



**seaspan**  
CORPORATION

The Leading Independent Containership Owner and Manager

SSW  
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# First Quarter 2016 Financial Results Conference Call

April 26, 2016



# Notice on Forward Looking Statements

This presentation contains certain forward-looking statements (as such term is defined in Section 21E of the Securities Exchange Act of 1934, as amended), which reflect management's current views with respect to certain future events and performance, including, in particular, statements regarding: future operating or financial results; industry fundamentals, including estimated supply and demand for containerships; estimated operating results and guidance for the quarter ending June 30, 2016; estimated vessel deliveries, dry-dockings, dividends, and capital expenditures for 2016 and 2017; expansion of our business and growth opportunities; vessel deliveries and vessel financing arrangements, including expected financing; and our capital requirements. Although these statements are based upon assumptions we believe to be reasonable, they are subject to risks and uncertainties. These risks and uncertainties include, but are not limited to: the availability to us of containership acquisition opportunities; the availability and cost to us of financing to pursue growth opportunities; general market conditions and shipping market trends, including chartering rates; conditions in the containership market; our future cash flows and our ability to make dividend and other payments; the time that it may take to construct new ships; the financial condition of shipyards, charterers, lenders, refund guarantors and other counterparties and their ability to perform their obligations under their agreements with us; the potential for newbuilding delivery delays; the potential for early termination of long-term contracts and our potential inability to renew or replace long-term contracts; increasing costs or expenses; changes in accounting rules or treatment; working capital needs; and other factors detailed from time to time in Seaspan's periodic reports and filings with the Securities and Exchange Commission, including Seaspan's Report on Form 20-F for the year ended December 31, 2015. We expressly disclaim any obligation to update or revise any of these forward-looking statements, whether because of future events, new information, a change in our views or expectations, or otherwise.

Please refer to the earnings release for descriptions and reconciliations of non-GAAP financial measures such as cash available for distribution to common shareholders, normalized net earnings, normalized earnings per share and adjusted EBITDA, which earnings release is available on our website at [www.seaspancorp.com](http://www.seaspancorp.com).

# Q1 2016 Highlights

## Delivered on Growth Strategy

- Delivered ninth SAVER design vessel: 1 x 10000 TEU
- Increased our owned and managed fleet to 101 vessels consisting of over 740,000 TEUs
- Future contracted revenue of approximately \$5.7 billion at March 31, 2016

## Stable Operations

- Continued to showcase stable track record
- Q1 2016 utilization rate of 97.2%, or 98.3% excluding scheduled off-hire

## Cost Control

- Implementation of cost controls and efficiency program
- Managing costs even as fleet continues to expand

## Executed on Financing Plan

- Broad access to capital
- \$110M operating lease for MOL Benefactor

## Q1-2016 Key Financial Results – Growth in all key financial metrics year-over-year due to fleet deliveries and continued cost control measures

- 14.3% increase in Revenue
- 6.2% increase in Adjusted EBITDA<sup>1</sup>
- 7.1% increase in Cash Available for Distribution to Common Shareholders<sup>1</sup>
- 32.0% increase in Normalized Earnings per Share<sup>1</sup>

(1) Adjusted EBITDA, cash available for distribution to common shareholders, normalized net earnings and normalized EPS are non-GAAP measures. Please refer to the earnings release, available on our website at [www.seaspacorp.com](http://www.seaspacorp.com), for definitions of these terms and reconciliations of such measures to measures under GAAP.

# Looking Forward

## **New CFO to Join May 2<sup>nd</sup>**

- Pleased to announce the addition of David Spivak as Chief Financial Officer
- Over 20 years of corporate finance and global capital markets experience
- Has been a trusted advisor to Seaspan since our IPO in 2005

## **Looking Forward to 2016**

- Focus on operational excellence
- Execute on cost control and efficiency program
- Pursue opportunistic and accretive growth opportunities
- Continue to access diverse, global sources of capital

# Results for Quarter Ended March 31

<i>Dollar amounts in millions, except per share amounts</i>			<i>Change</i>	
<b>Operating Metrics</b>	<b>2016</b>	<b>2015</b>	<b>\$</b>	<b>%</b>
Revenue	\$215.5	\$188.5	\$27.0	14.3%
Ship operating expenses	\$47.6	\$44.6	\$3.0	6.8%
<b>Operating Cash Flow Metrics</b>				
Adjusted EBITDA <sup>1,2</sup>	\$163.7	\$154.1	\$9.6	6.2%
Cash available for distribution to common shareholders <sup>1,2</sup>	\$100.5	\$93.9	\$6.6	7.1%
Cash dividends paid (incl. non-convertible preferred shares, excl. DRIP)	\$48.7	\$29.7	\$19.0	63.8%
<b>Earnings Metrics</b>				
Normalized net earnings <sup>1</sup>	\$46.0	\$38.4	\$7.6	19.9%
Normalized EPS <sup>1</sup>	\$0.33	\$0.25	\$0.08	32.0%
Normalized shares outstanding (in millions) <sup>1</sup>	97.8	98.0	(0.2)	(0.3)%

(1) Adjusted EBITDA, cash available for distribution to common shareholders, normalized net earnings and normalized EPS are non-GAAP measures. Please refer to the earnings release, available on our website at [www.seaspancorp.com](http://www.seaspancorp.com), for definitions of these terms and reconciliations of such measures to measures under GAAP.

(2) In the second quarter of 2015, the definitions of adjusted EBITDA and cash available for distribution to common shareholders were revised to include the gain and exclude the amortization of the deferred gain on Seaspan's sale-leaseback financings. Accordingly, the comparative figures for the prior periods have been adjusted to reflect this change.

# Balance Sheet

<i>Dollar amounts in millions</i>	<b>Mar 31, 2016</b>	<b>Dec 31, 2015</b>	<i>\$ Change</i>	<i>% Change</i>
<b>Current assets</b>	<b>\$596.0</b>	<b>\$540.2</b>	<b>\$55.8</b>	<b>10.3%</b>
<b>Operating vessels</b>	<b>\$5,028.4</b>	<b>\$5,069.2</b>	<b>\$(40.8)</b>	<b>(0.8)%</b>
<b>Vessels under construction</b>	<b>\$218.7</b>	<b>\$209.1</b>	<b>\$9.6</b>	<b>4.6%</b>
<b>Total assets</b>	<b>\$6,100.7</b>	<b>\$6,073.8</b>	<b>\$26.9</b>	<b>0.4%</b>
<b>Current liabilities</b>	<b>\$457.5</b>	<b>\$423.8</b>	<b>\$33.7</b>	<b>8.0%</b>
<b>Total liabilities</b>	<b>\$4,371.6</b>	<b>\$4,297.6</b>	<b>\$74.0</b>	<b>1.7%</b>
<b>Shareholders' equity</b>	<b>\$1,729.1</b>	<b>\$1,776.2</b>	<b>\$(47.1)</b>	<b>(2.6)%</b>
<b>Total liabilities &amp; shareholders' equity</b>	<b>\$6,100.7</b>	<b>\$6,073.8</b>	<b>\$26.9</b>	<b>0.4%</b>

# Forward Guidance\*

## Key Financial Items for Q2 2016

*Estimated as at April 26, 2016,  
in \$millions, except per share amounts*

	2016
	Q2
Revenue	\$215 - \$219
Ship Operating Expense	\$49 - \$52
Operating Lease Expense	\$16 - \$18
Depreciation & Amortization	\$52 - \$54
G&A	\$7 - \$9
Interest Expense at the Hedged Rate	\$45 - \$47
Normalized EPS <sup>1</sup>	\$0.27 - \$0.32

(1) Normalized EPS is a non-GAAP measure. Please refer to the earnings release, available on our website at [www.seaspncorp.com](http://www.seaspncorp.com), for the definitions of this term and reconciliation of such measure to the measure under GAAP.

\*Note: All estimates are approximate and based on current information, and subject to change.

# Forward Guidance\*





<i>Estimated as at April 26, 2016</i>	2016			2017
	Q2	Q3	Q4	FY
Scheduled Deliveries	1 x 14000 TEU Chartered to Yang Ming	1 x 10000 TEU Chartered to Maersk	No deliveries currently scheduled	1 x 14000 TEU Charterer Yang Ming 2 x 10000 TEU Charterer TBD 3 x 11000 TEU Chartered to MSC
Common Share dividends (per share) <sup>1</sup>	\$0.375	\$0.375	\$0.375	TBD
Future Scheduled Dry-dockings (# days)	~20	~50	~10	~130
Capex Requirements <sup>2</sup> (in millions)	~\$90	~\$75	-	~\$400

Please refer to our website at [www.seaspancorp.com](http://www.seaspancorp.com) for details on our fleet and delivery schedule.

\* Note: All estimates are approximate and based on current information, and subject to change.

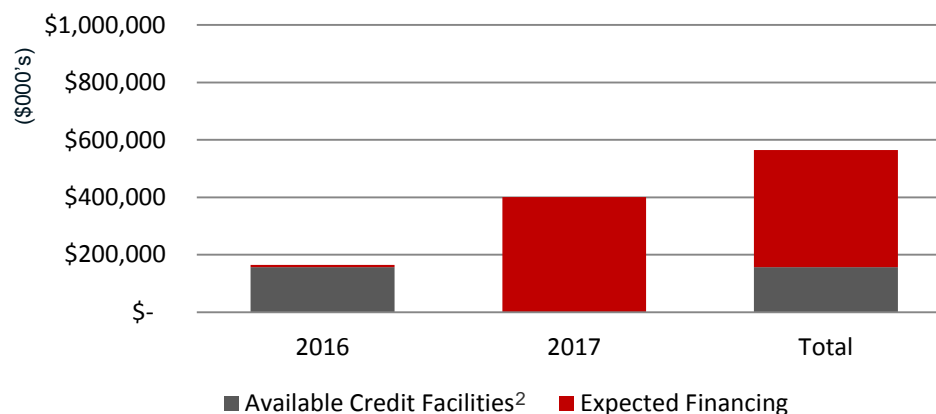
- (1) All dividends are subject to declaration by our board of directors. Our board of directors may review and amend our dividend policy from time to time in light of our plans for future growth and other factors
- (2) Capex requirements reflect, among other things, Seaspan contract installments for newbuilding vessels based on current expected construction schedule and delivery dates (see Appendix A).

# Newbuild Orderbook

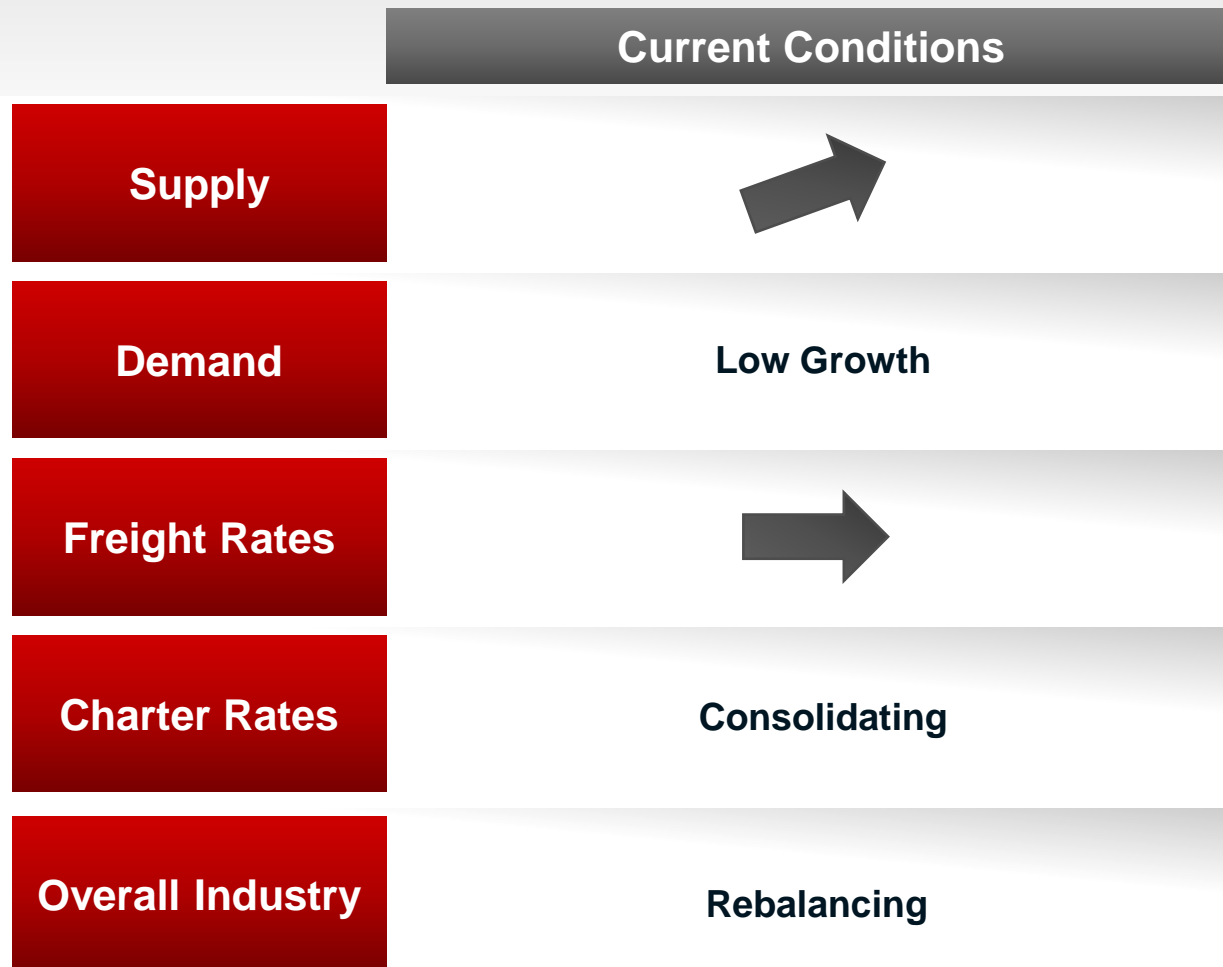
Customer	Yard	Announced	Expected Delivery	Order	Charter Length	Total	Total Vessels		Delivered		Remaining	
							SSW	GCI	SSW	GCI	SSW	GCI
 <b>YANG MING</b>	CSBC	Aug 2013	2016/2017	5 x 14000 TEU	10 yr	5 x	2 x	3 x			2 x	3 x
 <b>MOL</b>	YZJ	Sep 2013/Feb 2014	2015/2016	6 x 10000 TEU	8 yr	6 x	2 x	4 x	2 x <sup>1</sup>	3 x <sup>1</sup>	0 x	1 x
 <b>MAERSK</b>	YZJ	March 2014	2015/2016	4 x 10000 TEU	5 yr	4 x	2 x	2 x	1 x <sup>1</sup>	1 x <sup>1</sup>	1 x	1 x
 <b>MSC</b>	HHIC	April 2015	2017	5 x 11000 TEU	17 yr	5 x	3 x	2 x			3 x	2 x
<b>TBD</b>	YZJ	Feb/April 2015	2017	4 x 10000 TEU	TBD	4 x	2 x	2 x			2 x	2 x
<b>Total</b>				<b>265,000 TEU</b>		<b>24 x</b>	<b>11 x</b>	<b>13 x</b>	<b>3 x</b>	<b>4 x</b>	<b>8 x</b>	<b>9 x</b>

Note: Information in above table as at April 26, 2016

## SSW Newbuild Remaining CAPEX (as at March 31, 2016)

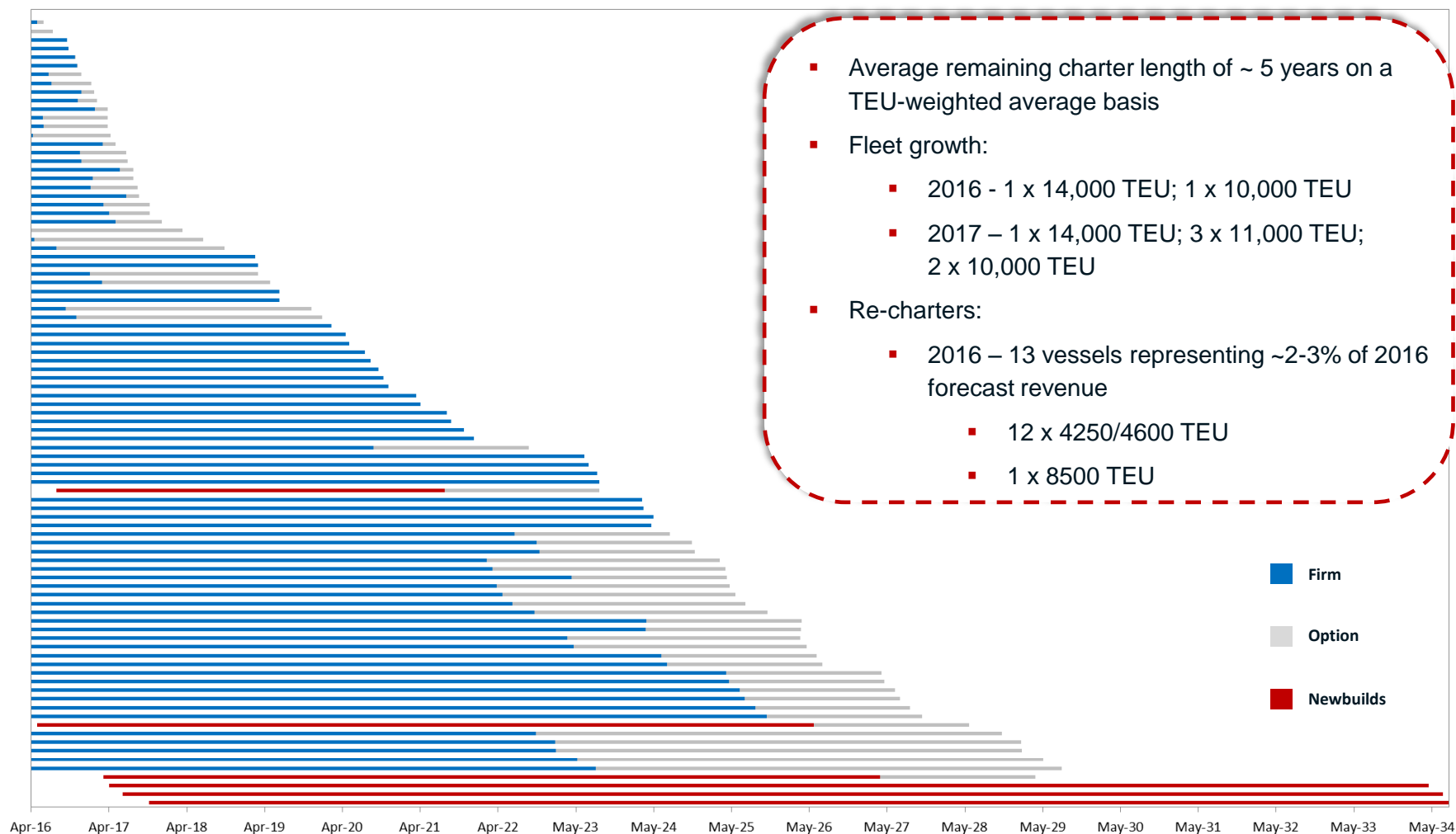


# Container Industry Overview



# Long-term Contract Profile with Balanced Maturity Profile

SSW Vessel Charter Maturities to 2034



## Seaspan will continue to focus on:

Growing our business in a balanced and controlled manner

Pursuing long-term, fixed-rate contracts with strong credit customers and high quality, modern assets

Implementing cost control measures

Following a dividend policy aimed at sustainably returning capital to shareholders

Enhancing our capital structure and balance sheet

Creating long-term shareholder value



# Q&A



# Appendix A: Reconciliation of CAPEX as Presented

Commitments for the purchase of vessels and installment payments (millions of USD)			
	2016	2017	Total
Commitments for the purchase of vessels and installment payments (1)	\$373.2	\$293.9	\$667.1
Adjustments (2)	(208.6)	106.4	(102.2)
CAPEX as presented on Slide 9	\$164.6	\$400.3	\$564.9

(1) Per Note 14(b) to Financial Statements, as filed in Form 20-F for the year ended December 31, 2015

(2) Adjustments for the following items:

- Capex payments made between December 31, 2015 and March 31, 2016
- Changes related to expected timing of installment payments