

Navios Maritime Holdings Inc.
Form 6-K
August 22, 2017
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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: August 22, 2017

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

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Yes

No

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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 and 333-202141, 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 and six month periods ended June 30, 2017 and 2016. 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, 2016 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, 2016. 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

On July 13, 2017, Navios Holdings completed the sale to an unrelated third party of the Navios Horizon, a 2001 built Japanese dry bulk vessel of 50,346 dwt, for a total net sale price of \$6.5 million paid in cash.

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 Maritime Acquisition Corporation's (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

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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 June 30, 2017, 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 bulk commodities including iron ore, coal, grain, fertilizer and also containers, chartering its vessels under medium to long-term charters. As of June 30, 2017, Navios Holdings owned a 20.9% 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 in the transportation of petroleum products (clean and dirty) and bulk liquid chemicals. As of June 30, 2017, Navios Holdings' ownership of the outstanding voting stock of Navios Acquisition was 43.4% and its economic interest in Navios Acquisition was 46.2%.

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 tankers 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 (N-OTC: NMCI) is a growth vehicle dedicated to the container sector of the maritime industry. On June 8, 2017, Navios Containers completed a private placement of its common stock. Navios Holdings invested \$5.0 million and received 9.9% of the equity of Navios Containers. Navios Holdings also received warrants for the purchase of an additional 1.7% of the equity of Navios Containers.

Fleet

The following is the current Navios Holdings' core fleet employment profile (excluding Navios Logistics). The current core fleet consists of 64 vessels totaling 6.6 million deadweight tons and has an average age of 8.1 years. The employment profile of the fleet as of August 11, 2017, is reflected in the tables below. Navios Holdings has currently fixed 43.3% (excluding index-linked charters) of available days for the remaining six months of 2017 of its fleet (excluding vessels which are utilized to fulfill Contracts of Affreightment (COAs)). 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 13 Capesize vessels, 12 Ultra Handymax 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	6,797	No	08/2017
Navios Herakles	Ultra Handymax	2001	52,061	9,025	No	09/2017
Navios Achilles	Ultra Handymax	2001	52,063	7,410	No	10/2017
Navios Vector	Ultra Handymax	2002	50,296	7,600	No	08/2017
Navios Meridian	Ultra Handymax	2002	50,316	5,700	No	08/2017
Navios Mercator	Ultra Handymax	2002	53,553	8,550	No	01/2018
Navios Arc	Ultra Handymax	2003	53,514	7,838	No	12/2017
Navios Hios	Ultra Handymax	2003	55,180	9,738	No	08/2017
Navios Kypros	Ultra Handymax	2003	55,222		Pool earnings + 4%	08/2017

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Vessels	Type	Built	DWT	Charter-out Rate ⁽¹⁾	Profit Share	Expiration Date ⁽²⁾
Navios Astra	Ultra Handymax	2006	53,468	6,650	No	08/2017
Navios Ulysses	Ultra Handymax	2007	55,728	9,500	No	08/2017
Navios Celestial	Ultra Handymax	2009	58,063	8,788	No	01/2018
Navios Vega	Ultra Handymax	2009	58,792	7,600	No	12/2017
Navios Magellan	Panamax	2000	74,333	6,650	No	11/2017
Navios Star	Panamax	2002	76,662	6,303	No	08/2017
					100% of average	12/2018
					Baltic Panamax	
					Index 4TC Routes	
					less 2,488/day	
Navios Northern Star	Panamax	2005	75,395	9,738	No	03/2018
Navios Amitie	Panamax	2005	75,395	6,303	No	08/2017
					100% of average	12/2018
					Baltic Panamax	
					Index 4TC Routes	
					less \$2,488/day	
Navios Taurus	Panamax	2005	76,596	9,690	No	11/2017
Navios Asteriks	Panamax	2005	76,801	6,364	No	09/2017
					100% of average	11/2018
					Baltic Panamax	
					Index 4TC Routes	
					less 2,488/day	
N Amalthia	Panamax	2006	75,318	6,557	No	09/2017
					100% of average	12/2018
					Baltic Panamax	
					Index 4TC Routes	
					less 2,488/day	
Navios Galileo	Panamax	2006	76,596	6,749	No	09/2017
					100% of average	12/2018
					Baltic Panamax	

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N Bonanza	Panamax	2006	76,596	6,412	Index 4TC Routes less 2,488/day No	09/2017
					100% of average Baltic Panamax	11/2018
					Index 4TC Routes less \$2,488/day	
Navios Avior	Panamax	2012	81,355	7,838	No	08/2017
Navios Centaurus	Panamax	2012	81,472	5,731	No	08/2017
					110% of average Baltic Panamax	12/2018
					Index 4TC Routes less adjustment to be based on index formula	
Navios Sphera	Panamax	2016	84,872	7,228	No	08/2017
					123% of average Baltic Panamax Index 4TC Routes less adjustment to be based on index formula	01/2019
Navios Stellar	Capesize	2009	169,001		\$9,480 adjusted for 50% Pool Earnings or Weighted Average Baltic Capesize 5TC Index Routes	10/2017
Navios Bonavis	Capesize	2009	180,022	8,448	No	08/2017
					106.5% Weighted Average Baltic Capesize 5TC Index Routes, with minimum floor rate \$4,500	01/2018

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Vessels	Type	Built	DWT	Charter-out Rate ⁽¹⁾	Profit Share	Expiration Date ⁽²⁾
Navios Happiness	Capesize	2009	180,022	8,956	No	08/2017
					106% Weighted Average Baltic Capesize 5TC Index Routes	04/2018
Navios Phoenix	Capesize	2009	180,242		\$9,480 adjusted for 50% Pool Earnings or Weighted Average Baltic Capesize 5TC Index Routes	08/2017
Navios Lumen	Capesize	2009	180,661	8,563	No	08/2017
					108% Weighted Average Baltic Capesize 5TC Index Routes	03/2018
Navios Antares	Capesize	2010	169,059		98.25% Weighted Average Baltic Capesize C5 Index Routes	10/2017
Navios Etoile	Capesize	2010	179,234	9,025	No	01/2018
Navios Bonheur	Capesize	2010	179,259		98.25% Weighted Average Baltic Capesize C5 Index Routes	11/2017
Navios Altamira	Capesize	2011	179,165		\$9,480 adjusted for 50% Pool Earnings or Weighted Average Baltic Capesize 5TC Index Routes	09/2017
Navios Azimuth	Capesize	2011	179,169	14,725	No	03/2018
Navios Ray	Capesize	2012	179,515	9,074	No	08/2017
					\$4,500 + 52% Weighted Average Baltic Capesize 5TC Index Routes	02/2018
Navios Gem	Capesize	2014	181,336	10,102	No	08/2017

120% Weighted Average 04/2018

Baltic

Capesize

5TC Index Routes

Navios Mars	Capesize	2016	181,259	\$11,455 adjusted for 50% Pool Earnings or Weighted Average	10/2017
				Baltic Capesize	
				5TC Index Routes	

- (1) Daily rate net of commissions.
- (2) Expected redelivery basis midpoint of full redelivery period.

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Long-Term Fleet. In addition to the 38 owned vessels, Navios Holdings controls a fleet of eight Capesize, eleven Panamax, six Ultra Handymax, and one Handysize vessels under long-term charter-in contracts, which have an average age of approximately 5.5 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 six months of 2017 is \$12,492. We estimate the days of the long-term charter-in vessels (excluding vessels which are utilized to fulfill COAs) for the remaining six months of 2017 are 4,416 days.

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Vessels	Type	Built	DWT	Purchase Option (3)	Charter-out Rate (1)	Expiration Date (2)
Navios Lyra	Handysize	2012	34,718	Yes ⁽⁴⁾	8,075	08/2017
Navios Primavera	Ultra Handymax	2007	53,464	Yes	9,025	10/2017
Mercury Ocean	Ultra Handymax	2008	53,452	No	8,550	08/2017
Kouju Lily	Ultra Handymax	2011	58,872	No	8,740	05/2018
Navios Oriana	Ultra Handymax	2012	61,442	Yes	8,972	08/2017
					⁽⁵⁾	03/2018
Navios Mercury	Ultra Handymax	2013	61,393	Yes	9,263	12/2017
Navios Venus	Ultra Handymax	2015	61,339	Yes	8,840	08/2017
					⁽⁵⁾	03/2018
Osmarine	Panamax	2006	76,000	No	7,125	09/2017
Navios Aldebaran	Panamax	2008	76,500	Yes	9,738	09/2017
KM Imabari	Panamax	2009	76,619	No	8,313	10/2017
Navios Marco Polo	Panamax	2011	80,647	Yes	6,025	08/2017
					⁽⁶⁾	09/2018
Navios Southern Star	Panamax	2013	82,224	Yes	9,611	08/2017
					⁽⁷⁾	02/2018
Sea Victory	Panamax	2014	77,095	Yes	7,437	08/2017
					⁽⁸⁾	11/2018
Navios Amber	Panamax	2015	80,994	Yes	6,787	08/2017
					⁽⁹⁾	01/2019
Navios Sky	Panamax	2015	82,056	Yes	6,810	08/2017
					⁽¹⁰⁾	03/2019
Navios Coral	Panamax	2016	84,904	Yes	10,891	08/2017
					⁽¹¹⁾	01/2018
Navios Citrine	Panamax	2017	81,626	Yes	7,600	01/2018
Navios Dolphin	Panamax	2017	81,630	Yes	7,600	01/2018
Equator Prosper	Capesize	2000	170,000	No	10,000	09/2017
Pacific Explorer	Capesize	2007	177,000	No	8,881	08/2017
					⁽¹²⁾	01/2018
King Ore	Capesize	2010	176,800	Yes		
Navios Koyo	Capesize	2011	181,415	Yes	9,860	08/2017

					(13)	03/2018
Navios Obeliks	Capesize	2012	181,415	Yes		
Dream Canary	Capesize	2015	180,528	Yes	9,975	12/2017
Dream Coral	Capesize	2015	181,249	Yes	12,350	02/2018
Navios Felix	Capesize	2016	181,221	Yes	9,713	08/2017
					(14)	11/2017

- (1) Daily rate net of commissions.
- (2) Expected redelivery basis midpoint of full redelivery period.
- (3) Generally, Navios Holdings may exercise its purchase option after three to five years of service.
- (4) Navios Holdings holds the initial 50% purchase option on the vessel.
- (5) 110% of average Baltic Supramax 52 Index Routes.
- (6) 113% of average Baltic Panamax Index 4TC Routes less adjustment to be based on index formula.
- (7) 115% of average Baltic Panamax Index 4TC Routes.
- (8) 114% of average Baltic Panamax Index 4TC Routes less \$2,488/day.
- (9) 120% of average Baltic Panamax Index 4TC Routes less adjustment to be based on index formula.
- (10) 115% of average Baltic Panamax Index 4TC Routes less adjustment to be based on index formula.
- (11) 120.5% of average Baltic Panamax Index 4TC Routes.
- (12) \$5,000 + 53% of weighted average Baltic Capesize Index 5TC Routes.
- (13) 115% of average Baltic Capesize Index 5TC Routes.
- (14) 120% of weighted average Baltic Capesize Index 5TC Routes.

Many of Navios Holdings' current long-term chartered-in vessels are chartered from ship owners with whom Navios Holdings has long-standing relationships. Navios Holdings pays these ship owners daily rates of hire for such vessels, and then charters out these vessels to other parties, who pay Navios Holdings a daily rate of hire. Navios Holdings also enters into COAs pursuant to which Navios

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Holdings has agreed to carry cargoes, typically for industrial customers, who export or import dry bulk cargoes. Further, Navios Holdings enters into spot market voyage contracts, where Navios Holdings is paid a rate per ton to carry a specified cargo from point A to point B.

Short-Term Fleet. Navios Holdings' short-term fleet is comprised of Capesize, Panamax and Ultra Handymax vessels chartered-in for durations of less than 12 months. The number of short-term vessels varies from time to time. These vessels are not included in the core fleet of the Company.

Charter Policy and Industry Outlook

Navios Holdings' policy has been to take a portfolio approach to managing operating and counterparty risks. This policy may lead Navios Holdings to time charter-out many of the vessels that it is operating (i.e., vessels owned by Navios Holdings or which Navios Holdings has taken into its fleet under charters having a duration of more than 12 months) for long-term periods to various shipping industry counterparties considered by Navios Holdings to have appropriate credit profiles. By doing this, Navios Holdings aims to lock in, subject to credit and operating risks, favorable forward revenue and cash flows which it believes will cushion it against unfavorable market conditions, when the Company deems necessary. In addition, Navios Holdings occasionally trades additional vessels taken in on shorter term charters of less than 12 months duration as well as voyage charters or COAs and Forward Freight Agreements (FFAs).

The average daily charter-in vessel cost for the Navios Holdings long-term charter-in fleet (excluding vessels, which are utilized to serve voyage charters or COAs) was \$12,002 per day for the six month period ended June 30, 2017. The average long-term charter-in hire rate per vessel included in this document was computed by (a) multiplying (i) the daily charter-in rate for each vessel by (ii) the number of days each vessel is in operation for the period under review; (b) summing those individual multiplications; and (c) dividing such total by the total number of charter-in vessel days for the period. These rates exclude gains and losses from FFAs. Furthermore, Navios Holdings has the ability to increase its owned fleet through purchase options exercisable in the future if the price is favorable relative to the then-current market. Navios Holdings holds 20 purchase options. Historically, this chartering policy had the effect of generating Time Charter Equivalents (TCE) that were higher than spot employment.

Navios Holdings believes that a decrease in global commodity demand from its current level, and the de