

# Q4 & FY 2016 Financial Results

March 8, 2017



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### Q4 2016 Financial & Operational Highlights

#### Difficult chartering environment hurt profitability

- ▶ Time charter equivalent revenues of \$4.5 million\*
- ▶ Net loss of \$5.8 million, or \$0.32 loss per share, including non-cash vessel impairment charge of \$4.0 million, or \$0.22 per share
- ▶ Adjusted EBITDA of \$0.4 million\*\*
- ▶ At December 31, 2016, total cash (including restricted cash) of \$5.8 million and net funded debt/total capitalization of 56.3%
- ▶ Pyxis Epsilon's time charter was renewed for one year

### MR Product Tanker Update

#### A shift as the year unfolded

- ▶ Charter rates modestly rebounded from low-point in early October following very challenging chartering environment
- ▶ Due to lower scheduled deliveries of new build medium range tankers ("MRs") and solid demand growth, we expect improvement in rates starting in late 2017
- ▶ Acquisition of second-hand MR2 tankers are even more attractive today with vessel prices substantially below 10 year averages

\* Time charter equivalent ("TCE") revenues are voyage revenues less voyage related costs and commissions; please see Exhibit I – Non-GAAP Measures and Definitions

\*\* Please see Exhibit I – Non-GAAP Measures and Definitions

# FLEET & EMPLOYMENT OVERVIEW

POSITIONED FOR UPSIDE OPPORTUNITIES



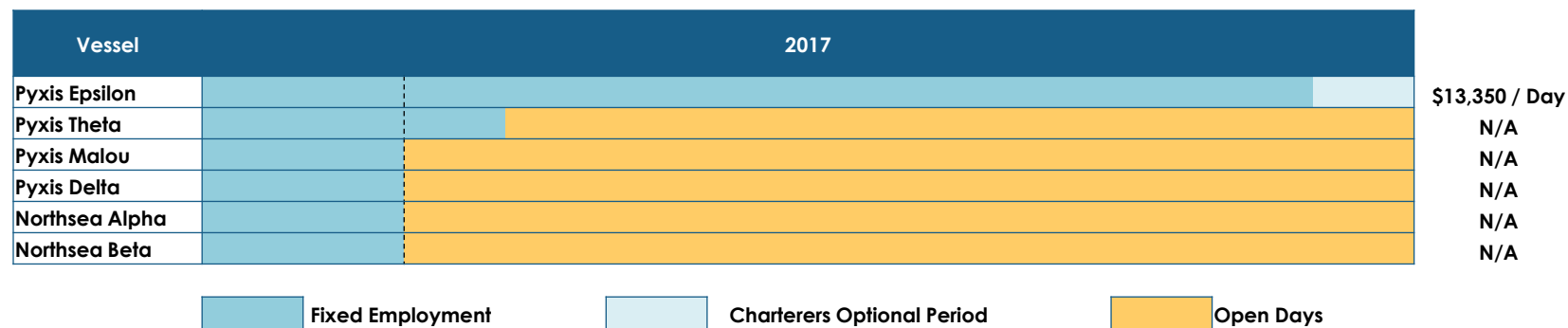
Our mixed chartering strategy provides **upside opportunities** through spot trading when rates improve and **stable, visible cash flows** from time charters

## Fleet Details

Vessel	Shipyard	Vessel Type	Size (dwt)	Year Built	Type of Charter	Anticipated Redelivery Date <sup>(1)</sup>
Pyxis Epsilon	SPP / S.Korea	MR	50,295	2015	Time	Dec. 2017
Pyxis Theta	SPP / S.Korea	MR	51,795	2013	Spot	N/A
Pyxis Malou	SPP / S.Korea	MR	50,667	2009	Spot	N/A
Pyxis Delta	Hyundai / S.Korea	MR	46,616	2006	Spot	N/A
Northsea Alpha <sup>(2)</sup>	Kejin / China	Small Tanker	8,615	2010	Spot	N/A
Northsea Beta <sup>(2)</sup>	Kejin / China	Small Tanker	8,647	2010	Spot	N/A

As of March 1, 2017, 18% of anticipated available days for the remainder of 2017 are covered.

## Fleet Employment Overview



(1) These tables are dated as of March 1, 2017 and show gross rates and do not reflect commissions payable.

(2) Management may pursue sale or other long-term strategy for small tankers.



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# MARKET OVERVIEW

## PRODUCT TANKER INDUSTRY

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### **Stabilizing chartering market**

- ▶ Spot rates have substantially declined since peak of Fall, 2015
- ▶ One year time charter rates bounced up in December 2016 but recently softened \$750/d to \$12,500/d – still 50% of last 10 year high of \$25,000/d and 19% below post- recession average\*
- ▶ Major reasons:
  - higher inventories of refined products worldwide
  - lack of arbitrage opportunities
  - new tonnage deliveries
- ▶ Demand growth estimated at 2.5-3%/yr. led by increasing global consumption of refined products and modest ton-mile expansion from changing refinery landscape

\* Source: Drewry – February 28, 2017, excludes Jones Act vessels

### Moderating Vessel Supply

- ▶ Declining MR2 order book:
  - 9.4%\* of worldwide fleet with 3.7%\* scheduled for 2017 (exclusive of delays and scrapping)
  - little new ordering
  - Shipyards' financial problems and mixed fleet owners' continued difficulties could add delays/cancellations
- ▶ Increased scrapping likely
  - 13.4%\* of MR2 global fleet or 216 ships are 20+ years old
  - new environmental regulations for ballast water treatment upgrade (starting September 2017) and low-Sulphur fuel (2020) will require significant additional capital expenditure per ship
- ▶ Access to capital, including bank debt, continues to be very challenging

### Historically low MR2 asset values create attractive entry point (\$ millions):

Type	Current*	Avg. 2006-16*
New Build (del. 2H'18)	\$32.0	\$39.5
5 yr. old	\$22.0	\$32.9

Attractive long-term industry fundamentals

\* Source: Drewry – February 28, 2017, excludes Jones Act vessels



# PYXIS TANKERS

FINANCIAL SUMMARY – Q4 AND YEAR ENDED 2016



# UNAUDITED FINANCIAL HIGHLIGHTS

THREE MONTHS AND YEAR ENDED DECEMBER 31, 2015 & 2016



Remaining time charters mitigated recent poor spot environment

	Three Months ended		Year ended	
	December 31, 2015	December 31, 2016	December 31, 2015	December 31, 2016
<i>In '000 USD except for daily TCE rates</i>				
Time / spot charter revenue mix	74% / 26%	41% / 59%	74% / 26%	69% / 31%
Voyage revenues	\$8,370	\$7,172	\$33,170	\$30,710
Voyage related costs and commissions	<u>(1,263)</u>	<u>(2,697)</u>	<u>(4,725)</u>	<u>(6,611)</u>
<b>Time charter equivalent revenues *</b>	<b>\$7,107</b>	<b>\$4,475</b>	<b>\$28,445</b>	<b>\$24,099</b>
Total operating days	523	457	2,092	1,986
Daily time charter equivalent rate *	\$13,591	\$9,791	\$13,597	\$12,134
Fleet Utilization	94.7%	85.9%	97.9%	91.3%

\* Subject to rounding; Please see Exhibit I – Non-GAAP Measures and Definitions

# UNAUDITED INCOME STATEMENT

THREE MONTHS AND YEAR ENDED DECEMBER 31, 2015 & 2016



	Three Months ended		Year ended	
	December 31, 2015	December 31, 2016	December 31, 2015	December 31, 2016
<i>In '000 USD except per share data</i>				
<b>Voyage revenues</b>	<b>\$8,370</b>	<b>\$7,172</b>	<b>\$33,170</b>	<b>\$30,710</b>
<b>Expenses:</b>				
Voyage related costs and commissions	(1,263)	(2,697)	(4,725)	(6,611)
Vessel operating expenses	(3,132)	(3,097)	(13,188)	(12,871)
General and administrative expenses	(742)	(593)	(1,773)	(2,574)
Management fees, related parties	(151)	(171)	(577)	(631)
Management fees, other	(263)	(246)	(1,061)	(1,024)
Amortization of special survey costs	(62)	(51)	(174)	(236)
Depreciation	(1,450)	(1,450)	(5,710)	(5,768)
Vessel impairment charge	-	(3,998)	-	(3,998)
<b>Operating income / (loss)</b>	<b>1,307</b>	<b>(5,131)</b>	<b>5,962</b>	<b>(3,003)</b>
<b>Other income / (expenses):</b>				
Other Income	74	-	74	-
Interest and finance costs, net	(747)	(701)	(2,531)	(2,810)
<b>Total other expenses, net</b>	<b>(673)</b>	<b>(701)</b>	<b>(2,457)</b>	<b>(2,810)</b>
<b>Net income / (loss)</b>	<b>\$634</b>	<b>(\$5,832)</b>	<b>\$3,505</b>	<b>(\$5,813)</b>
<b>Earnings / (loss) per share (basic &amp; diluted)</b>	<b>\$0.03</b>	<b>(\$0.32)</b>	<b>\$ 0.19</b>	<b>(\$ 0.32)</b>
<b>Adjusted EBITDA*</b>	<b>\$3,036</b>	<b>\$368</b>	<b>\$12,063</b>	<b>\$6,999</b>

\* Please see Exhibit I – Non-GAAP Measures and Definitions

# RECENT DAILY FLEET DATA

THREE MONTHS AND YEAR ENDED DECEMBER 31, 2015 & 2016



Consistent &  
Relatively low  
vessel Opex

<i>(amounts in \$)</i>		Three Months Ended		Year Ended	
		December 31,		December 31,	
		2015	2016	2015	2016
<b>Eco-Efficient MR2: (2 units)</b>					
Average	TCE *	15,647	13,659	15,631	15,015
	Opex *	5,779	5,625	6,430	5,754
	Utilization %	100.0%	92.4%	99.4%	97.0%
<b>Eco-Modified MR2: (1 unit)</b>					
	TCE	15,109	5,394	17,480	10,705
	Opex	6,236	5,573	6,461	6,255
	Utilization %	72.8%	91.3%	91.3%	92.9%
<b>Standard MR2: (1 unit)</b>					
	TCE	19,003	12,120	17,237	15,504
	Opex	6,140	6,504	6,325	6,772
	Utilization %	100.0%	81.9%	100.0%	90.5%
<b>Small Tankers: (2 units)</b>					
Average	TCE	8,129	6,834	7,622	7,939
	Opex	5,075	5,168	5,358	5,315
	Utilization %	97.8%	78.3%	98.6%	85.1%
<b>Fleet: (6 units)</b>					
	TCE	13,591	9,791	13,597	12,134
	Opex	5,681	5,610	6,058	5,861
	Utilization %	94.7%	85.9%	97.9%	91.3%

\* Please see Exhibit I – Non-GAAP Measures and Definitions

# TOTAL DAILY OPERATIONAL COSTS/ECO-VESSELS

THREE MONTHS ENDED DECEMBER 31, 2016



Our Eco MR2 tankers total daily operational costs are very competitive

Three Months ended December 31, 2016 <i>(amounts in \$/day)</i>	Eco	
	Modified	Efficient
Opex *	\$5,573	\$5,625
Technical & commercial management fees	748	748
G&A expenses	<u>1,074</u>	<u>1,074</u>
<b>Total daily operational costs per vessel</b>	<b>\$7,395</b>	<b>\$7,447</b>

\* Please see Exhibit I - Non-GAAP Measures and Definitions

# CAPITALIZATION

AT YEAR ENDED DECEMBER 31, 2016

		At December 31, 2016	
		<i>In '000 USD</i>	
Moderate leverage at low interest costs	Cash and cash equivalents, including restricted cash	\$	5,783
	Bank debt, net of deferred financing fees		73,430
	Promissory note		<u>2,500</u>
	<b>Total funded debt</b>	<b>\$</b>	<b><u>75,930</u></b>
No balloon payments until Q3 2018	Stockholders' equity		<u>48,753</u>
	<b>Total capitalization</b>	<b>\$</b>	<b><u>124,683</u></b>
	<b>Net funded debt</b>	<b>\$</b>	<b>70,147</b>
<b>Total funded debt / total capitalization</b>			<b>60.9%</b>
<b>Net funded debt / total capitalization</b>			<b>56.3%</b>

Weighted average interest rate of total debt for the year ended December 31, 2016 was 3.27%

# COMPANY HIGHLIGHTS

EMERGING GROWTH - PURE PLAY PRODUCT TANKER COMPANY



## Attractive, Modern Fleet

- ▶ Focus on modern medium range (“MR”) product tankers with “eco” features
- ▶ Young tanker fleet of six IMO-certified vessels with weighted average age of 5.8 years (dwt)
- ▶ Management may pursue a sale or other strategy relating to the small tankers
- ▶ Potential for an additional modern Eco-efficient MR to be acquired

## Reputable Customer Base & Diversified Chartering Strategy

- ▶ Long-standing relationships with reputable, first-class customers worldwide
- ▶ As of March 1, 2017, 18% of remaining available chartering days in 2017 are covered
- ▶ Positioned to capitalize when spot rates improve

## Competitive Cost Structure & Moderate Capitalization

- ▶ Competitive total daily operational costs to peer group
- ▶ Moderate capitalization with low cost, long-lived bank debt

## Experienced, Incentivized Management & Board

- ▶ Strong management team with 100+ years of combined industry and capital markets experience
- ▶ Founder/CEO has proven track record and is a substantial shareholder
- ▶ Board Members consist of prominent industry figures and/or with significant experience



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# NON-GAAP MEASURES AND DEFINITIONS

## EXHIBIT I

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# EXHIBIT I | NON-GAAP MEASURES AND DEFINITIONS



*(in thousands of U.S. Dollars)*

	Three months ended December 31,		Year ended December 31,	
	2015	2016	2015	2016
<b>Reconciliation of Net income / (loss) to Adjusted EBITDA</b>				
Net income / (loss)	\$ 634	\$ (5,832)	\$ 3,505	\$ (5,813)
Depreciation	1,450	1,450	5,710	5,768
Amortization of special survey costs	62	51	174	236
Interest and finance costs, net	<u>747</u>	<u>701</u>	<u>2,531</u>	<u>2,810</u>
<b>EBITDA</b>	<b>\$ 2,893</b>	<b>\$ (3,630)</b>	<b>\$ 11,920</b>	<b>\$ 3,001</b>
Vessel impairment charge	-	3,998	-	3,998
Stock compensation	<u>143</u>	<u>-</u>	<u>143</u>	<u>-</u>
<b>Adjusted EBITDA</b>	<b>\$ 3,036</b>	<b>\$ 368</b>	<b>\$ 12,063</b>	<b>\$ 6,999</b>



## Continued

Earnings before interest, taxes, depreciation and amortization ("EBITDA") represents the sum of net income / (loss), interest and finance costs, depreciation and amortization and, if any, income taxes during a period. Adjusted EBITDA represents EBITDA before vessel impairment charge and stock compensation. EBITDA and Adjusted EBITDA are not recognized measurements under U.S. GAAP. EBITDA and Adjusted EBITDA are presented as we believe that they provide investors with means of evaluating and understanding how our management evaluates operating performance. These non-GAAP measures should not be considered in isolation from, as substitutes for, or superior to financial measures prepared in accordance with U.S. GAAP. In addition, these non-GAAP measures do not have standardized meanings, and are therefore, unlikely to be comparable to similar measures presented by other companies.

Daily time charter equivalent ("TCE") is a standard shipping industry performance measure of the average daily revenue performance of a vessel on a per voyage basis. TCE is not calculated in accordance with U.S. GAAP. We utilize TCE because we believe it is a meaningful measure to compare period-to-period changes in our performance despite changes in the mix of charter types (i.e., spot charters, time charters and bareboat charters) under which our vessels may be employed between the periods. Our management also utilizes TCE to assist them in making decisions regarding employment of the vessels. We believe that our method of calculating TCE is consistent with industry standards and is determined by dividing voyage revenues after deducting voyage related costs and commissions by operating days for the relevant period. Voyage related costs and commissions primarily consist of brokerage commissions, port, canal and fuel costs that are unique to a particular voyage, which would otherwise be paid by the charterer under a time charter contract.

Vessel operating expenses ("Opex") per day are our vessel operating expenses for a vessel, which primarily consist of crew wages and related costs, insurance, lube oils, communications, spares and consumables, tonnage taxes as well as repairs and maintenance, divided by the ownership days in the applicable period.

We calculate fleet utilization by dividing the number of operating days during a period by the number of available days during the same period. The shipping industry uses fleet utilization to measure a company's efficiency in finding suitable employment for its vessels and minimizing the amount of days that its vessels are off-hire for reasons other than scheduled repairs or repairs under guarantee, vessel upgrades, special surveys and intermediate dry-dockings or vessel positioning. Ownership days are the total number of days in a period during which we owned each of the vessels in our fleet. Available days are the number of ownership days in a period, less the aggregate number of days that our vessels were off-hire due to scheduled repairs or repairs under guarantee, vessel upgrades or special surveys and intermediate dry-dockings and the aggregate number of days that we spent positioning our vessels during the respective period for such repairs, upgrades and surveys. Operating days are the number of available days in a period, less the aggregate number of days that our vessels were off-hire or out of service due to any reason, including technical breakdowns and unforeseen circumstances.

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