



NASDAQ: SBLK

Financial Results Q4 2016 and FY 2016



February 2017

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, potential conflicts of interest involving our Chief Executive Officer, his family and other members of our senior management, our ability to meet requirements for additional capital and financing to complete our newbuilding program and our ability to complete the restructuring of our loan agreements, 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.

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Q4 2016 Financial Highlights



	<u>Three months ended</u> <u>December 31, 2016</u>	<u>Three months ended</u> <u>December, 2015</u>	<u>Increase /</u> <u>(Decrease)</u> <u>%</u>
Net revenues ⁽¹⁾	\$50.9	\$44.1	15.5%
Adjusted EBITDA	\$15.6	\$6.6	135.6%
Net Loss	(\$32.7)	(\$311.0)	-
Adjusted Net Loss	(\$16.2)	(\$24.5)	-
TCE	\$8,202	\$6,897	18.9%
Fleet utilization	98.0%	97.7%	-
Average daily OPEX per vessel	\$4,047	\$4,104	(1.4%)
Average daily Net Cash G&A expenses per vessel ⁽²⁾	\$1,005	\$1,273	(21.1%)
Average No. of Vessels	67.8	70.1	-
Adjusted EPS	(\$0.29)	(\$0.56)	-
EPS GAAP	(\$0.58)	(\$7.10)	-
Loss on sale of vessel ⁽⁴⁾	(\$17.5)	(\$287.8)	-
Weighted average number of shares outstanding, diluted ⁽³⁾	56,721,385	43,824,122	-

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

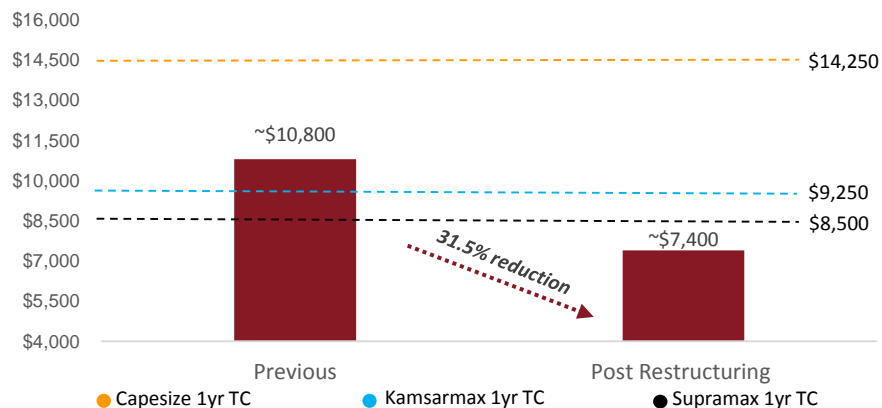
(2) Excludes one-off severance payments, share incentive plans and termination charges, includes management fees

(3) Numbers reflect reverse split announcement on June 2016

(4) Includes impairment charges and loss on sale of vessels

Strong Liquidity Position

Fleet-wide Net TCE FCF Breakeven Rate Reduction



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

Cash & Debt position⁽¹⁾

- ❖ Total Cash (including minimum liquidity)⁽¹⁾: \$ 249.2 m
- ❖ Total Debt & Capital lease obligations⁽¹⁾: \$ 960.9 m

Remaining Capex



	2017	2018	Total 2017-2018
	FY	FY	Remaining
NB Capex ⁽¹⁾	\$112.7	\$74.3	\$187.0

(1) As of February 21st, 2017

Continued Operational Excellence



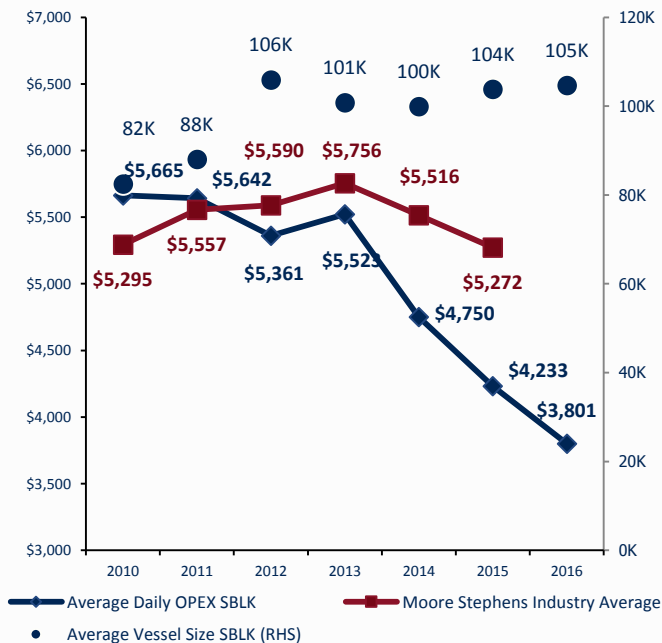
- For FY 2016 vessel OPEX were \$3,801 per day, ~10.2% lower compared to the respective \$4,233 for FY 2015
- Net cash G&A⁽²⁾ expenses per vessel per day were \$1,005 in Q4 2016, and \$1,089 for the FY 2016
- We are in the top three dry bulk operators in Rightship Ratings

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

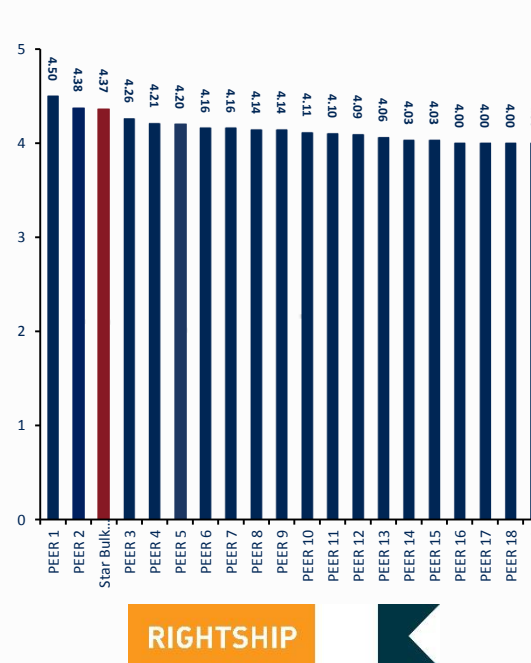
...without compromising quality...

...and competitive Net Cash G&A⁽²⁾ Expenses due to economies of scale

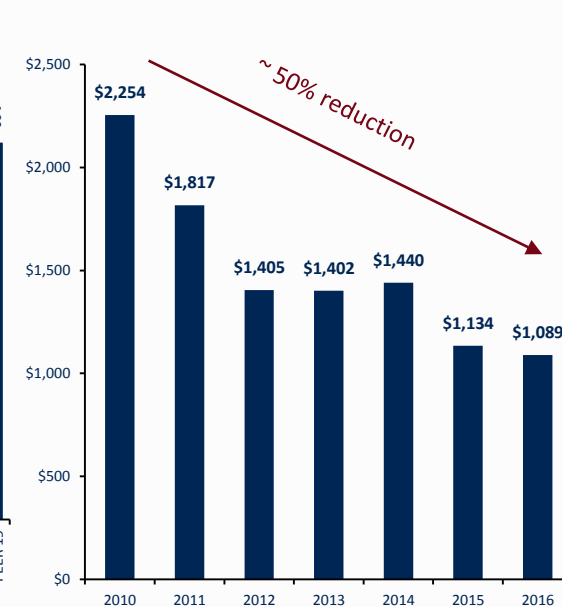
Average Daily OPEX⁽¹⁾



5 star Rightship Rating

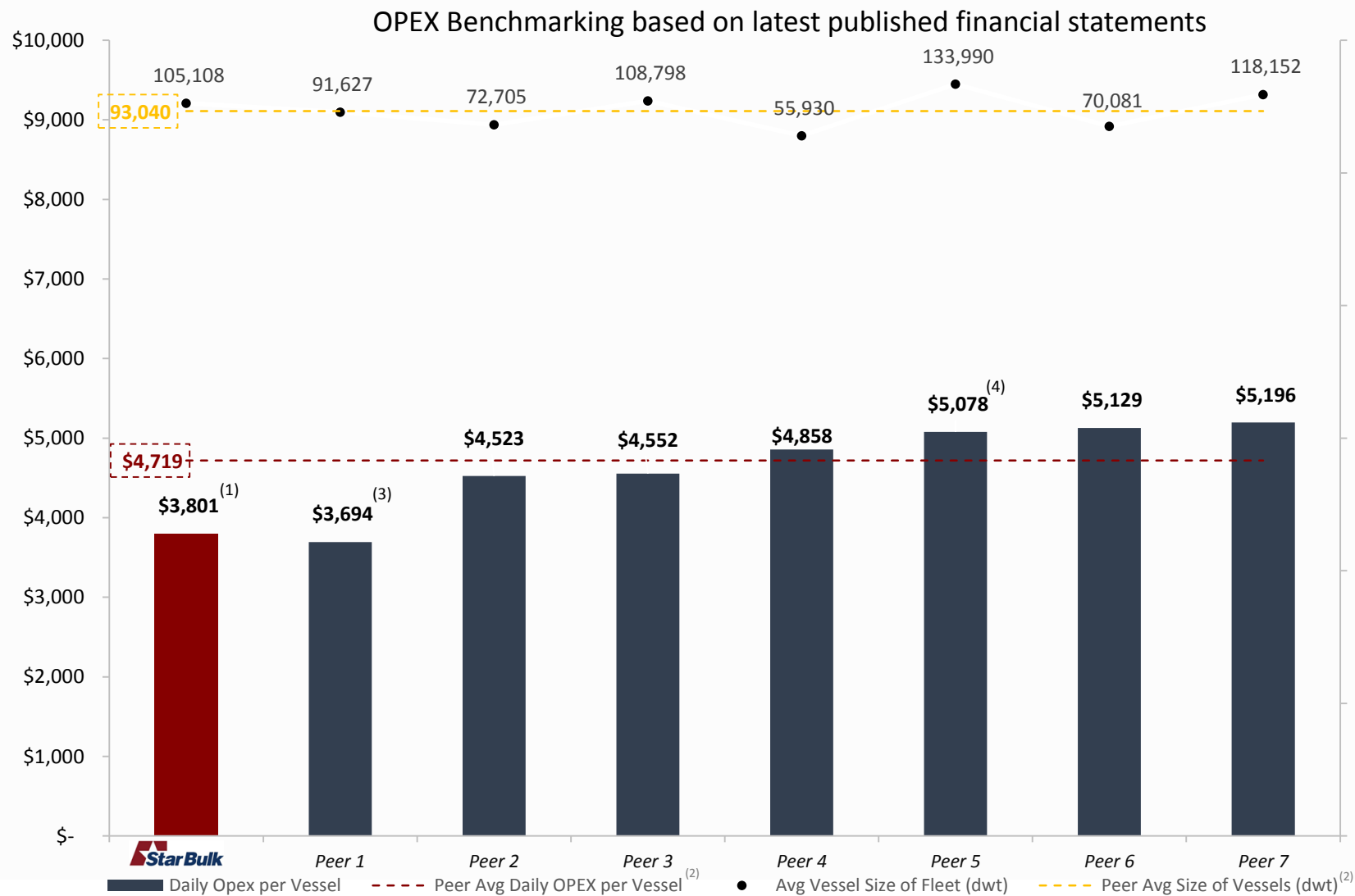


Net Cash G&A Expenses /Daily /Vessel⁽²⁾



(1) Figures exclude pre-delivery expenses
 (2) Excludes one-off severance payments, share incentive plans and termination charges, includes management fees

Industry Leading OPEX FY 2016



1) Excludes pre-delivery expenses
 2) Peer Average figures exclude SBLK

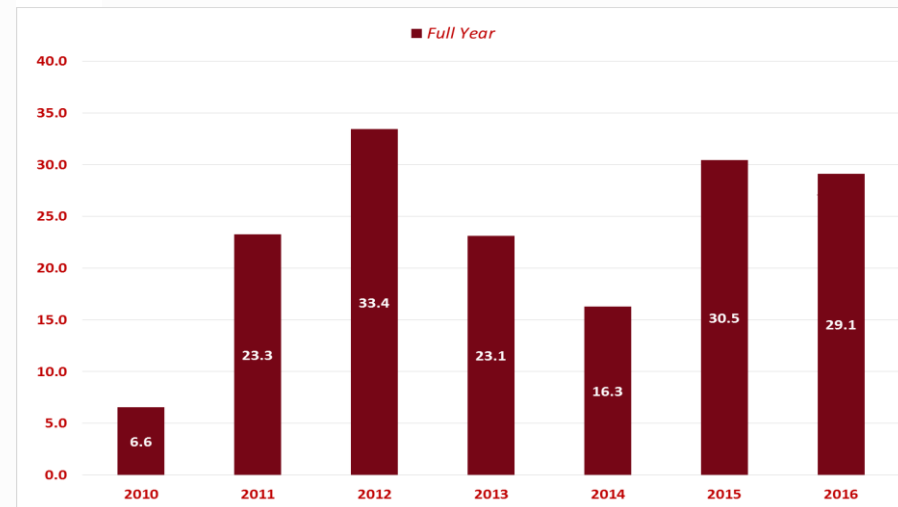
3) Includes dry-docking costs
 4) Fleet-wide estimate based on corporate presentation

Dry Bulk Supply Update

- **2016 Fleet growth at +2.2% y-o-y**
 - Demolition activity: approx. 29.1 m. dwt from 30.6 m. dwt in 2015.
 - Slippage estimated at approx. 40% of scheduled deliveries.
- **Orderbook currently estimated below 10.0% from 16.0% last year**
 - 2016 Contracting: 13.4 mil dwt from 24.7 mil. dwt last year.
 - Cancellations & Conversions expected to continue during 2017.
- **Fleet above 15 years of age currently at approx. 14.5% of the fleet**
- **Record low contracting expected to trim 2017/18 deliveries**
 - 2017 Net fleet growth projected between 1.5% and 2.0%

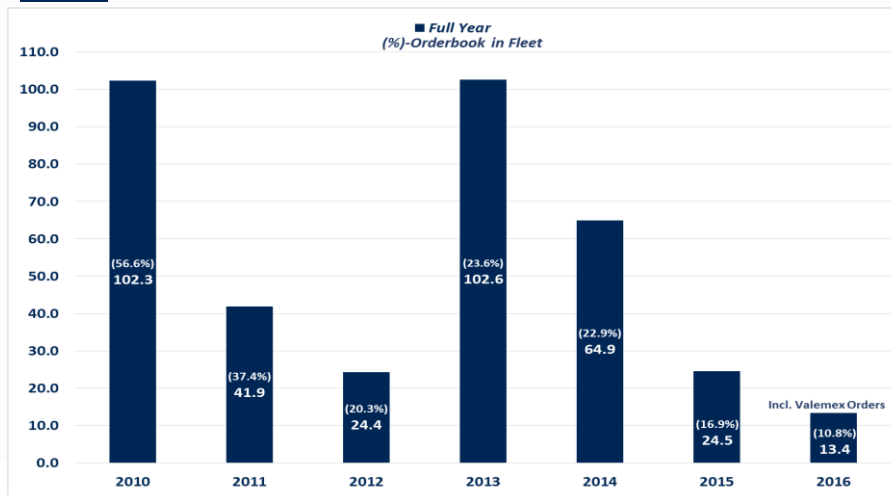
Dry Bulk Demolition

Million DWT



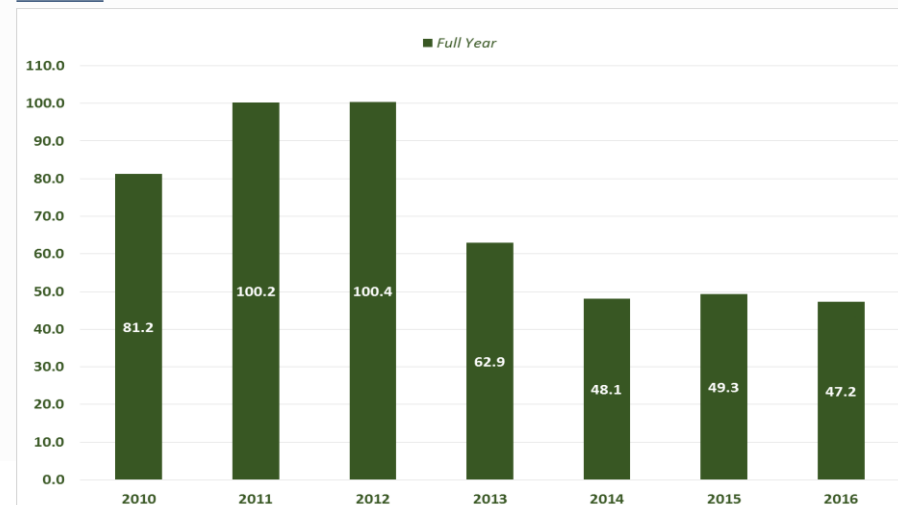
Dry Bulk New Orders

Million DWT



Dry Bulk Deliveries

Million DWT



Dry Bulk Demand Update

- Full Year 2016 dry bulk ton miles growth **+1.7% vs +0.9% in 2015**
 - Iron ore ton-miles: +4.2% vs +0.6% in 2015
 - Thermal & Coking Coal ton miles: +0.3% vs -5.5% in 2015
 - Grains incl. soybeans ton-miles: +1.2% vs +10.0% in 2015

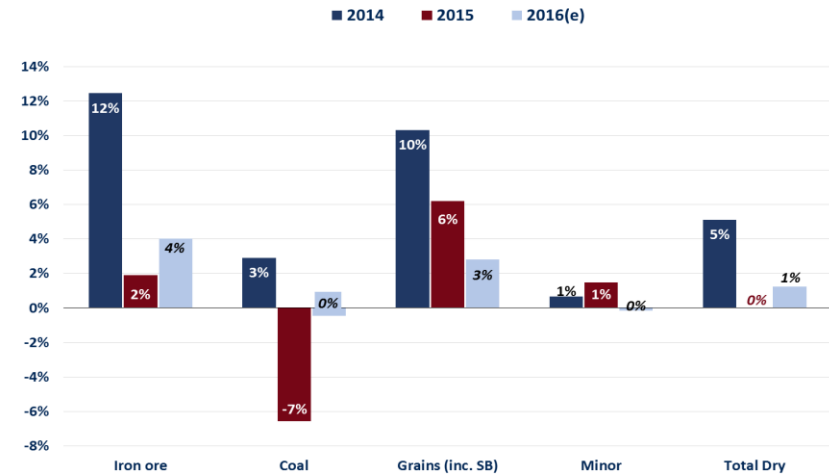
- Commodity prices found a bottom during 2016 and have experienced a strong rebound. Indicative price changes from Q1 lows:

- Iron ore +95% / Steel product +75%
- Thermal coal +80% / Coking coal +200%.

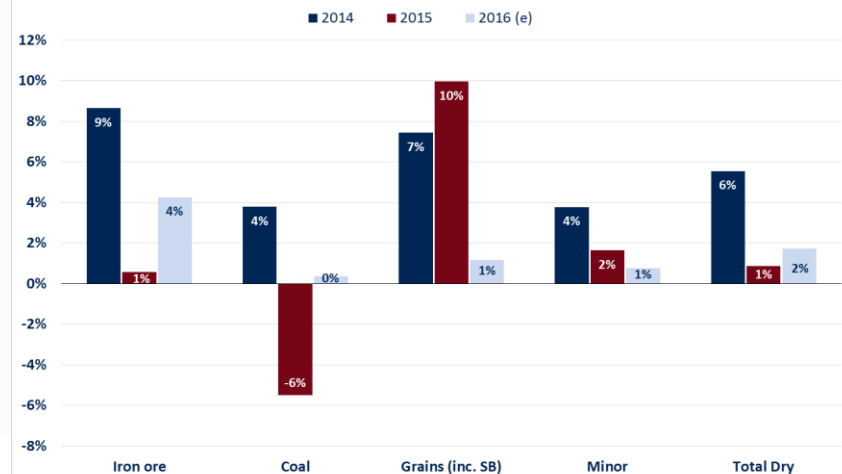
- Trade growth expected to further improve during 2017

- Full year ton-mile growth expected between 2%-4%.
- Global increase of commodity prices and steel margins.
- China fiscal stimuli to sustain infrastructure investment. Real estate prices have experienced a strong recovery.
- China substitution of scrap with iron ore for higher quality steel.
- Healthy Pacific demand for high grade iron ore mainly produced in Brazil. The new SD11 mine will increase production by up to 90 million tons in the next two / three years.
- Chinese domestic coal capacity cuts on massive domestic production has stimulated a strong import recovery and are expected to continue during 2017.
- Stronger grains consumption and healthy crops boosting exports
- Minor bulk: West African bauxite, ASEAN and India infrastructure development acceleration, Lift of Iran sanctions

Dry Bulk Trade – Full Year Growth (Tons)



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

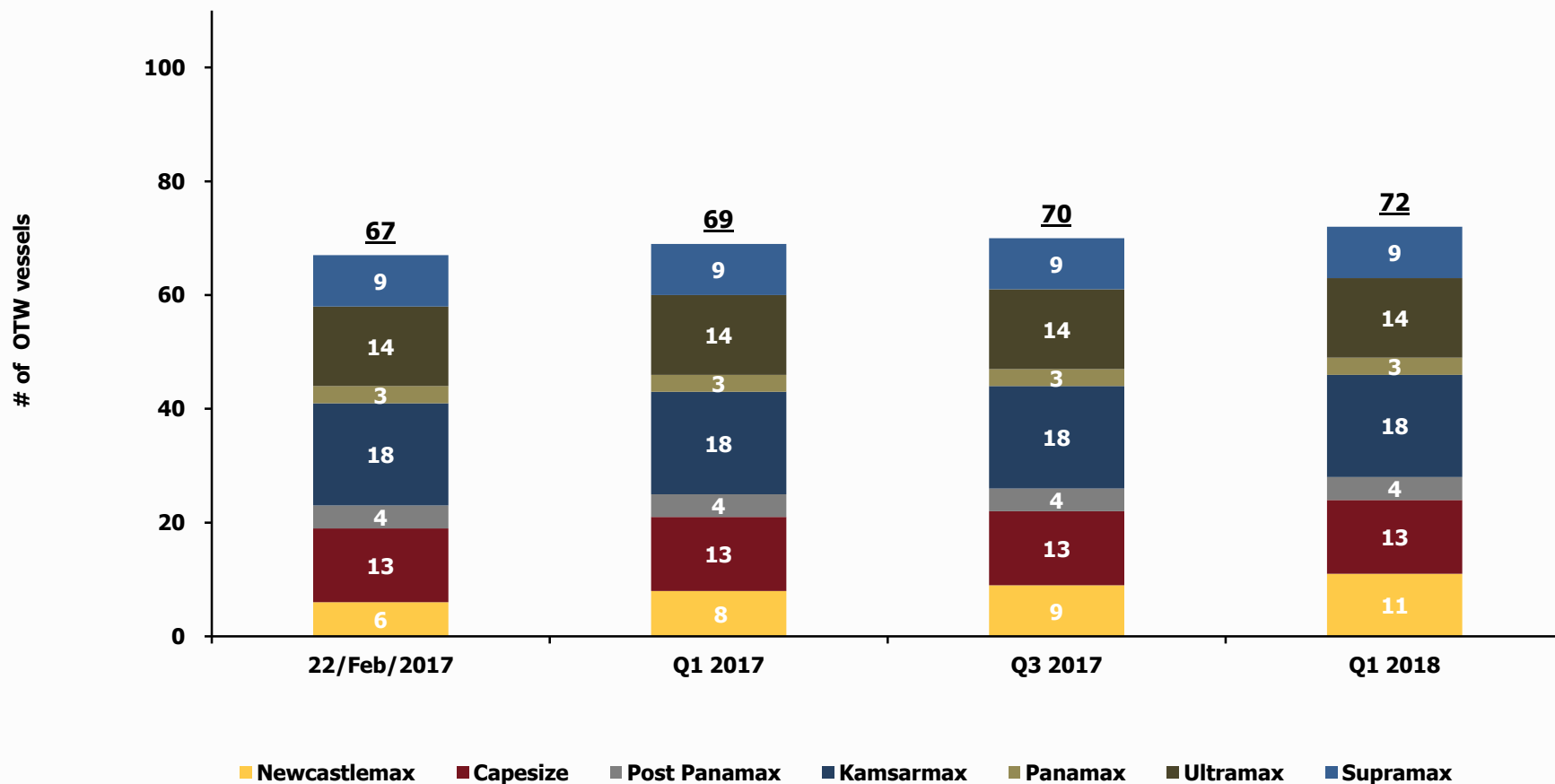




Appendix



On a fully delivered basis, our fleet will consist of 72 vessels with 8.1 million dwt with average age of 8.2 years ⁽¹⁾



(1) Represents January 2018 average age

Income Statement 4th Quarter 2016



(in \$000's)	Oct 1 - Dec 31, 2016	Non-cash Adjustments	Adjusted Oct 1 - Dec 31, 2016	Adjusted Oct 1 - Dec 31, 2015
REVENUES:	63,241	0	63,241	64,670
EXPENSES:				
Voyage expenses	(12,320)		(12,320)	(20,567)
Charter in expense	(855)	(19)	(874)	(912)
Vessel operating expenses	(25,263)		(25,263)	(26,459)
Drydocking expenses	(2,992)		(2,992)	(1,803)
Management fees	(1,824)		(1,824)	(2,011)
Gain/Loss on derivative instruments	128	(41)	87	0
General and administrative expenses	(5,231)	782	(4,449)	(6,297)
Vessel Impairment Loss	(10,684)	10,684	0	
Other operational loss	(397)	225	(172)	
Other operational gain	171		171	2
Loss on sale of vessel	(6,862)	6,862	0	
Total expenses	(66,129)	18,493	(47,636)	(58,047)
EBITDA	(2,913)	18,518	15,605	6,623
Depreciation	(20,342)		(20,342)	(21,849)
Operating Loss	(23,230)	18,493	(4,737)	(15,226)
Interest and finance costs	(10,920)	141	(10,779)	(7,791)
Interest income and other	368		368	288
Loss on debt extinguishment	(123)	123	0	0
Loss on derivative financial instrument	1,169	(2,222)	(1,053)	(1,746)
Total other income (expenses), net	(9,506)	(1,958)	(11,464)	(9,249)
Equity in income of investee	(6)	6	0	0
Net Income / Loss	(32,742)	16,541	(16,201)	(24,475)
EPS	(\$0.58)		(\$0.29)	(\$0.56)

Income Statement FY 2016



(in \$000's)	12-months period ended Dec 31, 2016	Non-cash Adjustments	Adjusted 12- months Dec 31, 2016	Adjusted 12- months period Dec 31, 2015
REVENUES:	222,106	254	222,360	243,826
EXPENSES:				
Voyage expenses	(65,821)		(65,821)	(72,877)
Charter in expense	(3,550)	(75)	(3,625)	(1,047)
Vessel operating expenses	(98,830)		(98,830)	(112,796)
Drydocking expenses	(6,023)		(6,023)	(14,950)
Management fees	(7,604)		(7,604)	(8,436)
Gain/Loss on derivative instruments	411	(41)	370	0
General and administrative expenses	(24,486)	4,166	(20,320)	(20,937)
Vessel Impairment Loss	(29,221)	29,221	0	
Other operational loss	(503)	225	(278)	
Other operational gain	1,565		1,565	592
Loss on sale of vessel	(15,248)	15,248	0	
Total expenses	(249,310)	48,744	(200,566)	(230,451)
EBITDA	(26,899)	48,693	21,794	13,375
Depreciation	(81,935)		(81,935)	(82,070)
Operating Loss	(109,139)	48,998	(60,141)	(68,695)
Interest and finance costs	(41,217)	570	(40,647)	(29,077)
Interest income and other	876		876	1,090
Loss on debt extinguishment	(2,375)	2,375	0	0
Loss on derivative financial instrument	(2,116)	(2,932)	(5,048)	(4,917)
Total other income (expenses), net	(44,832)	13	(44,819)	(32,904)
Equity in income of investee	126	(126)	0	0
Net Income / Loss	(153,845)	48,885	(104,960)	(101,599)
EPS	(\$3.23)		(\$2.21)	(\$2.60)

Balance Sheet as of December 31, 2016



(in \$ '000s)	Dec 31 ,2016 (unaudited)	Dec 31, 2015
ASSETS		
Cash and cash equivalents	181,758	208,056
Other current assets	47,314	44,002
TOTAL CURRENT ASSETS	229,072	252,058
Advances for vessels (under construction and acquisition of vessels and other assets)	64,570	127,910
Vessels and other fixed assets, net	1,707,209	1,757,552
Other non-current assets	11,457	11,326
TOTAL ASSETS	2,012,308	2,148,846
LIABILITIES AND STOCKHOLDERS' EQUITY		
Short-term debt & Capital lease obligations	6,235	131,631
Other current liabilities	22,107	35,318
TOTAL CURRENT LIABILITIES	28,342	166,949
Long-term debt & Capital lease obligations	896,332	795,267
8% 2019 Senior Notes	48,757	48,323
Other non-current liabilities	1,264	2,949
TOTAL LIABILITIES	974,695	1,013,488
STOCKHOLDERS' EQUITY	1,037,613	1,135,358
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	2,012,308	2,148,846

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
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
www.capitallink.com

