



NASDAQ: SBLK

# 3<sup>rd</sup> Quarter 2015 Financial Results



November 2015

# 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 general dry bulk shipping market conditions, including fluctuations in charterhire rates and vessel values, the strength of world economies the stability of Europe and the Euro, fluctuations in interest rates and foreign exchange rates, changes in demand in the dry bulk shipping industry, including the market for our vessels, changes in our operating expenses, including bunker prices, dry docking and insurance costs, changes in governmental rules and regulations or actions taken by regulatory authorities, potential liability from pending or future litigation, general domestic and international political conditions, potential disruption of shipping routes due to accidents or political events, the availability of financing and refinancing, our ability to meet requirements for additional capital and financing to complete our newbuilding program and grow our business, vessel breakdowns and instances of off-hire, risks associated with vessel construction and potential exposure or loss from investment in derivative instruments. 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, and make distributions to its stockholders.*

*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.*

## Q3 2015 Financial Performance

Net revenues of \$49.1 million

Adjusted EBITDA of \$6.1 million

Adjusted Net Loss of \$24.5 million or \$0.11/share

## Actively Improving Liquidity

Increased Charter Coverage

Reduced Operating & General and Administrative Expenses

Actively Managed Newbuilding Program

Disposed of Vessels

# Q3 2015 Financial Highlights



	Three months ended September 30, 2015	Three months ended September 30, 2014	Increase / (Decrease) %
Net revenues <sup>(1)</sup>	\$49.1 ml	\$25.2 ml	
Adjusted EBITDA	\$6.1 ml	\$9.7 ml	
Adjusted Net Loss	(\$24.5) ml	(\$2.2) ml	
Adjusted TCE	\$8,702	\$11,159	(22%)
Average daily OPEX per vessel <sup>(2)</sup>	\$4,237	\$4,816	(12%)
Average daily Net Cash G&A expenses per vessel <sup>(3)</sup>	\$1,097	\$1,596	(31%)
Average number of Vessels	71.2	31.5	
Adjusted EPS <sup>(4)</sup>	(\$0.11)	(\$0.03)	
Cash	\$245.6 ml		
Total Debt	\$1,013.5 ml		

Notes: (1) Net revenues = Total gross revenues adjusted for non-cash items – Voyage expenses

(2) Excludes pre-delivery expenses

(3) Excludes one-off severance payments and share incentive plans, includes management fees

(4) Based on 219,120,612 weighted average number of shares outstanding, diluted for Q3 2015 and 77,437,791 weighted average number of shares outstanding, diluted for Q3 2014

# Fleet Employment Update

From Q3 onwards we have fixed 12 vessels on period charters:

- Average fixed rate of \$8,782
- Average duration of 7.5 months

Vessel	Size	Charterer	2015	2016				2017			Gross TC Rate	
			4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q		
Big Bang	CAPESIZE	Major Mining Company										\$25,000
Star Eleonora		Major Trading Company										\$8,888
Star Monisha		Major Trading Company										\$9,500
Amami	POST PANAMAX / PANAMAX / KAMSARMAX	Glocal Maritime										\$15,000
Madredeus		Glocal Maritime										\$15,000
Star Sirius		Glocal Maritime										\$15,000
Star Vega		Glocal Maritime										\$15,000
Star Vanessa		ABT										\$7,000 til Mar16 and \$7,750 thereafter
Magnum Opus		Norden										\$12,000
Mercurial Virgo		Cobelfret										\$8,250
Star Moira		Starboard										\$9,250
Star Nasia		Sinoriches										\$9,000
Star Danai		Major Utility Company										\$8,100
Star Mariella		United										\$8,900
Tsu Ebisu		Beidu										\$11,900
Star Emily	Hudson										\$7,800	
Star Iris	Hudson										\$7,400	
Wolverine	ULTRAMAX	Navig8										\$9,000

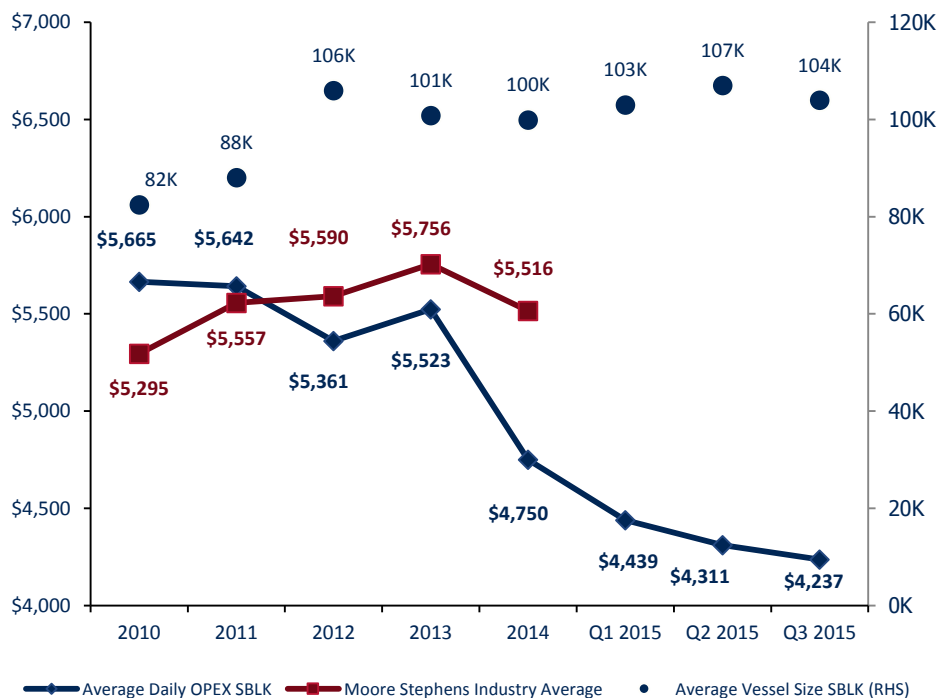
# Continued Operational Excellence

Vessel OPEX<sup>(1)</sup> were \$4,237 per day for Q3 2015, reduced by 12% compared to the respective \$4,816 for Q3 2014

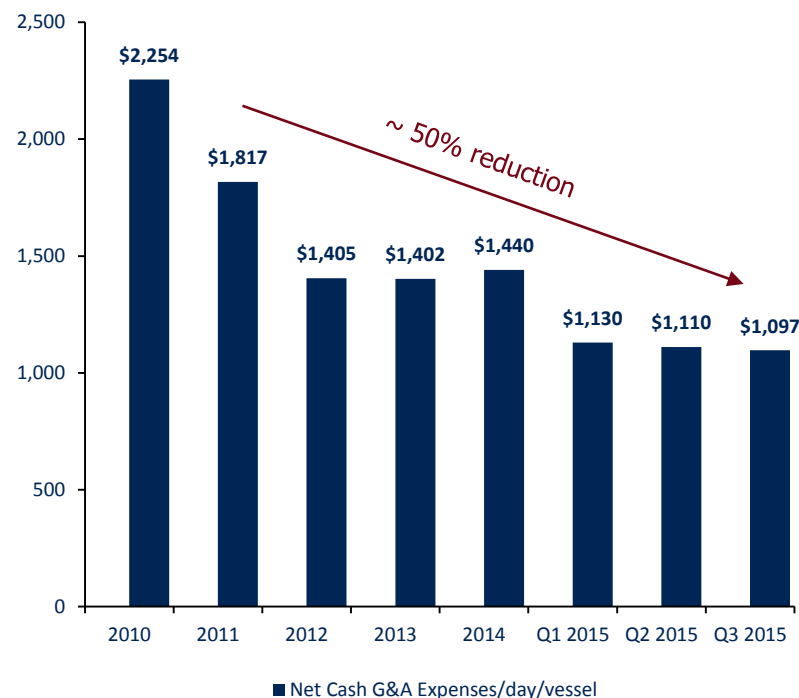
In Q3 2015 average daily net cash G&A expenses per vessel were \$1,097, reduced by 31.3% YoY

Over 88% of owned vessels have a 5 star Rightship rating with all other vessels rated with 4 stars

### Average Daily OPEX<sup>(1)</sup>



### Net Cash G&A<sup>(2)</sup> Expenses

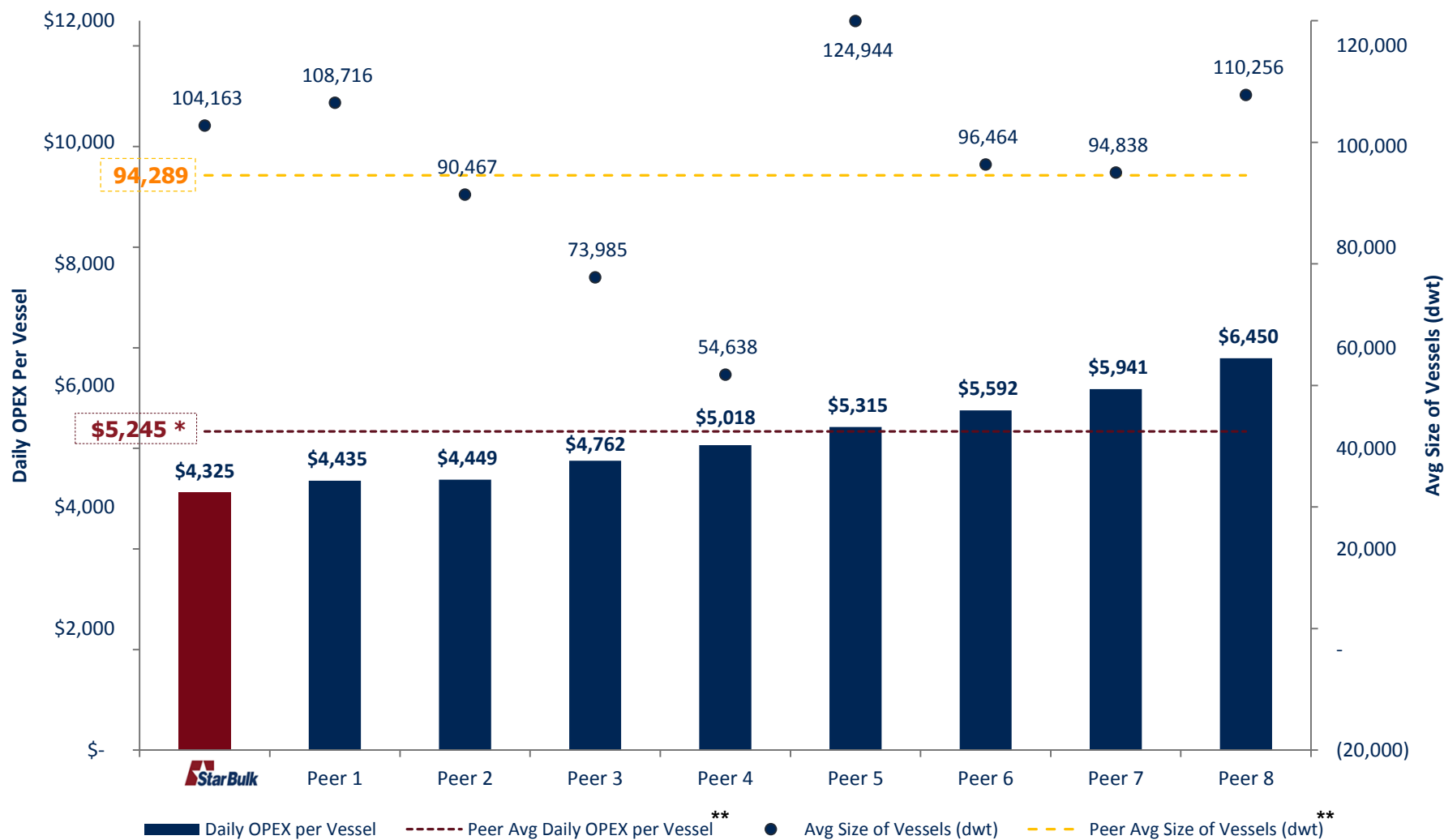


**On a fully delivered fleet of 88 vessels we will have achieved ~ \$39 million in annual cost savings from OPEX and G&A expenses reduction**

(1) Figures exclude pre-delivery expenses

(2) Excludes one-off severance payments and share incentive plans, includes management fees

# Industry Leading OPEX



**SBLK: Amongst lowest cost U.S. listed dry bulk operators \*\*\***

\* Peer average calculations exclude Star Bulk

\*\* Information for Star Bulk relates to 9m 2015 versus H1 2015 performance for all other peers, except Peer 5 for which information pertains to Q2 2015

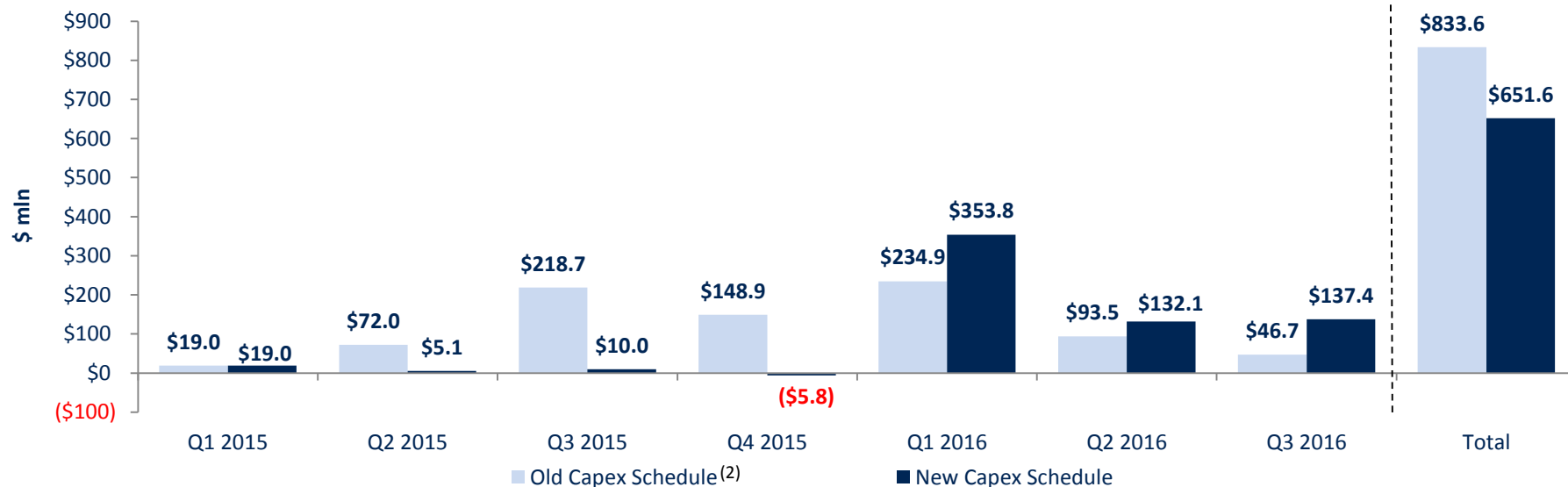
\*\*\* Does not include peers for which we cannot verify operating costs

# Continuously Improving Terms with Yards



- Deferral of ~\$464 million of installments from 2015 to 2016
- Reassignment of two lease agreements for a total equity CAPEX reduction of \$23.2 million
- Reduction in total of \$25.8 million in CAPEX for newbuilding vessels
- Increased newbuilding resale values of \$30.3 million due to a shift in delivery date from 2015 to 2016
- Vessel deliveries delayed by a total of 105 months (~5.2 months per vessel)

## Old vs. New Capex Schedule



	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Total
<b>Remaining NB Capex (1)</b>	(\$5.8)	\$353.8	\$132.1	\$137.4	\$617.5
<b>Committed Debt Amount</b>	\$0.0	\$321.7	\$124.2	\$136.7	\$582.7

(1) As of November 16, 2015, excluding one vessel sold and 2 vessels whose lease agreements were reassigned

(2) As of December 31, 2014, including one vessel sold and 2 vessels whose lease agreements were reassigned



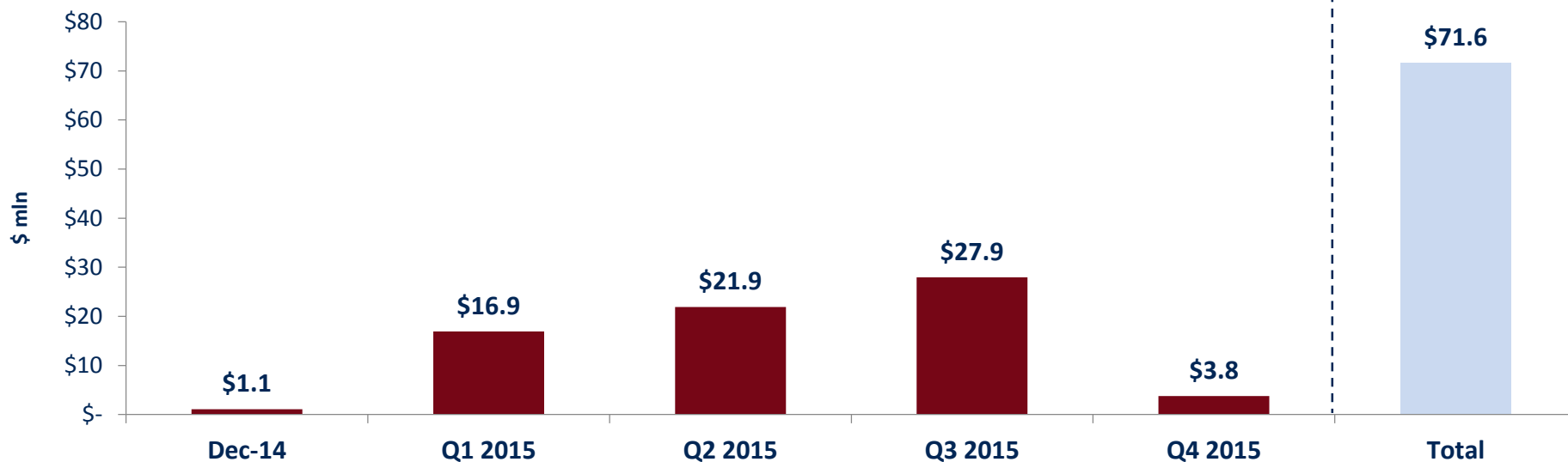
## Vessel Disposals Update

- In Q3 we have completed the sale of one Supramax and two Panamax vessels
- Net sale proceeds in Q3 2015 were ~\$27.9 million
- In Q4 we have delivered Star Nicole to its new owner and received \$3.8 million in gross proceeds
- Disposed 11 old vessels (90's built) and 1 modern vessel since December 2014
- Total sale proceeds of ~\$71.6 million since December 2014

## Committed equity proceeds of ~\$11 million from the sale of a newbuilding vessel in 2016

## 5 unlevered vessels: 1 Capesize, 2 Panamax, 1 Supramax & 1 Handymax

### Vessel Sales Proceeds





## Market Update



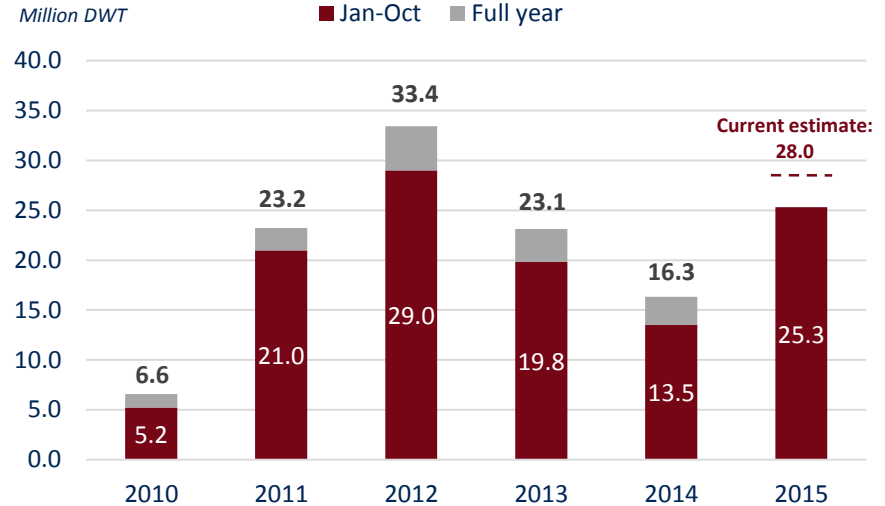
## 2015 Fleet growth

- +2.6% during the last 12 months
- Demolition activity:
  - Approx. 28 mil. dwt sold and/or reported as sold ytd
- Slippage expected to affect approx. 35% of scheduled deliveries
  - Approx. 44 mil. dwt during Jan/Oct

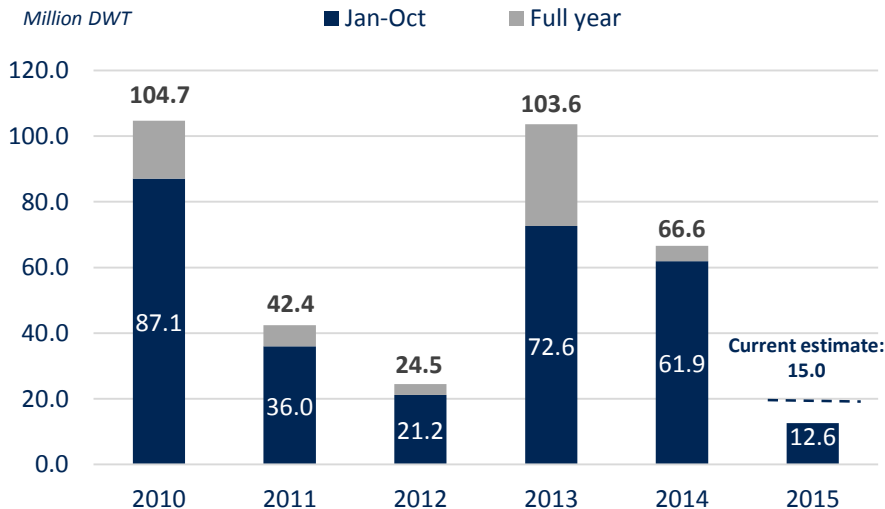
## Dry bulk Orderbook and 2016

- Currently stands at around 16.5% from 25.0% same month last year.
- Record low contracting during the last 12 months
  - Less than 15 mil. dwt during Jan/Oct
- Cancellations & Conversions trimming 2016/17 projected fleet growth
- 1st tier yard coverage for 2017 estimated at 100% (adjusted for slippage)

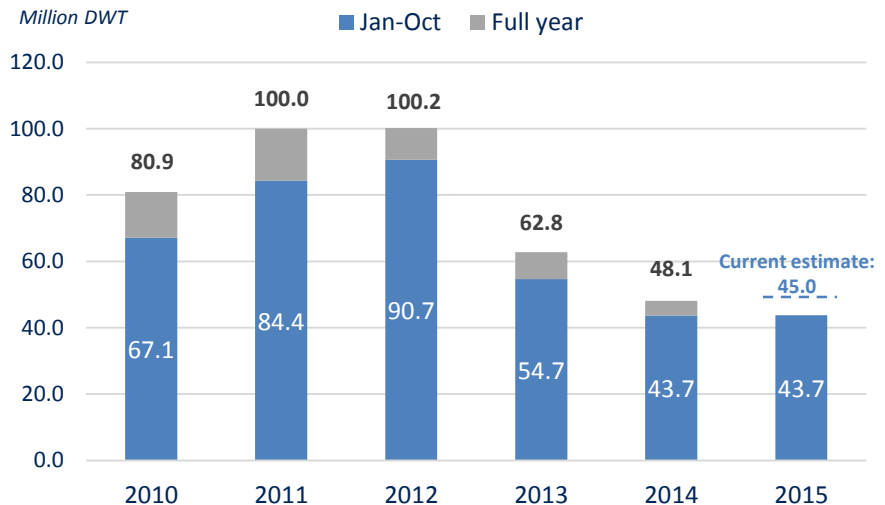
## Dry Bulk Demolition



## Dry Bulk New Orders



## Dry Bulk Deliveries



## 2015 projected to be transition year for trade growth

- Dry bulk trade and ton-mile growth affected from:
  - Commodities and energy prices correction
  - Lower steel consumption in China and globally
  - Destocking of raw materials
  - Lower Chinese coal imports
  - Substitution of obsolete, high cost steel mills and mines

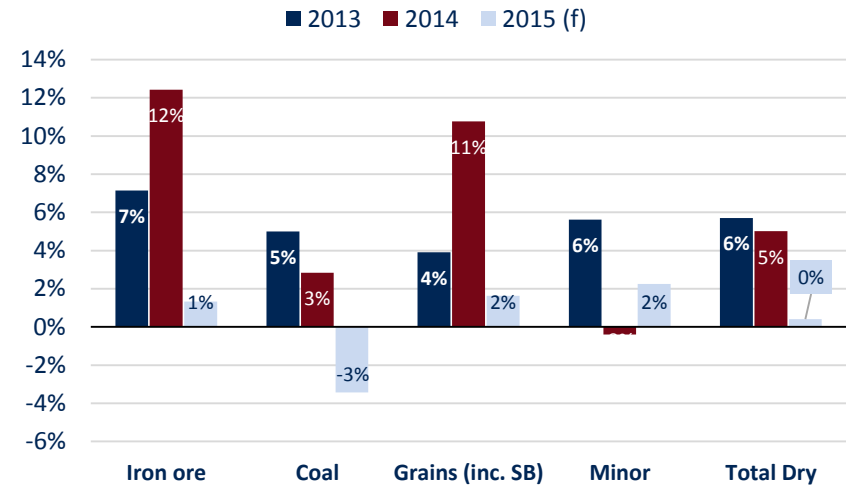
## Total dry bulk trade growth for full 2015 projected at approx. 0.5%

- Iron ore trade expected between +1% / +2%
- Thermal and Coking Coal trade expected between -3% / -4%
- Grains including soybeans expected between +3% / +4%
- Minor bulk expected between +2% / +3%

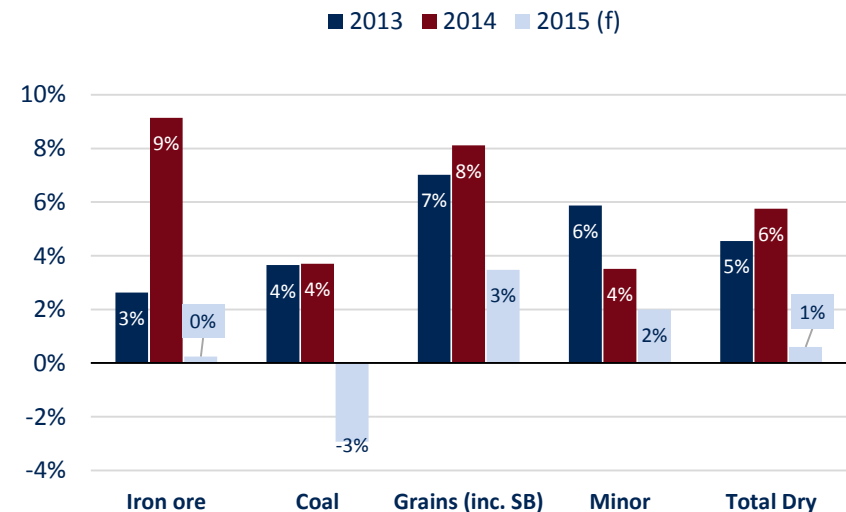
## Trade Growth to gradually improve from 2016

- Global GDP stimulus due to:
  - Low oil, raw material and finished product prices
  - Low interest rates
- China government monetary and fiscal stimulus
- Inefficient mines shut downs and import substitution
- ASEAN and India infrastructure development acceleration
- Eurozone quantitative easing effect
- Asia coal ton-mile improvement due to lower Indonesia exports
- Minor bulk trade and grain ton-mile growth improvement
- Favorable FX for Latin America exporters (ore, grains & coal)
- Destocking stabilization and congestion recovery

### Dry Bulk Trade – Full Year Growth (Tons)



### Dry Bulk Trade – Full Year Growth (Ton-Miles)



# THANK YOU

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