

Navios Maritime Holdings Inc.
Form 6-K
May 30, 2018
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
OF THE SECURITIES EXCHANGE ACT OF 1934

Dated: May 29, 2018

Commission File No. 001-33311

NAVIOS MARITIME HOLDINGS INC.

7 Avenue de Grande Bretagne, Office 11B2

Monte Carlo, MC 98000 Monaco

(Address of Principal Executive Offices)

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Form 20-F

Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b) (1):

Yes

No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b) (7):

Yes

No

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The information contained in this Report is incorporated by reference into the Registration Statements on Form S-8, File No. 333-147186, 333-202141 and 333-222002, and the related prospectuses.

Operating and Financial Review and Prospects

The following is a discussion of the financial condition and results of operations of Navios Maritime Holdings Inc. (Navios Holdings or the Company) for the three month periods ended March 31, 2018 and 2017. Navios Holdings financial statements have been prepared in accordance with Generally Accepted Accounting Principles in the United States of America (U.S. GAAP). You should read this section together with the consolidated financial statements and the accompanying notes included in Navios Holdings Annual Report on Form 20-F for the year ended December 31, 2017 filed with the Securities and Exchange Commission (SEC) and the condensed consolidated financial statements and the accompanying notes included elsewhere in this report.

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements herein other than statements of historical fact, including statements regarding business and industry prospects or future results of operations or financial position should be considered forward-looking. These forward looking statements are based on Navios Holdings current expectations and observations. Factors that could cause actual results to differ materially include, but are not limited to uncertainty relating to global trade, including prices of seaborne commodities and continuing issues related to seaborne volume and ton miles, our continued ability to enter into long-term time charters, our ability to maximize the use of our vessels, expected demand in the dry cargo shipping sector in general and the demand for our Panamax, Capesize and Ultra Handymax vessels in particular, fluctuations in charter rates for dry cargo carriers vessels, the aging of our fleet and resultant increases in operations costs, the loss of any customer or charter or vessel, the financial condition of our customers, changes in the availability and costs of funding due to conditions in the bank market, capital markets and other factors, increases in costs and expenses, including but not limited to: crew wages, insurance, provisions, port expenses, lube oil, bunkers, repairs, maintenance, and general and administrative expenses, the expected cost of, and our ability to comply with, governmental regulations and maritime self-regulatory organization standards, as well as standard regulations imposed by our charterers applicable to our business, general domestic and international political conditions, competitive factors in the market in which Navios Holdings operates, the value of our publicly traded subsidiaries and risks associated with operations outside the United States. Other factors that could cause our actual results to differ from our current expectations and observations include, but are not limited to, those discussed under Part I, Item 3D Risk Factors in Navios Holdings Annual Report on Form 20-F for the year ended December 31, 2017. All forward-looking statements made in this report speak only as of the date of this document. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Recent Developments

In May 2018, Navios Holdings agreed to sell to an unrelated third party the Navios Achilles, a 2001 built, 52,063 dwt vessel, for a total net price of \$8.1 million to be paid in cash, with delivery expected in June 2018. The impairment loss due to the sale is expected to be approximately \$6.7 million.

On May 14, 2018, the Company received from Navios Partners a dividend of \$0.7 million for the first quarter of 2018.

In April 2018, Navios Holdings agreed to charter-in, under one ten-year bareboat contract, from an unrelated third party one newbuilding bulk carrier of about 81,000 dwt, expected to be delivered in the fourth quarter of 2019. Navios Holdings has agreed to pay in total \$5.6 million, representing a deposit for the option to acquire this vessel, of which \$2.8 million was paid upon signing of the contract.

Listing Developments

On April 18, 2018, Navios Holdings received notice from the New York Stock Exchange, Inc. (the NYSE) that it was not in compliance with the NYSE s continued listing standards because the average closing price of its common stock was less than \$1.00 over a consecutive 30 trading-day period. Pursuant to the NYSE s rules, Navios Holdings had a six-month cure period following receipt of the notice to bring its stock price per share and average share price above \$1.00. Navios Holdings currently intends to cure this deficiency within the prescribed timeframe set out in the NYSE s Listed Company Manual. During this time, the Company s common stock will continue to be listed and trade on the NYSE. The NYSE s notification does not affect the Company s SEC reporting requirements.

Table of Contents**Overview****General**

Navios Holdings is a global, vertically integrated seaborne shipping and logistics company focused on the transport and transshipment of dry bulk commodities, including iron ore, coal and grain. Navios Holdings technically and commercially manages its owned fleet, Navios Acquisition fleet, Navios Maritime Partners L.P. s (Navios Partners) fleet, Navios Maritime Midstream Partners L.P. s (Navios Midstream) fleet, Navios Europe Inc. s (Navios Europe I) fleet, Navios Europe (II) Inc. s (Navios Europe II) fleet, and Navios Containers Inc. s (Navios Containers) fleet, and commercially manages its chartered-in fleet. Navios Holdings has in-house ship management expertise that allows it to oversee every step of ship management, including the shipping operations throughout the life of the vessels and the superintendence of maintenance, repairs and drydocking.

Navios Logistics

Navios South American Logistics Inc. (Navios Logistics), a consolidated subsidiary of the Company, is one of the largest logistics companies in the Hidrovia region of South America, focusing on the Hidrovia river system, the main navigable river system in the region, and on cabotage trades along the eastern coast of South America. Navios Logistics is focused on providing its customers integrated transportation, storage and related services through its port facilities, its large, versatile fleet of dry and liquid cargo barges and its product tankers. Navios Logistics serves the needs of a number of growing South American industries, including mineral and grain commodity providers as well as users of refined petroleum products. As of March 31, 2018, Navios Holdings owned 63.8% of Navios Logistics.

Affiliates (not consolidated under Navios Holdings)

Navios Partners (NYSE:NMM) is an international owner and operator of dry cargo vessels and is engaged in seaborne transportation services of a wide range of dry cargo commodities including iron ore, coal, grain, fertilizer and also containers, chartering its vessels under medium to long-term charters. On February 21, 2018, Navios Partners closed an offering of 18,422,000 common units which includes the sale of \$5.0 million of common units to Navios Holdings, at \$1.90 per common unit. In addition, Navios Holdings paid \$0.7 million to retain its 2.0% general partner interest. Following the closing of that offering and as of March 31, 2018, Navios Holdings owned a 20.2% interest in Navios Partners, including a 2.0% general partner interest.

Navios Acquisition (NYSE: NNA), an affiliate (former subsidiary) of the Company, is an owner and operator of tanker vessels focusing on the transportation of petroleum products (clean and dirty) and bulk liquid chemicals. In February 2018, the Board of Directors of Navios Acquisition authorized a stock repurchase program for up to \$25.0 million of Navios Acquisition s common stock, for two years. Stock repurchases will be made from time to time for cash in open market transactions at prevailing market prices or in privately negotiated transactions. As of March 31, 2018, Navios Acquisition has repurchased 5,166,544 shares of common stock for a total cost of approximately \$4.2 million. Following these repurchases and as of March 31, 2018, Navios Holdings ownership of the outstanding voting stock of Navios Acquisition was 44.4% and its economic interest was 47.7%.

Navios Midstream (NYSE: NAP) is a publicly traded master limited partnership which owns and operates crude oil tankers under long-term employment contracts. Currently, Navios Holdings owns no direct equity interest in Navios Midstream.

Navios Europe I is engaged in the marine transportation industry through the ownership of five tanker and five container vessels. Navios Holdings, Navios Acquisition and Navios Partners have voting interests of 50%, 50% and

0%, respectively, and 47.5%, 47.5% and 5% economic interests, respectively, in Navios Europe I.

Navios Europe II is engaged in the marine transportation industry through the ownership of seven dry bulk and seven container vessels. Navios Holdings, Navios Acquisition and Navios Partners have voting interests of 50%, 50% and 0%, respectively, and 47.5%, 47.5% and 5% economic interests, respectively, in Navios Europe II.

Navios Containers is a growth vehicle dedicated to the container sector of the maritime industry. On June 8, 2017, Navios Containers completed a private placement and Navios Holdings invested \$5.0 million. Navios Containers registered its shares on the Norwegian Over-The-Counter Market (N-OTC) on June 12, 2017 under the ticker NMCI . On August 29, 2017, and on November 9, 2017, Navios Containers closed additional private placements. On March 13, 2018, Navios Containers closed an additional private placement in which Navios Holdings invested \$0.5 million. As of March 31, 2018, Navios Holdings owned 3.1% of Navios Containers common stock and warrants representing 1.7% of the equity of Navios Containers.

Table of Contents**Fleet**

The following is the current Navios Holdings core fleet employment profile (excluding Navios Logistics). The current core fleet consists of 72 vessels totaling 7.3 million deadweight tons and has an average age of 7.7 years, basis fully delivered fleet. The employment profile of the fleet as of May 14, 2018, is reflected in the tables below. Navios Holdings has chartered-out 79.6% of available days for the remaining nine months of 2018, out of which 38.0% is on fixed rate and 41.6% is on index or has profit sharing arrangements. Although these fees, as presented below, are based on contractual charter rates, any contract is subject to performance by the counterparties and us. Additionally, the level of these fees would decrease depending on the vessels off-hire days to perform periodic maintenance.

Owned Fleet. Navios Holdings owns a fleet comprised of 11 Ultra Handymax vessels, 14 Capesize vessels, 12 Panamax vessels and one Handysize vessel.

Vessels	Type	Built	DWT	Charter-out Rate ⁽¹⁾	Profit Share	Expiration Date ⁽²⁾
Navios Serenity	Handysize	2011	34,690	7,030	No	07/2018
Navios Achilles ⁽ⁱ⁾	Ultra Handymax	2001	52,063	7,933	No	06/2018
Navios Vector	Ultra Handymax	2002	50,296	10,450	No	01/2019
Navios Meridian	Ultra Handymax	2002	50,316	10,450	No	09/2018
Navios Mercator	Ultra Handymax	2002	53,553	9,928	No	12/2018
Navios Arc	Ultra Handymax	2003	53,514	10,925	No	05/2018
Navios Hios	Ultra Handymax	2003	55,180	10,355	No	01/2019
Navios Kypros	Ultra Handymax	2003	55,222	10,858	No	05/2018
					100% of average 52 Baltic Supramax Index Routes	01/2019
Navios Astra	Ultra Handymax	2006	53,468	9,738	No	10/2018
Navios Ulysses	Ultra Handymax	2007	55,728	10,890	No	05/2018
					100% of average Baltic Supramax 58 Index Routes	10/2018
Navios Celestial	Ultra Handymax	2009	58,063	10,795	No	05/2018
					97.5% of average 58 Baltic Supramax Index Routes	01/2019
Navios Vega	Ultra Handymax	2009	58,792	10,862	No	05/2018
					97.5% of average 58 Baltic Supramax Index Routes	12/2018
Navios Magellan	Panamax	2000	74,333	11,163	No	07/2018
Navios Star	Panamax	2002	76,662	8,486	No	05/2018
					100% of average Baltic Panamax Index 4TC Routes less \$2,488/day	12/2018

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Navios Northern Star	Panamax	2005	75,395	13,775	No	07/2018
Navios Amitie	Panamax	2005	75,395	8,486	No	05/2018
					100% of average Baltic Panamax Index 4TC Routes less \$2,488/day	12/2018
Navios Taurus	Panamax	2005	76,596	11,020	No	06/2018
Navios Asteriks	Panamax	2005	76,801	11,128	No	06/2018
					100% of average Baltic Panamax Index 4TC Routes less \$2,488/day	11/2018
N Amalthia	Panamax	2006	75,318	8,486	No	05/2018
					100% of average Baltic Panamax Index 4TC Routes less \$2,488/day	12/2018

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Vessels	Type	Built	DWT	Charter-out Rate ⁽¹⁾	Profit Share	Expiration Date ⁽²⁾
Navios Galileo	Panamax	2006	76,596	8,486	No	05/2018
					100% of average Baltic Panamax Index 4TC Routes less \$2,488/day	12/2018
N Bonanza	Panamax	2006	76,596	8,486	No	05/2018
					100% of average Baltic Panamax Index 4TC Routes less \$2,488/day	11/2018
Navios Avior	Panamax	2012	81,355	10,925	No	06/2018
Navios Centaurus	Panamax	2012	81,472	7,993	No	05/2018
					110% of average Panamax Index 4TC Routes less adjustment to be based on index formula	12/2018
Navios Sphera	Panamax	2016	84,872	10,351	No	05/2018
					123% of average Panamax Index 4TC Routes less adjustment to be based on index formula	01/2019
Navios Equator Prosper	Capesize	2000	171,191	10,402	No	05/2018
					117.5% Weighted Average Baltic Capesize 5TC Index Routes	03/2019
Navios Stellar	Capesize	2009	169,001	10,175	No	05/2018
					102% Weighted Average Baltic Capesize 5TC Index Routes	01/2020
Navios Bonavis	Capesize	2009	180,022	24,960	No	06/2018
Navios Happiness	Capesize	2009	180,022	10,175	No	05/2018
					106% Weighted Average Baltic Capesize 5TC Index Routes	03/2019
Navios Phoenix	Capesize	2009	180,242	13,215	No	05/2018
					107.5% Weighted Average Baltic Capesize 5TC Index Routes	12/2018

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Navios Lumen	Capesize	2009	180,661	18,858	No	01/2019
Navios Antares	Capesize	2010	169,059	11,483	No	05/2018
					102% Weighted Average Baltic Capesize 5TC Index Routes	01/2020
Navios Etoile	Capesize	2010	179,234	17,575	No	01/2019
Navios Bonheur	Capesize	2010	179,259	8,479	No	05/2018
					98.25% Weighted Average Baltic Capesize C5 Index Routes	09/2018
Navios Altamira	Capesize	2011	179,165	14,576	No	05/2018
					101% Weighted Average Baltic Capesize 5TC Index Routes	01/2019
Navios Azimuth	Capesize	2011	179,169	22,100	No	05/2018
Navios Ray	Capesize	2012	179,515	17,366	No	05/2018
					105% Weighted Average Baltic Capesize 5TC Index Routes	07/2018
Navios Gem	Capesize	2014	181,336	20,045	No	12/2018
Navios Mars	Capesize	2016	181,259	16,957	No	05/2018
					117.5% Weighted Average Baltic Capesize 5TC Index Routes	02/2019

(i) Agreed to be sold.

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Long-Term Fleet. In addition to the 38 owned vessels, Navios Holdings controls a fleet of seven Capesize, 20 Panamax, six Ultra Handymax, and one Handysize vessels under long-term charter-in contracts, which have an average age of approximately 4.3 years. The average daily charter-in rate for the active long-term charter-in vessels (excluding vessels which are utilized to fulfill COAs) for the remaining nine months of 2018 is \$12,878. We estimate the days of the long-term charter-in vessels (excluding vessels which are utilized to fulfill COAs) for the remaining nine months of 2018 are 6,663 days.

Long-term Chartered-in Vessels

Vessels	Type	Built	DWT	Purchase Option ⁽³⁾	Charter-out Rate ⁽¹⁾	Expiration Date ⁽²⁾
Navios Lyra	Handysize	2012	34,718	Yes ⁽⁴⁾	7,500	06/2018
Navios Primavera	Ultra Handymax	2007	53,464	Yes	9,975	08/2018
Mercury Ocean	Ultra Handymax	2008	53,452	No	9,500	11/2018
Kouju Lily	Ultra Handymax	2011	58,872	No	8,740	07/2018
Navios Oriana					11,976	05/2018
	Ultra Handymax	2012	61,442	Yes	⁽⁵⁾	06/2018
Navios Mercury					12,376	05/2018
	Ultra Handymax	2013	61,393	Yes	⁽⁶⁾	12/2018
Navios Venus					12,169	05/2018
	Ultra Handymax	2015	61,339	Yes	⁽⁶⁾	01/2019
Osmarine	Panamax	2006	76,000	No	9,975	08/2018
Navios Aldebaran	Panamax	2008	76,500	Yes	13,775	02/2019
KM Imabari	Panamax	2009	76,619	No	12,350	11/2018
Navios Marco Polo	Panamax	2011	80,647	Yes	9,131	05/2018
					⁽⁷⁾	08/2018
Navios Southern Star	Panamax	2013	82,224	Yes	14,641	05/2018
					⁽⁸⁾	04/2019
Sea Victory	Panamax	2014	77,095	Yes	10,015	05/2018
					⁽⁹⁾	11/2018
Navios Amber	Panamax	2015	80,994	Yes	9,928	05/2018
					⁽¹⁰⁾	01/2019
Navios Sky	Panamax	2015	82,056	Yes	9,861	05/2018
					⁽¹¹⁾	03/2019
Navios Coral	Panamax	2016	84,904	Yes	13,185	05/2018
					⁽¹²⁾	11/2018
Navios Citrine	Panamax	2017	81,626	Yes	9,500	09/2018

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Navios Dolphin	Panamax	2017	81,630	Yes	10,450	09/2018
Elsa S	Panamax	2015	80,954	No	11,358	06/2018
					(13)	01/2021
Mont Blanc Hawk	Panamax	2017	81,638	No	11,358	06/2018
					(13)	04/2021

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Vessels	Type	Built	DWT	Purchase Option ⁽³⁾	Charter-out Rate ⁽¹⁾	Expiration Date ⁽²⁾
Pacific Explorer	Capesize	2007	177,000	No	9,968	05/2018
					(14)	12/2018
King Ore	Capesize	2010	176,800	Yes		
Navios Koyo	Capesize	2011	181,415	Yes	11,858	05/2018
					(15)	02/2019
Navios Obeliks	Capesize	2012	181,415	Yes		
Dream Canary	Capesize	2015	180,528	Yes	13,300	03/2019
Dream Coral	Capesize	2015	181,249	Yes	14,013	