



danmars

World-Class Shipping, Leading-Edge Expertise

Disclaimer

This presentation contains certain statements that may be deemed to be “forward-looking statements” within the meaning of the Securities Exchange Act of 1934. All statements, other than statements of historical facts, that address activities, events or developments that the Company expects, projects, believes or anticipates will or may occur in the future, including, without limitation, the outlook for fleet utilization and shipping rates, general industry conditions including bidding activity, future operating results of the Company’s vessels, future operating revenues and cash flows, capital expenditures, asset sales, expansion and growth opportunities, bank borrowings, financing activities and other such matters, are forward-looking statements. Although the Company believes that its expectations stated in this presentation are based on reasonable assumptions, actual results may differ from those projected in the forward-looking statements. Important factors that could cause actual results to differ materially from those discussed in the forward-looking statements include the strength of world economies, general market conditions, including charter rates and vessel values, counterparty performance under existing charters, changes in operating expenses, ability to obtain financing and comply with covenants in financing arrangements, including the terms of its new credit facilities and agreements entered into in connection with the refinancing, the affects of the refinancing transactions and the Company’s ability to achieve the benefits of the refinancing, actions taken by regulatory authorities, potential liability from litigation and international political conditions. Danaos Corporation is listed in the New York Stock Exchange under the ticker symbol “DAC”. Before you invest, you should also read the documents Danaos Corporation has filed with the SEC for more complete information about the company. You may get these documents for free by visiting EDGAR on the SEC Website at www.sec.gov or via www.danaos.com

Readers of this presentation should review our Annual Report on Form 20-F filed with the SEC on March 5, 2019, including the section entitled “Key Information – Risk Factors”, and our other filings with the SEC for a discussion of factors and circumstances that could affect our future financial results and our ability to realize the expectations stated herein.

EBITDA, Adjusted EBITDA, Adjusted Net Income and Adjusted EPS may be included in our presentations. EBITDA, Adjusted EBITDA, Adjusted Net Income and Adjusted EPS are presented because they are used by management and certain investors to measure a company’s financial performance and underlying trends as they exclude certain items impacting overall comparability. EBITDA, Adjusted EBITDA, Adjusted Net Income and Adjusted EPS are “non-GAAP financial measures” 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. Reconciliations to GAAP measures are included in the Appendix to this presentation.

Certain shipping industry information, statistics and charts contained herein have been derived from industry sources. You are hereby advised that such information, statistics and charts have not been prepared specifically for inclusion in this presentation and the Company has not undertaken any independent investigation to confirm the accuracy or completeness of such information.

Business Overview

A LEADING CONTAINERSHIP OWNER AND OPERATOR

- One of the **largest publicly-listed owners** of modern containerships with long track record in the shipping market
- One of the **most efficient operators** in the industry with **highly competitive breakeven levels**
- **Management is the largest shareholder (~34%)** and is aligned with public shareholders

STRENGTHENED CAPITAL STRUCTURE THROUGH RECENT REFINANCING

- **Reduced debt** by ~\$570M¹ and extended maturities to December 2023
- Significant **financial commitment by founder and largest shareholder**
- Going forward **financial covenants in line with conservative operating expectations**

MARKET DYNAMICS LIMIT RE-CHARTERING RISK AND CREATES UPSIDE OPTIONALITY

- Charter backlog of \$1.5 billion through 2028 with world's leading liner companies provides good cash flow visibility
- Large, **modern 13,000 TEU vessels are all on long-term charters through 2023**
- **Active chartering market with more limited capacity growth**, for majority of vessels on shorter charters, **limiting market downside risk**

(1) Net of deferred finance costs and fair value adjustments.

Danaos by the Numbers

\$1.5bn

Contracted cash flow through 2028

33.7%

Ownership through founder / management

4.7x

Net debt to EBITDA

\$2.0bn

Enterprise value

~\$200mn

Annual operating cash flow

2x

Reduction in leverage from recent refinancing



Diverse, High-Quality Fleet Serving Blue-Chip Customers

Fleet Overview¹



11x

2,200 – 2,600 TEU



9x

8,500 – 9,600 TEU



8x

3,400 TEU



3x

10,100 TEU



10x

4,300 – 5,500 TEU



5x

13,100 TEU

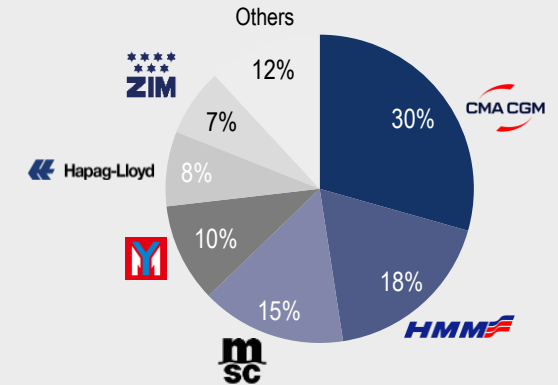


9x

6,400 – 6,500 TEU

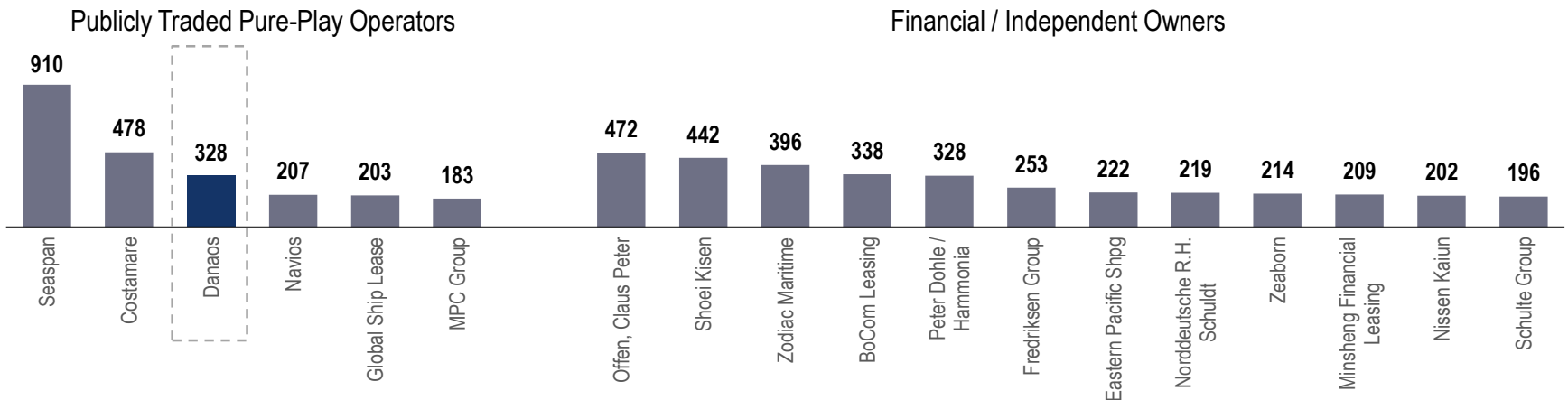
Balanced Counterparty Concentration

By TEU



Market Share^{1, 2} Among Top Public Containership Owners Globally

By TEU, thousands



Source: Clarksons Research.

(1) Excludes Gemini Shipholdings Vessels (TEU), a joint venture in which Danaos owns a 49% stake: Suez Canal (5,610), Genoa (5,544), Lodestar (6,422), Leo C (6,422) and Belita (8,533).

(2) Global Ship Lease includes Pro Forma TEU for Poseidon / Technomar Acquisition which closed November 15, 2018

Recent Refinancing Highly Beneficial

Significant Improvement of Financial Profile

2.0x

Reduction in Net Leverage

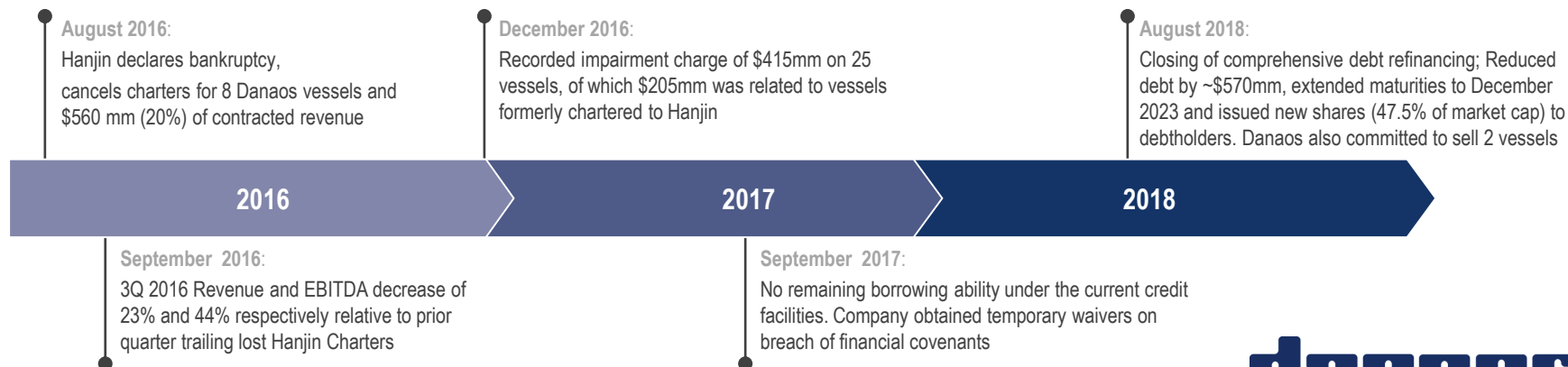
~\$570mm

Reduction in Total Debt¹

Key Provisions of Refinancing Agreements

- Successfully concluded \$2.2bn consensual debt refinancing with support from key lender group
- Extension of significant maturities through December 2023
- Management contributed \$10mm in capital with no increase in equity ownership
- Agreements provide for raising of additional equity in next 18 months
- Go-forward financial covenants in line with conservative operating expectations

Timeline of Key Recent Events

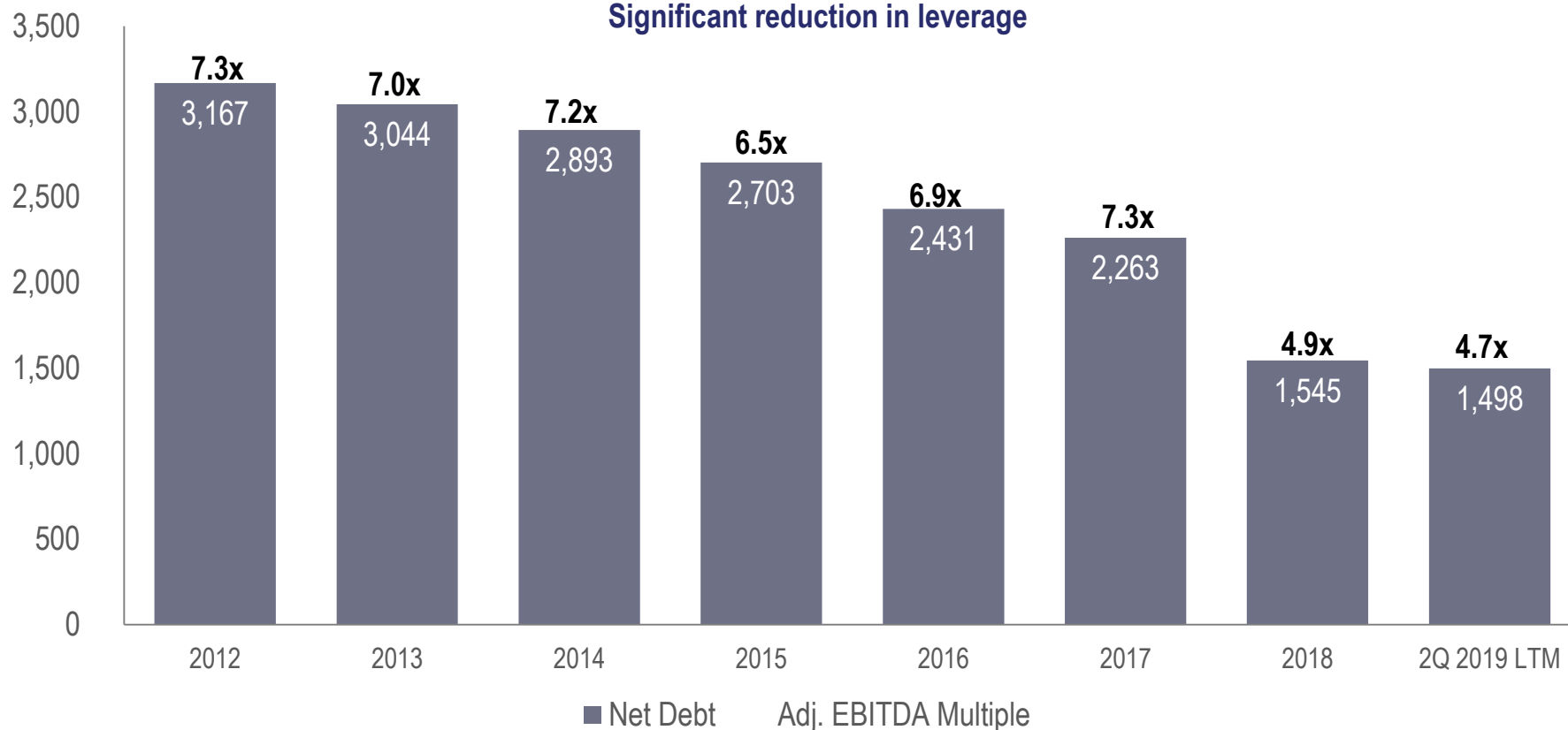


(1) Based on total adjusted debt, net of deferred finance costs and fair value adjustments, as of September 30th 2018. Includes repayment of Kexim-ABN Amro facility on the Closing Date.

Recent Refinancing Highly Beneficial

Net Debt and Adjusted EBITDA Multiple⁽¹⁾

Significant reduction in leverage

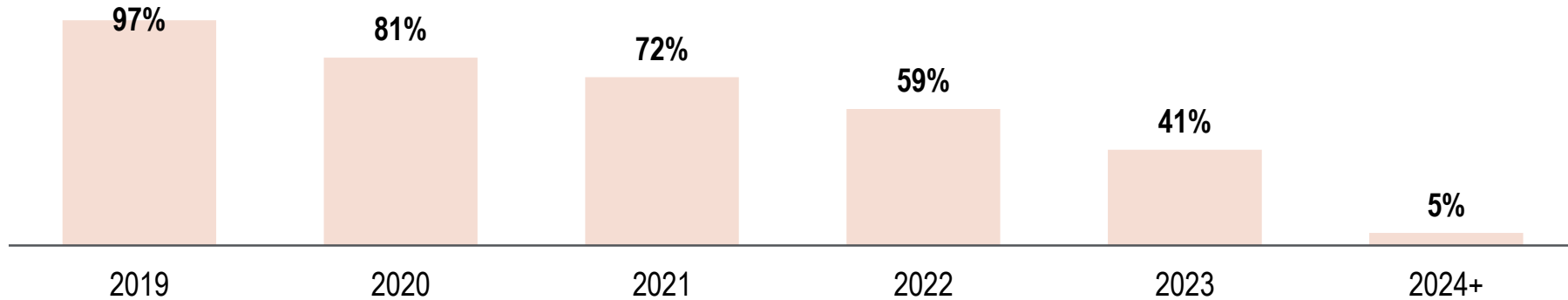


(1) Based on total adjusted debt, net of deferred finance costs and fair value adjustments, as of June 30th 2019. Includes repayment of Kexim-ABN Amro facility on the Closing Date.

Strong Charter Coverage through 2023

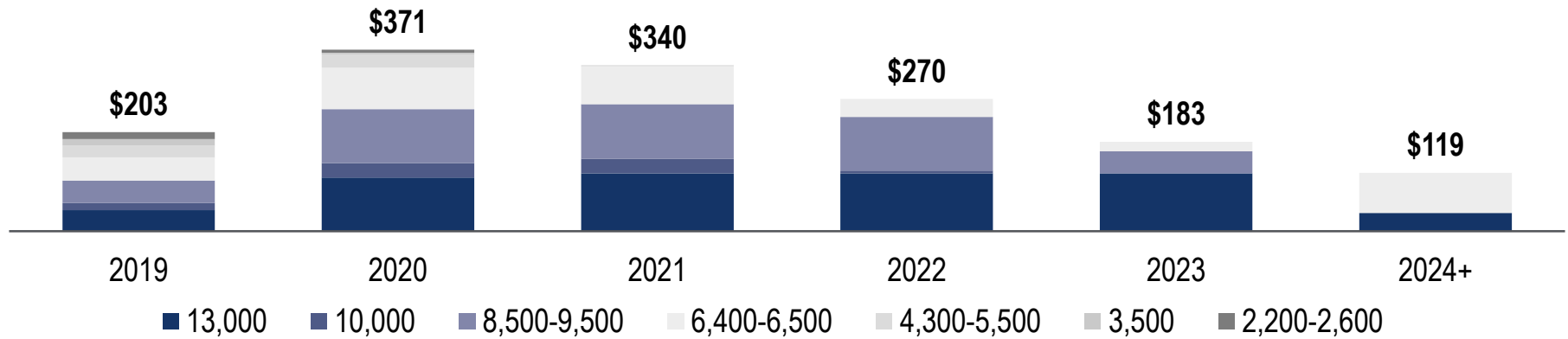
Shorter charter durations limited to vessels in more liquid chartering markets

Revenue-Weighted Charter Coverage⁽¹⁾



Contracted Revenue by Year

mm \$ by Asset Class



Note: Charter Revenue assumes Gross Daily Charter Rate. Contracted Revenue and Charter Expiration Schedule exclude Gemini Shipholdings.

(1) Assumes non-contracted vessels employed at current contracted charter rates.

Experienced Senior Management

Dr. John Coustas, President & CEO



- CEO since 1987
- Over 30 years of experience in the shipping industry
- Member of the board of directors of the Union of Greek Shipowners and Cyprus Union of Shipowners and President of Hellenic Maritime Protection Agency

Iraklis Prokopakis, Senior Vice President, Treasurer & COO



- Joined Danaos in 1998
- Over 37 years of experience in the shipping industry
- Member of the Board of the Hellenic Chamber of Shipping and the Owners' Committee of the Korean Register of Shipping

Evangelos Chatzis, Chief Financial Officer



- Joined Danaos in 2005
- Over 20 years of experience in corporate finance and the shipping industry
- Formerly CFO of Globe Group of Companies

Dimitris Vastarouchas, Technical Director & Deputy COO



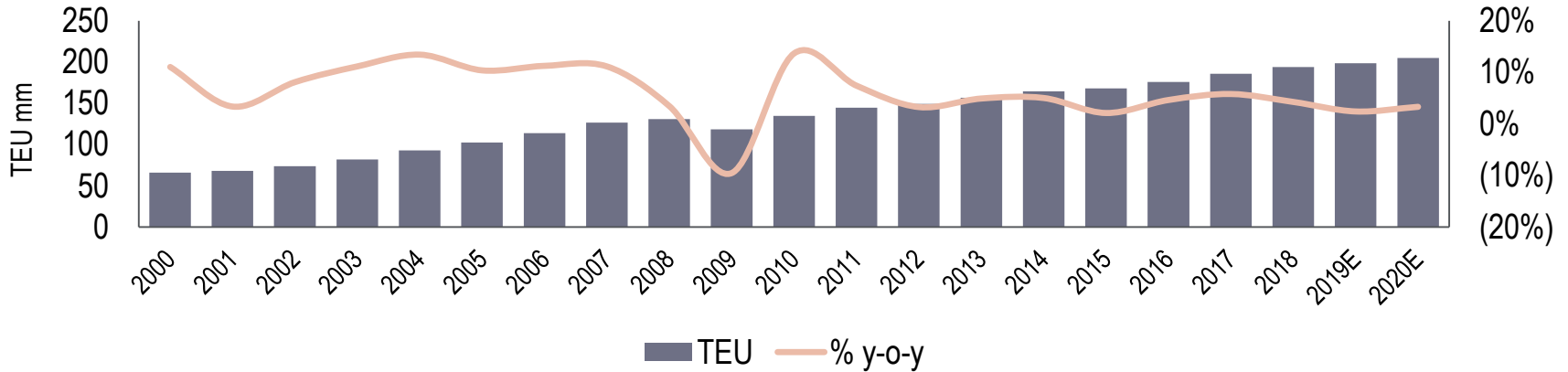
- Danaos Technical Manager since 2005
- Has over 20 years of experience in the shipping industry
- Formerly New Buildings Projects and Site Manager supervising the construction of 4,250, 5,500 and 8,500 TEU containerships



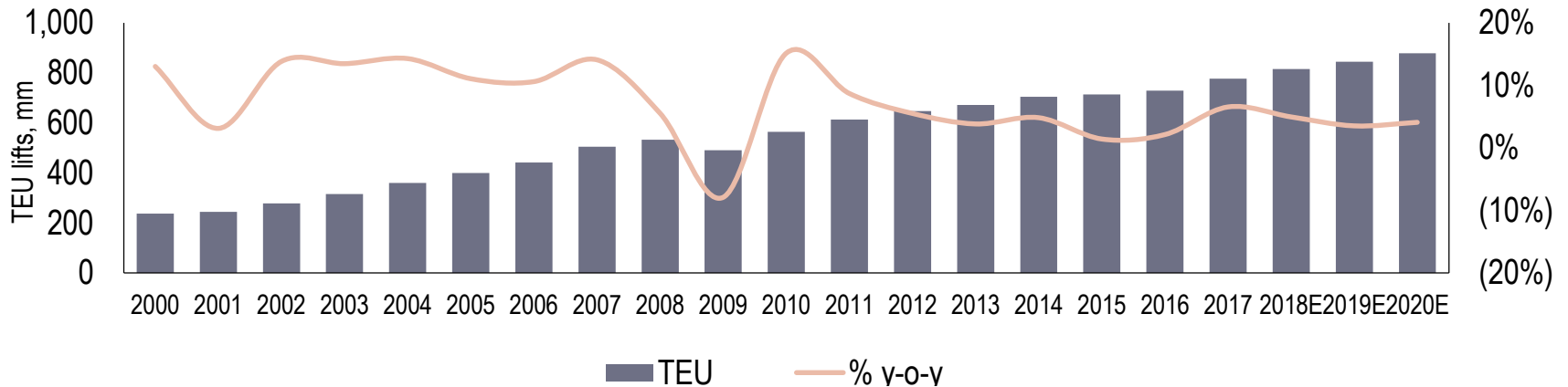
Industry Overview

Seaborne Containerized Trade Growth Remains Consistent

Global Seaborne Container Trade

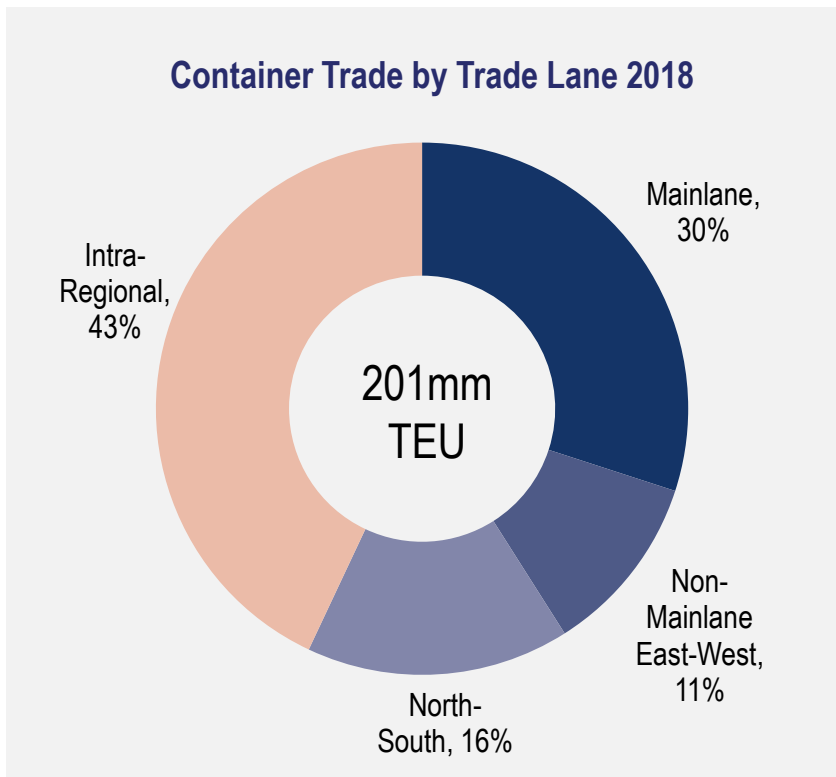


Global Container Port Throughput



Containership Trade Routes

Largest vessels primarily deployed on long trade routes



- Units of 15,000+ TEU remain exclusively deployed on the Far East-Europe trade
- Deployment of boxships sized 12-14,999 TEU continues to broaden notably onto the Transpacific route and also onto some non-mainlane trades
- Boxships sized 6,000-11,999 TEU offer flexible deployment opportunities, with further reductions in reliance on the mainlanes seen in 2018, although demand can be sensitive to short-term shifts
- Over 35% of capacity deployed on intra-regional trade routes is accounted for by units of 3,000+ TEU; this share has been fairly steady for a number of years now
- Intra-regional routes, and deployment of sub-3,000 TEU units thereon, appear 'protected' against significant vessel upsizing to some degree, by infrastructure, volume and other operational constraints

Source: Clarksons Research, CTS.

(1) Basis trades with Far East & Europe.

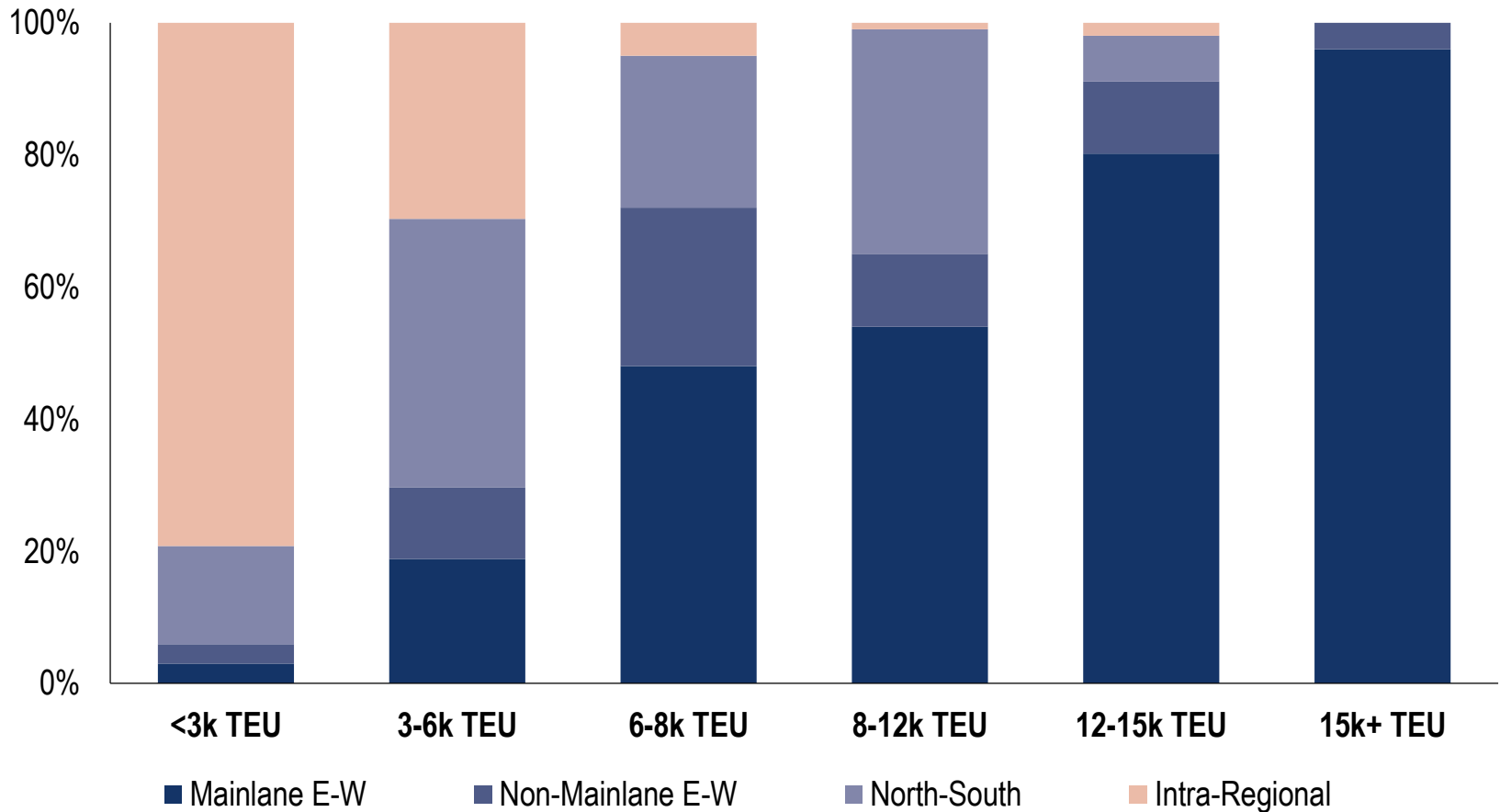
(2) Basis full year estimate / forecast.

Geographic Deployment Favoring Certain Size Vessels

Largest vessels primarily deployed on long trade routes

Capacity Deployment By Route

mm \$ by Asset Class

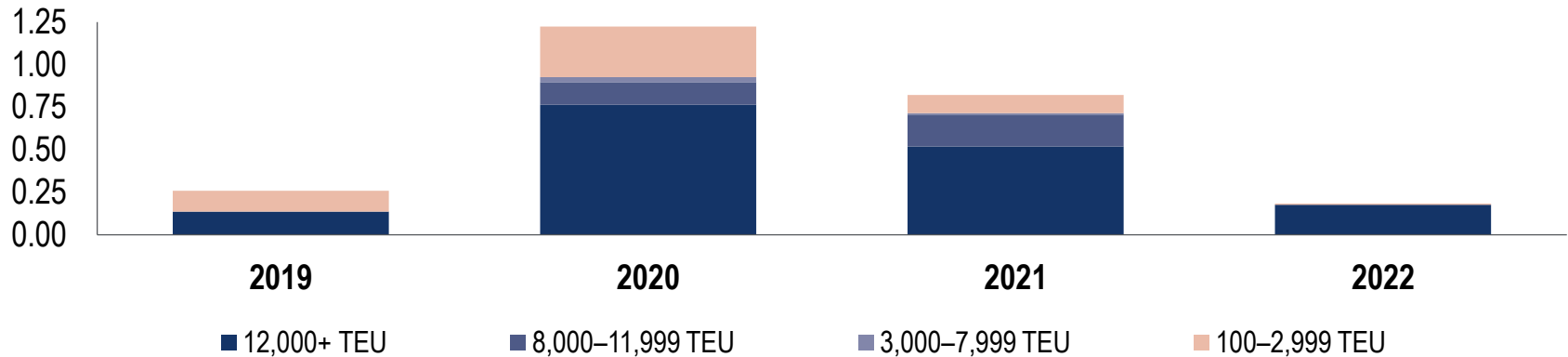


Supply Growth Primary in Largest Vessel Segments

Orderbook is concentrated in 8,000+ TEU vessels where Danaos has the greatest charter coverage

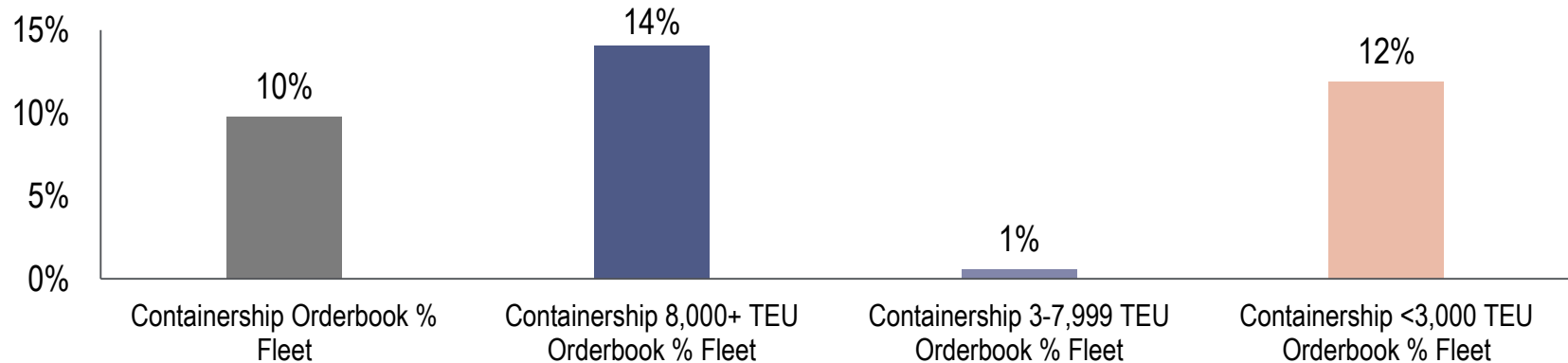
Containership Orderbook, By Scheduled Delivery Year

TEU, mm



Containership Orderbook, as % of Fleet by Segment

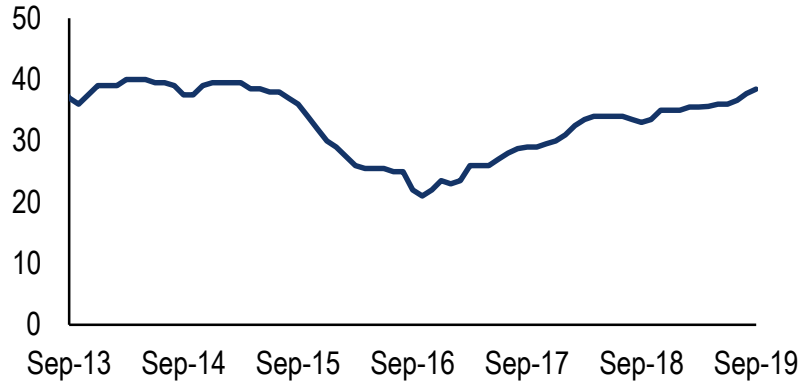
TEU, mm



Containership Charter Rate Improving from Recent Lows

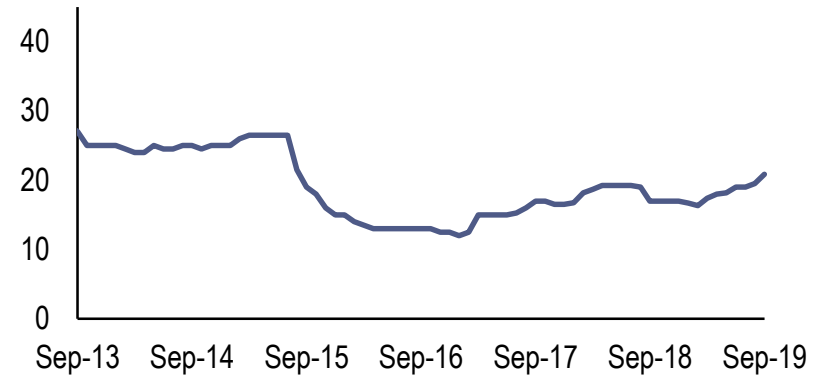
9,000 TEU gls Containership 3-yr TC Rate¹

\$/day, thousands



6,800 TEU Containership 3-yr TC Rate

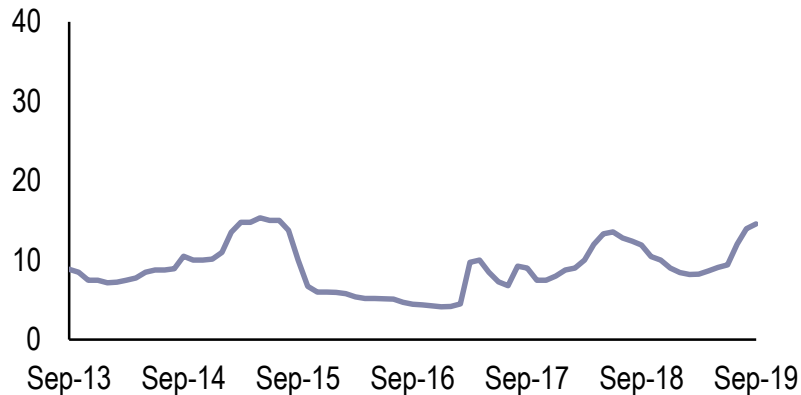
\$/day, thousands



4,400 TEU gls 'Old Panamax' Containership

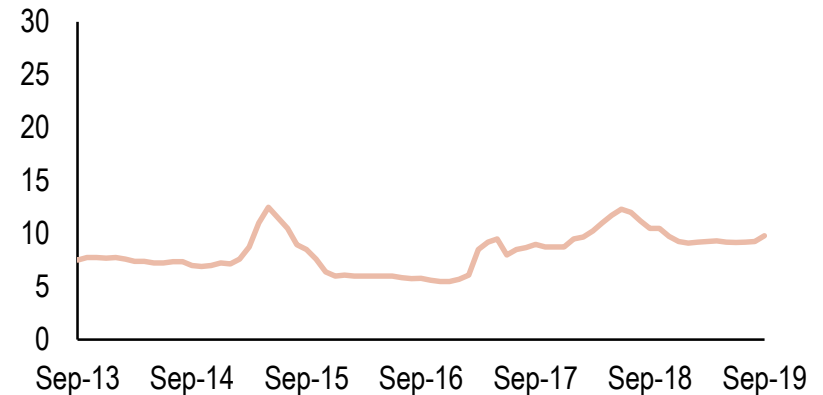
6-12 Month TC Rate

\$/day, thousands



2,500 TEU grd Containership 6-12 month TC Rate

\$/day, thousands



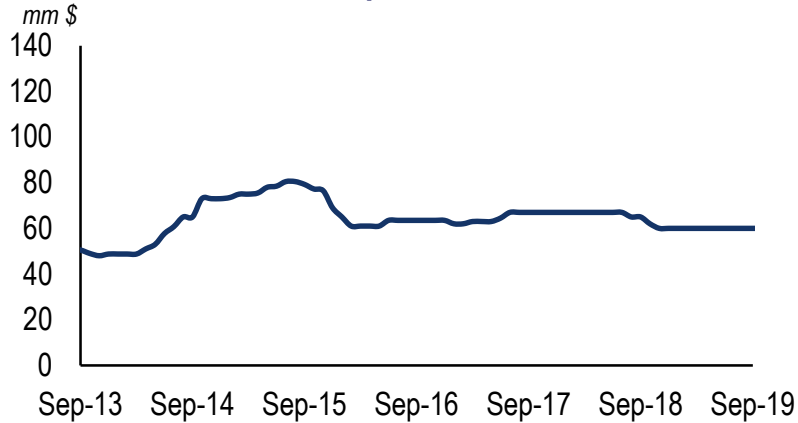
Source: Clarksons Research, CTS.

Note: Limited activity on longer TCs with wide spread on rate ideas.

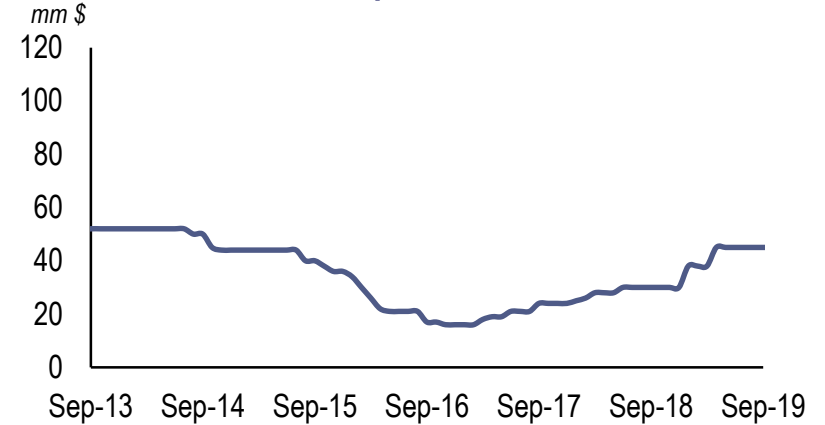
(1) Based on 'Neo-Panamax' ships.

Containership Asset Values Improving from Recent Lows

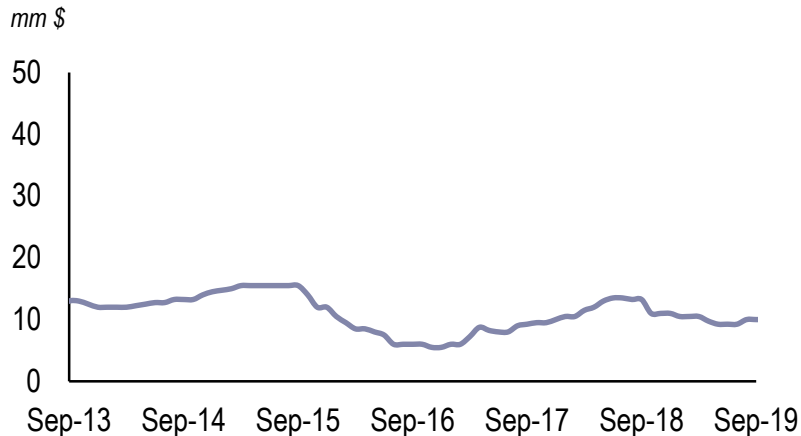
8,800 TEU Containership 5 Year Old Secondhand Price



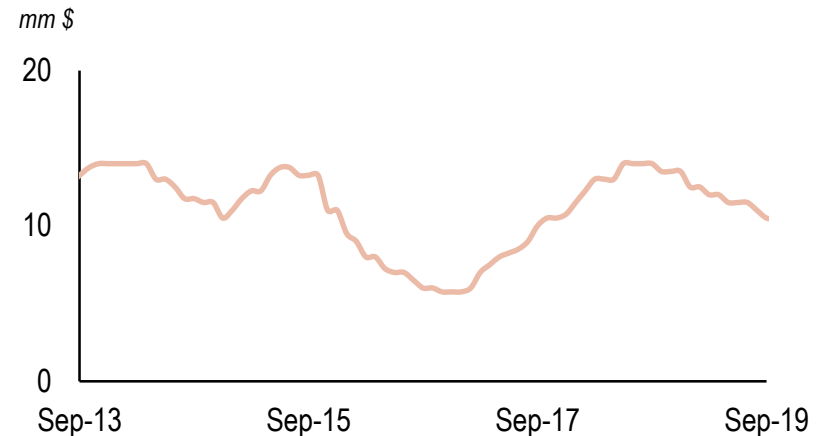
6,600 TEU Containership 5 Year Old Secondhand Price



4,500 TEU 'Old Panamax' Containership 10 Year Old Secondhand Price



2,500 TEU grd Containership 10-Year-Old Secondhand Price

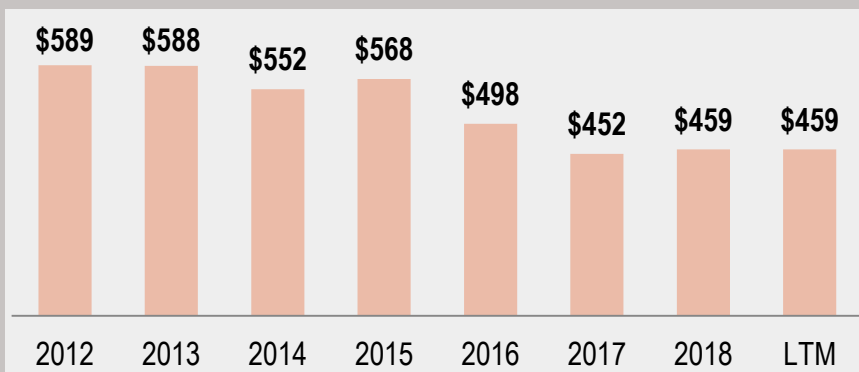


Financial Overview

Historical Financials

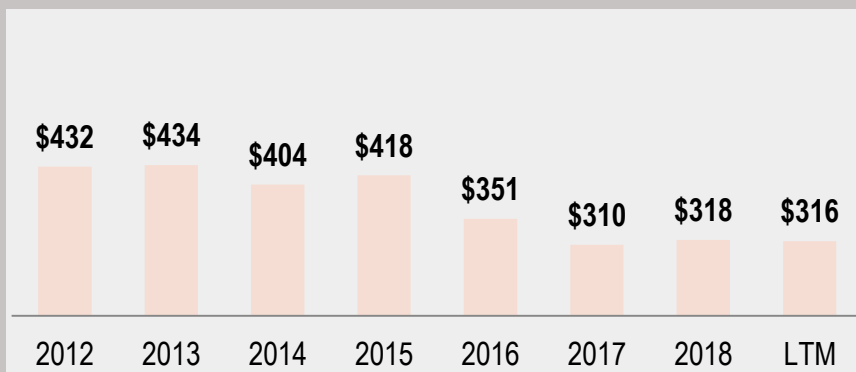
Summary of Results

mm \$

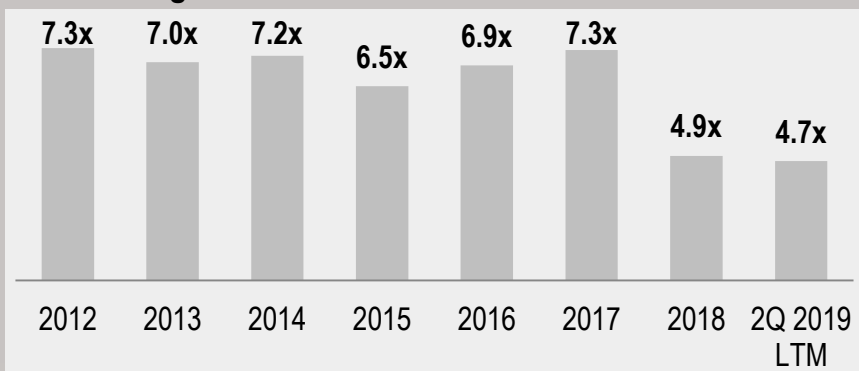


Adjusted EBITDA

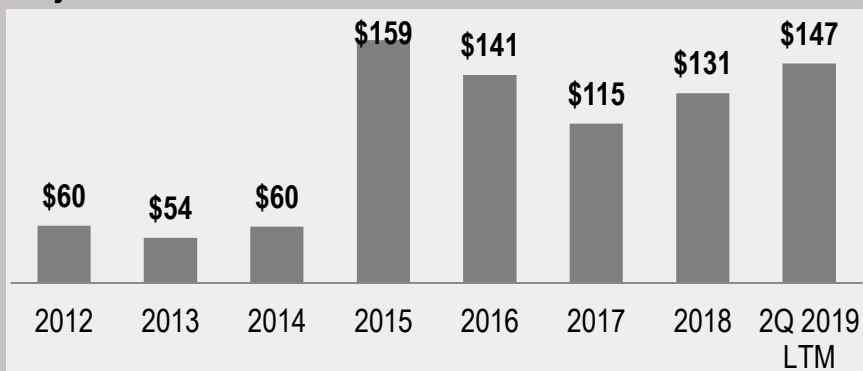
mm \$



Net Leverage



Adjusted Net Income



Source: Company filings. LTM ended June 30, 2019.

Note: 3Q 2018, 4Q 2018 and 1Q 2019 Adjusted Net Income was \$37.4mm, \$36.6mm and \$38.6mm, respectively, giving June 30, 2019 LTM Adjusted Net Income of \$146.9mm.

Adjusted Net Income reflects add-backs of various income statement items, most notably impairment charges, amortization of deferred financing costs and other one-off extraordinary items.

Second Quarter 2019 Earnings

Summary of Results

mm \$, except per share figures

	Three months ended June 30			L 12
	2019	2018	% yoy	Months
Operating Revenue	\$112,319	\$113,466	-1.0%	\$458,622
Adjusted EBITDA ¹	\$75,581	\$78,294	-3.5%	\$316,035
Adjusted Net Income	\$34,255	\$29,178	17.4%	\$146,881
Adjusted Earnings per Share, diluted ²	\$2.24	\$3.72	-39.9%	\$10.20

Second Quarter Highlights

- Fleet utilization for three months ended June 30, 2019 **was 99.4%**, an increase of ~330 bps versus the prior year
- \$5.1 million increase in adjusted net income** in the three months ended June 30, 2019 compared to prior year due to higher fleet utilization and reduced net finance expenses
- Charter **contract coverage of 87%** in terms of operating revenues and 71% in terms of operating days over the next 12 months

(1) Adjusted EBITDA represents net income before interest income and expense, depreciation, amortization of deferred drydocking & special survey costs and deferred finance costs, amortization of deferred realized losses on interest rate swaps, loss on sale of securities, gain on debt extinguishment, stock based compensation and refinancing professional fees.

(2) Based on weighted average diluted shares outstanding, except LTM. LTM diluted EPS is based on average shares diluted outstanding for the twelve months ended June 30, 2019.

Danaos Capital Structure as of June 30, 2019

Commentary

- 7.1 mm new shares (47.5%) issued to certain lenders in the refinancing, 0.3 mm new RSUs issued to management

Capitalization mm \$	Actual June 30, 2018	Refinancing Adjustments	Pro-forma for refinancing	Actual June 30, 2019
Cash	\$75	\$10	\$85	\$79
Bank Debt:				
Royal Bank of Scotland	\$655	(179)	\$476	\$467
HSH Nordbank, Piraeus Bank, Aegean Baltic Bank	634	(251)	383	376
Citi \$120 mil. facility (ex ABN Amro Club facility)	204	(84)	120	107
Club Facility (Credit Suisse, Citi, Sentina)	214	(7)	206	148
Credit Suisse Facility	172	-	172	122
Citi \$114.1 mil. facility	114	-	114	79
Citi \$123.9 mil. facility (ex Deutsche Bank facility)	153	(29)	124	90
Citi - Eurobank facility	38	-	38	32
Sinosure facility (China Exim, Citi, ABN Amro)	71	-	71	51
Korea Exim Bank, ABN Amro facility	17	(17)	-	-
Exit Fee	23	(1)	21	144
Deferred Finance Costs	(6)	(45)	(51)	22
Debt Fair Value Adjustment	-	(29)	(29)	(39)
Total Debt	\$2,288	(\$644)	\$1,644	(23)
Net Debt	2,213	(654)	1,559	\$1,576
Book Value of Equity	574	273	847	1,498
Total Capitalization	\$2,862	(\$370)	\$2,491	755 \$2,332
<i>Diluted shares outstanding</i>	7,843	7,395	15,237	
Market Value of Equity	\$209	\$110	\$197	15,314 \$124
Credit Statistics:				
LTM Adj. EBITDA	\$315		\$315	\$316
Debt / Adj. EBITDA	7.3x		5.2x	5.0x
Net Debt / Adj. EBITDA	7.0		5.0	4.7
Net Debt / Equity	3.9		1.8	2.0
Adj. EBITDA / LTM Interest Expense	4.0		4.0	3.7

(1) Danaos refinanced \$2.2bn of debt due December 31, 2018 to reduce its total debt and extend maturities to December 2023.

(2) LTM Adj. EBITDA of \$316mm. Please refer to Adjusted EBITDA disclosure on page 16.

Summary

Summary

- ▶ Danaos is a market leader in the container shipping industry
- ▶ Strong financial support from founder and largest shareholder
- ▶ Refinancing significantly increases financial flexibility and reduces interest expense
- ▶ Strong cash flow visibility from large, modern vessels employed on longest charters in backlog
- ▶ Improving market conditions in mid-sized and smaller vessel segments creates optionality as shorter duration charters roll off

Appendix

Substantial Fleet Employment and Coverage



5x
13,100 TEU



3x
10,100 TEU



9x
8,500 – 9,600 TEU

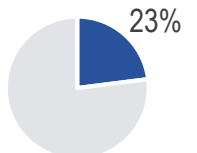
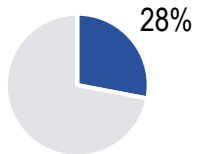
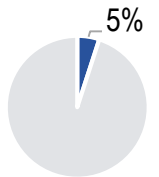
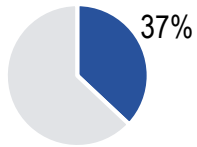


9x
6,400 – 6,500 TEU

Charterer	Age ¹	Vessel
HMM	7.1	Hyundai Honour
HMM	7.1	Hyundai Respect
HMM	6.9	Maersk Enping
HMM	6.8	Maersk Exeter
HMM	6.8	MSC Ambition
YANG MING	8.1	Express Berlin
Hapag-Lloyd	8.0	Express Rome
Hapag-Lloyd	7.9	Express Athens
MSC	14.6	Europe
MSC	14.4	America
MSC	12.6	Pusan C
MSC	12.4	Le Havre
CMA CGM	7.7	CMA CGM Attila
CMA CGM	7.6	CMA CGM Tancredi
CMA CGM	7.4	CMA CGM Bianca
CMA CGM	7.3	CMA CGM Samson
CMA CGM	7.1	CMA CGM Melisande
OOCL	17.1	Performance
ONE	16.8	Dimitra C
CMA CGM	9.5	CMA CGM Moliere
CMA CGM	9.1	CMA CGM Musset
CMA CGM	8.9	CMA CGM Nerval
YANG MING	8.9	YM Mandate
CMA CGM	8.8	CMA CGM Rabelais
CMA CGM	8.6	CMA CGM Racine
YANG MING	8.6	YM Maturity



Total Charter Revenue Contribution



(1) Age as of June 30, 2019

Substantial Fleet Employment and Coverage



10x

4,300 – 5,500 TEU



8x

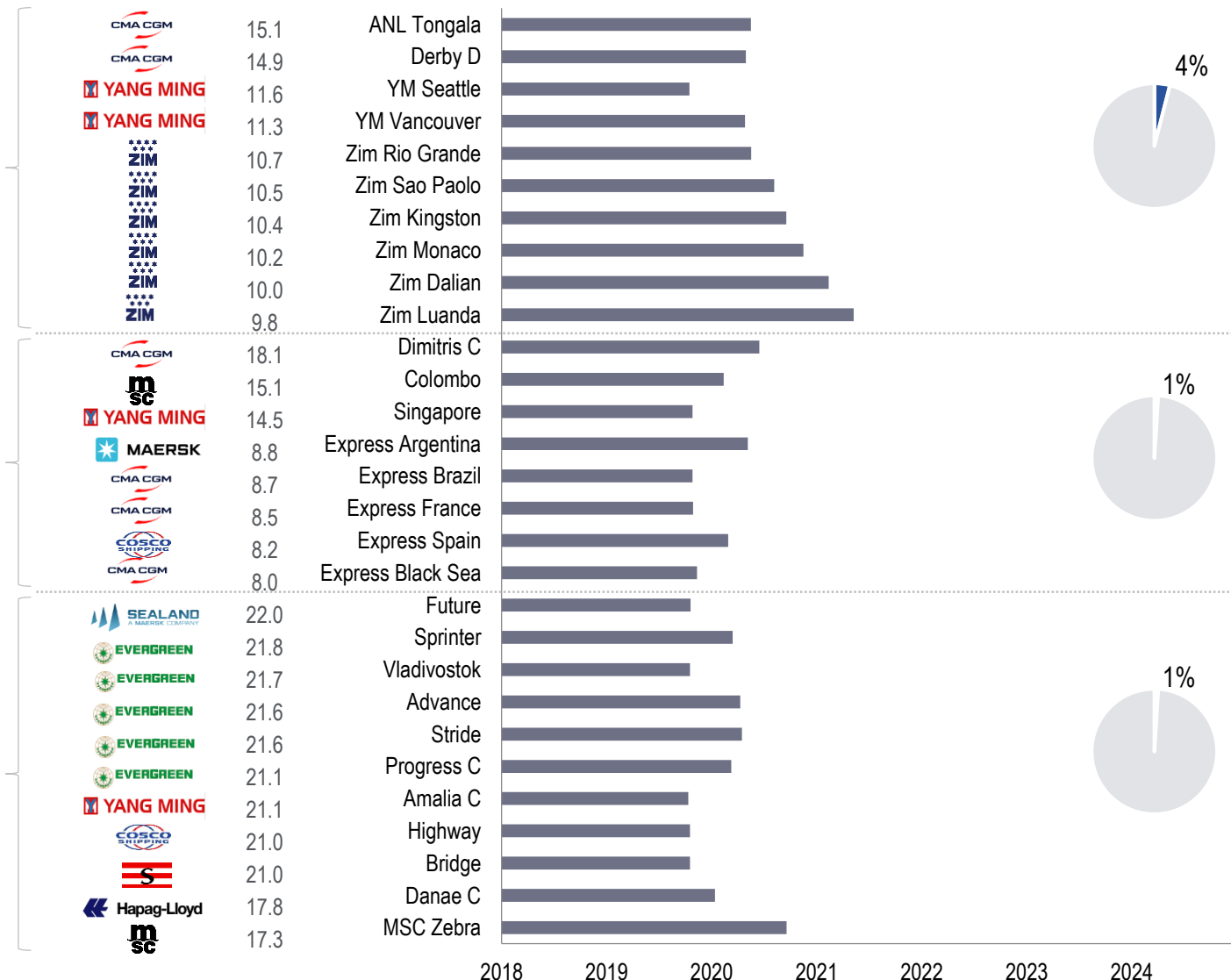
3,400 TEU



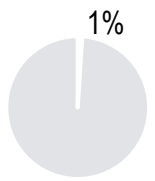
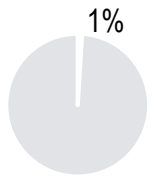
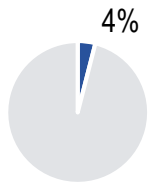
11x

2,200 – 2,600 TEU

Charterer Age¹ Vessel



Total Charter Revenue Contribution



2018 2019 2020 2021 2022 2023 2024

(1) Age as of June 30, 2019

Adjusted EBITDA

Reconciliation of Net Income to EBITDA and Adjusted EBITDA

June 30, 2019

	Three Months ended June 30, 2019	Three Months ended June 30, 2018	Last Twelve Months ended June 30, 2019
<i>(\$ In thousands)</i>			
Net income / (Loss) from Continuing Operations (unadjusted)	\$30,138	\$5,838	9,815
<i>Adjustments:</i>			
Depreciation	24,039	26,697	101,805
Amortization of deferred drydocking & special survey costs	2,063	2,409	9,239
Amortization of deferred realized losses of cash flow interest rate swaps	903	921	3,658
Amortization of deferred finance costs	4,117	3,247	19,661
Interest income	(1,569)	(1,418)	(6,153)
Interest expense	14,855	20,507	57,734
EBITDA	\$74,546	\$58,201	\$195,759
Impairment loss	-	-	210,715
Gain on debt extinguishment	-	-	(116,365)
Refinancing professional fees	-	20,093	21,612
Accelerated amortization of accumulated other comprehensive loss	-	-	1,443
Stock based compensation	1,035	-	2,871
ADJUSTED EBITDA	\$75,581	\$78,294	\$316,035

Adjusted Net Income

Reconciliation of Net Income to Adjusted Net Income and Adjusted Earnings per Share

June 30, 2019

	Three Months ended June 30, 2019	Three Months ended June 30, 2018	Last Twelve Months ended June 30, 2019
<i>(\$ In thousands, except per share items)</i>			
Net income / (Loss) from Continuing Operations	\$30,138	\$5,838	9,815
<i>Adjustments:</i>			
Impairment loss	-	-	210,715
Refinancing professional fees	-	20,093	21,612
Amortization of deferred finance costs	4,117	3,247	19,661
Gain on debt extinguishment	-	-	(116,365)
Accelerated amortization of accumulated other comprehensive loss	-	-	1,443
ADJUSTED NET INCOME	\$34,255	\$29,178	\$146,881
ADJUSTED EARNINGS PER SHARE			
Diluted net income per share	\$2.24	\$3.72	\$10.20
Diluted weighted average number of shares	15,314	7,843	14,397

An aerial photograph showing the wake of a boat moving through the ocean. The water is a deep blue, and the wake is a turbulent, white and light blue trail of foam and churning water. Numerous birds, likely terns, are seen flying in the air around the wake. In the background, a coastline with buildings and mountains is visible under a clear sky.

danaos