



**Financial Results Presentation
Second Quarter 2016
5 August 2016**

Disclaimer



This presentation should be read in conjunction with Rickmers Maritime's financial statements for the second quarter and half year ended 30 June 2016, released via the SGXNET.

This presentation is not and does not constitute or form part of, and is not made in connection with, any offer, invitation or recommendation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any units of Rickmers Maritime ("**Units**") and neither this presentation nor anything contained in it shall form the basis of, or be relied upon in connection with, any contract or investment decision.

This presentation does not constitute an offer or invitation in any jurisdiction where, or to any person to whom, such an offer or invitation would be unlawful.

Reliance should not be placed on the information or opinions contained in this presentation. This presentation does not take into consideration the investment objectives, financial situation or particular needs of any particular investor. Any decision to purchase or subscribe for the Units must be made solely on the basis of your own judgment, if necessary, after seeking appropriate financial and professional advice.

No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, Rickmers Trust Management Pte. Ltd. (the "**Trustee-Manager**") and its officers, directors, employees and agents disclaim any liability (including, without limitation, any liability arising from fault or negligence) for any loss arising from any use of this presentation or its contents or otherwise arising in connection with it.

The forward-looking statements set out in this presentation are based on a number of assumptions that are subject to business, economic and competitive uncertainties and contingencies, with respect to future business decisions, which are subject to change and in many cases outside the control of Rickmers Maritime and the Trustee-Manager. Accordingly, neither Rickmers Maritime nor the Trustee-Manager can give any assurance that any forward-looking statement contained in this presentation will be achieved. Neither Rickmers Maritime nor the Trustee-Manager intends to update any of the forward-looking statements after the date of this presentation to conform those statements to actual results.

By participating in this presentation or by accepting any copy of the slides presented, you agree to be bound by the foregoing limitations.

The contents of this presentation are being given solely for your information. No part of this presentation should be copied, reproduced or redistributed to any other person in any manner or published, in whole or in part, for any purpose, without the prior written consent of the Trustee-Manager.

TABLE OF CONTENTS



- Highlights
- Financial Performance
- Business Review
- Moving Forward

Highlights



- Financial performance affected by depressed charter market: Lower charter revenue of US\$18.0m and lower utilisation rate of 91.4% in 2Q2016
- Net loss of US\$55.6m in 2Q2016 and US\$57.0m in 1H2016 due largely to US\$51.5m non-cash impairment in 2Q2016
- Secured revenue of US\$111.5 million to the expiry of the last charter contract in 2019
- Ongoing negotiations with lenders to refinance bank debt to ensure long-term solvency

In US\$ million (except otherwise stated)	SECOND QUARTER			FIRST HALF		
	2016	2015	% Δ	2016	2015	% Δ
Charter Revenue	17.97	28.47	↓ (37%)	39.29	57.11	↓ (31%)
Cash Flow from Operating Activities	6.94	17.95	↓ (61%)	17.45	35.91	↓ (51%)
Net Loss	(55.58)	(15.67)	↑ 255%	(56.98)	(8.64)	↑ 560%
Adjusted EBITDA	6.86	18.06	↓ (62%)	17.74	36.31	↓ (51%)
Distribution per Unit (US cents)	-	0.60	NM	-	1.20	NM

NM: Not Meaningful

TABLE OF CONTENTS



- Highlights
- **Financial Performance**
- Business Review
- Moving Forward

Income Statement



In US\$'000	2Q2016	2Q2015	% Δ	1H2016	1H2015	% Δ
Charter revenue	17,968	28,469	(37)	39,294	57,105	(31)
Other income	310	1,760	(82)	645	3,425	(81)
Other (losses)/gains - net	(348)	(689)	(49)	(1,947)	1,123	NM
Total income	17,930	29,540	(39)	37,992	61,653	(38)
<i>Add/(less):</i>						
Depreciation	(7,227)	(8,873)	(19)	(14,444)	(17,736)	(19)
Impairment of vessels	(51,488)	(16,824)	206	(51,488)	(16,824)	206
Impairment of goodwill	-	(2,802)	NM	-	(2,802)	NM
Vessel operating expenses	(10,195)	(9,676)	5	(19,936)	(19,244)	4
Trustee-Manager fee	(670)	(746)	(10)	(1,360)	(1,486)	(8)
Other trust expenses	(296)	(284)	4	(436)	(470)	(7)
Finance expenses	(3,629)	(6,006)	(40)	(7,305)	(11,729)	(38)
Loss before income tax	(55,575)	(15,671)	255	(56,977)	(8,638)	560
Income tax expense	-	-	-	-	-	-
Net loss after tax	(55,575)	(15,671)	255	(56,977)	(8,638)	560

NM: Not Meaningful

Balance Sheet



In US\$'000	As at 30 Jun 2016 As at 31 Dec 2015	
Assets		
Cash and cash equivalents	23,054	45,064
Net book value of vessels	640,473	706,011
Other current and non-current assets	3,573	4,005
Total assets	667,100	755,080
Liabilities		
Current:		
Secured bank loans	268,644 [^]	44,603
Medium-term notes	73,741	774
Other current liabilities	4,937	5,540
Non-current:		
Secured bank loans	12,305	268,780
Medium-term notes	-	70,576
Other non-current liabilities	886	1,243
Total liabilities	360,513	391,516
Total unitholders' funds	306,587	363,564
Net asset value / unit (US\$)	0.35	0.41

NM: Not Meaningful

[^] US\$53.1m of secured bank loan moved to current liabilities in 2Q2016 as a result of a short-term extension of certain waiver conditions relating to the loan due to the BNP syndicate lenders (comprising BNP Paribas, ING Bank NV, Singapore Branch, The Bank of Nova Scotia Asia Limited, The Hongkong and Shanghai Banking Corporation Limited and Sumitomo Mitsui Trust Bank Limited, Singapore Branch) under the First Facility

Statement of Cash Flows



In US\$'000	2Q2016	2Q2015	1H2016	1H2015
Cash flow from:				
Operating activities	6,941	17,950	17,453	35,909
Investing activities	29	(1,015)	(88)	(1,394)
Financing activities	(24,793)	(22,180)	(39,540)	(44,192)
Net change in cash & cash equivalents	(17,823)	(5,245)	(22,175)	(9,677)
Cash & cash equivalents at beginning of period	40,848	54,998	45,064	60,008
Effects of exchange rate changes on cash and cash equivalents	29	349	165	(229)
Cash & cash equivalents at end of period	23,054	50,102	23,054	50,102

Secured Bank Loans Repayment Profile



- Repaid US\$19.8m bank debt in 2Q2016
- Total bank debt of US\$281.4m remaining as at 30 Jun 2016

Repayment (in US\$ million)	Actual		Estimated				
	1Q2016	2Q2016	2H 2016	FY 2017	FY 2018	FY 2019	FY 2020-2021
Scheduled bank loan repayments	11.7	4.8*	26.9	197.6	49.7	3.5	3.7
Excess cash payments	1.2 [#]	-					
Prepayments	-	15.0**					
Total Repayment	12.9	19.8	26.9	197.6[^]	49.7	3.5	3.7

US\$281.4m

[#] 3Q2015 cash sweep paid in 1Q2016; Cash sweep mechanism removed following Trust Exit from Intercreditor Deed on 30 Nov 2015

* Exclude US\$6m scheduled repayment to the HSH syndicate (comprising HSH Nordbank AG and DBS Bank Ltd) under the IPO Facility, which was deferred to 3Q2016

** Prepayment made to BNP syndicate lenders (comprising BNP Paribas, ING Bank NV, Singapore Branch, The Bank of Nova Scotia Asia Limited, The Hongkong and Shanghai Banking Corporation Limited and Sumitomo Mitsui Trust Bank Limited, Singapore Branch) as partial fulfilment of certain waiver conditions under the existing facility agreement pending finalisation of the comprehensive refinancing plan

Outstanding Loans

- Bank loans: Ongoing negotiations to refinance bank debt to ensure long-term solvency
 - Pursuing unified credit facility that is sustainable and that gives the Trust greater flexibility and a longer runway to manage liabilities and growth
 - Managing liquidity across different syndicates' cash silos

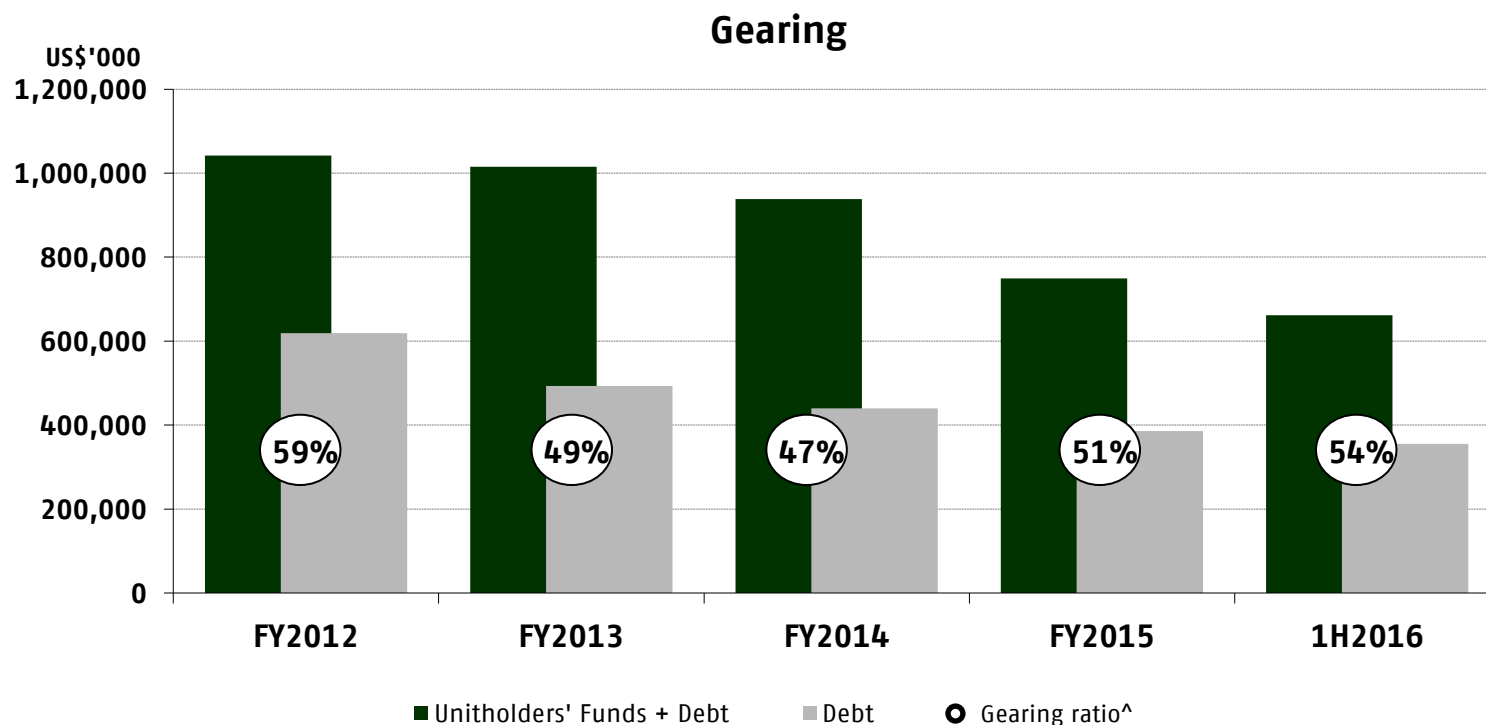
Loan Facility	Margin above 3-month US\$ LIBOR	Year of Maturity	Face Value US\$' million	Carrying Amount US\$'million	VTL Requirement in Loan Facility	Security
IPO Facility	1.75%	2017	197.7	197.7	NA*	Secured against the initial 10 vessels in the IPO Fleet
First Facility	1.75%	2018	67.8	67.5	110%	Secured against the five Mitsui vessels
Second Facility	1.75%	2021	15.9	15.8	110%	Secured against the India Rickmers vessel
TOTAL			281.4 ^	281.0		

- S\$300m MTN programme:
 - First issuance of S\$100m due in 2Q2017
 - S\$200m of the programme unutilised

^ Before the deduction of unamortised debt transaction costs of US\$0.4m
 * VTL covenant for the IPO Facility waived from Nov 2015

Gearing

- Gearing ratio remained healthy at 54% as at 30 Jun 2016
- EBITDA-to-interest coverage ratio for 1H2016: 2.6 x



$$^{\wedge} \text{ Gearing Ratio} = \frac{(\text{External Bank Loans} + \text{Convertible Loan} + \text{Medium-Term Notes})}{(\text{Total Unitholders' Funds} + \text{External Bank Loans} + \text{Convertible Loan} + \text{Medium-Term Notes})}$$

TABLE OF CONTENTS

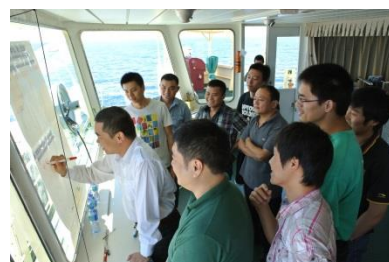
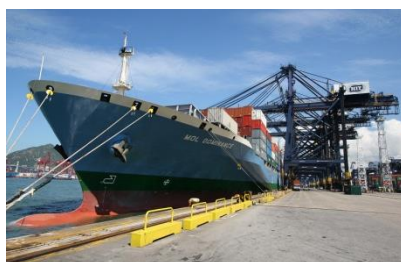


- Highlights
- Financial Performance
- **Business Review**
- Moving Forward

Fleet Utilisation

- Lower vessel utilisation rate of 91.4% in 2Q2016 amid depressed charter market
- Average age of vessels: 8.8 years as at 30 Jun 2016

	2Q2016	2Q2015	1H2016	1H2015
Number of Vessels	16	16	16	16
Vessel Ownership Days	1,456	1,456	2,912	2,896
Off-hire Days*	124.6 [^]	2.4	237.3 [^]	19.6 [#]
Fleet Utilisation	91.4%	99.8%	91.9%	99.3%



* Exclude scheduled dry-docking

[^] Include 115.7 idle days for Vicki Rickmers and India Rickmers in 2Q2016, and 103.7 idle days for Maja Rickmers, Vicki Rickmers and Laranna Rickmers in 1Q2016.

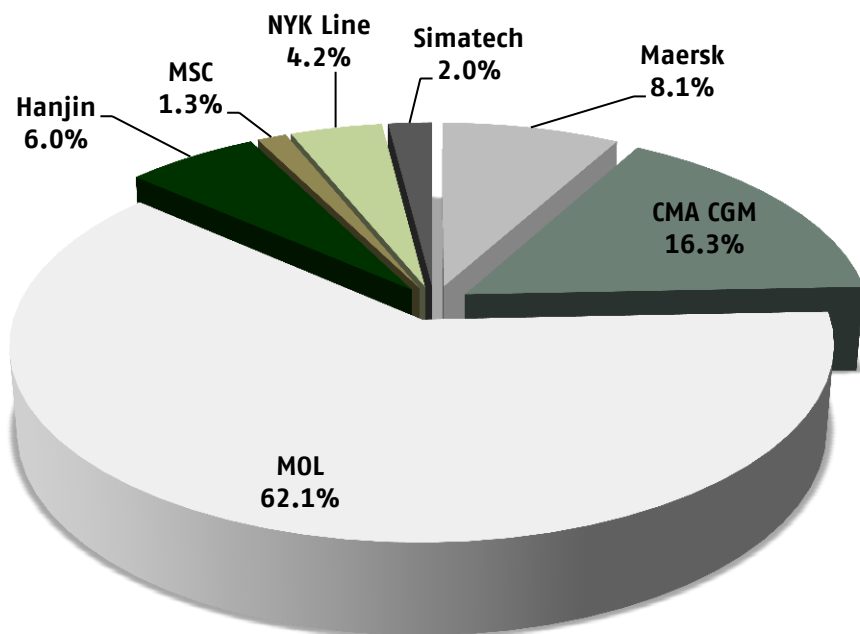
[#] Include 14.7 days for Moni Rickmers in connection with preparation and positioning for new charter

Diversified Portfolio of Charterers

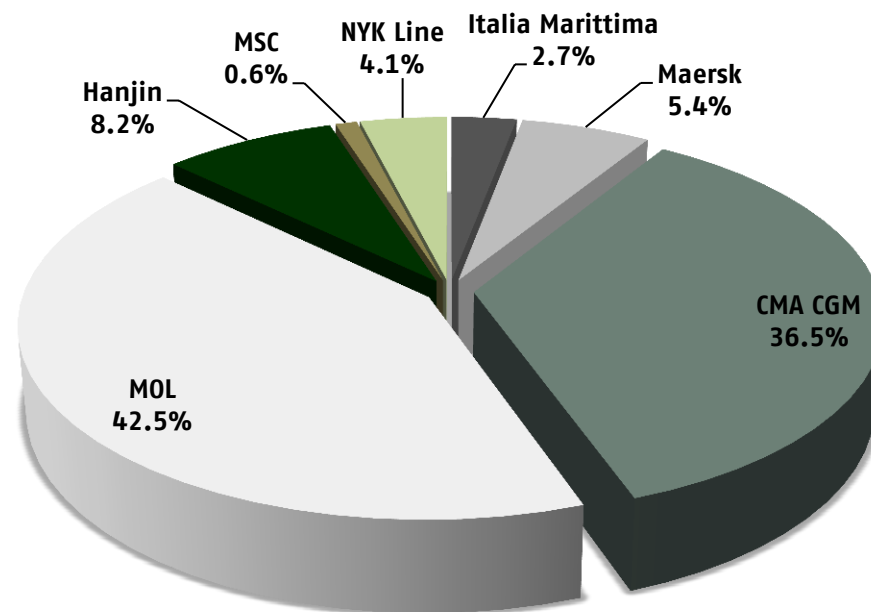


- Vessels chartered to leading container liner companies to minimise counterparty risk

1H2016 Revenue: US\$39.3m



1H2015 Revenue: US\$57.1m



Fleet Employment Profile



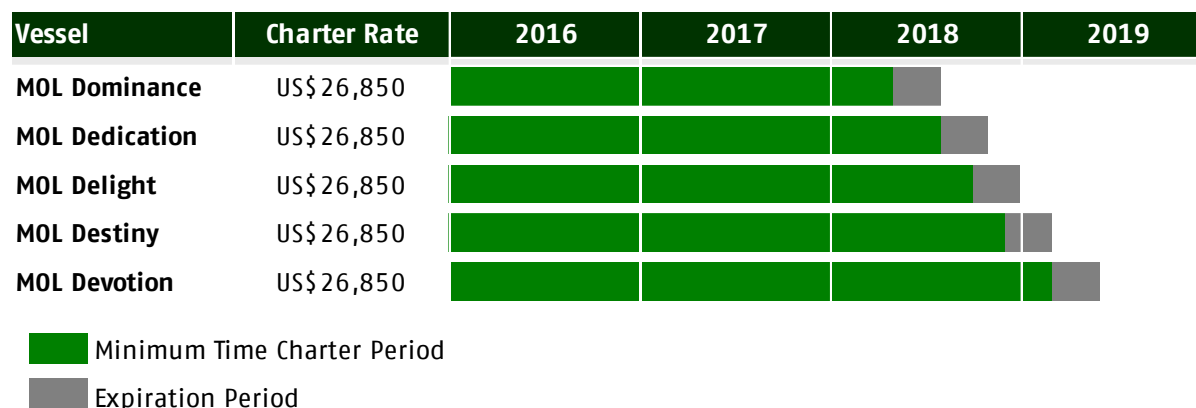
- Fleet fully employed as at 30 Jun 2016: Average remaining charter period of 0.8 years
- Secured revenue to the last contract expiry in 2019: US\$111.5m
- Fleet is 72.0% covered in 2016

11 vessels trading in the spot market

- Secure shorter and more flexible charters in order to fix them for longer periods when the market improves
- Potential decommissioning of some vessels to reduce operating costs

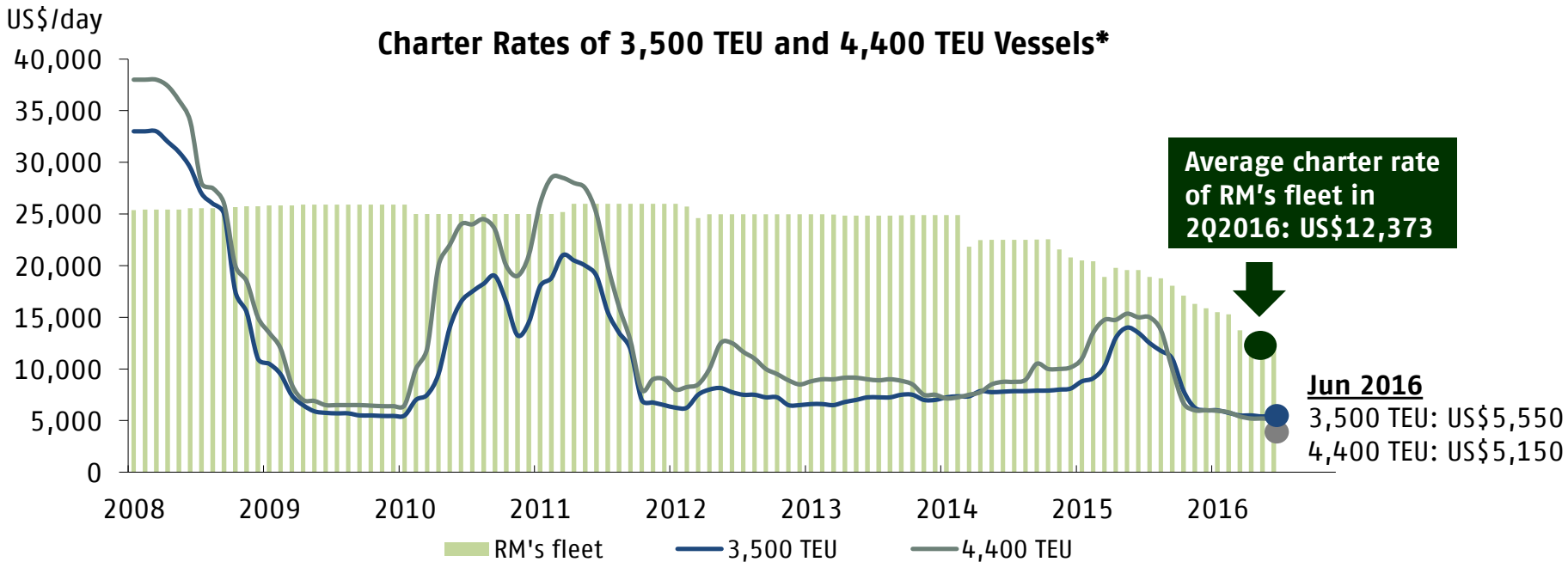
5 vessels with long-term charters

- Long-term charters to Feb 2019:



Market Outlook

- Charter market remained depressed in 2Q2016:
 - Continued pressure from large idle fleet: 85 of the world's 3,000– 5,099 TEU vessels remain idle as at end-July 2016[^]
 - Facing stronger headwinds with Panama Canal expansion: Acceleration in redeliveries of panamax vessels

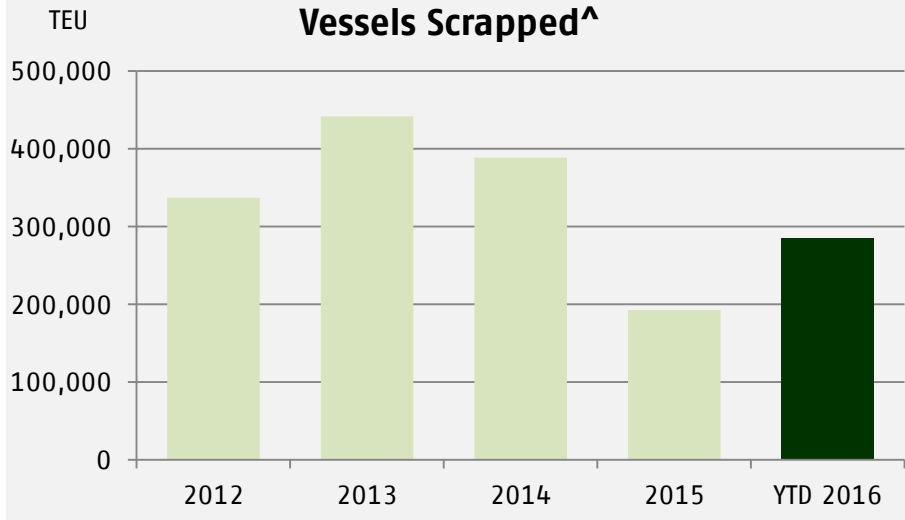


Sources: [^]Alphaliner, *Clarksons Research Services

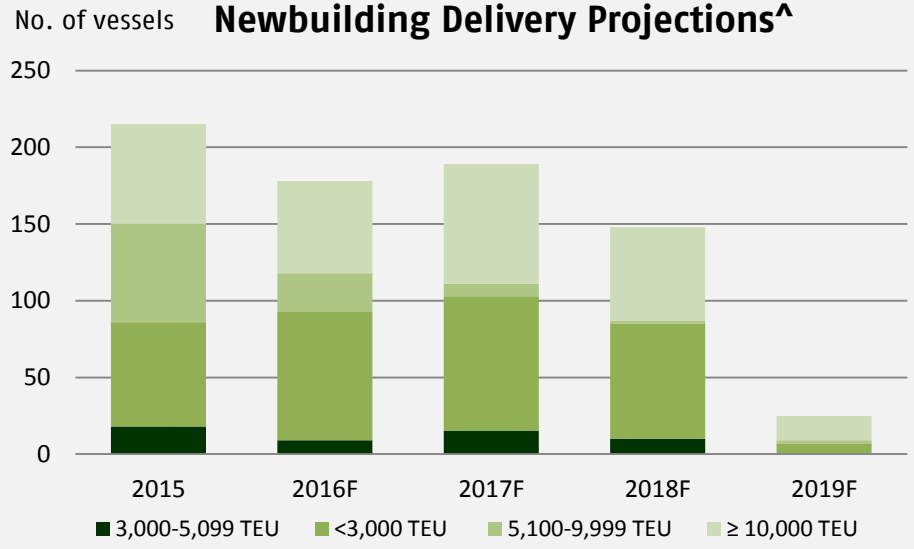
Market Outlook

- Charter market to remain challenging in 2016: Stronger trade growth and more scrapping of tonnage is required to improve freight earnings
- Global container trade growth is expected to be 3.8% while container vessel capacity growth is expected to be 3.0% in 2016*

- Excess capacity despite high scrapping levels: 284,675 TEU scrapped YTD 2016 vs 192,428 TEU in 2015^



- Limited new supply for 3,000–5,099 TEU vessels: 15 newbuilds in 2017 and 10 in 2018



Sources: ^Alphaliner; * Clarksons Research Services

Market Outlook

- Charter rates are expected to remain depressed in the coming months until a better balance between trade growth and vessel supply is reached
- Container shipping market supported by long-term fundamentals and growing opportunities in Asia:
 - More than 90% of the world's non-bulk cargo is delivered by containerships
 - Smaller container vessels (sub 5,000 TEU) to benefit from the creation of more complex trade lanes as manufacturing shifts to lower-cost countries in Asia
 - Increasing supply of very large boxship capacity increases demand for feeder vessels to move containers to hub ports



TABLE OF CONTENTS



- Highlights
- Financial Performance
- Business Review
- **Moving Forward**

- **Proactively manage operating costs:** Implemented cost saving initiatives in 2Q2016 which are expected to reduce vessel operating expenses
- **Take practical measures amid depressed market:** Consider decommissioning idling vessels to reduce operating costs while keeping some active for the flexibility to capitalise on any uptick in the market
- **Remain focused on keeping the Trust's vessels employed:** Secure shorter and more flexible charters in order to fix them for longer periods when the market improves
- **Balance sheet optimisation:** Remain focused on securing a single credit facility to ensure long-term solvency

Focus in 2016: Create clear runway for growth

- **Keep vessels employed with minimal idle time:**
Secure flexible and shorter-term charters until market improves
- **Strengthen financial position and extend loan maturity profile**
to pursue growth opportunities

Pursue growth opportunities as market recovers

Maximise fleet performance and keep vessels employed

- Strengthen asset management capabilities and reduce costs with continued KPI tracking
- Future-proofing fleet to improve efficiency and maintain fleet attractiveness
- Charter vessels to leading liner companies to minimise counterparty risks

Strengthen financial position for growth

- Extend debt maturity profile and optimise balance sheet to create clear runway for growth
- Comprehensive capital management strategy to manage liabilities

Expand the Trust's fleet and grow income

- Acquire new vessels as part of asset-renewal strategy
- Proactively evaluate investment and divestment opportunities to maximise returns

THANK YOU

For more information, please visit:
www.rickmers-maritime.com