Euroseas Raises Dividend to $0.85 and Fixes Over 90% of 2027 Days

Euroseas Ltd. (NASDAQ: ESEA) reported solid third-quarter 2026 results on November 17, 2026, supported by highly profitable containership charter contracts, as the Company raised its quarterly dividend and reported charter coverage exceeding 90% of its available vessel days in 2027.

The Nasdaq-listed containership owner reported adjusted net income attributable to controlling shareholders of $30.7 million, or $4.39 per basic share and $4.37 per diluted share, compared with $4.26 and $4.23, respectively, a year earlier. Adjusted EBITDA was $38.3 million, compared with $38.8 million in the third quarter of 2025.

The Company's Board of Directors declared a quarterly dividend of $0.85 per share for the third quarter of 2026, payable on or about December 16, 2026, to shareholders of record on December 9. The common dividend payout represents a 6.25% increase from the previous quarter and a 21.4% rise from a year earlier, translating into an annualized dividend yield of approximately 5.2% based on recent share price levels, according to Chairman and Chief Executive Officer, Aristides Pittas.

Third-Quarter Results Solid Despite Smaller Fleet

Euroseas maintained 100% operational utilization during the third quarter of 2026, with average time charter equivalent (TCE) rates increasing to $29,705 per day from $29,284 in the corresponding period of 2025. Despite operating one fewer vessel, the Company generated net revenues of $54.1 million, compared with $56.9 million a year earlier.

Net income attributable to controlling shareholders was $25.6 million, compared with $29.7 million in the prior-year period, while basic and diluted earnings per share were $3.67 and $3.65, respectively, compared with $4.27 and $4.25. Adjusted earnings excluded, among other items, a $0.7 million unrealized loss on equity securities and drydocking expenses associated with a vessel sold in October.

Higher Charter Rates Lift Nine-Month Adjusted EBITDA

During the first nine months of 2026, stronger charter rates helped offset the effects of a smaller operating fleet. Operational fleet utilization remained near 100% while average TCE rates increased to $30,124 per day from $28,735 in the corresponding period of 2025. Adjusted EBITDA rose to $119.3 million from $115.2 million. Reported net revenues declined 2.4% to $166.4 million from $170.5 million, while net income attributable to controlling shareholders fell to $91.4 million from $96.5 million. Adjusted earnings per share, however, increased to $13.84 basic and $13.76 diluted, compared with $12.25 and $12.19, respectively, in the first nine months of 2025.

2027 Charter Coverage Exceeds ~90%

Euroseas has secured employment for 100% of its available vessel days in 2026 at an average rate of approximately $30,130 per day, with coverage extending to 90.6% in 2027 at $32,353 per day and 48.8% in 2028 at $31,187 per day. Mr. Pittas noted that the Company would remain profitable in 2028 even if its remaining open days generated no revenue. Recent charter

agreements further strengthened forward revenue visibility, including a 24- to 26-month extension for the M/V Jonathan P at $26,000 per day and a 12- to 14-month fixture for the M/V EM Corfu at $62,500 per day. Charterers also exercised five-year options on four newbuildings — M/V Elena, M/V Nikitas G, M/V Thrylos and M/V Socrates Ch — at $32,500 per day each.

Share Buybacks Reach $11.36 Million

Under its $20 million share repurchase program, Euroseas had bought back 480,460 common shares as of November 17, representing approximately 6.8% of its outstanding shares, for a total of $11.36 million. Launched in May 2022, the program was renewed in July 2026 and remains in effect through July 2027.

Vessel Sale and 12 Newbuildings

Euroseas sold the M/V Evridiki G, a 2,556 TEU containership built in 2001, for $26.0 million, with delivery to an unaffiliated buyer completed on October 31, 2026. The transaction is expected to generate a gain of approximately $22.5 million, to be recognized in the fourth quarter of 2026. Ahead of the sale, the vessel underwent scheduled drydocking, resulting in 69 days of planned off-hire between July 1 and September 7. According to CFO Tasos Aslidis, the work completed contributed to securing a significantly higher sale price.

Following the divestment, Euroseas' fleet currently stands at 20 containerships with an aggregate carrying capacity of 58,588 TEU and a weighted average age of 12.5 years. This comprises six intermediate containerships totaling 25,512 TEU, averaging 18.17 years of age, and 14 feeders totaling 33,076 TEU, averaging 8.21 years.

In parallel, the Company has 12 newbuildings on order — eight feeders and four intermediate containerships ranging from 1,781 to 4,484 TEU – scheduled for delivery between the third quarter of 2027 and the first quarter of 2029. Upon completion, the fleet is expected to expand to 32 vessels with approximately 94,840 TEU of capacity.

Shares Traded at 38% Discount to Estimated NAV

As of September 30, Euroseas reported total assets of $763.4 million at book value, comprising $238.5 million in cash and other current assets, $80.3 million in advances for newbuildings, and a fleet valued at $444.6 million. Bank and other debt, net of deferred charges, stood at $203.6 million, or 26.7% of total assets, alongside $19.0 million in other liabilities and $5.0 million in minority interest.

The Company reported an average bank debt margin of 2.01%, translating into a 6.09% cost of senior debt based on a three-month SOFR rate of 4.08%. Its estimated daily cash flow breakeven for the next 12 months was approximately $13,850 per vessel, including $2,442 in loan repayments. Euroseas estimated its charter-adjusted fleet market value at $656.2 million, implying a net asset value of $747.4 million, or $105.90 per share. CFO Tasos Aslidis pointed out that the November 16 closing share price of $65.36 represented approximately a 38% discount to an estimated NAV.

Containership Market: Strength and Outlook

Mr. Pittas described a strengthening containership market in the third quarter, supported by resilient demand and persistent logistical bottlenecks. Charter rates continued to rise in recent weeks, while freight rates advanced further in October. Secondhand vessel prices increased 2.5% during the quarter, remaining near their highest levels since mid-2022, while newbuilding prices held steady.

Idle capacity stood at just 0.7% of the global fleet in early November, a historic low, despite 4.2% fleet growth year to date. Looking ahead, Mr. Pittas cautioned that accelerating newbuilding deliveries coupled with a potential normalization of Red Sea shipping routes, could weaken market fundamentals from the second half of 2027, with supply-demand imbalances widening in 2028. However, geopolitical uncertainty and persistent logistical constraints could temper the impact. He also highlighted the comparatively smaller orderbooks in the feeder and intermediate segments, at 19.4% and 31.4%, respectively, against 44.4% for the overall containership fleet.

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