



NASDAQ: SBLK

# Financial Results Q2 2021



August 2021

# Forward-Looking Statements



Except for the historical information contained herein, this presentation contains among other things, certain forward-looking statements that involve risks and uncertainties. Such statements may include, without limitation, statements with respect to the Company's plans, objectives, expectations and intentions and other statements identified by words such as "may", "could", "would", "should", "believes", "expects", "anticipates", "estimates", "intends", "plans" or similar expressions. These statements are based upon the current beliefs and expectations of the Company's management and are subject to significant risks and uncertainties, including those detailed in the Company's filings with the Securities and Exchange Commission. Actual results, including, without limitation, operating or financial results, if any, may differ from those set forth in the forward-looking statements. These forward-looking statements involve certain risks and uncertainties that are subject to change based on various factors (many of which are beyond the Company's control).

In addition to these important factors, other important factors that, in the Company's view, could cause actual results to differ materially from those discussed in the forward-looking statements include (i) general dry bulk shipping market conditions, including fluctuations in charterhire rates and vessel values (ii) the strength of world economies, the stability of Europe and the Euro, fluctuations in interest rates and foreign exchange rates (iii) changes in demand in the dry bulk shipping industry, including the market for our vessels (iv) changes in our operating expenses, including bunker prices, dry docking and insurance costs (v) changes in governmental rules and regulations or actions taken by regulatory authorities (vi) the impact of regulation and regulatory, investigative and legal proceedings and legal compliance risks, including the impact of IMO's MARPOL ANNEX VI and IMO 2020 regulations and any changes thereof (vii) potential liability from pending or future litigation (viii) general domestic and international political conditions and potential disruption of shipping routes due to accidents or political events (ix) the availability of financing and refinancing (x) potential conflicts of interest involving our Chief Executive Officer, his family and other members of our senior management, , (xi) vessel breakdowns and instances of off-hire, risks associated with vessel construction and potential exposure or loss from investment in derivative instrument (xii) our ability to have scrubbers installed within the price range and time frame anticipated (xiii) our ability to obtain any additional financing we may seek for scrubbers on acceptable terms (xiv) the relative cost and availability of low sulfur and high sulfur fuel (xv) our ability to realize the economic benefits or recover the cost of the scrubbers we plan to install. Our ability to pay dividends in any period will depend upon various factors, including the limitations under any credit agreements to which we may be a party, applicable provisions of Marshall Islands law and the final determination by the Board of Directors each quarter after its review of our financial performance. The timing and amount of dividends, if any, could also be affected by factors affecting cash flows, results of operations, required capital expenditures, or reserves. As a result, the amount of dividends actually paid may vary.

Please see our filings with the Securities and Exchange Commission for a more complete discussion of these and other risks and uncertainties. The information set forth herein speaks only as of the date hereof, and the Company disclaims any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this communication.

Certain financial information and data contained in this presentation is unaudited and does not conform to generally accepted accounting principles ("GAAP") or to Securities and Exchange Commission Regulations. We may also from time to time make forward-looking statements in our periodic reports that we will furnish to or file with the Securities and Exchange Commission, in other information sent to our security holders, and in other written materials. We caution that assumptions, expectations, projections, intentions and beliefs about future events may and often do vary from actual results and the differences can be material. This presentation includes certain estimated financial information and forecasts that are not derived in accordance with GAAP. The Company believes that the presentation of these non-GAAP measures provides information that is useful to the Company's shareholders as they indicate the ability of Star Bulk, to meet capital expenditures, working capital requirements and other obligations. The estimations of daily TCE rates are provided using the discharge-to-discharge method of accounting, while as per US GAAP we recognize revenues in our books using the load-to-discharge method of accounting. Both methods recognize the same total TCE revenues over the completion of a voyage, however discharge-to-discharge method recognizes revenues over more days, resulting in lower daily TCE rates. Under the load-to discharge method of accounting, increased ballast days at the end of the quarter will reduce the revenues that can be booked, following the accounting cut-off, in the relevant quarter, resulting in reduced daily TCE rates for the respective period.

We undertake no obligation to publicly update or revise any forward-looking statement contained in this presentation, whether as a result of new information, future events or otherwise, except as required by law. In light of the risks, uncertainties and assumptions, the forward-looking events discussed in this presentation might not occur, and our actual results could differ materially from those anticipated in these forward-looking statements.

This presentation is strictly confidential. This presentation is not an offer to sell any securities and it is not soliciting an offer to buy any securities in any jurisdiction where the offer or sale is not permitted.

# Q2 2021 Financial Highlights



	Q2 2021	Q2 2020
TCE Revenues <sup>(1)</sup>	\$254.9m	\$97.1m
EBITDA	\$179.8m	\$8.9m
<b>Adjusted EBITDA</b>	<b>\$182.5m</b>	<b>\$35.2m</b>
Net Income	\$124.2m	\$(44.1)m
<b>Adjusted Net Income</b>	<b>\$128.8m</b>	<b>\$(18.0)m</b>
<b>TCE</b>	<b>\$22,927</b>	<b>\$9,402</b>
Average daily OPEX per vessel <sup>(2)</sup>	\$4,307	\$4,027
Average daily Net Cash G&A expenses per vessel	\$1,099	\$1,035
Average No. of Vessels	126.0	116.0
<b>Adjusted EPS, basic</b>	<b>\$1.27</b>	<b>\$(0.19)</b>
EPS GAAP, basic	\$1.22	\$(0.46)

## Cash & Debt Position<sup>(3)(4)</sup>


- **Total Liquidity:** \$ 280.3 million
- **Total Debt & Capital lease obligations:** \$ 1,616.2 million

- Declared dividend \$0.70 per share payable on or about September 8, 2021.
- Redeemed all outstanding 8.30% Senior Notes of \$50 million due in 2022, on July 30<sup>th</sup>, 2021.

### Notes:

- (1) TCE revenues = Total voyage revenues – Voyage expenses – Charter-in hire expenses+ Realized gain/(loss) from bunker and FFAs  
 (2) Excludes predelivery and one-off expenses  
 (3) As of August 4<sup>th</sup> 2021  
 (4) The Cash and Debt figures do not include the \$30 million revolving debt facility which remains undrawn

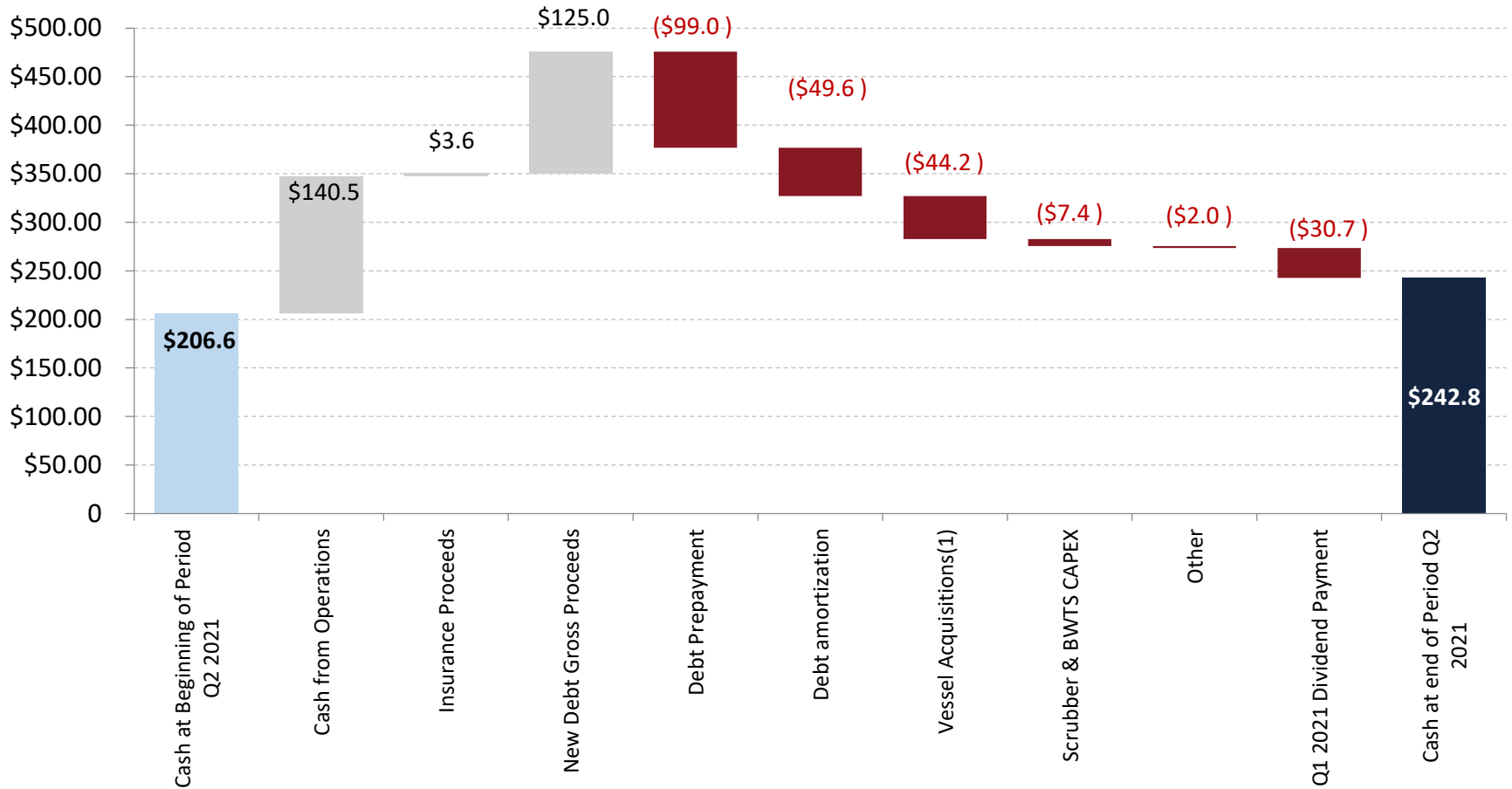
# Refinancing Update – Significant Annual Cost Savings

• Total existing facilities refinanced / committed to be refinanced	-\$333.7 million
• Redemption of Baby Bond	-\$ 50.0 million
• New senior secured facilities	\$391.7 million
• Average margin of existing facilities to be refinanced	2.9%
• Average margin of new senior secured facilities	2.1%
• Annual interest cost saving from refinancing senior sec. facilities	\$ 1.4 million
• Annual interest cost saving from redemption of bonds	\$ 4.1 million
 Total Annual Savings in interest cost for Star Bulk	<hr/> \$ 5.5 million

# Q2 2021 Cash Flow Generation



## Q2 2021 Cash Flow Breakdown



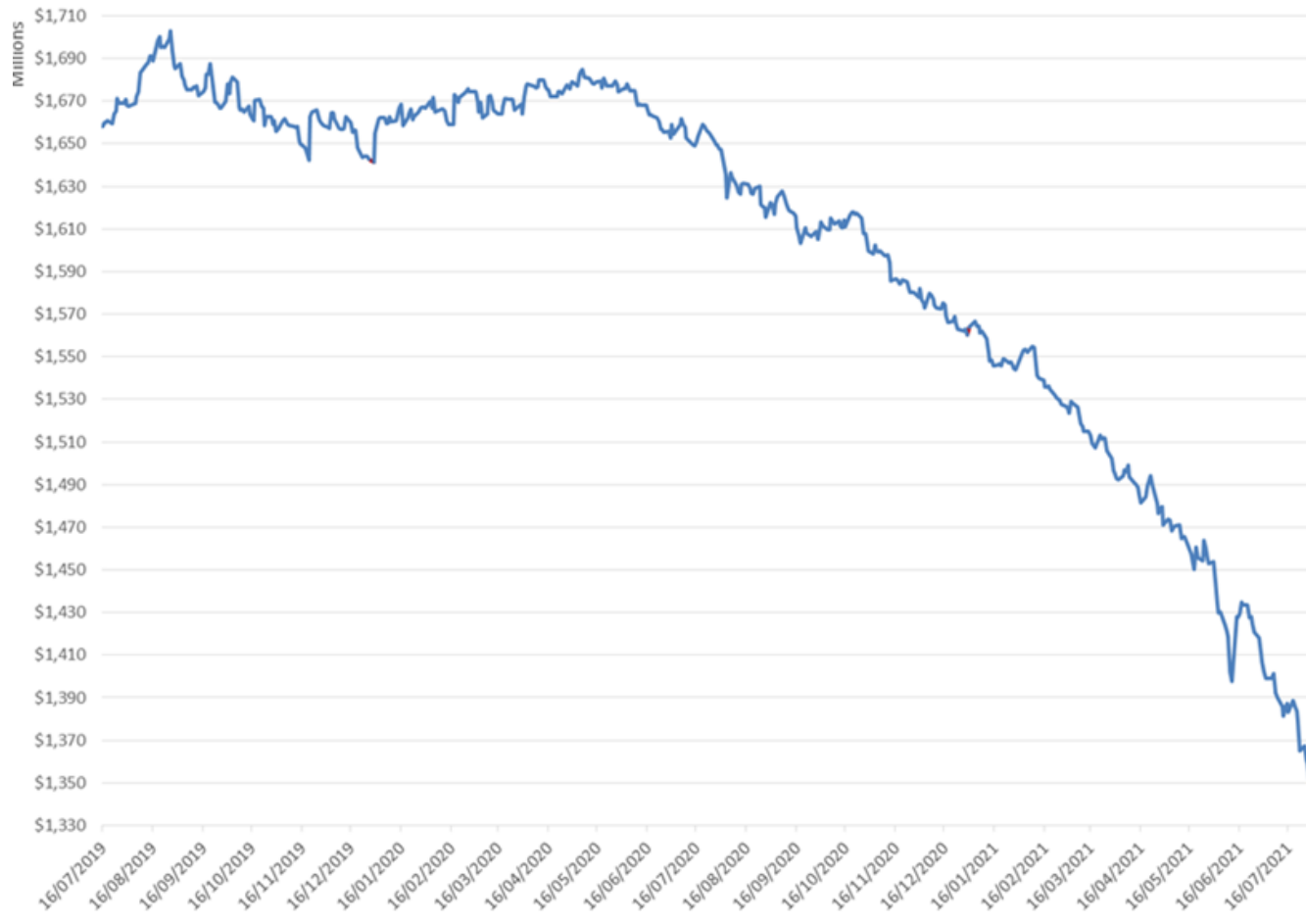
Notes:

(1) Vessel acquisitions include the 2 Kamsarmax resales

# Evolution of Net Debt

- Since the beginning of the year, we have been able to reduce our Net Debt by more than ~\$228 million due to strong cash flow from operations

SBLK (Adjusted) Net Debt Evolution



Notes:

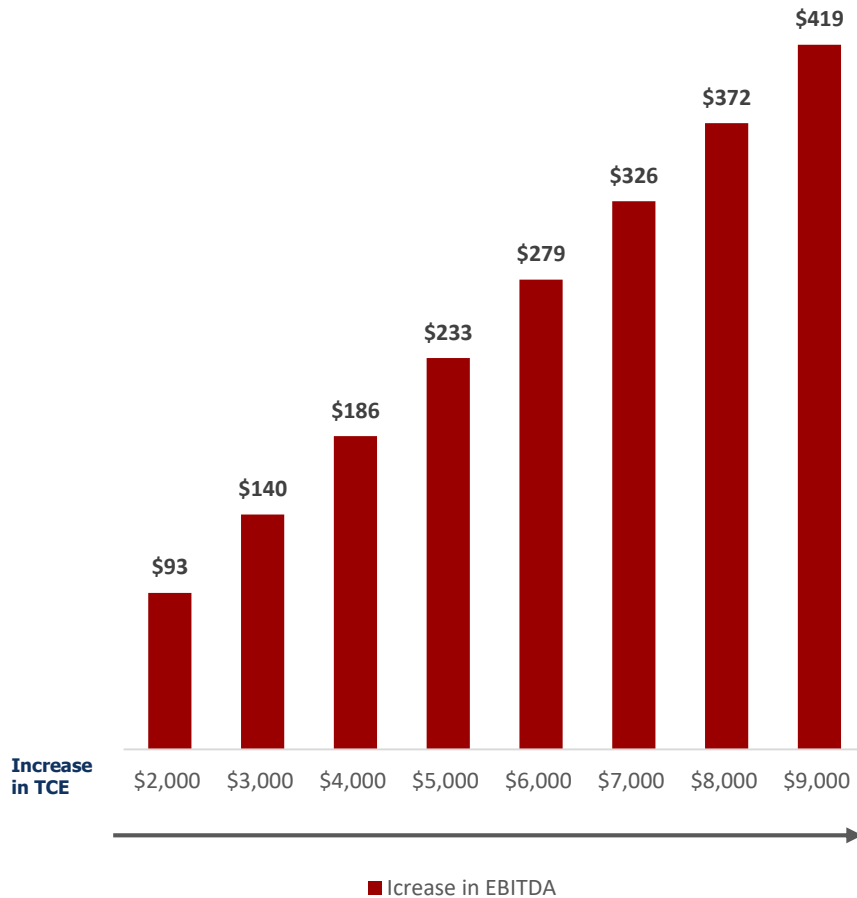
The above graph figures are adjusted historically for any vessel acquisitions

# Freight and Bunker Operating Leverage



## Additional annual EBITDA generation from freight increase

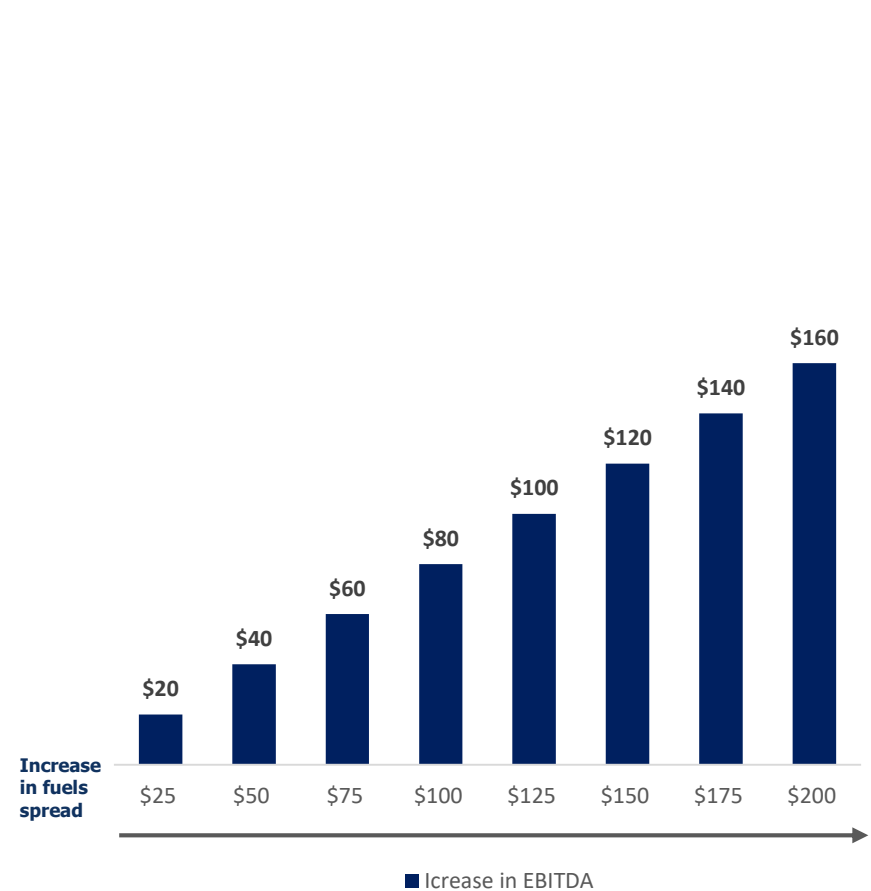
(in million)



Note: Based on 46,500 available days per annum

## Additional annual EBITDA generation from fuels spread increase

(in million)



Note: Based on 800,000 tons bunker consumption per annum

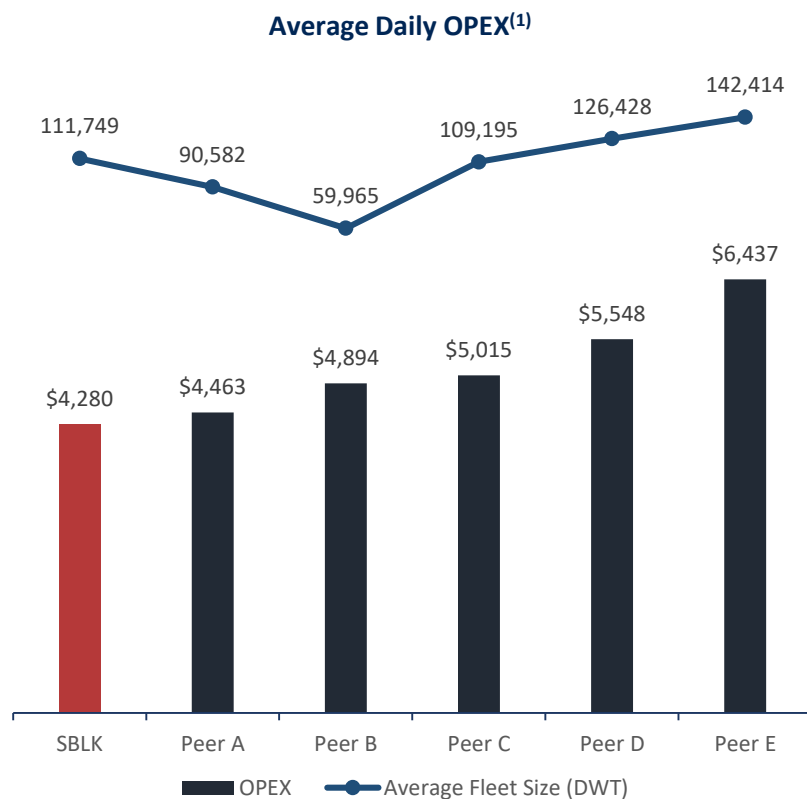
(1) Please refer to our Financial Statements for a reconciliation regarding Adjusted EBITDA and Adjusted Net Income to the closest comparable GAAP metric

# Continued Operational Excellence

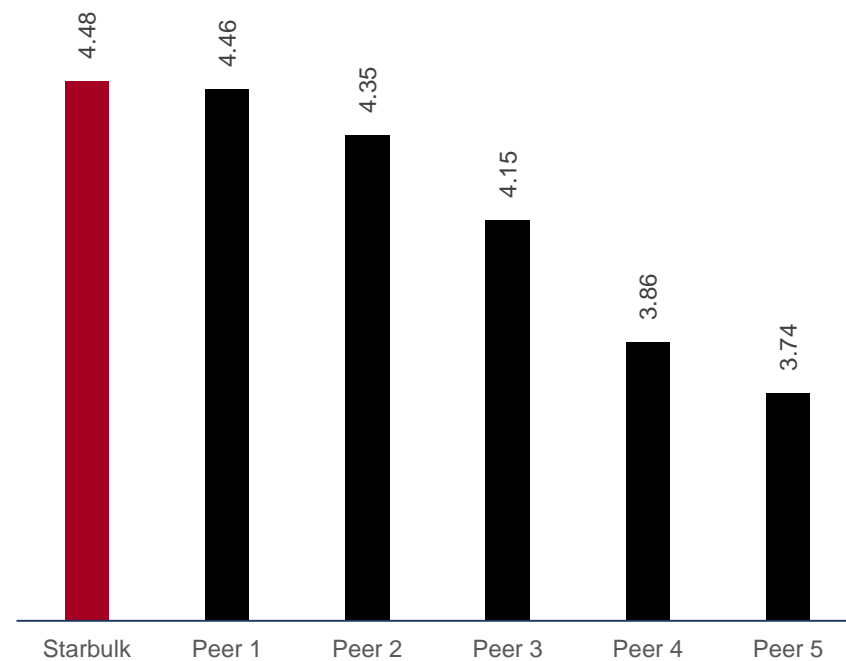
- For H1 2021 vessel OPEX<sup>(1)</sup> were \$4,280 per vessel per day
- Net cash G&A<sup>(2)</sup> expenses per vessel per day were \$1,087 for H1 2021
- We are consistently in the top 5 dry bulk operators amongst our peer group in Rightship Ratings

**We operate a fleet with one of the lowest average daily OPEX...**

**...without compromising quality**



**July 2021 - Average Rightship risk rating status vs peer companies on dry sector**



Source: Based on latest available company filings

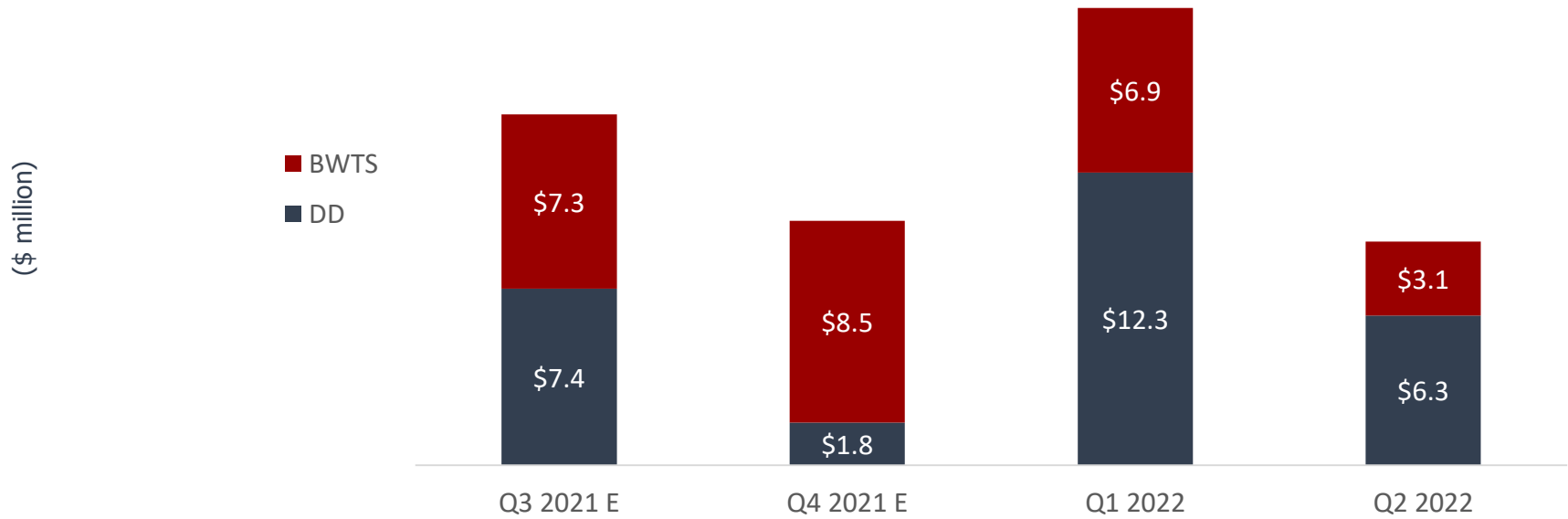


(1) Figures exclude pre-delivery expenses  
 (2) Excludes share incentive plans, includes management fees



# Drydock & BWTS Schedule

## Dry dock & BWTS Expense



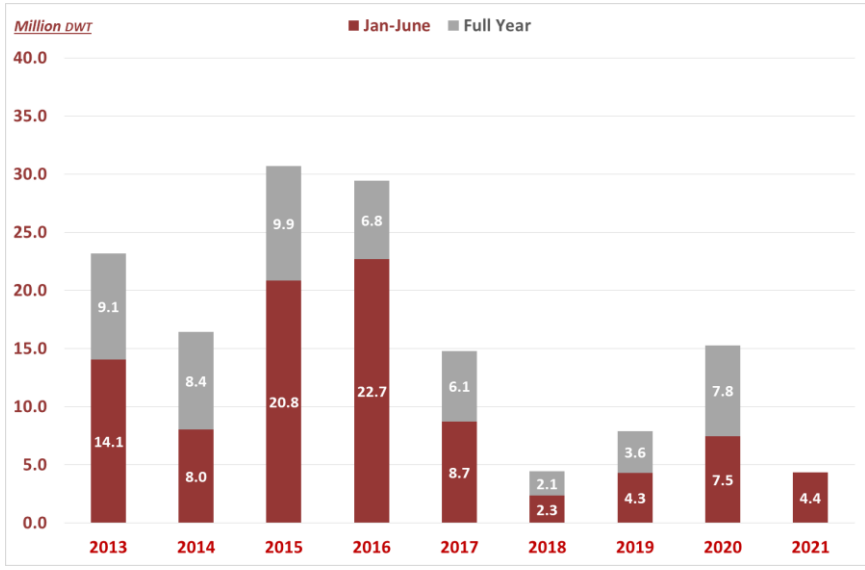
	Q3 2021 E	Q4 2021 E	Q1 2022 E	Q2 2022 E
Offhire days due to DD/BWTS	261	46	342	176

# Dry Bulk Supply Update

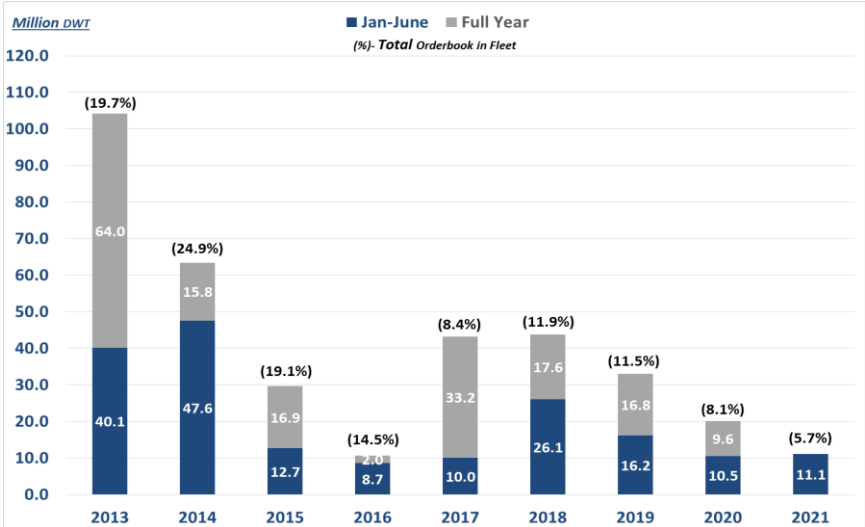


- **Dry bulk NET fleet growth running at +3.1% during the last 12 months**
  - Jan-June 2021 deliveries: 21.5 mil. dwt / Down from 29.2 mil. dwt
  - Jan-June 2021 demolition: 4.4 mil. dwt / Down from 7.5 mil. dwt
- **Orderbook at ~6.0% of the fleet (~56.3 mil. dwt) close to record low**
  - Jan-June 2021 contracting: 11.1 mil. dwt / Up from 10.5 mil. dwt
  - Environmental regulations and increased shipbuilding costs are keeping new orders under control
- **Vessels above 15 years of age at ~16.3% of the fleet (~152 mil. dwt)**
- **Av. steaming speeds up +2% to 11.64 knots** despite higher freight due to increased bunker costs (IMO2020)
  - COVID & Political tension causing fleet inefficiencies (eg congestion)
- **NET fleet growth will slow down to +2.0% per annum during 2022-23**

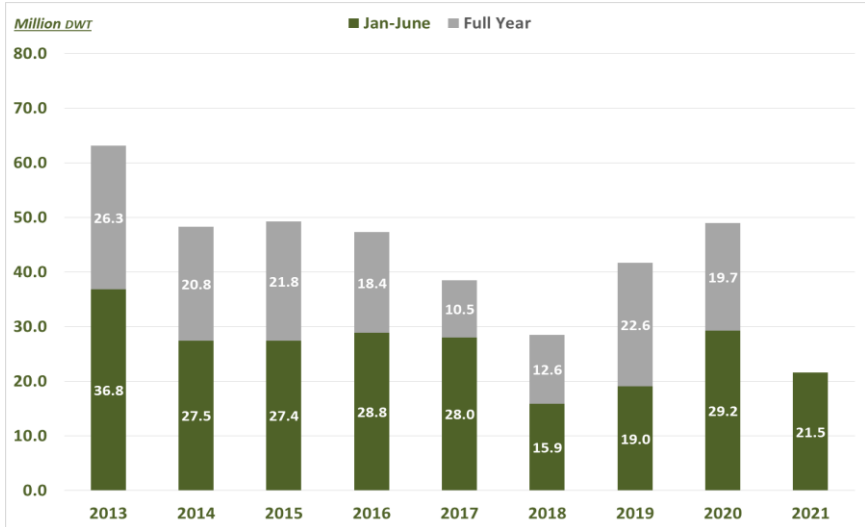
## Dry Bulk Demolition



## Dry Bulk New Orders



## Dry Bulk Deliveries



Source: Clarkson Research Services Ltd. (Shipping Intelligence Network, database)

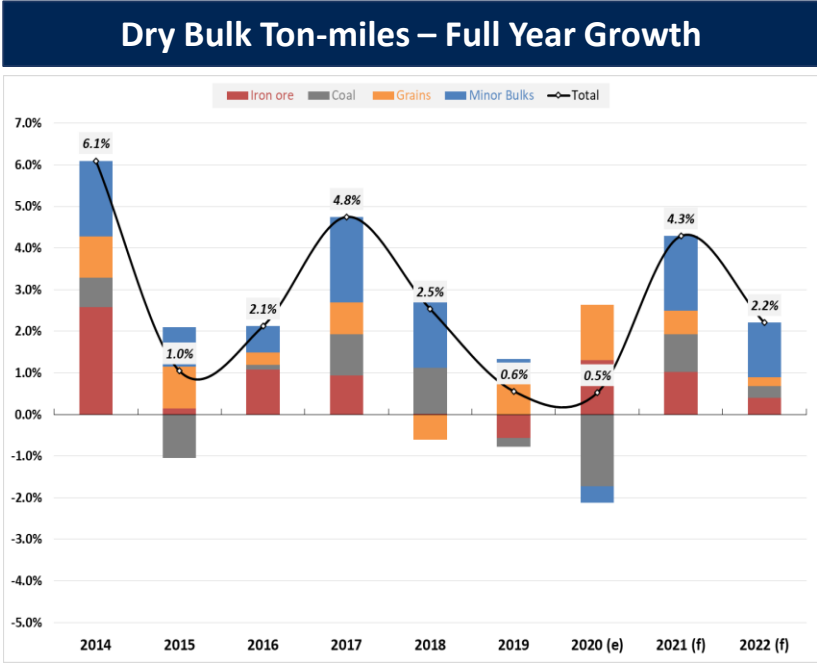
# Dry Bulk Demand Update

- **TOTAL dry bulk trade in 2021, projected to expand +4.3% in ton-miles.**
  - Gradual vaccination supporting strong global economic recovery in 2021-22.
  - Synchronized global economic stimulus focused on the construction sector.
  - Commodity prices increased to historical high levels and provide a strong incentive to expand production and exports during the next years.
  - New Atlantic export projects and political tensions between China-Australia to inflate ton-miles growth in the medium term..

**Key Dry bulk cargoes 2021 breakdown:**

- **Iron ore trade growth projected at +3.6% y-o-y in tons & +3.6% in ton-miles**
  - China steel production at record high levels, +11.5% during H1. Rest of the world output increased +15.6%, with producers unable to meet demand. Brazil iron ore exports recovered +15.3% in H1, but still -7% to 2018. Vale production capacity projected to increase to 400 - 450MT by end 2022.
- **Coal trade growth projected at +4.7% y-o-y in tons & +5.3% in ton-miles**
  - Global coal consumption and trade steadily recovering. China and India thermal electricity production outpacing coal output, leading to shortages and pushing stockpiles lower. Political tension supports longer hauls and enhances inefficiencies.
- **Grains trade growth projected at +4.4% y-o-y in tons & +4.3% in ton-miles**
  - US soybean & corn exports experienced record high seasons, while sales for next season also running at a strong pace. China demand fully recovered from African Swine fever. 5-year plan focus on food security expected to support dry ton-miles.
- **Minor bulk growth projected at +3.8% y-o-y in tons & +4.3% in ton-miles**
  - Minor bulks benefiting from simultaneous economic recovery. Shortages of steel and price arbitrage incentivizing Pacific exports and benefiting smaller sizes. Container sector strength creating upward pressures through cascade.

Dry Bulk Trade (Million tons)	2015	2016	2017	2018	2019	2020 (e)	2021 (f)	2022 (f)
<b>Iron ore</b>	1,364	1,418	1,473	1,476	1,456	1,503	1,557	1,568
<b>Coal</b>	1,138	1,141	1,203	1,264	1,284	1,166	1,221	1,237
<b>Grains</b>	430	450	476	475	478	512	534	544
<b>Minor Bulks</b>	1,891	1,880	1,936	2,010	2,033	1,988	2,064	2,120
<b>Total Dry</b>	<b>4,822</b>	<b>4,889</b>	<b>5,087</b>	<b>5,225</b>	<b>5,251</b>	<b>5,169</b>	<b>5,376</b>	<b>5,469</b>
<i>Annual Growth (tons)</i>	9	67	198	137	26	-81	207	93
<i>Annual Growth (%)</i>	0.2%	1.4%	4.1%	2.7%	0.5%	-1.5%	4.0%	1.7%
<i>Ton-miles growth</i>	1.0%	2.1%	4.8%	2.5%	0.6%	0.5%	4.3%	2.2%



Source: Clarkson Research Services Ltd. (Shipping Intelligence Network, database)

# THANK YOU

## **Contacts**

### **Company:**

Simos Spyrou, Christos Begleris  
Co - Chief Financial Officers  
Star Bulk Carriers Corp.  
c/o Star Bulk Management Inc.  
40 Ag. Konstantinou Av.  
Maroussi 15124  
Athens, Greece  
Tel. +30 (210) 617-8400  
Email: [info@starbulk.com](mailto:info@starbulk.com)  
[www.starbulk.com](http://www.starbulk.com)

### **Investor Relations / Financial Media:**

Nicolas Bornozis  
President  
Capital Link, Inc.  
230 Park Avenue, Suite 1536  
New York, NY 10169  
Tel. (212) 661-7566  
E-mail: [starbulk@capitallink.com](mailto:starbulk@capitallink.com)  
[www.capitallink.com](http://www.capitallink.com)

