CCEC Q2 2026 Earnings Call

Presenters
Brian Gallagher, EVP Investor Relations
Nikos Kalapotharakos, Chief Financial Officer
Nikos Tripodakis, Chief Commercial Officer
Jack Neilan, Head of LPG Commercial
Jerry Kalogiratos, Chief Executive Officer

Q&A Participants
Alexander Bidwell - Webber Research
Liam Burke - B. Riley Securities
Omar Nokta – Clarksons Securities
Stephanie Moore, Jefferies

Operator

Good day everyone, and welcome to the Capital Clean Energy Carrier Corp. Second Quarter 2026 Financial Results. Please note that this event is being recorded. At this time, all participants are in listen only mode. We will open the line for questions following the prepared remarks. If you would like to ask a question, please press Pound Key five on your telephone keypad. I will now turn the call over to today's host, Brian Gallagher, Head of Investor Relations. Brian, please go ahead.

Brian Gallagher, EVP Investor Relations

Thank you. And a warm welcome to our call today. With us we have the management team, myself, Brian Gallagher, Nikos Kalapotharakos, our Chief Financial Officer, Jack Nealan, our Commercial Head of LPG, along with Nikos Tripodakis, our Chief Commercial Officer for the call. And later on, we have our Chief Executive Officer, Jerry Kalogiratos, joining us for the Q&A session.

Before that, I'd like to make the following statement. I must advise you that this conference is being recorded as of today, Wednesday 29th of July 2026. The statements in today's conference call are not historical facts, including our expectations regarding the sale or acquisition transactions and their expected effects on US cash generation, equity returns and future debt levels. Our ability to pursue future growth opportunities. Our expectations or objectives regarding future distribution amounts or share buyback amounts. Dividend coverage, future earnings, future leverage, capital allocation, as well as our expectations regarding market fundamentals and the employment of our vessels, including delivery dates, delivery dates and charter rates, may be forward-looking statements as defined in section 21 of the Securities Act, 1934, as amended. These forward-looking statements involve risks and uncertainties that could cause the stated or forecasted returns, and results have been materially different from those anticipated, unless required by law. We expressly disclaim any obligation to update or revise any future of these forward-looking statements, whether because of future events, new information or change, or in our views were expectations to conform to actual results or otherwise. We make no prediction or statement about the performance of our common shares. With that, I'll now move on to the presentation.

On the screen in front of you, and you can see starting on our highlights page on Q2 for 2026. On slide four, it was a very busy and productive quarter on every front. Operationally, we took delivery of four vessels in total in a single quarter of two LNG carriers, a handy LPG stroke CO2 carrier and one dual fuel medium gas carrier, with a further MGC delivered this month. We also announced a joint venture on an LNG bunkering vessel, and we also initiated a $20 million buyback program during the quarter. On the financials, net income came in on continuing operations for the second quarter at $29 million, and we declared a dividend of $0.15 per share. Strategically, CSC is now the largest US listed LNG company by tonnage and with a diversified customer base and a total of $2.9 billion in firm contracted revenues. If all charter options are exercised across the fleet, contracted revenue backlog exceeds $4.3 billion. So, another strong delivery for the company. I'll now hand it over to our CFO, Nikos, to take us through the front row highlights.

Nikos Kalapotharakos, CFO

Thank you, Brian, and good morning or afternoon to everyone on the call. Now, before turning to the financials, I would like to touch upon the dividend payout, which remains a core component of the company's value proposition to shareholders. A $0.15 dividend, we have declared, will be paid on August 13th to shareholders of record on August 4th. Please note that this is the 77th consecutive quarter that the company has been paying a cash dividend since its IPO in 2007.

Now, going back to the company's financials and more specifically, the statement of income, our net income from continuing operations was 29 million for the second quarter of 2026, compared to 29.7 million during the same period in the previous year. Revenues for the three-month period ended June 30th rose to 104.9 million, up from 96.7 million during the same period in 2025. The increase was mainly attributed to the increase in the average number of vessels in our fleet, following the deliveries of our two-handed gas carriers, the active intermediates.

The delivery of our first dual fuel medium gas carrier Aristophanes, and the delivery of the two LNG carriers, Archimedes and Agamemnon. Now there are two cost line movements worth highlighting this quarter. First, vessel operating expenses, which increased during the quarter compared to the same period last year, are mainly due to approximately 3.5 million additional costs incurred by certain of our vessels passing their special services here. Coupled with the increase in the average size of our fleet. Second, depreciation and amortization rose, also reflecting the increase in the average size of our fleet following the delivery of five new vessels during the first half of this year. Now moving on to the next slide where we provide a brief update on our special service schedule. We currently have two remaining LNG carriers at a loss and Asclepius, which are expected to complete their special survey this August. After that, no vessels are scheduled for special survey until 2028. Our guidance remains unchanged at the cost of approximately 5 million per block and around 20 to 25 days, although the drydocks completed so far have come ahead of budget and with fewer of our days.

Now, moving on to our balance sheet, where total assets grew to 4.7 billion from 4.1 billion at year end, mainly driven by fixed assets, which rose to 4.3 billion as our new building program progressed and we took delivery of new vessels. Total shareholders' equity currently stands at 1.5 billion. We maintain a solid cash position of 269 million and a net leverage ratio of approximately 54%. During the quarter, we fully repaid our €150 million bond issued back in 2021. Funded from the proceeds of the €250 million bonds issued during the first quarter of this year, which pays a coupon of 3.75% per annum and thus achieving to extend the maturity profile of our debt at relatively low cost. So let me now turn to our CapEx program, where the funding of our new program is well in hand. We have already paid the significant portion of the required CapEx drawing, mainly on internally generated cash flows, asset monetization, and attractive debt financing, including the recent bond issuance. As we progress through 2026 and to 2027, we expect CapEx to be weighted mostly toward towards the LNG carriers.

As you can see, assuming 70% debt financing for the vessels that do not yet have debt arrangements in place and without taking internally generated cash flows into account, we expect the company to be fully funded for the remaining CapEx, with a significant amount of cash to be released back to the company. Now, turning to the next slide and our interest rate risk management. With rates staying higher for longer and uncertainty about the path of monetary policy. From here, we have decided to take some of that uncertainty or variability off the table during May and July. We executed two zero cost callers on compounded offer, one for 600.0 million and the second for 200 million in notion. Both with three-year tenures, bringing our total protected notional to 800 million. The colors sit between a weighted average floor of roughly 3.7% and a cap of 4.3%. Consequently, if Sofa stays elevated or moves higher, our exposure is capped. While we still retain the benefit, even if rates decline as a result. Approximately 50% of our total debt is currently either fixed rate based or protected against rising interest rates. Now with that, I will now pass this on to our Chief Commercial Officer, Nikos Tripodakis to go through the LNG interest industry update.

Nikos Tripodakis, Chief Commercial Officer

Thank you, Nikos. Good morning and good afternoon, everyone. I will run through a brief update on the LNG markets over the past quarter and thought to market development starting on slide 12 with a new venture for us. As you can see in slide 12, our LNG charter gives us exceptional forward revenue visibility. The contracted revenue backlog stands at approximately $2.8 billion, with an average remaining firm charter duration of six and a half years. If you include all of the Charter's extension options, that backlog increases to $4.1 billion and the average duration extends to 9.4 years. As you can see from the chart, these charters run deep into the 2030s. Firm covers extend as far as 2037, and options are not visible in the chart as far out as 2043. This is the long dated contracted cash flow that underpins our dividend and investment program.

During the second quarter of 2026, we secured employment for three of our new building vessels that were delivered in June and July. This leaves only one remaining open for 2026. This vessel has already secured long term employment commencing in the first quarter of 2027, and we remain confident that we will be able to capitalize on the seasonal strength of the winter market by securing an attractive bridging charter before she begins her ten-year employment. Looking further ahead, we expect the delivery of three additional vessels during the first quarter of 2027, one of which has already secured long term employment with a super major commencing in 2028. We believe it is still relatively early to execute on the remaining positions.

However, as we move closer to delivering, we expect to see growing commercial interest and begin more attractive discussions with potential charterers. Moving now to slide 13 and a recap of how the LNG market reacted to the supply disruptions over the past few months, the headline for the LNG market during the second quarter has been the rebalancing of volumes following the Qatari outage. Even though the impact of the loss of volumes has been and is still evident in the elevated gas prices in Europe and Asia, the ramping up of production, mainly from the United States, has acted as a buffer. At the same time, strong demand from Egypt, India and Bangladesh have helped to counter the drop in purchasing from traditional buyers like China, Japan and Korea. If you look at the balance change from March to June 2026, the single largest move came from Qatar in the United Arab Emirates, with supply available to the market tightened by around 292,000,000m³ per day.

However, the increase in production by 132 million per day from the US led to a net supply loss of 96 MCM, and it is more than clear than ever that the role of the United States as a dominant and reliable LNG producer is increasing, and we continue to believe that the importance of the US will only increase in the future. Moving now to slides 14 and 15. Please allow me to summarize our view on the current LNG market dynamics. Two clear trends have been reshaping the LNG trade flows since the war started. First, more US LNG cargoes are heading to Asia, significantly increasing freight on mile demand. US LNG exports to Asia have been climbing throughout 2026, reaching roughly 4.1 million tons in May, the highest monthly level across three years shown on the chart.

The second trend is that European gas inventories are sitting well below their five-year seasonal average. European storage in 2026 has been consistently in the low to mid 30% capacity, materially below where it was in the prior two years and consistently at the lower end or even lower than the five-year average. This combination of Asia purchasing more US LNG cargoes while Europe runs down its buffers has helped, has kept gas prices elevated and supported freight rates throughout the year. At the same time, the market is set for a volatile winter where the main importing regions would compete against each other for the scarves. Flexible availability of US cargoes. This tug of war between Europe and Asia for the few flexible cargoes creates volatility around arbitrage opportunities and leads to fewer related vessels being offered. As shipping length becomes the means to capture the option value on the European and Asian gas price spreads.

Let's turn now to slide 16 and examine the breakdown of the supply growth towards the end of the decade. Looking further out, the supply growth story extends well into the early 2030s, and it is heavily weighted towards the United States. As mentioned earlier, the US is now expected to have more than 255 million tons per annum of liquefied capacity by the end of 2031. When you add the recovery of the Middle East volumes, the delayed Northfield expansion and the continued US growth, global liquefaction capacity pushes towards roughly around 900 million tons per annum by the early 2030s.

It's worth noting that there's a near-term wrinkle here. 2026 actually sees a loss of 12.8 million tons per annum and the idling of some capacity around 4% annualized loss this year, even as new US and Asia Pacific volumes can come online. But the medium-term trajectory is clearly one of sustained US led supply growth. Moving to slide 17. Where we look at our shipping supply and demand outlook. And we can see that the inflection points when demand outpaces new building deliveries is in early 2028. On the supply side, net fleet deliveries built to a peak of around 292 vessels in 2029 and then decline as scrapping accelerates. We expect cumulative scrapping of over 160 vessels by 2031, based on the drydocking schedule and time. Shorter deliveries. On the demand side, the vessel is required to serve FID and committed LNG capacity climbed sharply to roughly 706 vessels by 2031 on the FID and committed basis, far outstripping the net fleet additions of around 255 ships. This concludes the LNG market update. Please allow me to hang the presentation over to Jack Neilan, the Head of our LPG business, to introduce the dynamics of this market.

Jack Neilan, Head of LPG Commercial

Good morning. Good afternoon, everyone. What we want to achieve over the next few slides is to provide a succinct, but hopefully interesting insight into a medium gas carrier fleet within Csec. The market dynamics are positioning and strategy. So, kicking off on slide 19 with a summary of our fleet. This slide lays out our LPG fleet delivery schedule. The key message at that is that this is a focused investment program built around two market pillars medium gas carriers and handy liquid CO2 carriers, presented here as one unified investment case. The program totals 348,000m³ of capacity across ten vessels, with delivery staged from January 2026 through July 2027, arriving steadily each quarter on the AE two site. Active and Amadeus have already delivered and currently employed an LPG. On the MGC side, we have adjusted Aristogenis as delivered into a 12-month LPG employment, and the other deals were delivered on the 24th of July and is currently rebalancing towards the US goal by July 2027. The program is complete on the commercial side. Our charging strategy reflects the nature of each market. The MGC segment is dominated by shorter time charter durations of 6 to 12 months. So, our approach there is built around a deliberate balance between sport and short-term charge exposure, while also reviewing longer term opportunities as they arise.

This gives us the flexibility to capture upside. As the freight market strengthens while still securing a base layer of contracted cash flow and earnings visibility appropriate to this segment, as is how this segment typically trades, it allows us to respond to near-term rate volatility, such as we've seen recently in the Atlantic basin, without sacrificing the predictability our investors expect from a program of this scale. Looking a bit deeper at our positioning on slide 20, this is really the heart of our gas investment thesis, and I'd like to sum it up as earning on LPG today. Built for the energy transition of tomorrow. On the side of CO2, we have for 22,000 cubic meter liquid CO2 carriers, the largest such vessels in the world, with global CO2 capture expected to reach around 210 million tonnes by per annum by 2030. There are 12 CO2 carriers already in operation or in order, and the fleet set to scale potentially to 55 vessels by 2030.

According to DMV, we are a genuine first mover in an entirely new shipping segment. Our mechs are liquid, dual fuel, ammonia ready new builds, giving them the flexibility to trade LPG and ammonia, including low carbon ammonia, as that market scales. Our liquid CO2 carriers go a step further, built with the same LPG and ammonia trading flexibility as MKS, but with the added capability to shift into AE two as that market develops. But this is the elegant part of the structure. All vessel types earn cash flow from the LPG and ammonia market today. In practice, that means that every vessel in this program earns on today's established LPG economics, entering a market with record US export volumes and structurally tight on Demand. So, across the fleet we get paid on established LPG economics.

Now, while holding a layered set of free options for the energy transition ahead. Let me spend a moment on why we're confident in the markets in the short term. Medium term global LPG demand is being pulled by three structural forces. The first and largest is residential and commercial use cooking water and space heating, which accounts for around 58% of global LPG demand across more than 280 million households, with strong rural to urban switching away from biomass and coal, and emerging economies like India, Africa and Southeast Asia. The second is petrochemical feedstock at around 30% of demand, where propane and butane are cracked for ethylene and propylene. There are currently more than 22 new plants commissioning, with China leading the propane import growth, and the third is cleaner fuel switching as LPG displaces higher emission coal, wood and diesel to frame the size of the price.

The global LPG market was worth $149.6 billion in 2025 and is forecast to grow at a rate of 3 to 4.5%. Compound annual through 2034. On the shipping side, the LPG map has been redrawn by three forces. First, a US supply on lock US seaborne LPG exports have climbed from around 1.45 million barrels per day in 2020 to an estimated 2.7 million by 2026, and 86% increase with Enterprise's 300,000 barrels per day. Houston ship channel expansion coming online in 2026, and the Neches River terminal phase two to follow. Second, an Asia pool. India is targeting 10% of its LPG from the US, with its national oil companies already locked into 2.2 million tons of turn barrels for 2026. And first, this is the crucial one for the tonnage at ton mile lift. Every US Gulf cargo to Asia represents roughly a 70-day round voyage, versus 25 days for an AG to India cargo.

Those long-haul voyages absorb capacity and tighten effective tonnage. LPG freight is fundamentally the price that clears the US to Asia arbitrage, so this dynamic drives both the volatility and the earnings in the segment. So how is this positioned within this MGC market. We have six dual fuel MGC carriers on order for 45,000m³ and two 40,000m³ for delivery across 2026 and 2027. Both vessels are capable of carrying LPG, ammonia and petrochemical gases. The competitive advantages of these vessels of threefold greater cargo intake, enhanced design and dual fuel capability, together delivering a much lower cost base than currently on the water. The enhanced designs include shaft generators, reducing daily fuel consumption from the auxiliary engines, along with two deck tanks that enable both dual fuel bunker and flexibility, and the ability to store cargo for grid change. With this, we are seeing a meaningful shift in Charter's preference towards dual fuel technology, as conventional units face rising regulatory compliance costs and a widening premium to dual fuel tonnage. These vessels are built at Hyundai Depot and Lantern CIC.

Lastly, I'd like to draw your attention to the very recent trading picture. The LPG market since the onset of the US, Iran conflict has shown how resilient it can be, with a large proportion of LPG and ammonia exports locked in the Strait of Hormuz. Buyers have to look further afield to meet the requirements. A switch in trading patterns that overall increased ten miles across both the Handi and MGC markets. The charts in this slide illustrate the recent formulas and rates. This again justifies the point made earlier that LPG freight is the clearing price for the arbitrage, and the product volatility of this kind generally works in the direction of stronger earnings for well positioned tonnage. I'll now pass you back to Brian to provide a summary before we open the floor for questions.

Brian Gallagher, EVP Investor Relations

Thank you, Jeff. On the conclusion slide I'll just bring all of those different facets together. You can see on this slide you have a pictorial view of our fleet, both on the water and the deliveries that we anticipate. This slide captures the full picture of what we've built and what we intend to build an ultramodern, diversified gas fleet designed to meet the challenges and opportunities ahead. On the water, we have LNG carriers, all latest generation dual fuel, 174,000 cubic meter vessels supported by MGC gas carriers that come through with LPG and ammonia capability, and also for liquid CO2 multi gas carriers capable of transporting CO2, LPG and ammonia. At the bottom of this summary slide, we show that we have a new energy bunkering vessel alongside our single legacy one container vessel, which remains on a long-term chart with optionality associated with it. For those focused on equity story, there are a few reference points. We trade under the ticker as a US equity listed on Nasdaq and domiciled in the Marshall Islands with the headquarters in Athens, Greece. We have 60.3 million shares in issue, and our market capitalization is approximately $1.4 billion today. So, this is a modern, contracted, diversified fleet attached to a clean and clearly defined equity story. That concludes our prepared remarks. Thank you very much for your attention. And I'll open it to my colleagues for questions.

Q&A

Ladies and gentlemen, we will now begin the question-and-answer session. If you would like to ask a question, please press # 5 on your telephone keypad. Our first question comes from Alexander Bidwell from Webber research and advisory. Alexander, please go ahead.

Alexander Bidwell

Good afternoon. How are you guys doing?

Jerry Kalogiratos, CEO

Good, thanks, Alex. How are you?

Alexander Bidwell

Good, good. Thanks. Um, so, while we don't know for sure when the conflict in the Middle East will end, the JKM and Forward curve seem to have priced in a degree of continued impact into early 2027. How does this compare to the sentiment you're seeing amongst charters, as well as shipping appetite over the next 12 months?

Jerry Kalogiratos, CEO
I think the spot and short time charter rate exposure, speak for themselves. To answer this, Alex, because this situation has been consistent throughout this conflict, higher flat prices, the MTF spread being wide all the way to now, as you mentioned. And this has led to significantly higher spot chart arrays compared to, let's say, pre conflict. To put these things in perspective, the average spot chart rate so far this year has been 93,000. Whereas last year it was 39. Um now this whole situation is very much, uh prompt and the curve is backward dated. It all comes down to, as you mentioned, how long this conflict will last for as long as it lasts. The volatility and the uncertainty will lead to freight being the means, as we mentioned in the presentation, to capture the option value of a wider spread.

Alexander Bidwell
All right. Thank you. Appreciate the color. Switching gears over to LNG bunkering -, following the announcement of the JV, how are you thinking about LNG bunkering with respect to the overall business and how might you go about, um, growing your footprint beyond the first vessel?

Jerry Kalogiratos
Alex, this is a new segment for us. The LNG bunkering business with LNG bunkering parts is quite a different business, of course, to the transportation or, the commodity, per se. It is a market that has quite a growth trajectory in view of the dual fuel LNG fleet that is either in the water or under construction, uh, with, uh, quite robust growth. But at the same time, the end users, the charterers for this type of vessel, are only a handful of companies, either super majors or certain specialized companies active in the bunkering business. So, I think we would be overall, cautious. Typically invest in assets where we have visibility in terms of employment, as we contract the vessel here. We went forward with contracting the build together with CMA on a 5050 basis. And with the expectation that this vessel will service, inaudible.

Alexander Bidwell
All right. That makes sense. Appreciate the color. I'll turn it back over. Thank you.

Operator
The next question comes from Liam Burke from Riley Securities. Liam.

Liam Burke

Thank you, Jerry – Niko and Brian, how are you today?

Jerry Kalogiratos

Hi, Liam. All good. How are you? Hey, Liam. Good, thanks for asking.

Liam Burke

I'm very well, thank you. You had secured an 18-month charter. I know you had an index link charter raid on that, but what was the logic of taking a shorter duration? Was the charter rate that attractive? Would you sacrifice duration for payment?

Jerry Kalogiratos
The logic behind the duration is that we do not have any deliveries of our new building vessels in the first half of 2028. That was one of the reasons why we chose this deal. So, it's nice to diversify our delivery profile and keep options open throughout basically every single quarter all the way to Q2 2029. Uh, we always want to have options to explore every potential long-term charter of possibility, and we feel that the weakness in the front will have dissipated by the time this vessel was delivered. And at the same time, we get a floating rate, which, combined with a very strong view of this winter, fits into a trade that we're very happy to have done.

Liam Burke
Great. Thank you. And on the LPG front, obviously the nature of that, uh, of that service is a shorter duration, though in the prepared comments, uh, there was some discussion about exploring longer term charters. Um, how realistic is that? Or is this mainly going to stay a shorter-term duration business?

Jerry Kalogiratos
Yeah, it's mostly traded as mentioned on the MKZ. On much shorter term, there are some traders that look towards longer term to bring down their their unit value. They do come about from the vessel that we've got bouncing towards the US Gulf. We had assessed, um, some opportunities, but we felt that the strength in the West at the moment it took, it made the decision easy for us that we should play shorter term and in that spot market at the moment. So we look to cover for the next 6 to 12 months before looking towards any longer-term commitment commitments that may come along.

Liam Burke
Great. Thank you very much.

Operator
The next question comes from Omar Nokta from Clarksons. Omar, please go ahead.

Omar Nokta

Thank you. Hey guys, thanks for the update. I just have a couple of quick questions, maybe just on the you had mentioned last quarter looking to take advantage of the stronger spot market in LNG. And you were fast tracking some of the new building deliveries. And as you were just talking about, you put the one vessel, the AES away for 18 months on that index linked charter. Are you able to give just some detail on that? Is that a is that a contract where there's a base rate with profit share, or is it just simply a variable moving rate based off of the spot market?

Jerry Kalogiratos
This was a decision that we took early into the conflict with significant risk. That has played out very well, given the fact that we managed to secure a nine-month charter, which has been basically the average of the spot market this year. So, a very healthy rate that played out well. And when it comes to the ICOs in the 18-month floating, can you repeat the latter part of your question just to make sure I answer it accurately.

Omar Nokta
We're just asking if that the, the index length portion of the contract, is it a base rate with a profit share, or is it just simply, you know, variable based off of spot market averages?

Jerry Kalogiratos
So, it's based on the Atlantic spot charter rate for modern two stroke vessels. There is no floor, no ceiling. It's just what the market is trading in the Atlantic.

Omar Nokta
Okay, thank you for that. Then, just a follow up on the next new building. I think it's called Antos. I think that will come either later this year or early next year. What are your thoughts on that vessel? Any chance to quote unquote fast track that one? Also, if there's an opportunity and then how are you thinking about chartering that ship?

Jerry Kalogiratos
That's a good question. So no, when you're not discussing fast tracking that Q1 position and those being the first one, as you accurately pointed out. For those we're exploring long term charters starting in 2027, we believe that it's still very early in the LNG market to capitalize on that, on the tenure that we're looking, and we will have more visibility as we come closer to the delivery. We expect by September or October. We have a very clear view of what the best option for us is for those vessels.

Omar Nokta
Okay, great. That's it for me.

Operator
Just as a reminder, if you want to ask a question, you can press Pound Key five on your telephone keypad. The next question comes from Stephanie Moore from Jefferies. Stephanie, please go ahead.

Stephanie Moore
Thanks. Good morning. I guess maybe looking at just some of the supply side of the market here, given the elevated order book across the industry how are you thinking about the relative opportunities and risks across LNG carriers versus maybe midsize gas carriers over the next several years? I guess thinking about it for you guys, what underpins your confidence in the current size mix of your fleet? And then are there any other areas you would look to increase or reduce exposure to as this new build cycle unfolds? Thanks.

Jerry Kalogiratos
I know that's a fair question. We have five remaining positions - in terms of the LNG carriers that do not have long term employment in place. In Q1 and three, one end of 28, two in Q1 29. I think we will want to see more visibility with regard to the employment of these vessels. Doesn't have to be all of. Uncommitted new builds, but at least some of these positions can be fixed away. Before we look at contracting, new LNG carriers. Having said that, we do remain quite constructive.

As Nikos described during his prepared remarks on the LNG market the current turmoil has created short-term opportunities. The expected recovery might have delayed slightly but the one thing that is certain is that additional LNG volumes will be coming and if anything, given where these volumes are coming predominantly in the US and the Americas where the demand is going to be. If you add a bit of geopolitics there, there will be additional effort to source LNG away from the Gulf. I think both the demand as well as the ton miles will be there in the long term to support, um, um, um, LNG shipping and, um, see good markets ahead.

So, I think this is a market that will keep a close track of and be very open to opportunities. We will, of course, always look for back-to-back opportunities that will be accretive to our bottom line. And then on the other gas segments. Let's say the LPG segment from all sizes from V's down to Handy's. Jack described our current strategy. We are quite constructive on the long-term fundamentals of the market. We do think that given the direction the market has taken it can absorb the order book and will be especially ships that have dual fuel capabilities or high specifications will be very much in demand. So, I think that's also a market that we will be following. In a nutshell, I think we have quite enough on our plate, a large order book. A lot of it has been de-risk, and we have also the cash flows and capital as also Nikos, described, we need to see more visibility with regard to employment, where we're definitely open to new opportunities.

Stephanie Moore

Thank you. Very clear. And then maybe just one quick follow up. You know that did pick up, I guess, sequentially here during the quarter. Maybe just talk a little bit about what your target leverage range is today. And then maybe as you think about, um, balancing growth investments, returning cash to shareholders and the likes, that would be helpful. Thank you.

Jerry Kalogiratos
Yeah. So, in terms of leverage, we continue to be very low – 50s in our net leverage against the fair market value of our assets. So, I think we are at very reasonable levels. We are, of course, at the growth phase as we take delivery of certain assets over the next few quarters, you might see that the leverage increase, somewhat but that should be only temporary as we take delivery of the vessels and with the amortization that we have, that amortization that we have in place. Leverage should peak over the next 2 or 3 quarters and then start coming off in terms of the dividend. I think we have communicated this in previous calls that we are at the end or close to the end of our original new building program and that we will reconsider our dividend policy. I think the board will stick to that guidance. So, I think by the end of this year, if not early next year, which will be where we will and after we have more visibility also on the employment of the LNG carriers due in Q1 27, we can be more constructive on the dividend and see how we can revise it so the guidance remains. And that's irrespective of any additional newbuilds like our 2029 new builds that have been subsequent to that guidance or any other acquisitions.

Stephanie Moore
Thank you. That's all for me.

Operator
As a reminder, if you want to ask a question, please press Pound Key five on your telephone keypad. Ladies and gentlemen, this concludes today's presentation. Thank you for joining us. You may now disconnect your line. Have a great day.