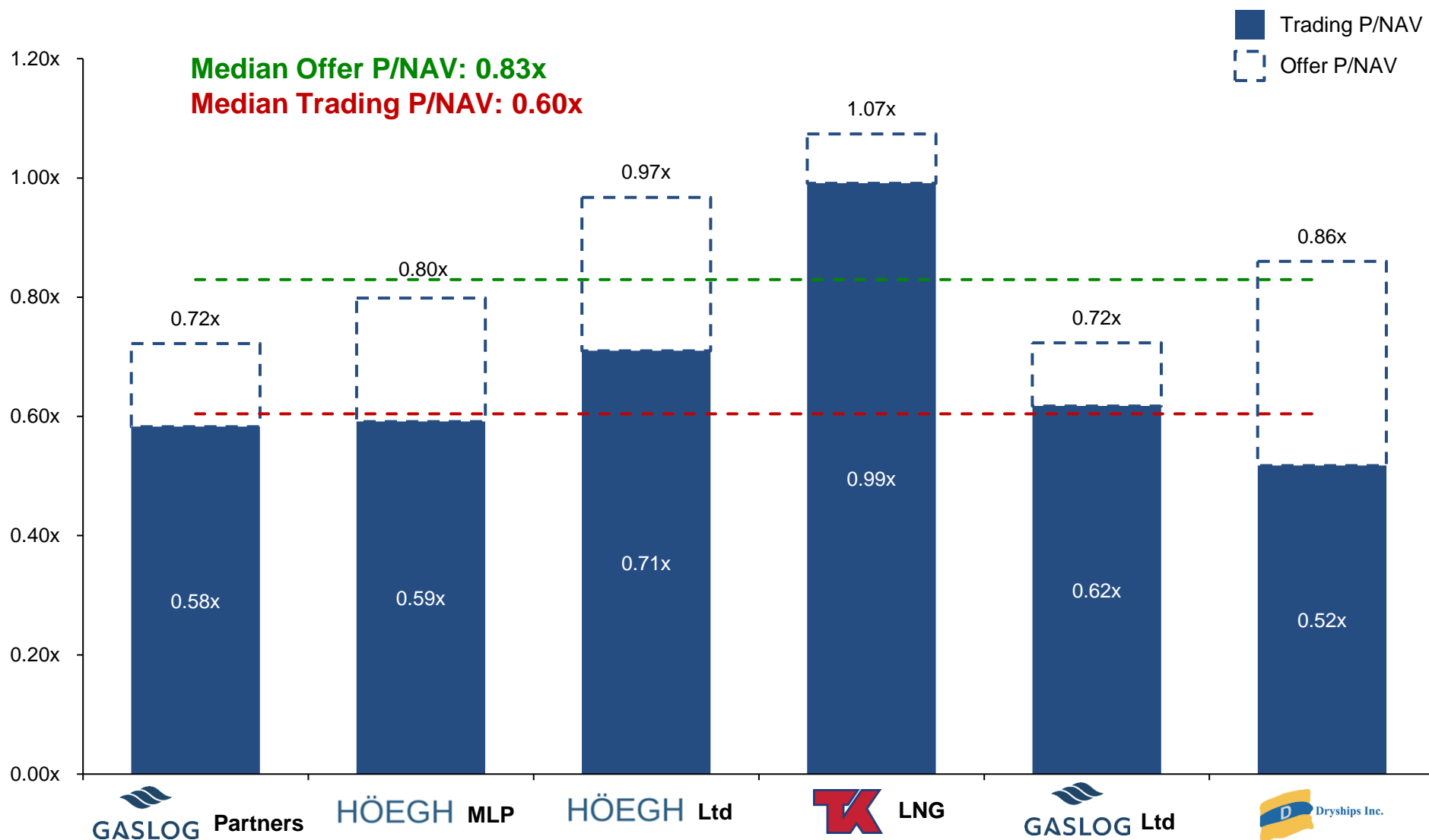
Source: Company filings

Going Private Transactions Represent the Majority of Public Merger Activity

Announce Date	Target	Largest Shareholder % Owned	Buyer(s)
October 23, 2023	 Navios Maritime Holdings Inc.	64.8%	Angeliki Frangou
April 6, 2023	 GASLOG Partners	30.2%	 GASLOG Ltd
February 24, 2023 ¹	 seaspan	72.5% ²	 ONE  FAIRFAX Washington Family
May 25, 2022	HÖEGH MLP	45.7%	HÖEGH LNG
March 8, 2021	HÖEGH Ltd	49.6%	Morgan Stanley Infrastructure Partners
October 4, 2021	 TK LNG	41.4%	Stonepeak
February 22, 2021	 GASLOG Ltd	41.4%	BlackRock®
August 19, 2019	 Dryships Inc.	83.4%	George Economou

Sustained valuation discounts and limited perceived value of being public have created significant go-private activity

Companies Generally Repurchased Below Net Asset Value

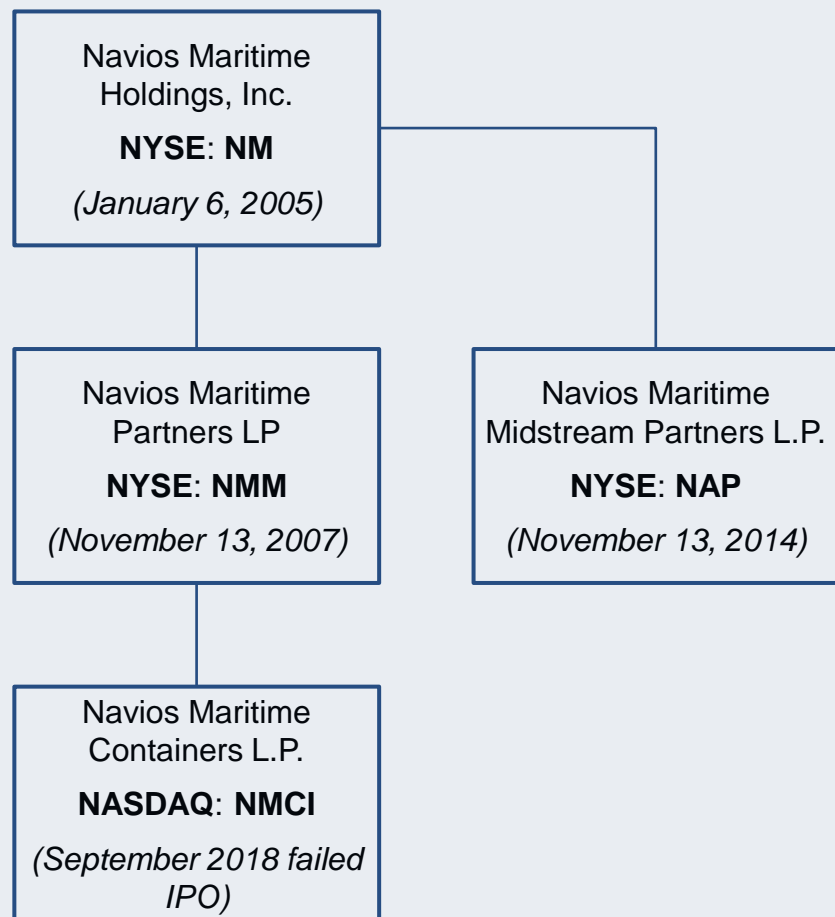


Source: Company filings, Wall Street research, FactSet

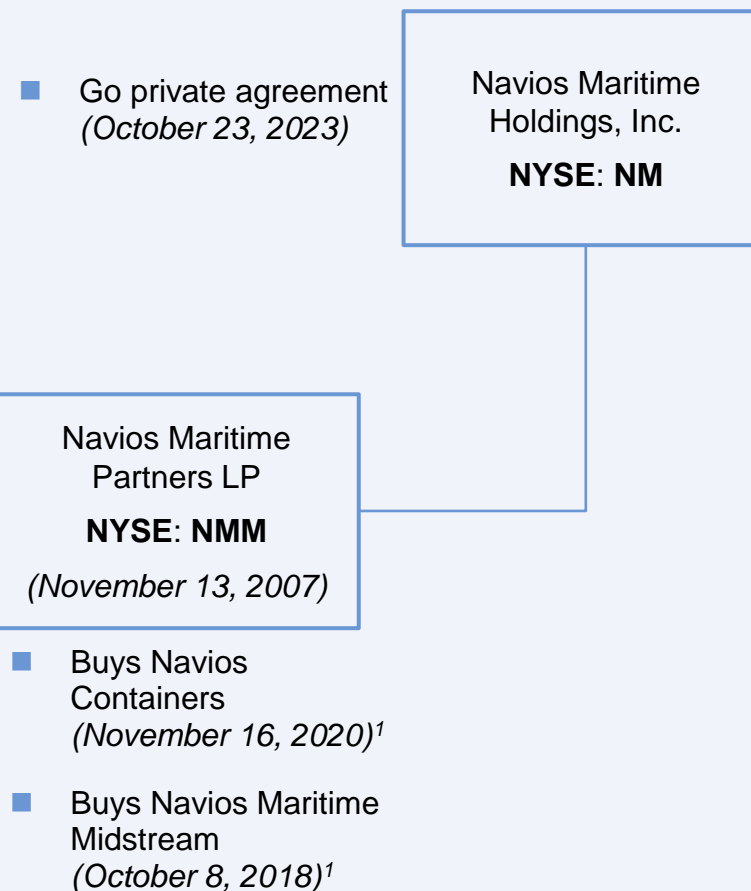
Note: Reflects unaffected market cap prior to go-private announcement divided by estimated net asset value from company filings or Wall Street research

Navios – Fragmentation Followed by Reconsolidation

Public Companies Created



Companies Reconsolidated



Source: Company website and filings

1. Date announced

If You Can't Sell or Merge, Do a Share Repurchase

Large Repurchases

June 22, 2023

Buyer



Seller



\$219mm (28% of outstanding shares) repurchased at a 25.2% premium to prior day's close, but at a 16% discount to NAV

September 22, 2023

Buyer



Seller



\$185mm purchased at a 4.7% premium to prior day's close; Oaktree to own 17.2% of remaining shares outstanding

October 30, 2023

Buyer



Seller








\$195mm repurchased at a 5.5% premium to prior day's close; Oaktree to own 7.2% of remaining shares outstanding

Source: Company filings

Large Insider Ownership Makes M&A Less Common

(\$ in millions)

Tanker Companies	Market Cap	Control Shareholder	Voting Control ¹
 Ardmore Shipping Corporation	\$542	N/A	N/A
 COOLCO	\$747	Idan Ofer	58%
 DHT	\$1,643	Andreas Sohlen-Pao	16%
 FRONTLINE	\$4,735	John Fredriksen	36%
 International Seaways, Inc. ²	\$2,311	N/A	N/A
 Nordic American Tankers	\$954	N/A	N/A
 OKEANIS ECO TANKERS	\$891	Alafouzos Family	58%
 SCORPIO Tankers	\$3,155	N/A	N/A
 TEEKAY	\$1,787	Teekay Corporation	54%
 TORM	\$2,636	Oaktree	63%
 TEN LTD TSAKOS ENERGY NAVIGATION LTD	\$655	Tsakos Family	37%





Source: FactSet (11/9/23), company filings

1. Represents ownership as percentage of voting power
2. John Fredriksen owns 17% but Rights Offering limits ownership to 20%

Large Insider Ownership Makes M&A Less Common (Cont'd)










(\$ in millions)

Dry Bulk Companies	Market Cap	Control Shareholder	Voting Control ¹
 DIANA SHIPPING INC.	\$328	Paliou Family	36%
 EAGLE BULK	\$417	Danaos Castor Maritime	17% 15%
 GENCO SHIPPING & TRADING	\$582	N/A	N/A
 GOLDEN OCEAN	\$1,474	John Fredriksen	39%
 HIMALAYA SHIPPING	\$186	Tor Olav Trøim	31%
 Pacific Basin	\$1,442	N/A	N/A
 SAFE BULKERS	\$356	Polys Hajioannou	41%
 STAR BULK	\$1,912	N/A	N/A

Container Lessors	Market Cap	Control Shareholder	Voting Control ¹
 COSTAMARE INC.	\$1,049	Konstantakopoulos Family	61%
 danaos	\$1,256	John Coustas	45%
 EUROSEAS LTD	\$170	Pittas Family	58%
 GLOBAL SHIP LEASE	\$609	N/A	N/A

Micro-Caps Heavily Controlled, Unlikely to “Go Away”

(\$ in millions)





	Market Cap	Control Shareholder	Voting Control ¹
 CASTOR MARITIME	\$34	Petros Panagiotidis	93%
 EURODRY LTD	\$42	Pittas Family	50%
 GLOBUS MARITIME LIMITED	\$33	Athanasios Feidakis	49.99%
 IMPERIAL PETROLEUM	\$27	Harry Vafias	49.99%
 OCEANIC Inc.	\$18	Diana Shipping Semiramis Paliou	49% 34%
 PERFORMANCE Shipping Inc.	\$23	Aliko Paliou	85%
 PYXIS TANKERS	\$40	Eddie Valentis	53%
 TOPSHIPS	\$10	Pistiolis Family	88%
 united maritime	\$18	Stamatios Tsantanis	49.99%

Source: FactSet (11/9/23), company filings

1. Represents ownership as percentage of voting power

So, What is the Pathway to Growth?

S&P and affiliated purchases – selected recent examples

Company	Examples
	<ul style="list-style-type: none">■ Sponsor acquisition of 18 LNGs and 15 containerships over time
	<ul style="list-style-type: none">■ Purchase of 8 LR2 tankers, 3 MR tankers and 7 LR1 vessels throughout 2023
 GLOBAL SHIP LEASE	<ul style="list-style-type: none">■ Purchase of 27 containerships from 2021 to 2023
 COSTAMARE INC.	<ul style="list-style-type: none">■ Gradual acquisition of 45 dry bulk vessels

Source: Company filings