



**INVEST/STAY CONNECTED**

INITIAL REPORT APRIL 24, 2023

LAST UPDATED NOVEMBER 22, 2025

DAC \$93.43; Recommendation: BUY, target \$170.00

**DANAOS CORP**

Danaos (DAC) is an international owner and lessor of [containerships](#). The company owns 75 container vessels aggregating 477,491 TEUs, and has another 23 under construction aggregating 153,350 TEUs. TEU refers to the amount of 20 foot containers that fit on each ship. The company also owns 10 [dry bulk](#) vessels. [Well known customers](#) include CMA CGM, HMM, MSC, Yang Ming and ZIM Integrated Shipping Services Ltd.

**FAST FACTS**

- Since our April 2023 report DAC has done quite well, increasing book value from \$124 / per share to \$200. This has been accomplished through the large after Capex and dividend retained cash flow, which continues as of this report.
- Our forecast for 2025 through 2027 retained cash flow is \$1.17 billion or \$63 per share
- DAC management continues to run the company very conservatively. As of September 30, 2025, net debt stood at \$165 million, a ratio of net debt to adjusted EBITDA ratio of 0.23x, while 53 out of 84 vessels are unencumbered and debt-free.
- As a lessor, DAC is insulated from day to day container shipping price volatility.

Since our 2023 report, the company's balance sheet has continued to improve. Book value per share has continued to increase from \$124 per share in 2023 to \$200 in 2025. We see a continuation of the stable returns and note the dramatic discount to the S&P 500 as far as earnings and cash flows per share. DAC has a 26.5% cash flow yield and trades at a 50% discount to book value.

Our \$170 price target is based on the low debt, 4% dividend yield and low PE of Danaos. We consider the dividend to be well covered at 14% of free cash flow. \$170 per share equals a more reasonable 4.7 X enterprise value to EBITDA and 6.1 X our 2025 earnings.

2022 through Nov 2025 chart

2025 Projections MM	2025
Revenue	1,034
Gross Profit	848
Operating Income	518
EPS	27.90
EBITDA	736
Capitalized Expense	275
Cash Flow	459
Equity Dividends	64
<b>2025 Divs per share</b>	<b>3.45</b>
Dividend Yield	3.7%
Cash Flow / Share	24.79
Enterprise Value	1,886
EV/EBITDA	2.6 X
Cash Flow Yield Vs. Equity	26.54%
<b>EV/EBITDA</b>	<b>3.2 X</b>
<b>P.E Ratio</b>	<b>3.35</b>

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[RECENT CONFERENCE CALL](#)

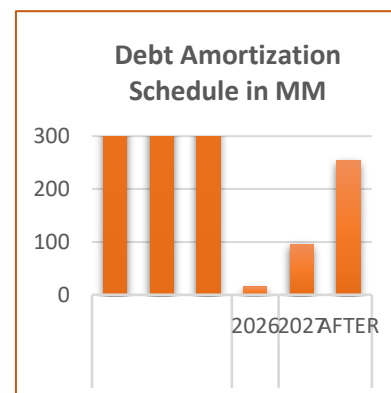
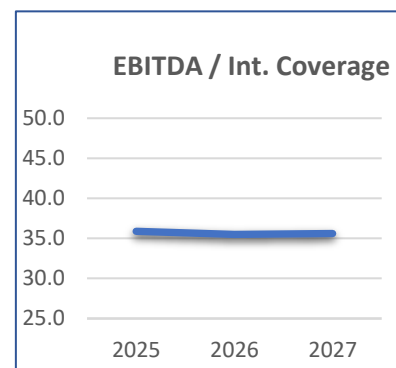
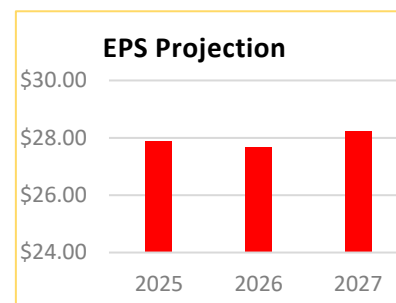
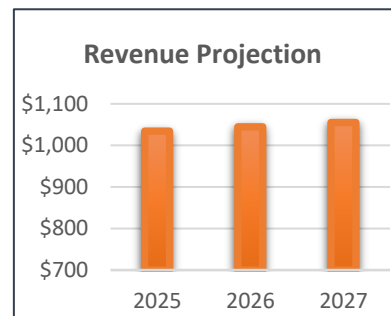
[DAC INVESTOR RELATIONS](#)



**BROXTON CAPITAL ADVISORS** Danaos as of 9/30/2025  
 Saturday, November 22, 2025

share price	\$93.43		
<b>PROJECTIONS IN MMs</b>			
	2025	2026	2027
<b>Income Statement</b>			
Revenue	\$1,034	\$1,045	\$1,055
Gross Profit	848	846	855
Operating Income	518	500	495
Pre-Tax Income	517	498	494
Net Income	517	498	494
EPS	\$27.90	\$27.68	\$28.22
Cash Flow / Share	24.79	25.12	25.90
Revenue growth	2.00%	1%	1%
EBITDA	\$736	\$728	\$730
Interest Exp Net	21	21	21
Capitalized Expense	275	274	275
Cash Flow	459	452	453
Equity Dividends	64	65	63
<b>Cash Flow Dividend Coverage</b>	<b>719%</b>	<b>698%</b>	<b>720%</b>
Retained Cash Flow	395	387	390
Retained Cash Flow Sum	395	783	1,173
<b>Valuations</b>			
Cash Flow Yield Vs. Equity	26.5%	26.1%	26.2%
EV/EBITDA	2.6	2.6	2.6
P.E Ratio	3.3	3.4	3.3
Enterprise Value	1,886		
Net Total Debt	156		
Equity Market Cap	1,730	1,730	1,730
Book value per share	200.4		
<b>Debt Ratios</b>			
EBITDA/Interest Coverage ratio	35.9	35.5	35.6
<b>Net Debt/EBITDA</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>
<b>Liquidity</b> Sep. 30 2025			
Cash	596		
Cash / Share	32		
Borrowing Availability est.	400 mm+		
Total Current Assets	867		
Total Current Liabilities	188		
Current Ratio	462%		
<b>Debt</b>			
Borrowings	\$753		
<b>Borrowings Net</b>	<b>\$156</b>		

NOTES:



## **Disclosures**

Previous reports are available upon request. Smart Yield Fund targets a mix of different security classes that contain the risk of loss. Investors should carefully consider the Fund's investment objectives and risk factors before investing. Investing involves risk, including possible loss of principal. Investors should consider the loss of principle and targeted returns are not guaranteed. Individual investors in Smart Yield are generally required to be accredited investors. Smart Yield is a fund operated through individual accounts creating the composite. Smart Yield Fund is a new product with an inception date of September 30, 2020, and as such does not have historical data. Asset Mix Projections on page 2 and 6, Smart Yield Portfolio Metrics on page 5 are estimated or targets of the fund. Asset class mix and targets may change based on the direction of the managers. Portfolio allocation projected annual return and beta assumption for each asset class on pages 7-10 are estimated. Beta for the fund and each asset class is estimated versus the S&P 500. The average beta for the entire fund is projected to be .32. Beta is a measure of the fund's volatility in relation to S&P 500 Index. This index has a beta of 1.0. The fund targets a total gross return before fees and expenses of 9.24%. The fund projects a blended return based on income securities and capital gains. Smart Yield attempts to continuously improve the value of investment portfolios by investing in corporate bonds, convertible bonds, other types of bonds (investment grade and sub-investment grade, [which may also have limited liquidity]), dividend paying equities, non-dividend paying equities, ETFs, including leveraged ETFs, and other securities. Fixed income risks include interest-rate and credit risk. Typically, when interest rates rise, there is a corresponding decline in bond values. Credit risk refers to the possibility that the bond issuer will not be able to make principal and interest payments. All securities types mentioned in this brochure have the risk of loss. Long term strategies purchase securities which are underpriced according to our appraisal methodologies. Broxton uses regression analysis to obtain an average appraisal value for an individual company and places a priority on the securities of companies with improving financial performance and or additional catalysts that provide for increases in earnings and valuation. We use financial modeling, technical analysis, proprietary and third-party research. Smart Yield does not have any capitalization (market size), sector or industry allocation mandates. Asset class allocation percentages may be changed without notice. Broxton deploys technical analysis and momentum as indicators of movement for shorter term strategies, that may not involve deep fundamental analysis. Shorting (selling and then buying) of securities can be used for hedging and as a long term or short-term strategy. 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# **BROXTON**

## **CAPITAL ADVISORS**

CAPITAL ADVISORS

**SMART YIELD**

Income Fund

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