



NASDAQ: SBLK

# 4<sup>th</sup> Quarter and FY 2014 Financial Results



March 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).*

*Forward-looking statements include statements regarding:*

- The completion of Star Bulk's recently announced acquisition of assets;*
- The delivery to and operation of assets by Star Bulk and the integration of recently acquired assets and business operations;*
- Star Bulk's future operating or financial results;*
- Future, pending or recent acquisitions;*
- Star Bulk's business strategy;*
- Areas of possible expansion, and expected capital spending or operating expenses; and*
- Dry bulk market trends, including charter rates and factors affecting vessel supply and demand.*

*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.*

## Transformational Year for the Company

- ★ Completed the merger with Oceanbulk and the acquisition of the 34 vessel fleet from Excel
- ★ Created the largest U.S. listed dry bulk company, with a fully delivered fleet of 98 vessels

## FY 2014 performance

- ★ Net revenues of \$111.2 million
- ★ Adjusted EBITDA of \$43.6 million
- ★ Adjusted Net Income of \$(3.2) million or \$(0.05)/share

## Fleet Update

- ★ 33 out of 34 vessels of Excel delivered so far, with the last one to be delivered by March 31<sup>st</sup> 2015
- ★ 3 Newbuilding vessels delivered in Q1 2015: 1 JMU Capesize (“Indomitable”) and 2 NACKS Ultramax (“Honey Badger”, “Wolverine”)
- ★ Sale of 5 vessels (90’s built) that did not fit our commercial profile

## Revenues

- ★ Announced the formation of Capesize Chartering Ltd. a platform to improve efficiency in capesize vessel trading
- ★ Agreed long-term strategic partnership with major miner for the employment of 3 Newcastlemax vessels for five years on a \$/ton basis
- ★ Average TCE for 2014 across all sizes outperformed the market and the relevant adjusted Baltic Index, for the fourth year in a row

## Operating Expenses

- ★ Constant focus on operating expenses during 2014 helped the company achieve a 14% reduction YoY to \$4,750<sup>(1)</sup> per day per vessel
- ★ Continued emphasis on cost control as we aim to be one of the lowest cost operators, with no compromise in safety and quality

## Debt Financing

- ★ Arranged committed financing on 30 out of 32 existing Newbuilding vessels
- ★ Proceeding towards converting negotiated financing to commitments on \$65.0 million of debt for our 2 remaining Newbuilds

## Newbuilding Program

- ★ Agreed deferral of certain pre-delivery installments from 2015 to 2016, along with delay of some vessel deliveries

## Equity Raise

- ★ Successfully completed a public equity offering in January 2015 with proceeds of \$245 million used to fully fund our newbuilding program and strengthen the balance sheet

(1) Figure excludes pre-delivery expenses



# Corporate & Financial Highlights



# 4<sup>th</sup> Quarter 2014 Financial Highlights



<u>Period</u>	<u>4Q 2014</u>	<u>4Q 2013</u>	<u>Increase / (Decrease) %</u>
Net revenues*	\$45.6m	\$17.3m	163.6%
EBITDA Adjusted	\$16.6m	\$7.4m	124.2%
Net Income/(Loss)	<b>\$(8.1)m</b>	\$0.1m	n/m
Net Income/(Loss) Adjusted	<b>\$(5.5)m</b>	\$2.1m	n/m
TCE Adjusted	\$11,384	\$14,467	<b>(21.3%)</b>
Average daily OPEX per vessel	\$4,704	\$5,392	<b>(12.8%)</b>
Average N. of Vessels	50.8	13.2	283.4%
<b>EPS Adjusted</b>	<b>\$(0.06)</b>	<b>\$0.07</b>	<b>(177.6%)</b>
Weighted average number of shares outstanding, diluted	97,623,578	28,488,902	242.7%

"Adjusted" figures exclude non-cash items

\*Net revenues = Total gross revenues adjusted for non-cash items – Voyage expenses

# FY 2014 Financial Highlights



<u>Period</u>	<u>FY 2014</u>	<u>FY 2013</u>	<u>Increase / (Decrease) %</u>
Net revenues*	\$111.2m	\$68.7m	61.8%
EBITDA Adjusted	\$43.6m	\$32.3m	34.7%
Net income/(Loss)	\$(11.7)m	\$1.9m	n/m
Net income/(Loss) Adjusted	\$(3.2)m	\$9.7m	(132.9%)
TCE Adjusted	\$12,161	\$14,427	(15.7%)
Average daily OPEX per vessel	\$5,037	\$5,564	(9.5%)
Average N. of Vessels	28.9	13.3	116.6%
EPS Adjusted	\$(0.05)	\$0.69	(107.9%)
Weighted average number of shares outstanding, diluted	58,411,193	14,116,389	314.0%

"Adjusted" figures exclude non-cash items

\*Net revenues = Total gross revenues adjusted for non-cash items – Voyage expenses

# Balance Sheet as of December 31, 2014



(in \$ '000s)	Dec 31, 2014 (unaudited)	Dec 31, 2013 (audited)
<b>ASSETS</b>		
Cash and restricted cash (current and non-current)	99,972	56,030
Other current assets	45,078	8,269
Fixed assets, net	1,441,851	326,674
Long-term investment	634	-
Advances for vessels under construction	454,612	67,932
Fair value of above market acquired time charter	11,908	7,978
Other non-current assets	8,029	1,205
<b>TOTAL ASSETS</b>	<b>2,062,084</b>	<b>468,088</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Total debt	861,793	190,334
Total other liabilities	45,989	11,648
Stockholder's equity	1,154,302	266,106
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>2,062,084</b>	<b>468,088</b>
Net Debt	761,821	134,304
Total Capitalization (Debt + Equity)	2,016,095	456,440
Debt / Total Capitalization	42.7%	41.7%
Net Debt / Total Capitalization	37.8%	29.4%



# Company Update



# 30 of 32 NB Vessels have Committed Debt

**30 of 32 NB vessels have committed financing in place totalling \$906 million**

**Currently in negotiations to finalize \$65 million of financing for the remaining 2 NBs**

**The size of the debt commitments in place is another strong sign of support to the Star Bulk platform by our banking partners**

**When our NB fleet is fully delivered, we will have secured a broad base of financing from over 14 financial institutions<sup>(2)</sup>**

NB Debt Financing Update								
Vessel Financed	Vessel Type	Bank - Type of Financing	Status	Amount	Tenor (Years)	Annual Amortization <sup>(1)</sup>	Balloon	
1	HN NE166 (tbr Gargantua)	Newcastlemax	CEXIM/DNB/SEB	Committed	\$32.5	6.0	\$2.04	\$20.26
2	HN NE167 (tbr Goliath)	Newcastlemax	CEXIM/DNB/SEB	Committed	\$32.5	6.0	\$2.04	\$20.26
3	HN NE184 (tbr Maharaj)	Newcastlemax	CEXIM/DNB/SEB	Committed	\$32.5	6.0	\$2.04	\$20.26
4	Hull NE 198 (tbr Star Poseidon)	Newcastlemax	CEXIM/DNB/SEB	Committed	\$32.5	6.0	\$2.04	\$20.26
5	N/B 1359 BB (tbr Star Marisa)	Newcastlemax	CSSC - BBHP	Committed	\$46.4	10.0	\$2.59	\$13.92
6	Hull 1372 BB (tbr Star Libra)	Newcastlemax	CSSC - BBHP	Committed	\$47.2	10.0	\$2.63	\$14.16
7	N/B 1360 BB (tbr Star Ariadne)	Newcastlemax	CSSC - BBHP	Committed	\$46.4	10.0	\$2.59	\$13.92
8	Hull 1342 (tbr Star Gemini)	Newcastlemax	CEXIM/DNB/SEB	Committed	\$32.5	6.0	\$2.04	\$20.26
9	Hull 1371 BB (tbr Star Virgo)	Newcastlemax	CSSC - BBHP	Committed	\$46.4	10.0	\$2.59	\$13.92
10	N/B 1361 BB (tbr Star Magnanimus)	Newcastlemax	CSSC - BBHP	Committed	\$46.4	10.0	\$2.59	\$13.92
11	Hull 1343 (tbr Star Leo)	Newcastlemax	Major Financial Institution	Negotiated	\$32.5	TBA	TBA	TBA
12	N/B 1362 BB (tbr Star Manticore)	Newcastlemax	CSSC - BBHP	Committed	\$46.4	10.0	\$2.59	\$13.92
13	N/B 1363 BB (tbr Star Chaucer)	Newcastlemax	CSSC - BBHP	Committed	\$46.4	10.0	\$2.59	\$13.92
14	HN 5017 (tbr Deep Blue)	Capesize	DVB	Committed	\$31.0	6.0	\$2.06	\$18.64
15	HN 5055 (tbr Behemoth)	Capesize	Major Financial Institution	Negotiated	\$32.5	TBA	TBA	TBA
16	HN 5056 (tbr Megalodon)	Capesize	BNP	Committed	\$32.5	5.0	\$2.15	\$21.75
17	HN 1312 (tbr Bruno Marks)	Capesize	CEXIM	Committed	\$28.7	10.0	\$2.29	\$5.74
18	HN 1313 (tbr Jenmark)	Capesize	CEXIM	Committed	\$28.7	10.0	\$2.29	\$5.74
19	Hull 1338 (tbr Star Aries)	Capesize	CEXIM/DNB/SEB	Committed	\$32.5	6.0	\$2.04	\$20.26
20	Hull 1339 (tbr Star Taurus)	Capesize	CEXIM/DNB/SEB	Committed	\$32.5	6.0	\$2.04	\$20.26
21	HN 1061 BB (tbr Roberta)	Ultramax	YZJ- BBHP	Committed	\$20.7	8.0	\$1.16	\$6.00
22	HN 1062 BB (tbr Laura)	Ultramax	YZJ- BBHP	Committed	\$20.7	8.0	\$1.16	\$6.00
23	HN 1063 BB (tbr Idee Fixe)	Ultramax	YZJ- BBHP	Committed	\$20.7	8.0	\$1.16	\$6.00
24	HN 1064 BB (tbr Kaley)	Ultramax	YZJ- BBHP	Committed	\$20.7	8.0	\$1.16	\$6.00
25	HN 1080 (tbr Kennadi)	Ultramax	DB/HSBC - ECA	Committed				
26	HN 1081 (tbr Mackenzie)	Ultramax	DB/HSBC - ECA	Committed				
27	HN 1082 (tbr Night Owl)	Ultramax	DB/HSBC - ECA	Committed	\$117.3	12.0	\$9.8	-
28	HN 1083 (tbr Early Bird)	Ultramax	DB/HSBC - ECA	Committed				
29	Hull NE 196 (tbr Star Antares)	Ultramax	DB/HSBC - ECA	Committed				
30	Hull NE 197 (tbr Star Lutas)	Ultramax	DB/HSBC - ECA	Committed				
31	Hull 5040 (tbr Star Acquarius)	Ultramax	NIBC	Committed	\$16.0	5.3	\$1.07	\$10.38
32	Hull 5043 (tbr Star Pisces)	Ultramax	NIBC	Committed	\$16.0	5.0	\$1.07	\$10.65
<b>Total</b>					<b>\$971.0</b>			
30 Total Committed					\$906.0			
2 Total Negotiated					\$65.0			

(1) For vessels under BBHP structure average annual principal repayment for the first 4 years is displayed

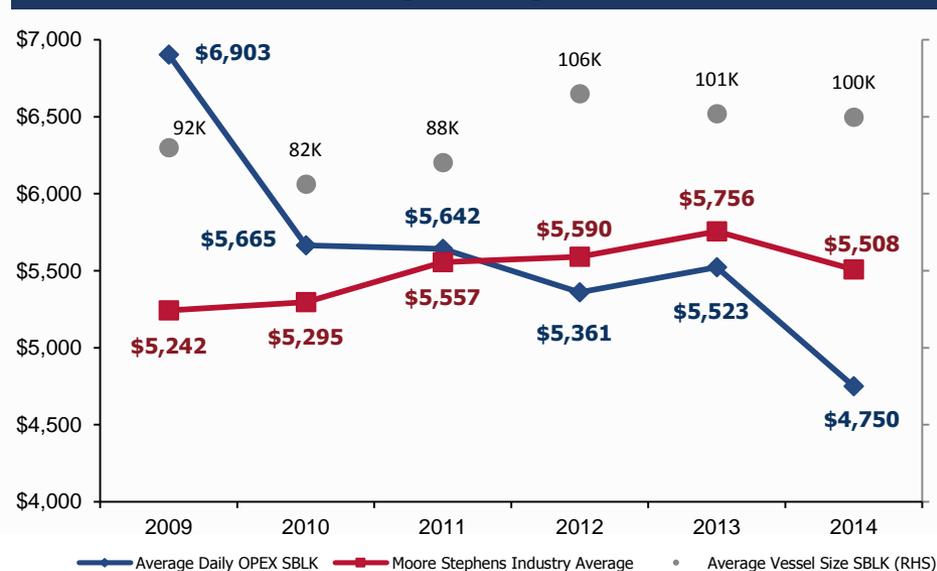
(2) Excluding yard financings

# Continued Operational Excellence

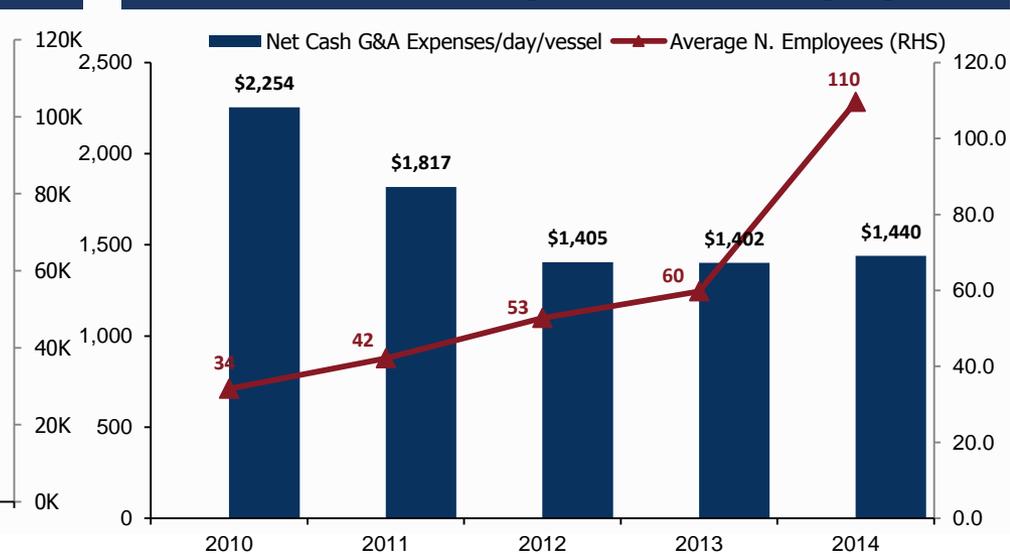


- ★ Continued focus on cost containment without compromising safety and quality of operations
- ★ Over 83% of managed vessels have a 5 star Rightship rating with all vessels rated with either 4 or 5 stars
- ★ Vessel OPEX (excluding pre-delivery expenses) for FY 2014 reduced by 14% versus FY 2013, as a result of economies of scale
- ★ Vessel OPEX has been reduced considerably (~31%) since 2009
- ★ Average daily Net Cash G&A expenses reduced by 36% vs 2010
- ★ Average number of employees increased by 83% in 2014 due to the doubling of the fleet on the water and the expected delivery of the NBs
- ★ On a fully delivered basis, we expect further synergies and economies of scale to reduce both our OPEX and our G&A

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



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



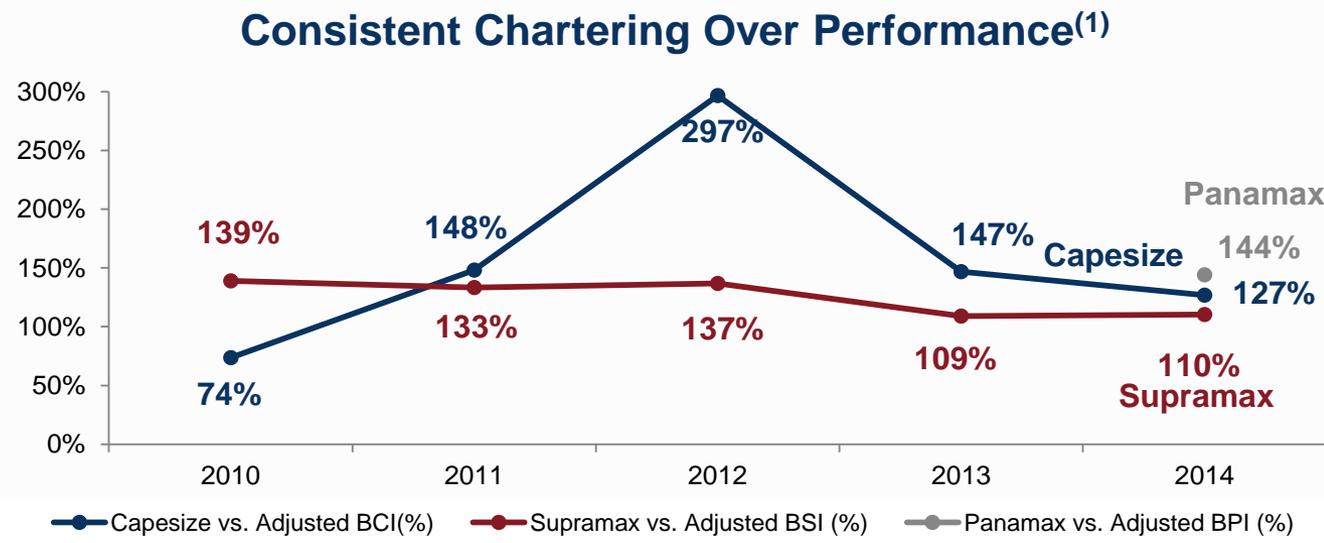
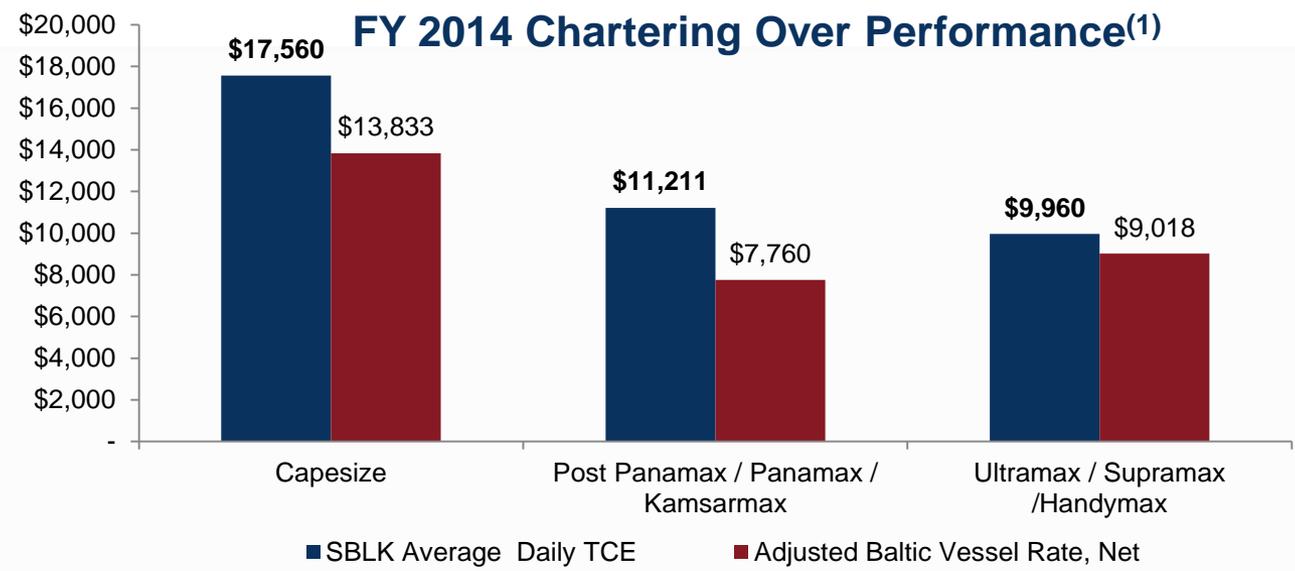
(1) Figures exclude pre-delivery expenses

(2) Excludes one-off severance payments and share incentive plans

 **Consistently outperformed the market since 2010**

### Chartering Over Performance<sup>(2)</sup>

BCI	127%
BPI	144%
BSI	110%



(1) Please see p.12 of Exhibit 99.1 of Form 6-K filed on September 8, 2014 for information on the use and calculation of TCE as a non-GAAP financial measure

(2) Over performance over relevant Baltic Indices on an Adjusted Basis

# Flexible Chartering Strategy

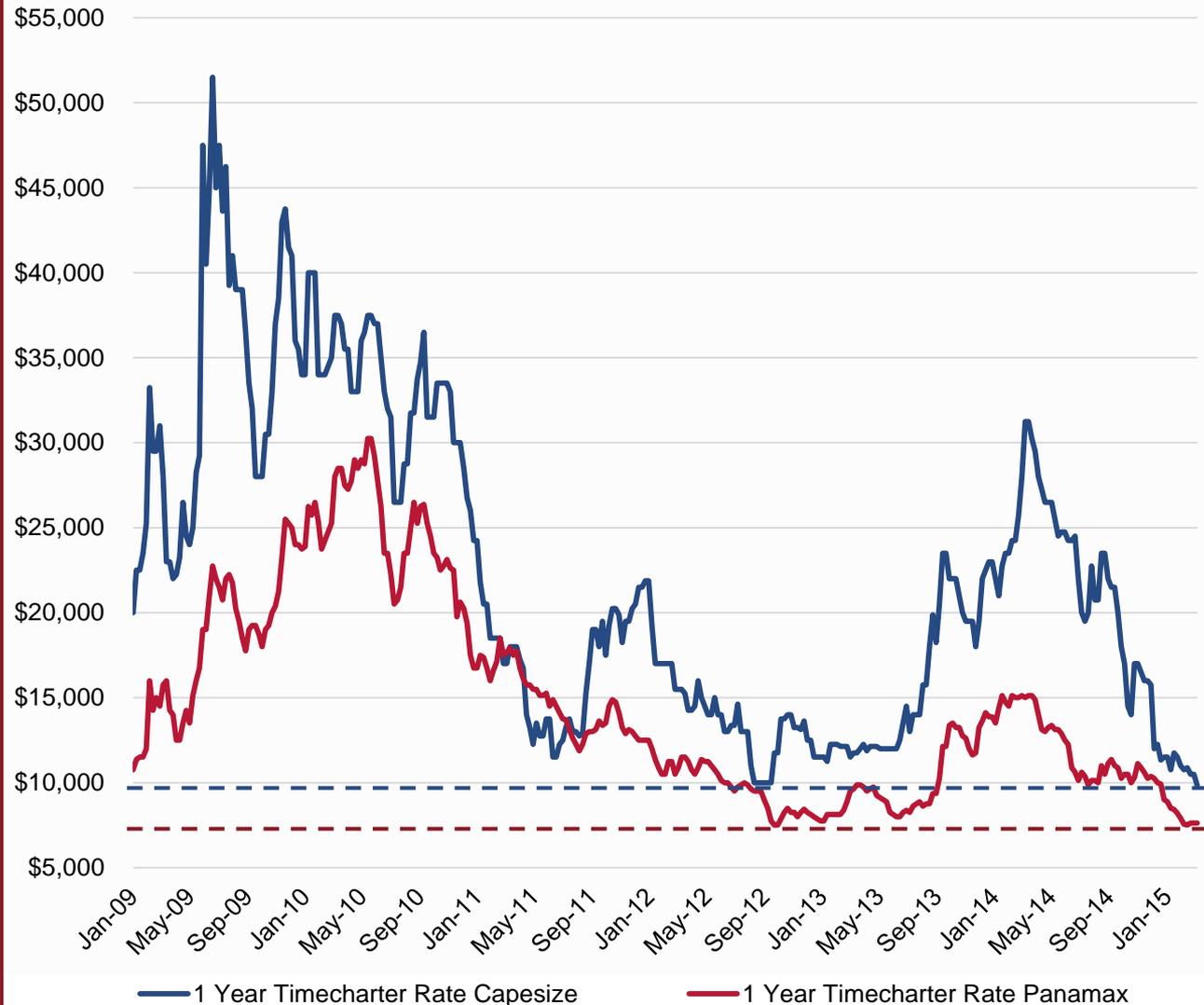
Current 1-Year time charter rates for Capesize and Panamax vessels are at historical lows which is a reflection of:

- Weak spot market
- Oversupply of vessels available for period charter
- Existing rate seasonality which increases spot rate volatility and uncertainty

Placing vessels on period now would lock-in record low rates for our vessels

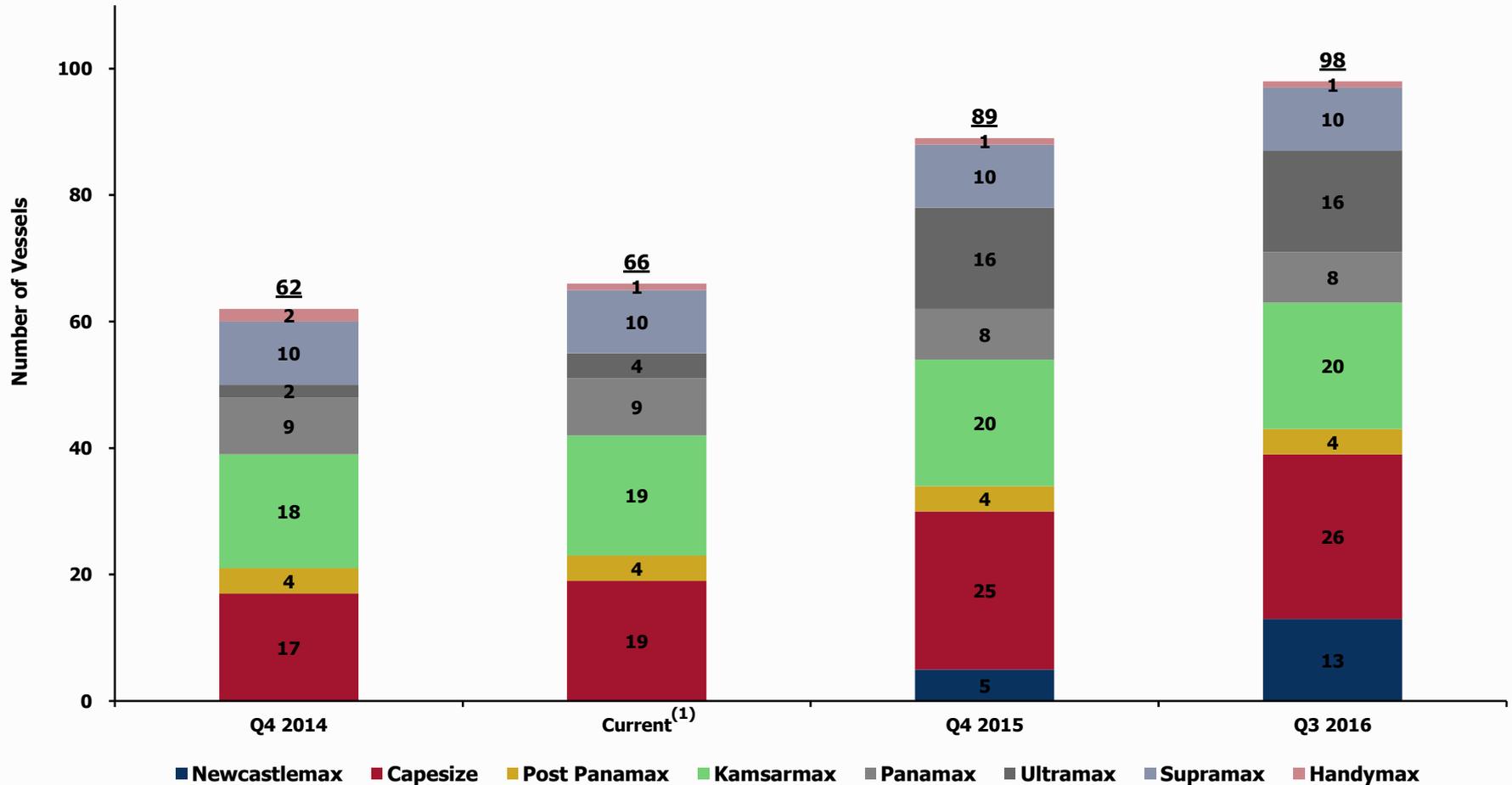
We are continuously evaluating our chartering strategy and will consider placing vessels in longer term time charters once rates are more attractive

### Capesize / Panamax 1 Year TC (2009 – 2015)



# Fleet Update

On a fully delivered basis, our fleet will consist of 98 vessels with 11.5 million dwt with average age of 6.5 years <sup>(2)</sup>



1) As of March 19, 2015

2) Represents September 2016 average age; excluding 90's built Panamax and Handymax vessels.

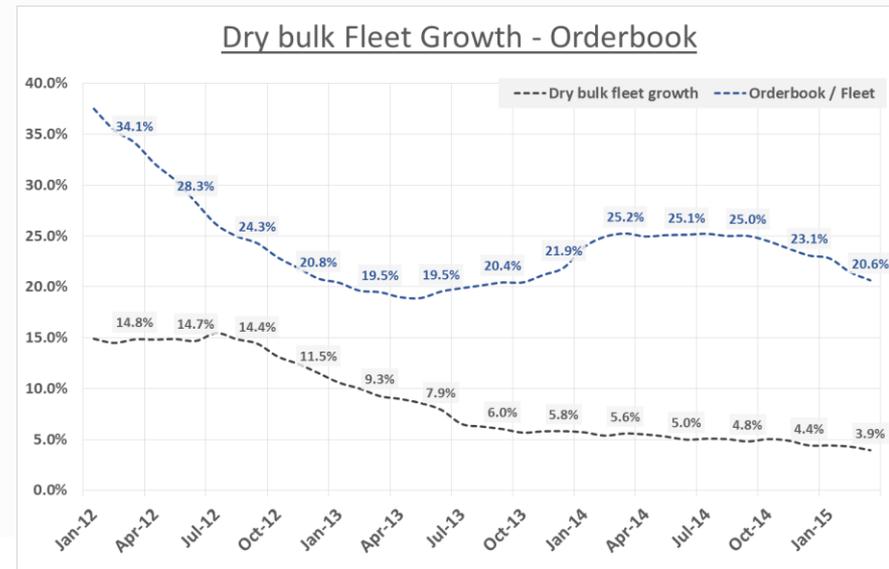
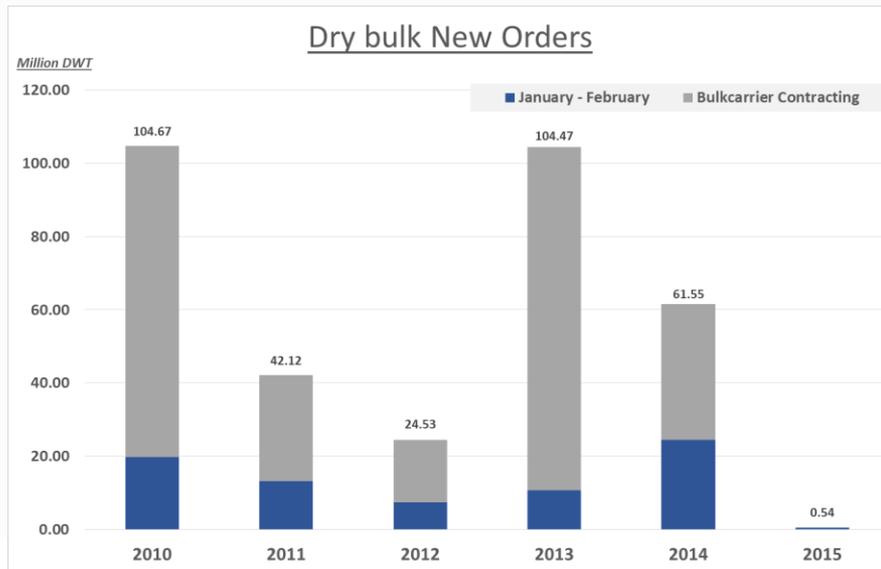
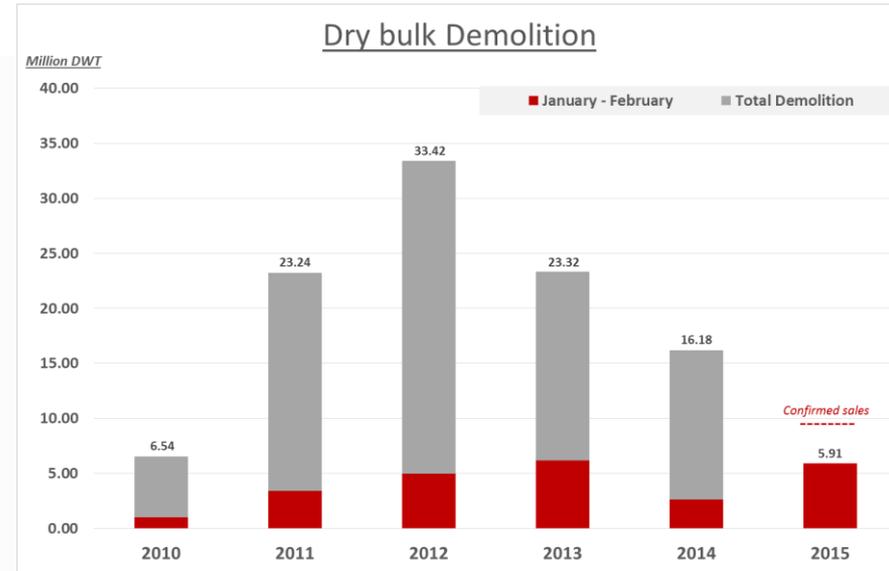


# Market Update



# Supply Update

- ★ Fleet growth during 2015 revised downwards
  - ★ Projected between 3.2% and 3.8%
  - ★ Record high demolition activity: 5.9 mil. dwt during Jan/Feb. Additional 4.0 mil. dwt reported as sold for demolition
  - ★ Conversions, Cancellations and Slippage expected to affect 2015/16 delivery schedule
  
- ★ Orderbook on a downward trend (excl. conversions and cancelations)
  - ★ Currently at around 20.5% from 25.0% during Q1-Q3 2014
  - ★ Almost NO new orders reported during January / February
  
- ★ Short term lay up slowly emerging



★ **Industrial production during first half 2015 in transition period associated to significant cost / margin related changes:**

- ★ Lower raw material prices
- ★ Lower energy prices
- ★ US dollar appreciation
- ★ Continued low interest rates

★ **China Steel and Coal industry destocking from mid-2014 has led to significant downward pressures in sentiment:**

- ★ Steel output and energy generation slowdown
- ★ Iron ore and coal inventories consumption increase
- ★ Iron ore and coal domestic production decrease
- ★ Iron ore import slowdown and coal imports decrease

★ **Dry bulk demand growth projected to accelerate during 2<sup>nd</sup> half 2015:**

- ★ China announced it will support end-user, upgrade housing demand and invest in infrastructure projects
- ★ Stabilization of raw material and energy prices expected to restore buyers confidence
- ★ New commodity price environment expected to stimulate new sources of consumption across the globe for commodities carried by dry bulk vessels

**Dry bulk - Demand projections:**

- ★ 2015 - Total Dry bulk demand ton growth projected at 3.5%  
Dry bulk demand ton-mile growth projected to have positive multiplier

**Key cargo breakdown:**

- ★ Iron ore trade projected at 6.5% (Positive ton-miles multiplier from 2<sup>nd</sup> half)
- ★ Coal trade projected at 2.5% (Mainly India growth and China normalization)
- ★ Grain trades flat year over year (Healthy Soybeans ton-miles)
- ★ Minor bulk return to growth (Bauxite and Nickel ore 2014 shock)

# Plan of Action – Tackling a Challenging Market

## Revenue

- Formed Capesize Chartering Ltd. to increase efficiency in capesize trading.
- Will remain flexible in our chartering strategy and evaluate spot and period opportunities for the fleet.

## Opex

- Aggressively reduced our operating cost (down 14% YoY) - One of the lowest cost operators in the dry bulk space.
- Cash G&A per vessel will decrease further as we take delivery of our newbuilding fleet.

## Vessel Sales

- Pursuing our announced strategy to dispose of 90's built tonnage that does not fit our commercial profile.
- Completed the sale of old tonnage in Q4 2014 and Q1 2015: Star Kim, Star Tatianna, Star Julia, Rodon and agreed to sell Star Monika.

## Financing

- Committed financing for 30 out of 32 newbuilding vessels worth over \$900 million.
- Supported by over 14 banking institutions on a fully delivered basis.

## Newbuilding Capex

- Agreed to defer some pre-delivery installments from 2015 to 2016 as well as to delay vessel deliveries.
- Yards have been supportive and accommodative to our request to spread out our NB vessel delivery schedule.

## Equity

- Proactively raised \$245m of primary proceeds in January 2015 to fully fund the equity portion of the newbuilding program and strengthen the balance sheet.
- Endorsement by core institutional shareholder base which participated and maintained their ownership in the company.



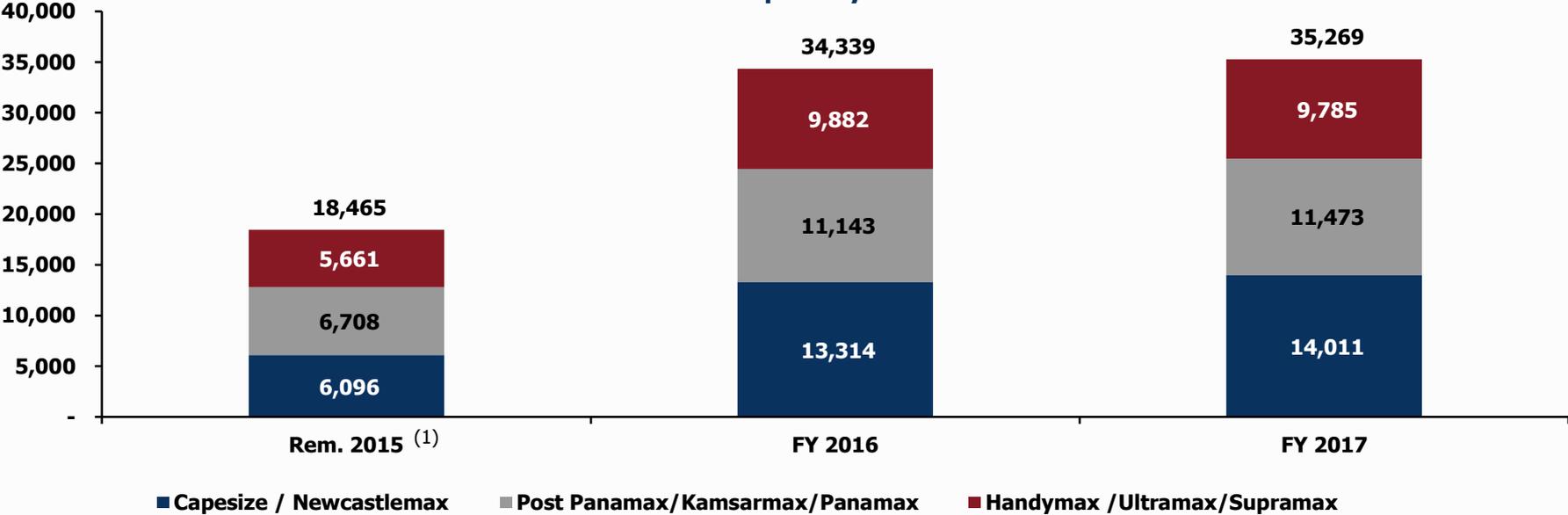
# Appendix



# Fleet Employment Profile



Fleet Spot Days



Vessel	Charterer	2015				2016				Gross TC Rate
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
Star Big	Major Mining Company	[Bar chart showing 2015 and 2016 performance]								\$25,000
Christine	Major Utility Company	[Bar chart showing 2015 and 2016 performance]								\$25,000 <sup>(2)</sup>
Sandra	Major Utility Company	[Bar chart showing 2015 and 2016 performance]								\$26,000 <sup>(2)</sup>
Lowlands	Major Utility Company	[Bar chart showing 2015 and 2016 performance]								28,000 <sup>(2)</sup>
Amami	Glocal Maritime	[Bar chart showing 2015 and 2016 performance]								\$15,000
Madredeus	Glocal Maritime	[Bar chart showing 2015 and 2016 performance]								\$15,000
Star Sirius	Glocal Maritime	[Bar chart showing 2015 and 2016 performance]								\$15,000
Star Vega	Glocal Maritime	[Bar chart showing 2015 and 2016 performance]								\$15,000
Star Vanessa	ABT	[Bar chart showing 2015 and 2016 performance]								\$7,000

(1) As of March 31, 2015  
 (2) 50% profit share above the base rate

# Income Statement 4<sup>th</sup> Quarter 2014

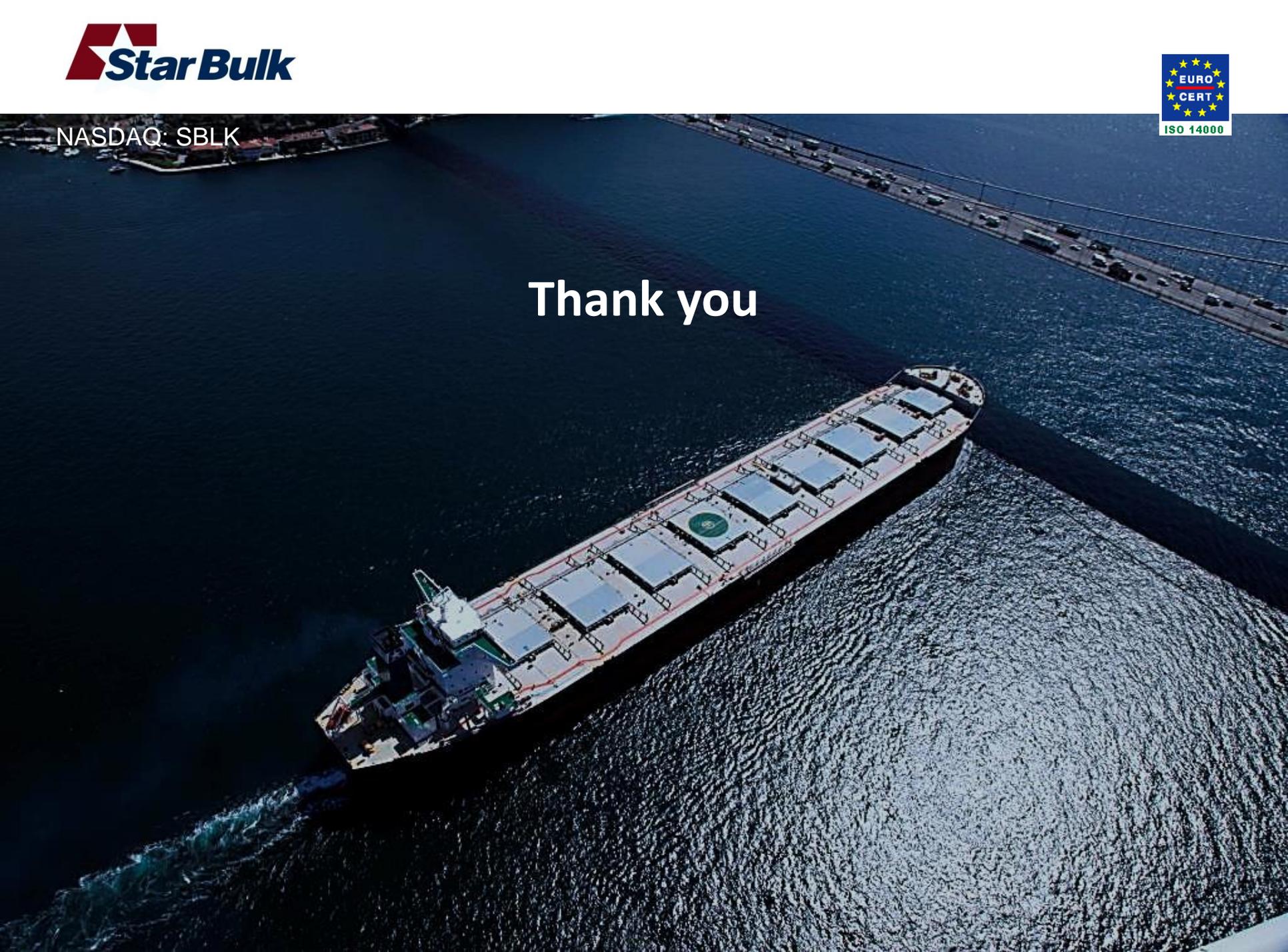


(in \$000's)	Oct 1 - Dec 31, 2014	Non-cash Adjustments	Adjusted Oct 1 - Dec 31, 2014	Adjusted Oct 1 - Dec 31, 2013
<b>REVENUES:</b>	<b>65,650</b>	<b>1,582</b>	<b>67,232</b>	<b>17,950</b>
<b>EXPENSES:</b>				
Voyage expenses	(21,671)		(21,671)	(669)
Vessel operating expenses	(21,967)		(21,967)	(6,568)
Drydocking expenses	(484)		(484)	(1,342)
Management fees	(35)		(35)	0
General and administrative expenses	(7,756)	1,026	(6,730)	(2,258)
Other operational Loss	0		0	(225)
Other Operational gain	219		219	499
Gain from bargain purchase	0		0	0
<b>Total expenses</b>	<b>(51,694)</b>	<b>1,026</b>	<b>(50,668)</b>	<b>(10,563)</b>
Equity in income of investee	77	(77)	0	0
<b>EBITDA</b>	<b>15,611</b>	<b>2,535</b>	<b>16,564</b>	<b>7,387</b>
Depreciation	(16,640)		(16,640)	(4,034)
<b>Operating Income</b>	<b>(2,684)</b>	<b>2,612</b>	<b>(76)</b>	<b>3,353</b>
Interest and finance costs	(4,985)		(4,985)	(1,309)
Interest income and other	174		174	24
Loss on debt extinguishment	(652)		(652)	0
Loss on derivative financial instrument	(4)	4	0	0
<b>Total other income (expenses), net</b>	<b>(5,467)</b>	<b>4</b>	<b>(5,463)</b>	<b>(1,285)</b>
<b>Net Income</b>	<b>(8,074)</b>	<b>2,535</b>	<b>(5,539)</b>	<b>2,068</b>
<b>EPS</b>	<b>(\$0.083)</b>		<b>(\$0.057)</b>	<b>\$0.073</b>

# Income Statement FY 2014



(in \$000's)	Jan 1 - Dec 31, 2014	Non-cash Adjustments	Adjusted Jan 1 - Dec 31, 2014	Adjusted Jan 1 - Dec 31, 2013
<b>REVENUES:</b>	<b>147,387</b>	<b>6,113</b>	<b>153,500</b>	<b>76,246</b>
<b>EXPENSES:</b>				
Voyage expenses	(42,341)		(42,341)	(7,549)
Vessel operating expenses	(53,096)		(53,096)	(27,087)
Drydocking expenses	(5,363)		(5,363)	(3,519)
Management fees	(158)		(158)	0
General and administrative expenses	(32,723)	15,198	(17,525)	(8,422)
Bad Debt expenses	(215)	215	0	0
Other operational Loss	(94)		(94)	(1,125)
Other Operational gain	10,003	(1,361)	8,642	3,787
Gain from bargain purchase	12,318	(12,318)	0	0
<b>Total expenses</b>	<b>(111,669)</b>	<b>1,734</b>	<b>(109,935)</b>	<b>(43,915)</b>
Equity in income of investee	106	(106)	0	0
<b>EBITDA</b>	<b>41,138</b>	<b>2,427</b>	<b>43,565</b>	<b>32,331</b>
Depreciation	(37,150)		(37,150)	(16,061)
<b>Operating (loss)/ income</b>	<b>(1,432)</b>	<b>7,847</b>	<b>6,415</b>	<b>16,270</b>
Interest and finance costs	(9,575)		(9,575)	(6,814)
Interest income and other	629		629	0
Loss on debt extinguishment	(652)		(652)	230
Loss on derivative financial instrument	(799)	799	0	0
<b>Total other income (expenses), net</b>	<b>(10,397)</b>	<b>799</b>	<b>(9,598)</b>	<b>(6,584)</b>
<b>Net Income /( Loss)</b>	<b>(11,723)</b>	<b>8,540</b>	<b>(3,183)</b>	<b>9,686</b>
<b>EPS</b>	<b>(\$0.20)</b>		<b>(\$0.05)</b>	<b>\$0.69</b>



Thank you