



NASDAQ: SBLK

OSE: SBLK

Financial Results Q3 2019



November 2019

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.

Q3 2019 Financial Highlights



	Q3 2019	Q3 2018	% Change
Voyage Revenues	\$248.4m	\$188.5m	31.8%
Adjusted TCE Revenues ⁽¹⁾	\$131.3m	\$129.2m	1.6%
EBITDA	\$180.5m	\$155.4m	16.2%
Adjusted EBITDA⁽²⁾	\$72.2m	\$80.1m	(9.8%)
Net Income	\$5.8m	\$26.1m	(77.7%)
Adjusted Net Income⁽²⁾	\$17.3m	\$30.5m	(43.5%)
TCE	\$14,688	\$14,549	1.0%
Fleet Utilization	86.5%	98.4%	(12.1%)
Average daily OPEX per vessel ⁽³⁾	\$3,693	\$4,054	(8.9%)
Average daily Net Cash G&A expenses per vessel	\$828	\$918	(9.9%)
Average No. of Vessels	116.1	98.2	18.2%
Adjusted EPS per share basic⁽²⁾	\$0.18	\$0.35	(\$0.48)
EPS GAAP per share basic	\$0.06	\$0.30	(79.4%)
Weighted average number of shares outstanding, basic ⁽⁴⁾	94,188,543	87,025,267	8.2%

Cash & Debt Position

- **Total Cash (including minimum liquidity):** \$ 130.0 m
- **Total Debt & Capital lease obligations:** \$ 1,610.6 m

Notes:

(1) TCE revenues = Total voyage revenues – Voyage expenses – Charter-in hire expenses+ Realized gain/(loss) from bunker and FFAs

(2) Adjusted for the accelerated drydocking expenses brought forward from 2020 to 2019

(3) Excludes predelivery and one-off expenses

(4) As of today, outstanding number of shares 96,071,397 after the repurchase of shares, the issuance of new shares in connection with the acquisition of the Delphin Vessels and the issuance of shares under our equity incentive plans.

Q3 2019 Dividend Declaration

- Dividend of \$0.05 per share declared with respect to Q3 2019, announced on 20th November 2019
 - **Payable** on or about December 16, 2019
 - **Record Date** as of December 2, 2019
 - The ex-dividend date is expected to be November 29, 2019

Dividend Policy

- Dividend (D) will be declared equal to:
$$D = \text{Total Cash Balance} - (\text{Minimum Cash Balance Per Vessel} * \text{Number of Vessels})$$
- **“Total Cash Balance”** means (a) the aggregate amount of cash on SBLK’s balance sheet as of the last day of the quarter preceding the relevant dividend declaration date minus (b) any proceeds received by SBLK and its subsidiaries from vessel sales or securities offerings in the last 12 months that have been earmarked for share repurchases, debt prepayment and vessel acquisitions.
- **Minimum Cash Balance per Vessel** is defined as follows:
 - a. \$1.00 million for December 31, 2019
 - b. \$1.15 million for March 31, 2020
 - c. \$1.30 million for June 30, 2020
 - d. \$1.45 million for September 30, 2020
 - e. \$1.60 million for December 31, 2020
 - f. \$1.75 million for March 31, 2021
 - g. \$1.90 million for June 30, 2021
 - h. \$2.10 million for September 30, 2021

Continued Operational Excellence

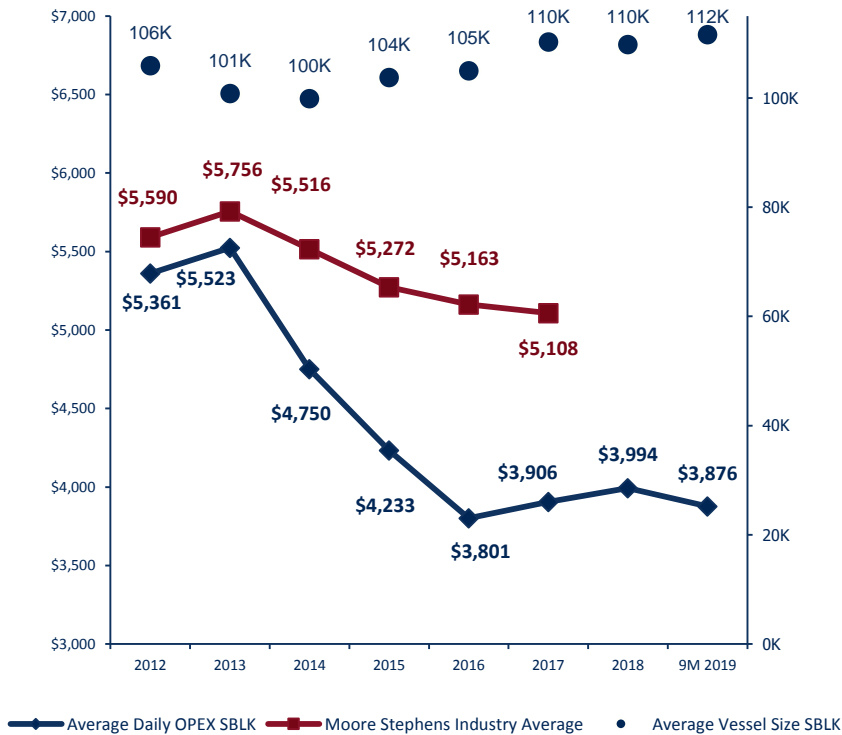


- For Q3 2019 vessel OPEX were \$3,693⁽¹⁾ per vessel per day
- Net cash G&A⁽²⁾ expenses per vessel per day were \$828 for Q3 2019
- We are consistently in the top 5 dry bulk operators in Rightship Ratings

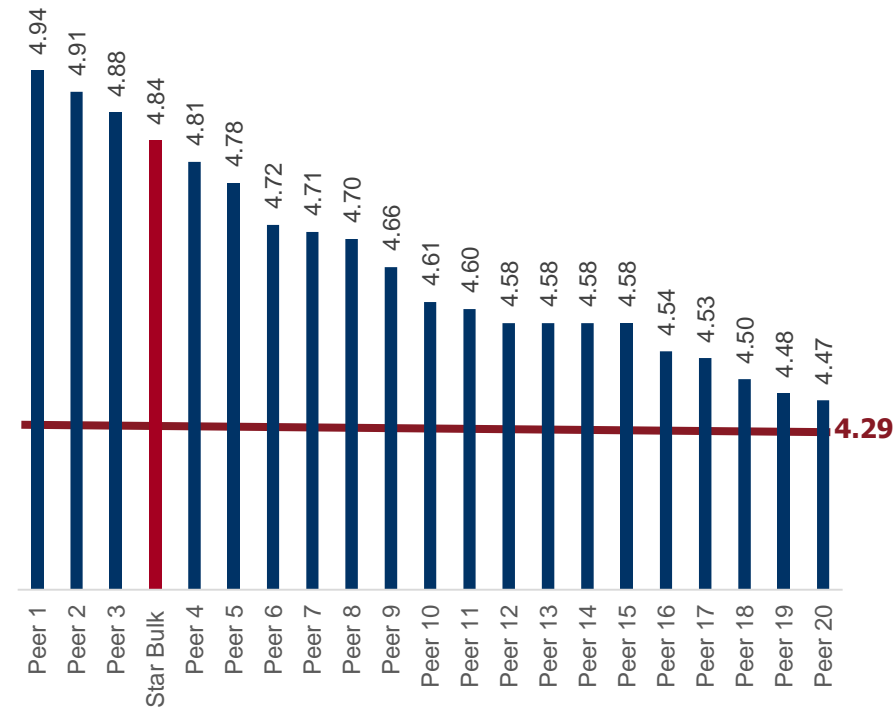
We operate a fleet with one of the lowest average daily OPEX...

...without compromising quality

Average Daily OPEX⁽¹⁾



Rightship Rating November 2019



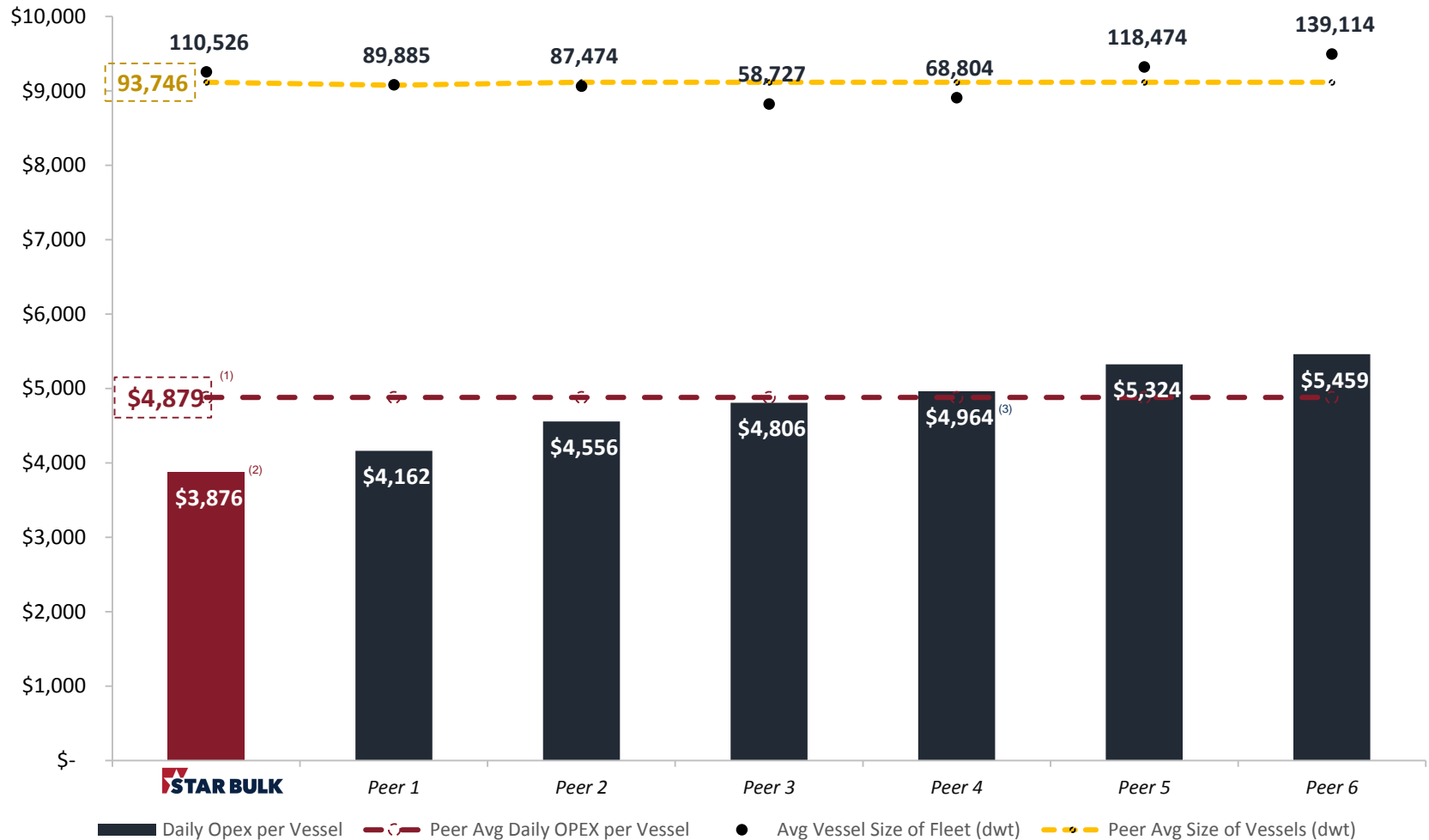
Source: Moore Stephens, Company Filings

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

Industry Leading OPEX 9M 2019



OPEX Benchmarking based on latest published financial statements



- 1) Peer Average figures exclude SBLK
- 2) Figures exclude pre-delivery expenses
- 3) Excludes management fees

Scrubber Installation Latest Update 2019

- **Early decision** for a fleet wide scrubber installation program.
 - Captive installation contracts with major shipyards, securing berth space and competitive installation cost.
- **106 Star Bulk vessels** to have completed scrubber installations by the end of 2019.
- By **September 2019**, **78 scrubber towers** have been installed in China and Europe.
- By **November 20th 2019**, **88 scrubber towers** will have been installed in China and Europe.
- 160 specialized and exclusive technicians deployed at this time onboard our vessels.



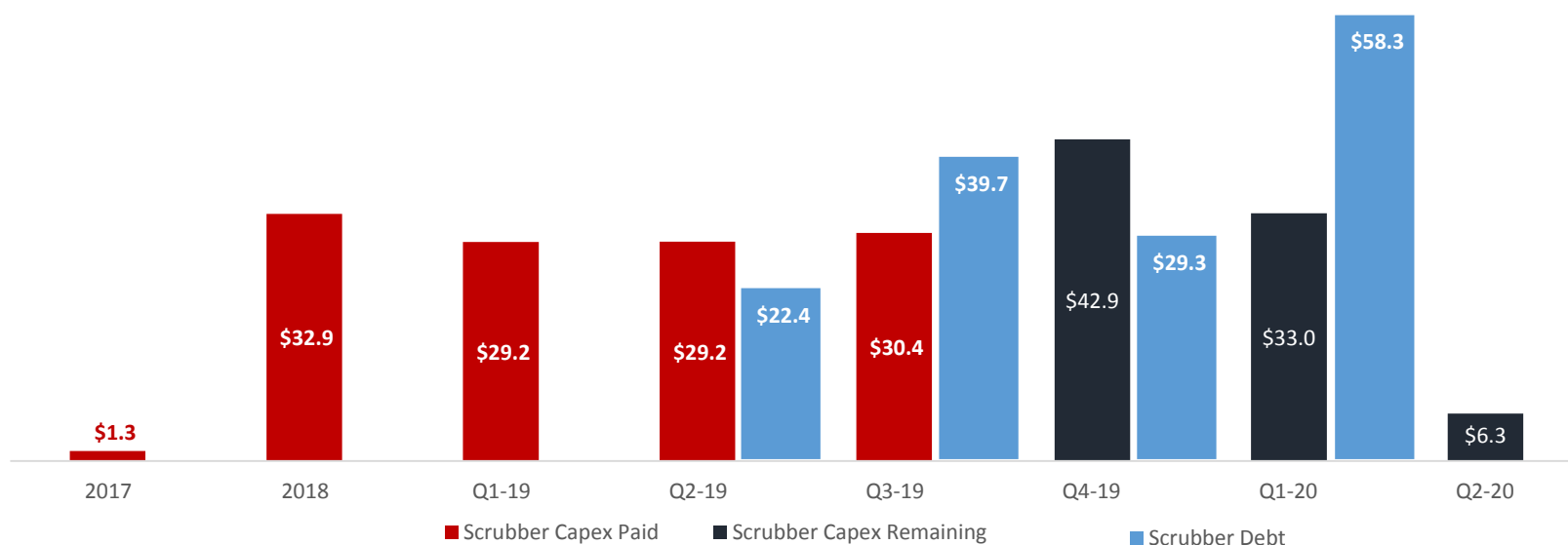
Scrubbers CAPEX

Total Figures⁽¹⁾

- Expected Total cost of Scrubber project \$209.0 million for 114 scrubber systems
- Secured debt financing of approximately 72%, ~\$150.0 million
- Remaining Scrubber CAPEX as of November 20th, 2019: ~\$74.6 million

As of November 20th 2019	CAPEX	Equity	Debt
Paid / Drawn	\$134.4	\$55.3	\$79.1
Remaining	\$74.6	\$4.0	\$70.7
Total	\$209.0	\$59.2	\$149.8

Estimated Remaining Scrubber CAPEX^{(1) (2)}



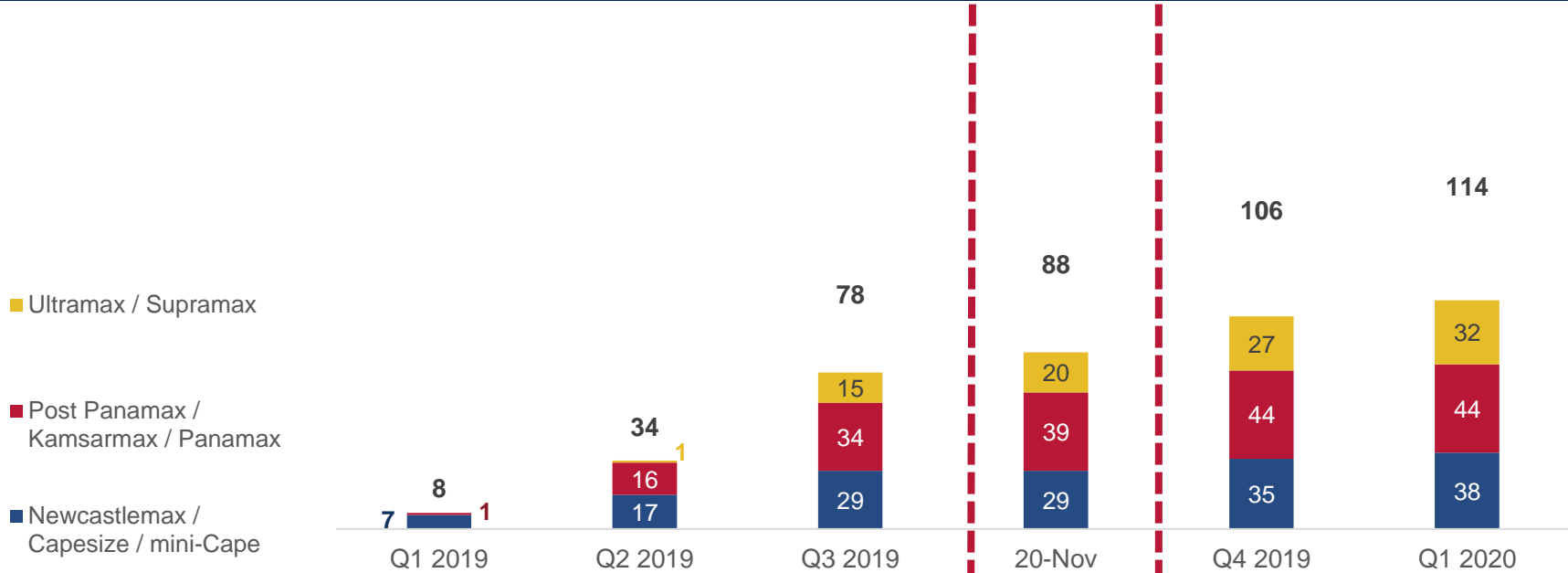
Note:

(1) As of November 20th, 2019, for 114 vessels

(2) Indicative schedule based on current forward FX rates, expected milestone dates and relevant contract obligations. Schedule may be altered due to various reasons (manufacturers' logistics, vessel itineraries, FX rate movement etc)

Scrubbers Installation Schedule

Scrubber Towers Installations

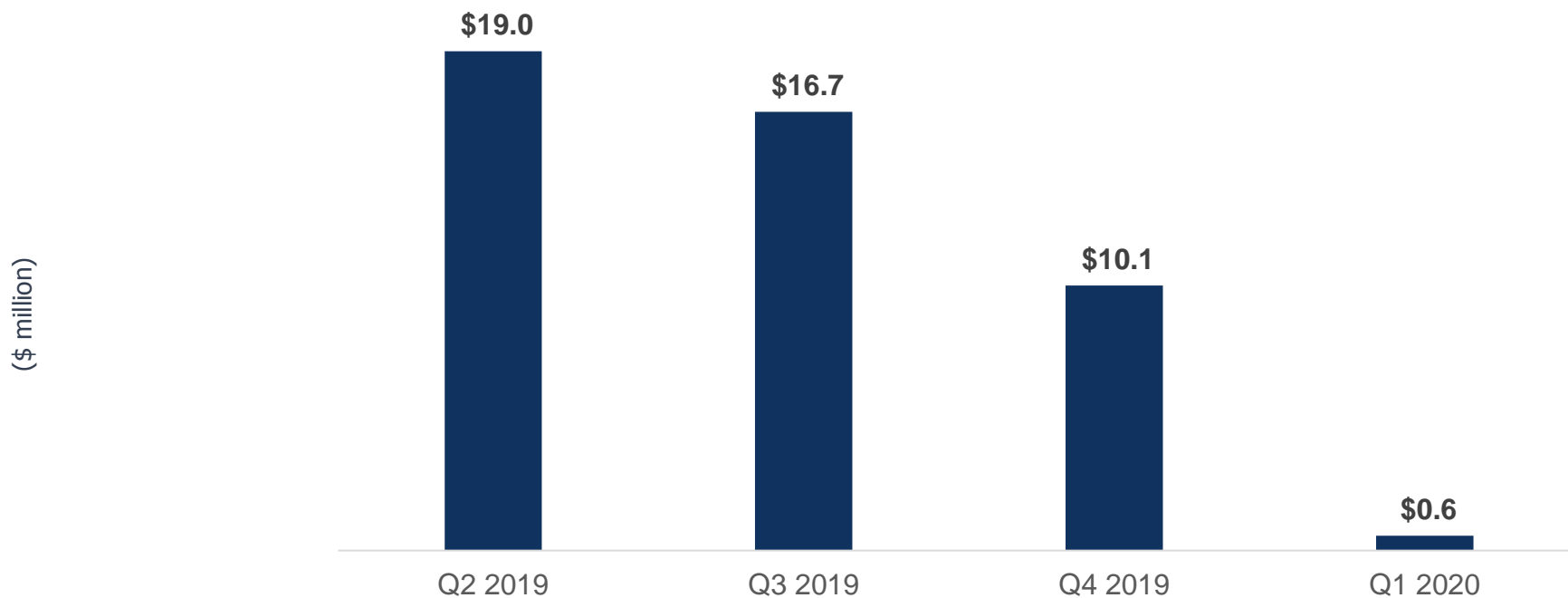


	Q1 2019	Q2 2019	Q3 2019	20 Nov 19	Q4 2019	Q1 2020
Scrubbers Commissioned	0	11	24	50	83	114
Total installed	8	34	78	88	106	114

Drydocking Schedule



Dry docking expense

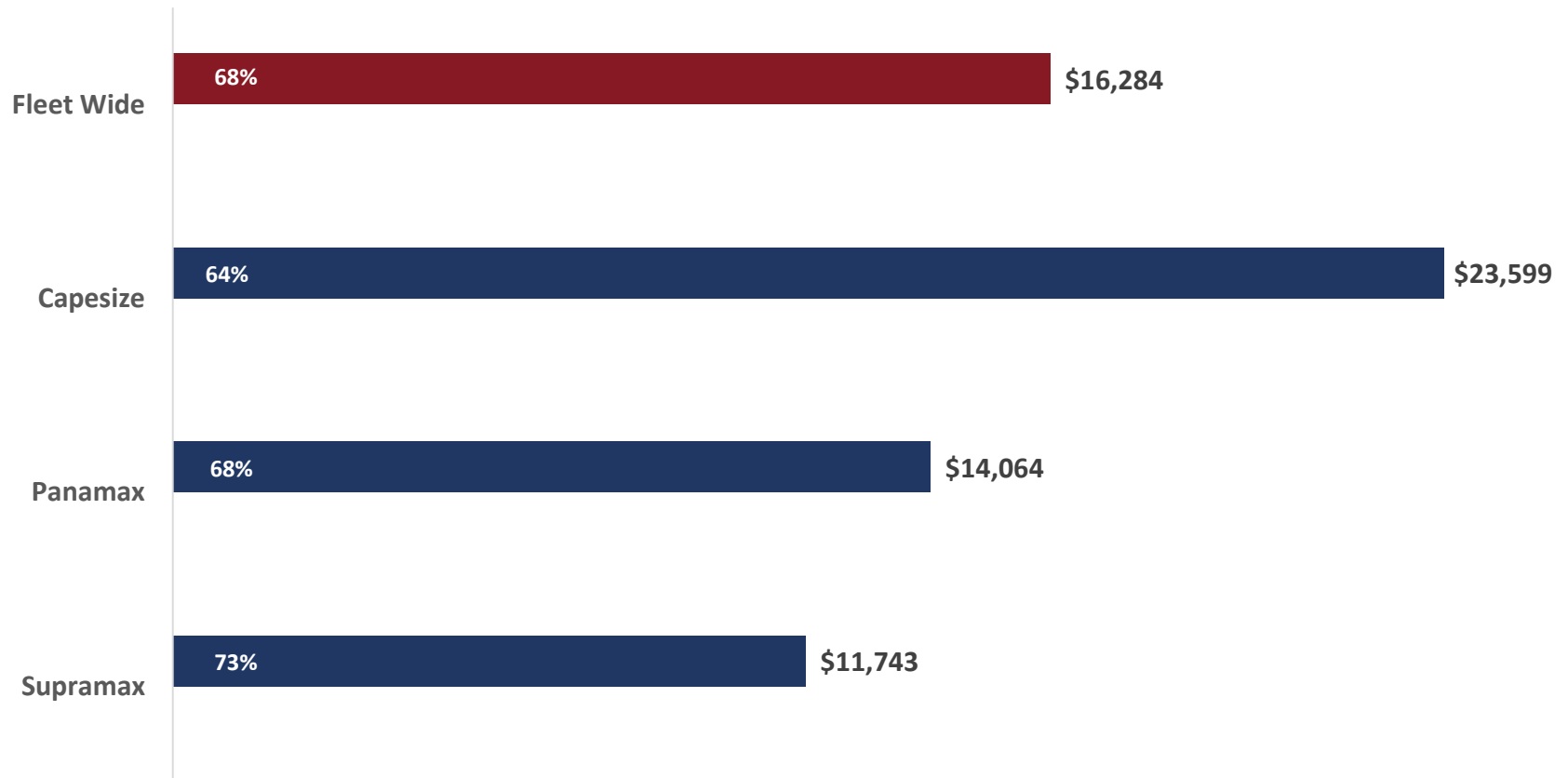


	Q2 2019	Q3 2019	Q4 2019	Q1 2020
Offhire days due to DD & scrubber installation	930	1,766	1,350	350

Q4 2019 Coverage

- We have fixed more than 68% of our fleet for Q4 2019

Fleet Employment – Q4 2019⁽¹⁾



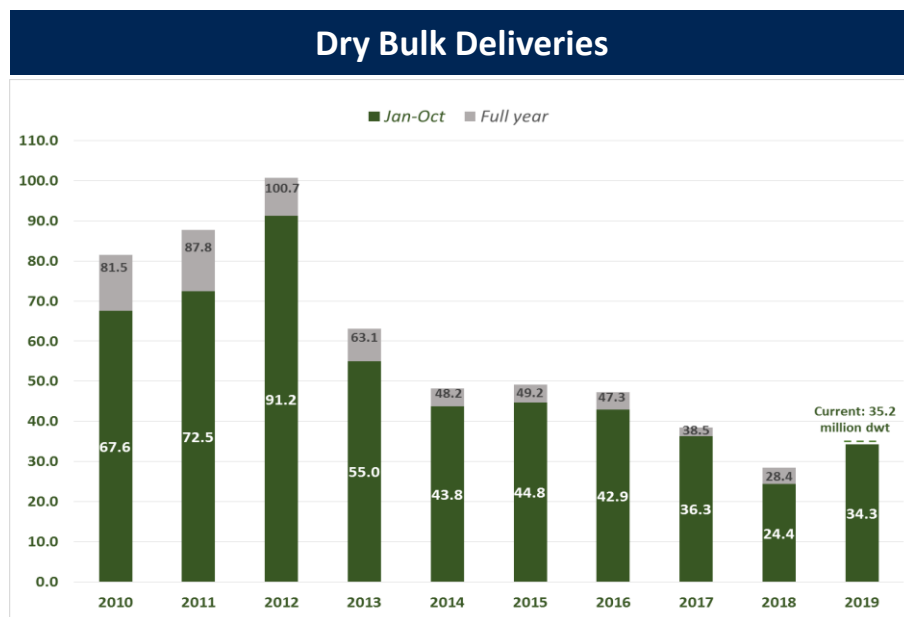
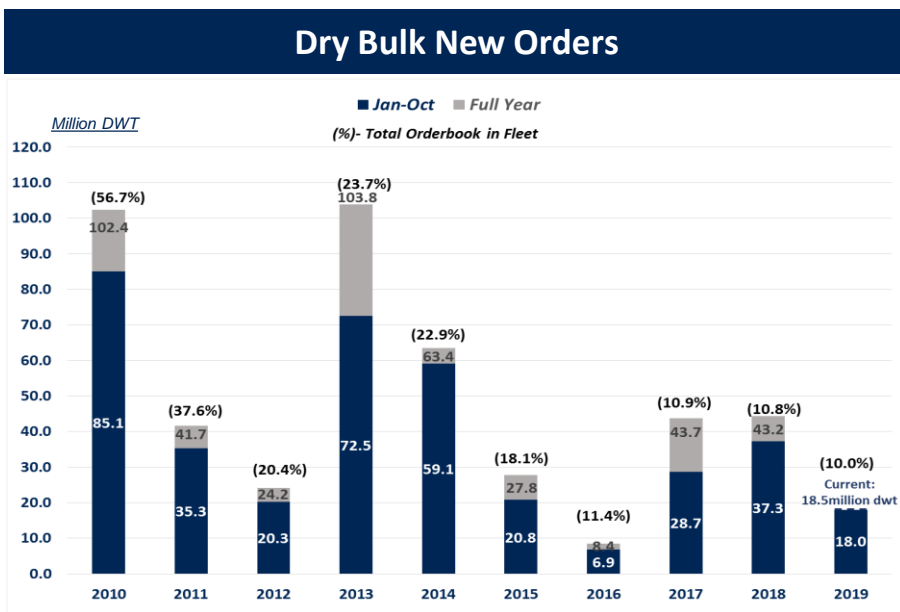
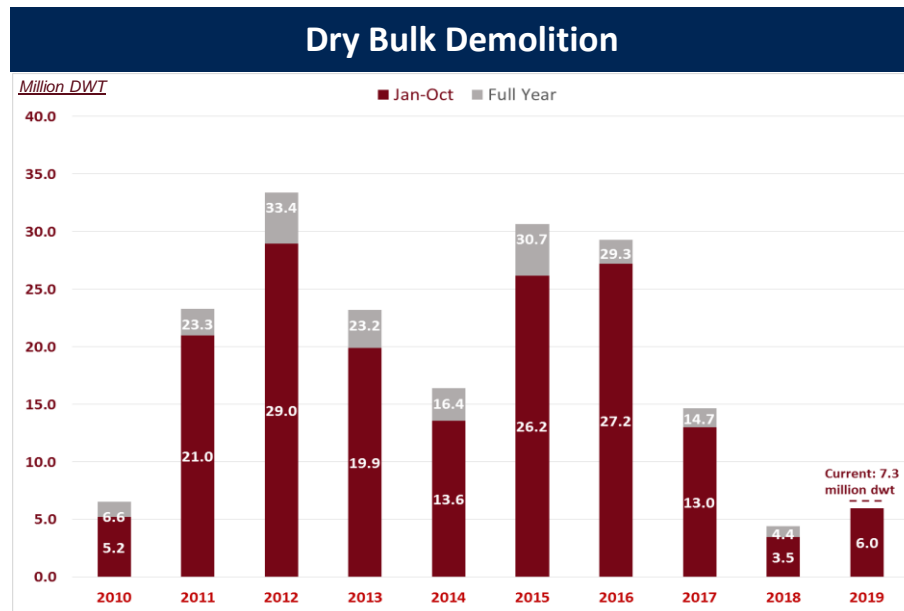
(1) Note: As of November 15th, 2019

(2) The above estimated 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

Dry Bulk Supply Update



- Dry bulk fleet growth is currently running at +3.7% y-o-y vs +2.6% during the same period in 2018.
 - Jan-Oct deliveries stand at 34.3 million dwt up from 24.4 million dwt during the same period last year
 - Jan-Oct demolition activity stands at 6.0 mdwt up from 3.5 mdwt during the same period last year – majority Capesize / VLOC related
 - Jan-Oct contracting activity stands at 18.0 mdwt down from 37.3 mdwt during the same period last year
- Orderbook currently estimated at ~10.0% of the fleet, lowest since 2002
- Vessels above 15 years of age currently at ~15.3% of the fleet.
- Low contracting should keep 2020/2021 deliveries close to multi year lows.
- IMO 2020 regulation has limited effective supply through scrubber installation off hires and has led to regional supply imbalances during 2019.
- Higher bunker cost environment as of 2020 should incentivize slow steaming and push the freight rate equilibrium higher.



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

Dry Bulk Demand Update

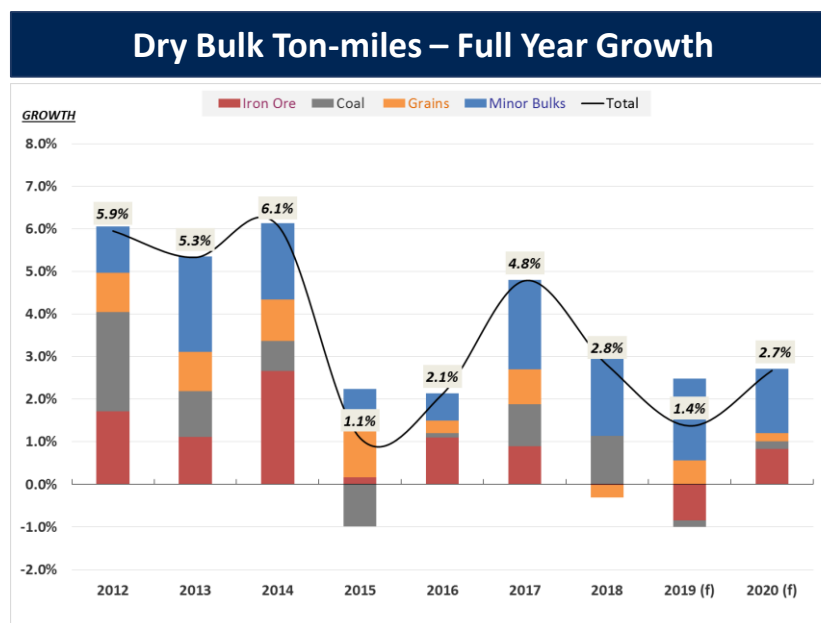


- Dry bulk freight rates surged to multi-year high levels during Q3.
- The third quarter strength was driven by recovering iron ore trade, strong growth in China coal imports and record high corn exports from Latin America.
- During full year 2019, total dry bulk trade growth measured in ton-miles is projected to expand by approximately +1.4% due to strong disruptions in iron ore exports. During full year 2020, total dry bulk trade is projected to accelerate and grow by +2.7%.

Key Dry bulk cargoes:

- **Iron ore trade growth in 2019 projected at -1.3% y-o-y vs +0.2% in 2018**
(2019 ton-miles -3.2% vs -0.1% in 2018)
 - Full year 2019 ton-miles are negatively affected by disruptions to Vale's iron ore production after the tailings dam collapse in January.
- **Thermal & Coking Coal growth in 2019 at +1.2% y-o-y vs +5.1% in 2018**
(2019 tons-miles -0.8% vs +6.0% in 2018)
 - China and India coal needs for electricity generation exceed domestic coal production growth. Thermal coal prices in contango incentivizing restocking.
- **Grains incl. soybeans growth in 2019 at +1.5% y-o-y vs -0.7% in 2018**
(2019 ton-miles +4.8% vs -2.6% in 2018)
 - China soybean import imports during 2019 have been affected by the "trade war" and the African swine fever outbreak. US export volumes remain weak but expected to recover after the recently agreed exemptions.
- **Minor bulk growth in 2019 at +3.6% y-o-y vs +3.8% in 2018**
(2019 ton-miles +4.5% vs +5.0% in 2018)
 - Bauxite from West Africa to continue to support ton-miles for Capesize vessels. ASEAN and India infrastructure development supporting growth. Indonesian nickel ore export ban to weigh negatively on smaller sizes.

Dry Bulk Trade (Million tons)	2013	2014	2015	2016	2017	2018	2019 (f)	2020 (f)
Iron ore	1,188	1,340	1,364	1,418	1,473	1,476	1,457	1,487
Coal	1,183	1,217	1,138	1,141	1,202	1,263	1,278	1,293
Grains	363	407	429	450	476	473	480	490
Minor Bulks	1,826	1,848	1,892	1,880	1,938	2,011	2,083	2,135
Total Dry	4,560	4,812	4,822	4,889	5,089	5,223	5,299	5,406
Annual Growth (tons)	250	252	10	67	201	134	76	107
Annual Growth (%)	5.8%	5.5%	0.2%	1.4%	4.1%	2.6%	1.5%	2.0%
Ton-miles growth	5.3%	6.1%	1.1%	2.1%	4.8%	2.8%	1.4%	2.7%



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

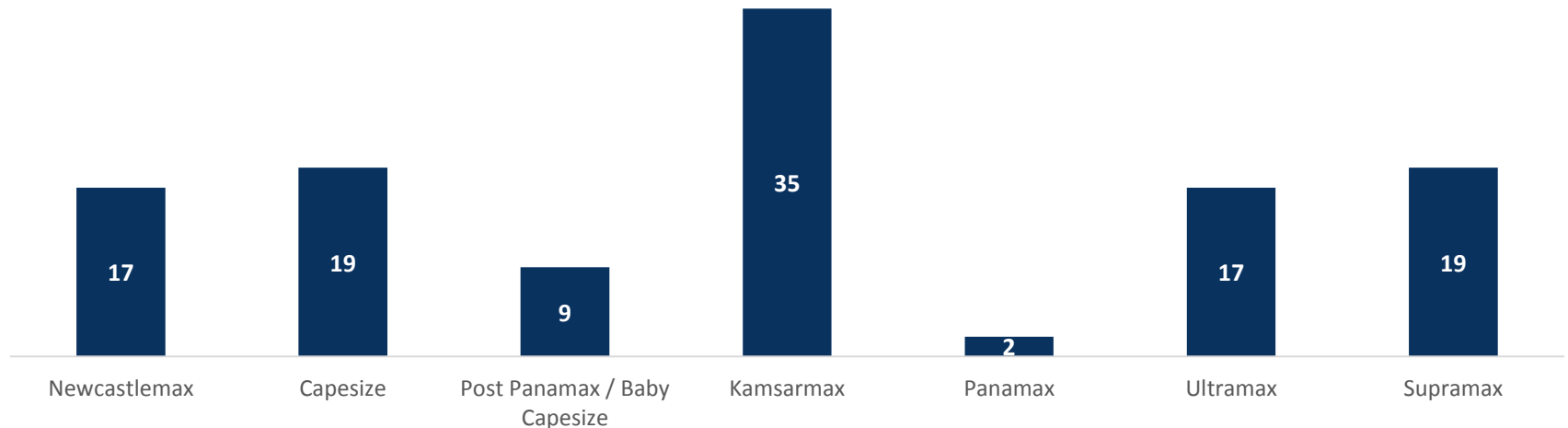
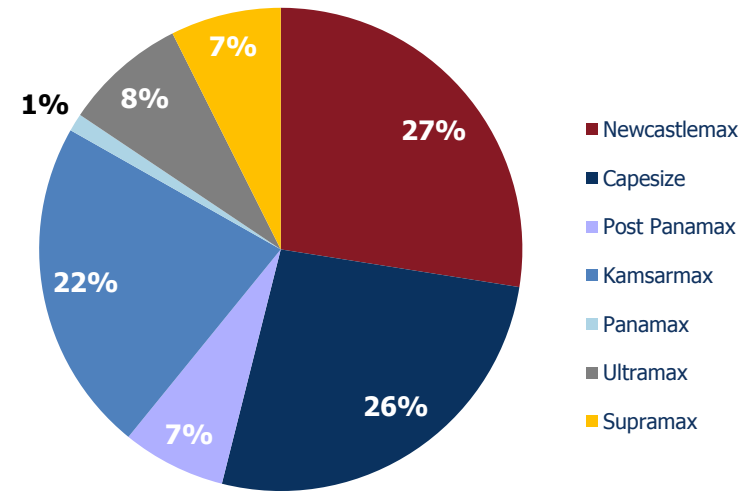
APPENDIX



Diverse Fleet Covering All Segments

- Fully delivered fleet of 116 vessels
- Average age of ~8.2 years
- 36 Newcastlemax / Capesize vessels
- 42,340 ownership days on a fully delivered basis

Million DWT



(1) Pro forma for the delivery of two sold vessels, Star Cosmo and Star Epsilon

Income Statement 3rd Quarter 2019



(in \$000's)	Q3 2019	Non-cash Adjustments/ One time expenses	Adjusted Q3 2019	Adjusted Q3 2018
REVENUES:	248,444	(328)	248,116	187,763
Voyage expenses	(67,575)	-	(67,575)	(32,382)
Charter in expense	(48,545)	-	(48,545)	(26,655)
Realized Gain/(Loss) on forward freight agreements and bunker swaps	(995)	-	(995)	246
Adjusted TCE Revenues	131,329		131,001	128,972
EXPENSES:				
Vessel operating expenses	(39,741)	-	(39,741)	(36,647)
Regular Drydocking expenses ⁽¹⁾	(16,682)	8,522	(8,160)	(2,576)
Management fees	(4,613)	-	(4,613)	(3,366)
Unrealized gain/(Loss) on forward freight agreements and bunker swaps	408	(408)	-	-
General and administrative expenses	(9,706)	3,513	(6,193)	(6,323)
Other operational loss/(gain)	(110)	-	(110)	-
Other Operational gain	15	-	15	(2)
Gain/(Loss) on sale of vessel	(70)	70	-	-
Total expenses	(56,285)		(44,916)	21,267
EBITDA	60,535		72,199	80,058
Depreciation	(32,206)	-	(32,206)	(28,795)
Operating (loss)/ income	28,624		39,993	51,263
Interest and finance costs	(22,411)	-	(22,411)	(21,353)
Loss on debt extinguishment	(330)	115	(215)	-
Interest income and other	(90)	-	(90)	636
Total other income (expenses), net	(22,831)		(22,716)	(20,717)
Equity in income /loss of investee	33	(33)	-	-
Net income before tax	5,826		17,277	30,546
Income tax	(11)	-	(11)	-
Net income	5,815		17,266	30,546
Earnings per share, basic	\$0.06		\$0.18	\$0.35

(1) We adjust for the accelerated drydocking expenses brought forward from 2020 to 2019

THANK YOU

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