



NASDAQ: SBLK

# Corporate Presentation



June 2018

# 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.*

*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.*

## Largest US Listed Dry Bulk Company

- Post completion of the vessel acquisition transactions recently announced (“Recently Announced Transactions”), Star Bulk will be the largest U.S. listed dry bulk company with a fleet of 108 high quality vessels on a fully delivered basis and an average age of approximately 7.1 years

## Strong Financial Position

- Total cash of ~\$237<sup>(1)</sup> million, one of the highest cash balances amongst dry bulk peers
- Net Leverage of ~53% pro forma for the Recently Announced Transactions
- No remaining equity capex for the newbuilding vessels

## Spot Exposure in a Rising Market

- Fleet primarily exposed to spot market
- Fleet geared towards larger vessel sizes (Newcastlemax and Capesize) which offer the highest exposure to a rising market

## Capital Markets and M&A experience

- Listed on NASDAQ with a market capitalization of over \$1.2 bn<sup>(2)</sup> pro-forma for the Recently Announced Transactions
- Star Bulk will pursue a secondary listing on the Oslo stock exchange to expand its shipping investor base

(1) Cash as of June 11, 2018

(2) Market capitalization calculated on the basis of approximately 92 million shares outstanding and the share price as of May 11th, 2018

# Q1 2018 Financial Highlights



	<u>3-months</u> <u>period ended</u> <u>March 31,</u> <u>2018</u>	<u>3-months</u> <u>period ended</u> <u>March 31,</u> <u>2017</u>	<u>Increase /</u> <u>(Decrease) %</u>
Voyage Revenues	\$121.1m	\$64.9m	86.6%
TCE Revenues <sup>(1)</sup>	\$81.6m	\$49.0m	66.5%
EBITDA	\$44.4m	\$14.4m	-
Adjusted EBITDA	\$46.4m	\$18.1m	-
Net Income/(Loss)	\$9.9m	(\$16.0)m	-
Adjusted Net Income/(Loss)	\$11.9m	(\$12.9)m	-
TCE	\$12,586	\$8,156	54.3%
Fleet Utilization	100.0%	99.2%	0.8%
Average daily OPEX per vessel <sup>(2)</sup>	\$3,991	\$3,949	1.1%
Average daily Net Cash G&A expenses per vessel <sup>(3)</sup>	\$1,101	\$1,116	(1.4%)
Average No. of Vessels	72.0	67.3	7.0%
<b>Adjusted EPS</b>	<b>\$0.18</b>	<b>(\$0.21)</b>	<b>-</b>
EPS GAAP	\$0.15	(\$0.26)	-
Weighted average number of shares outstanding, diluted <sup>(4)</sup>	64,303,356	61,027,878	5.4%

Notes:

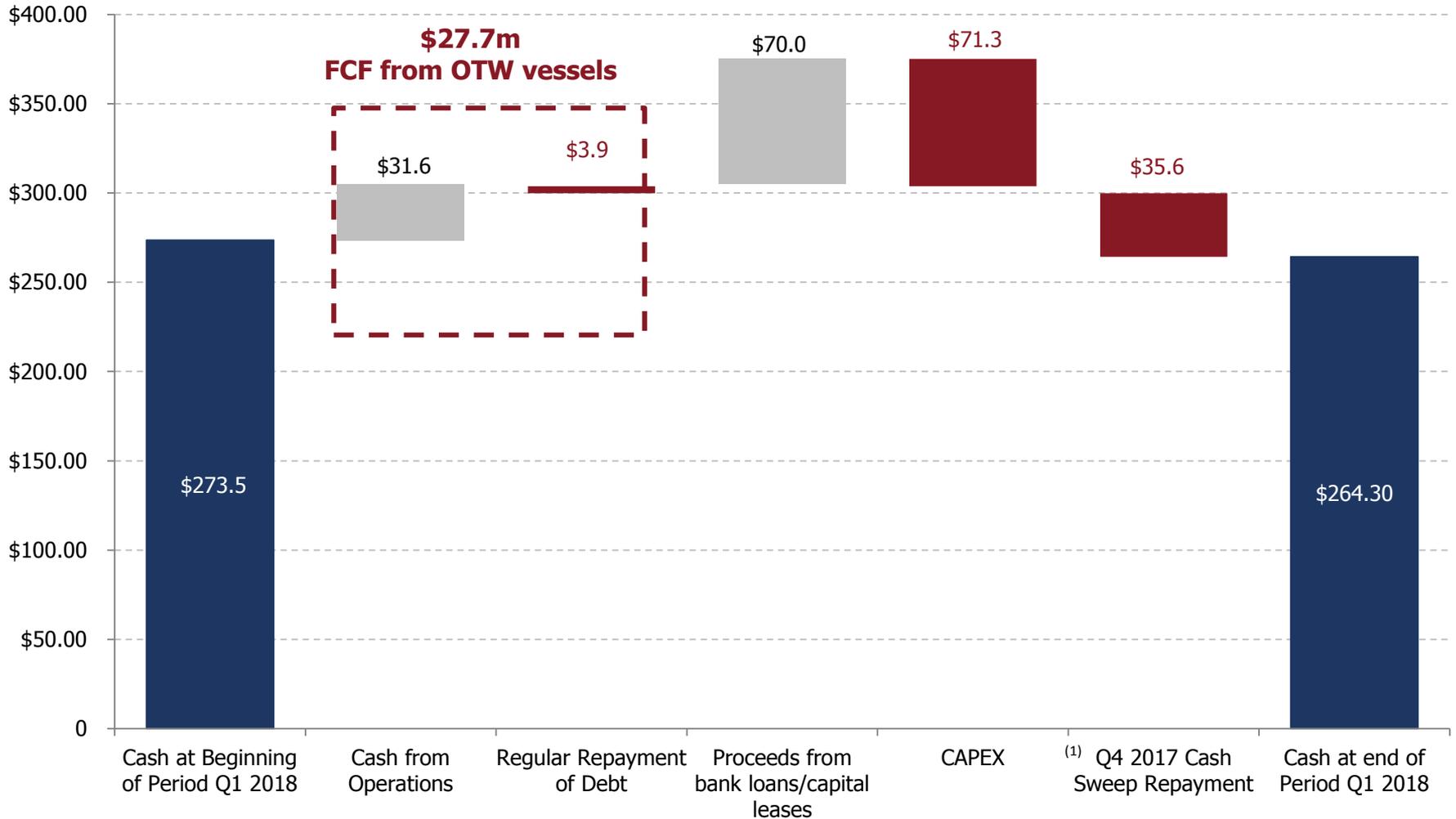
(1) TCE revenues = Total voyage revenues – Voyage expenses – Charter-in hire expenses

(2) Excludes pre-delivery and one-off expenses

(3) Excludes one-off, advisory and restructuring fees and share incentive plans and termination charges, includes management fees

(4) Numbers reflect reverse split announcement on June 2016

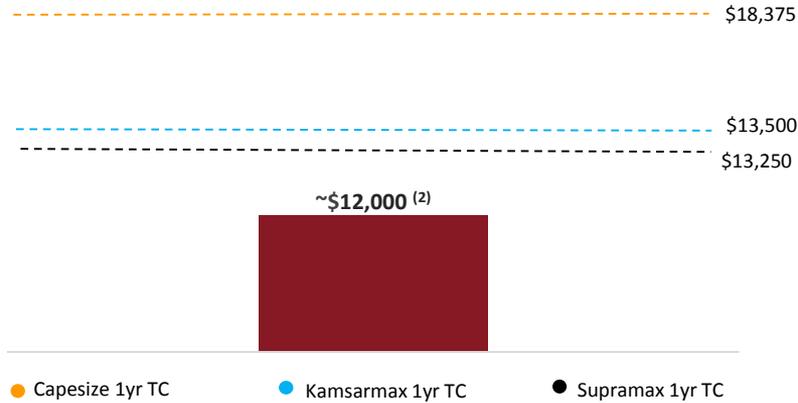
# Solid Cash Flow Generation



(1) This represents the cash sweep payment made for Q4 2017 in Q1 2018

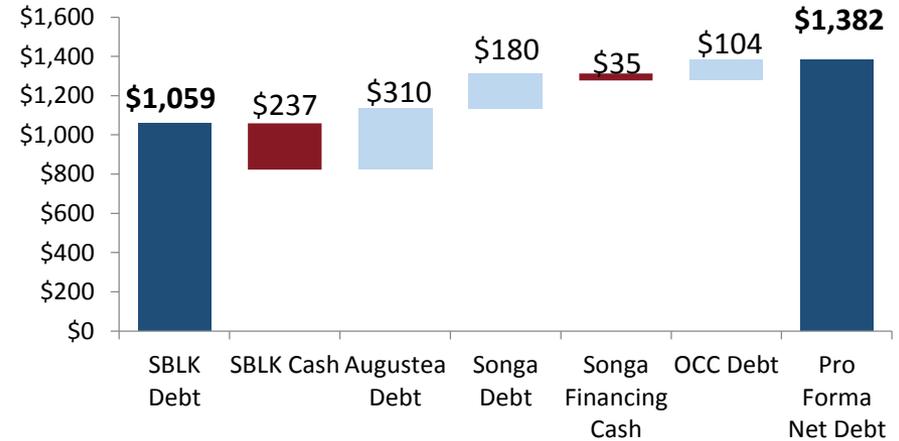
# Strong Liquidity Position

## Fleet-wide Net TCE FCF Breakeven Rate

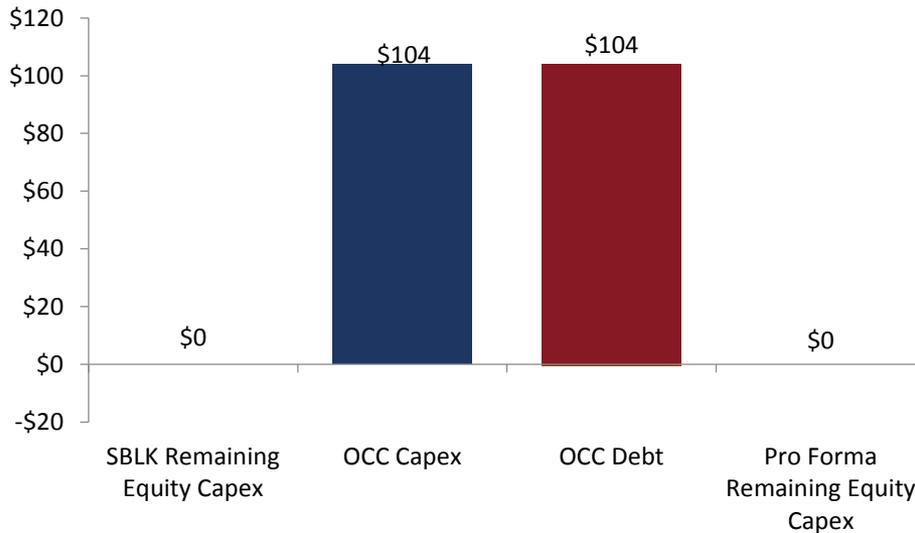


Source: Clarkson Research Services Ltd. (Shipping Intelligence Network, database), as of 5 June 2018

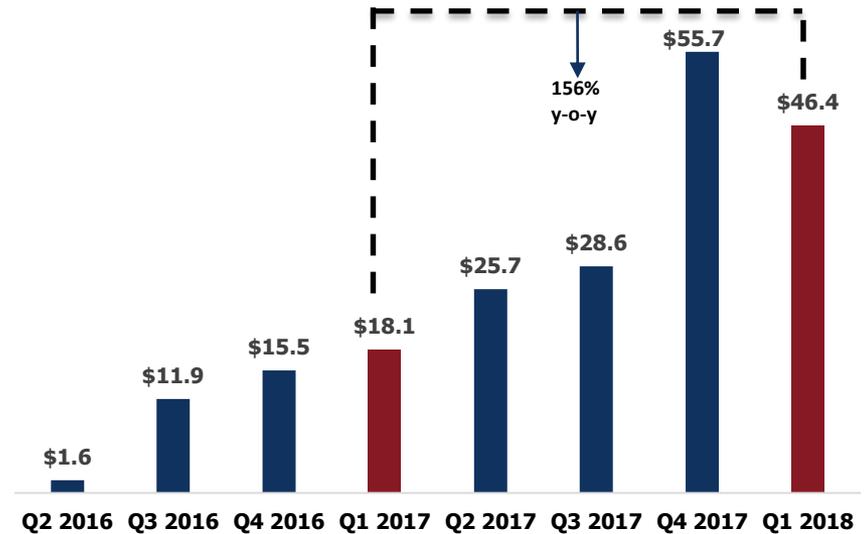
## Pro Forma Cash & Debt position<sup>(1)</sup>



## Remaining Capex - Fully Financed



## Adjusted EBITDA evolution



(1) SBLK cash and debt as of June 11, 2018

(2) Pro forma for 108 vessels on a fully delivered basis

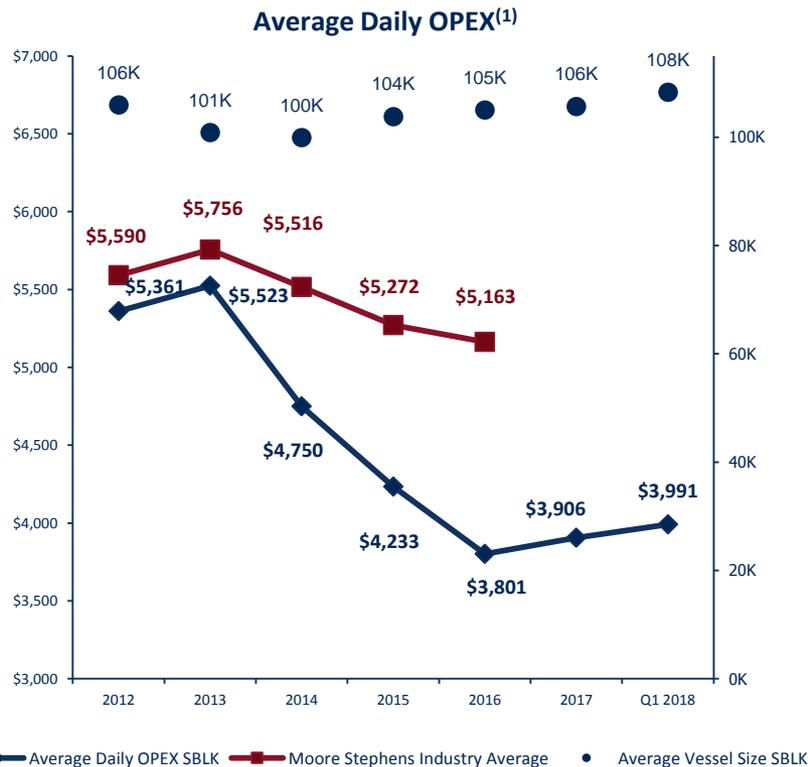
# Continued Operational Excellence



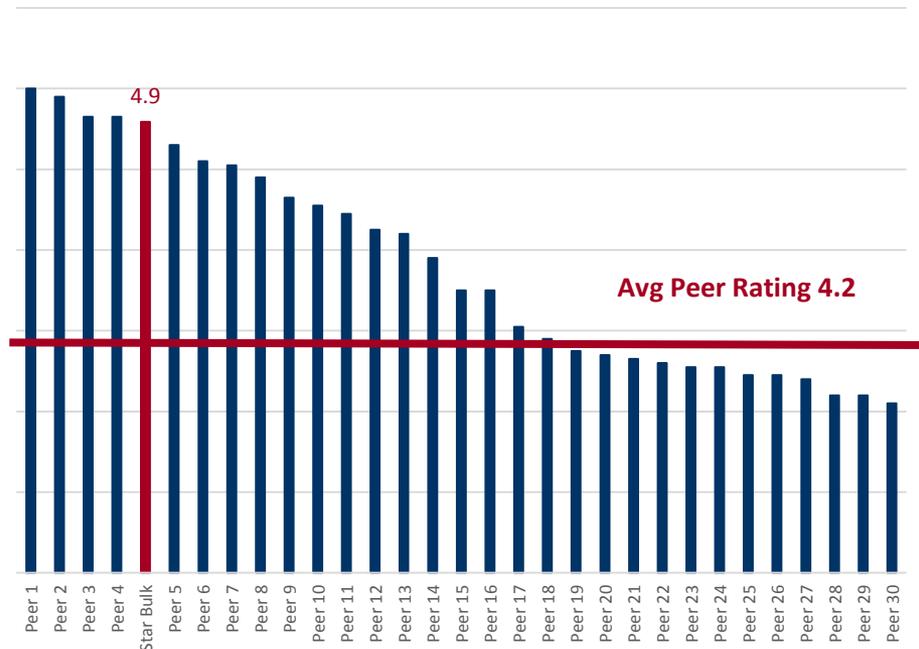
- For Q1 2018 vessel OPEX were \$3,991<sup>(1)</sup> per vessel per day
- Net cash G&A<sup>(2)</sup> expenses per vessel per day were \$1,101 for Q1 2018
- We are consistently in the top 5 dry bulk operators in Rightship Ratings

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

**...without compromising quality...<sup>(3)</sup>**



**Rightship Rating**



Source: Moore Stephens, Company Filings

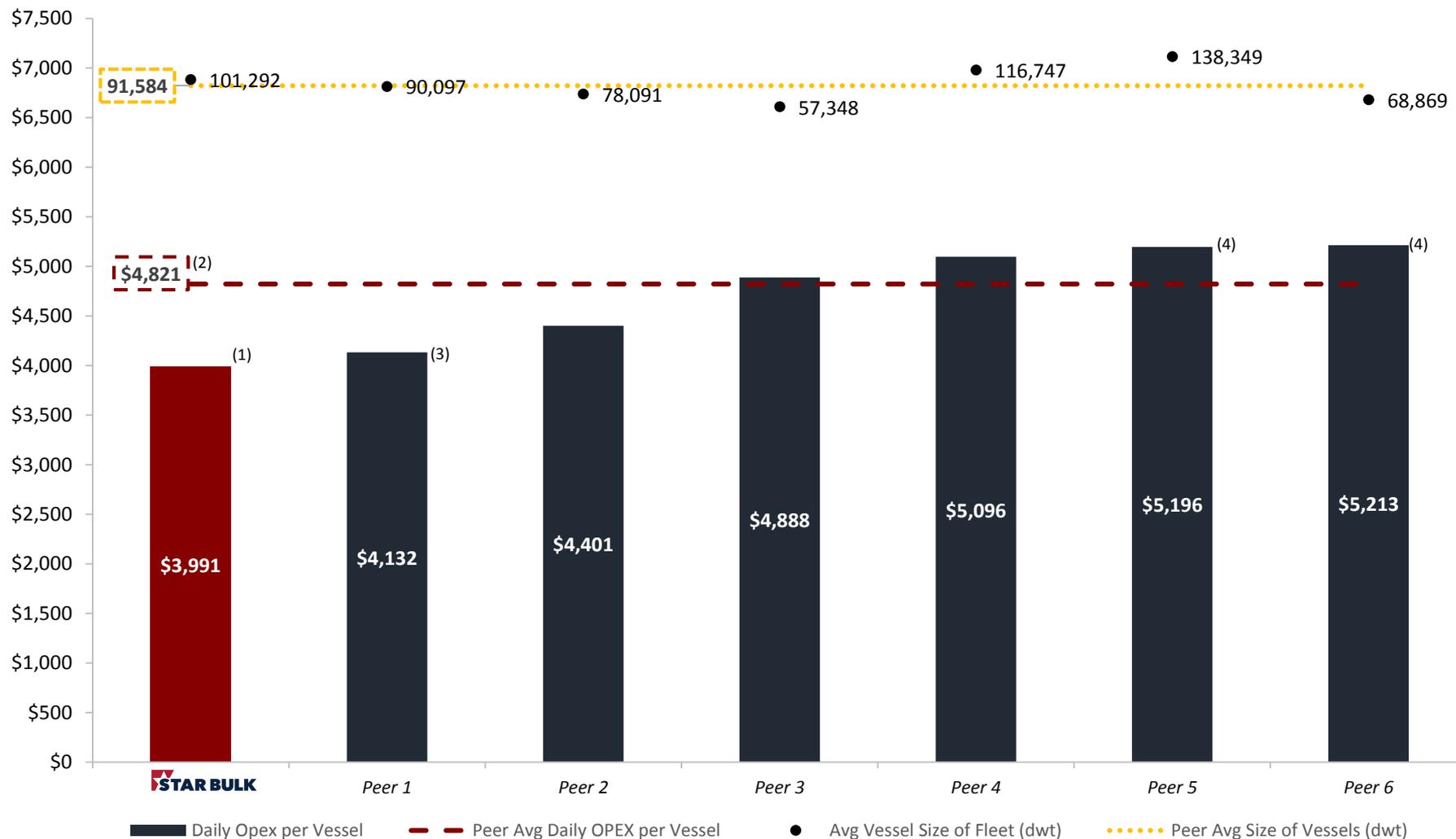


(1) Figures exclude pre-delivery expenses

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

(3) As of June 2018

# Industry Leading OPEX Q1 2018



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

3) Includes dry-docking costs  
 4) Includes management fees

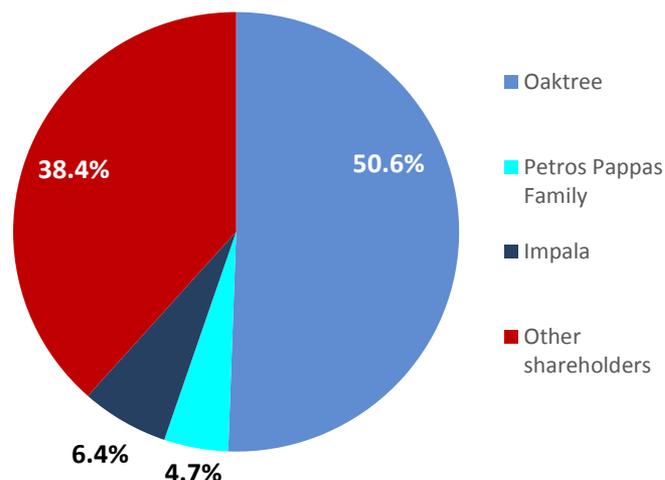
# 35 Vessels Fixed on Period Charters

We have fixed 35 vessels on period charters:

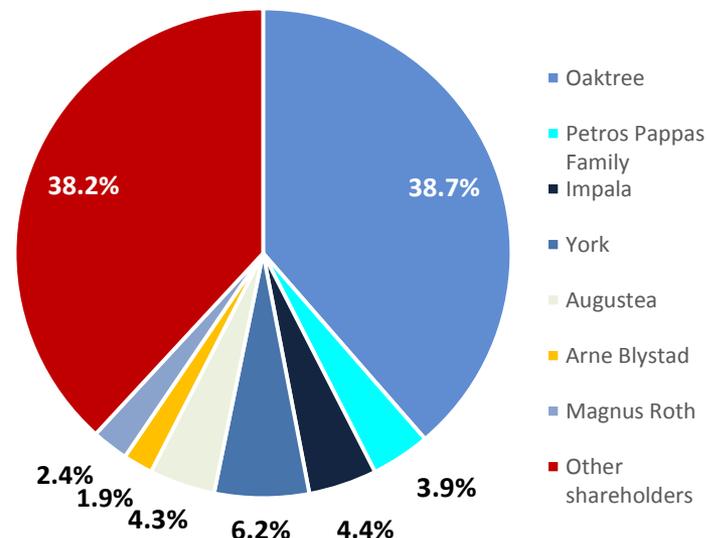
Fleet Employment							
Vessel	Size	2018			2019		Charter Rate
		2Q	3Q	4Q	1Q	2Q	
Star Virgo	Newcastlemax	[Bar]			[Bar]		5TC +Premium
Star Ariadne		[Bar]			[Bar]		5TC +Premium
Star Eleni		[Bar]			[Bar]		5TC +Premium
Peloreus	Capesize	[Bar]			[Bar]		5TC +Premium
Star Angie		[Bar]			[Bar]		\$17,600
Star Aurora		[Bar]			[Bar]		\$16,050
Star Triumph		[Bar]			[Bar]		\$17,500
Star Sirius	Post Panamax	[Bar]			[Bar]		\$15,500
Madredeus		[Bar]			[Bar]		\$14,000
Amami		[Bar]			[Bar]		\$14,000
Star Vega	Kamsarmax	[Bar]			[Bar]		\$14,388
Mercurial Virgo		[Bar]			[Bar]		\$13,500
Pendulum		[Bar]			[Bar]		\$12,250
Star Charis		[Bar]			[Bar]		\$13,250
Star Georgia		[Bar]			[Bar]		\$13,350
Star Markella		[Bar]			[Bar]		\$12,500
Laura		[Bar]			[Bar]		\$13,000
Star Renee		[Bar]			[Bar]		\$12,925
Star Angelina		[Bar]			[Bar]		\$14,000
Star Jennifer		[Bar]			[Bar]		\$11,450
Star Sophia	Panamax	[Bar]			[Bar]		\$15,500
Star Emily		[Bar]			[Bar]		\$12,450
Star Iris		[Bar]			[Bar]		\$12,450
Mackenzie	Ultramax	[Bar]			[Bar]		\$11,750
Kennadi		[Bar]			[Bar]		\$12,500
Roberta		[Bar]			[Bar]		\$14,250
Star Antares		[Bar]			[Bar]		\$13,500
Star Aquarius		[Bar]			[Bar]		\$13,250
Star Challenger		[Bar]			[Bar]		\$13,250
Star Pisces		[Bar]			[Bar]		\$13,750
Star Epsilon	Supramax	[Bar]			[Bar]		\$10,750
Star Gamma		[Bar]			[Bar]		\$11,150
Star Omicron		[Bar]			[Bar]		\$11,250
Star Theta		[Bar]			[Bar]		\$12,600
Star Zeta		[Bar]			[Bar]		\$12,850

# Expanding Investor Base and Float

## Current Shareholding



## Pro Forma Shareholding <sup>(1)</sup>



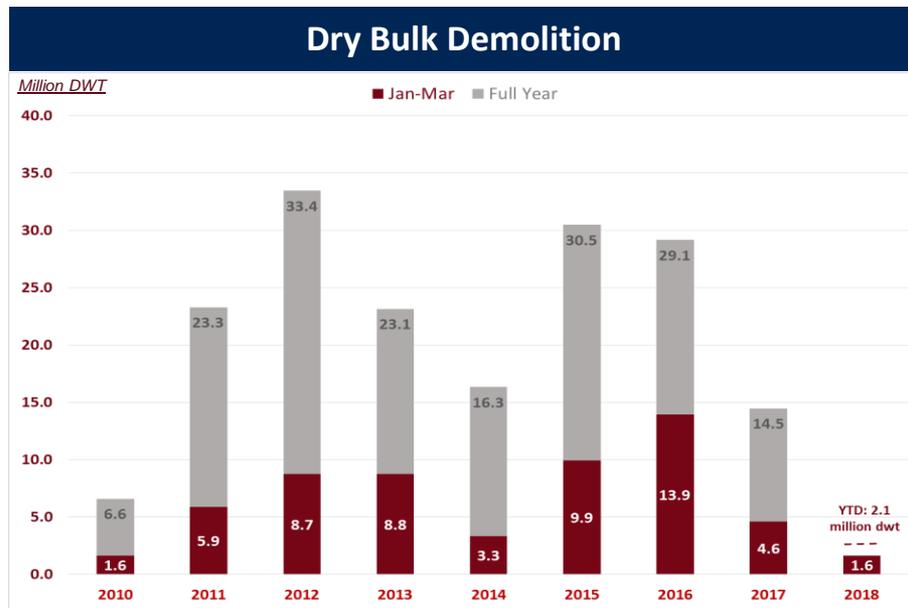
Shareholder	Current Shareholding	%	Pro forma shareholding	%
Oaktree	32,579,506	50.6%	35,632,082	38.7%
Petros Pappas Family	3,000,649	4.7%	3,558,778	3.9%
Impala	4,094,420	6.4%	4,094,420	4.4%
York			5,665,088	6.2%
Augustea			3,945,087	4.3%
Arne Blystad			1,784,250	1.9%
Magnus Roth			2,196,000	2.4%
Other shareholders	24,751,429	38.4%	35,192,277	38.2%
<b>Total</b>	<b>64,426,004</b>	<b>100.0%</b>	<b>92,067,981</b>	<b>100.0%</b>

(1) As of May 14, 2018, after giving effect to the Recently Announced Transactions

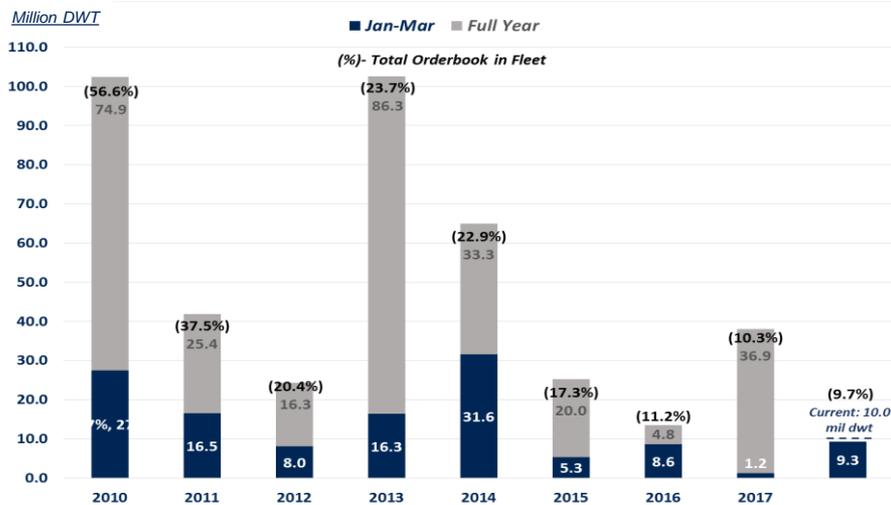
# Dry Bulk Supply Update



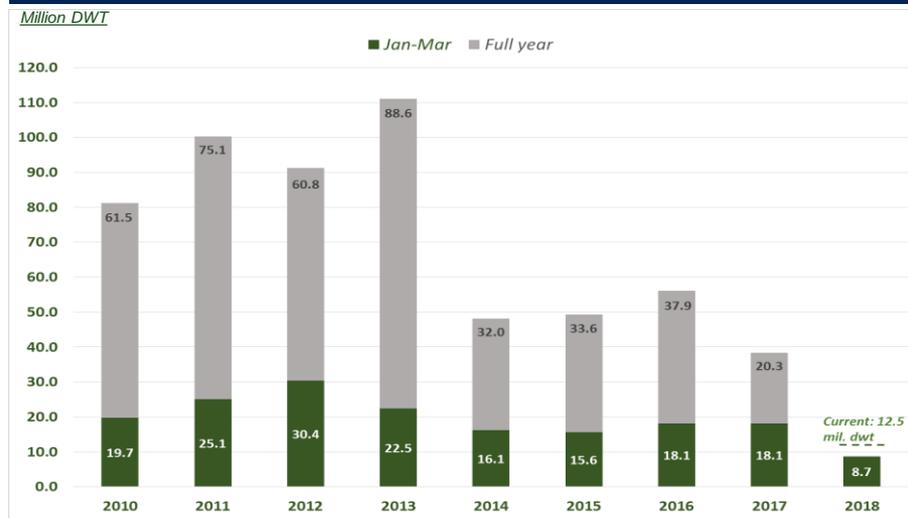
- Fleet growth is currently running at +2.4% down from +3.9% during the same period in 2017
  - YTD Demolition activity has declined to 2.1 mdwt from 7.3 mdwt during Jan-May 2017
  - YTD Deliveries activity has declined to 12.5 mdwt down from 23.8 mdwt during Jan-May 2017
  - Contracting activity increased to 9.7 mdwt up from 7.4 mdwt during Jan-May 2017
- Orderbook currently estimated at ~9.7% of the fleet
- Vessels above 15 years of age currently at ~14.0% of the fleet
- Low 2015/16 contracting expected to trim 2018/19 deliveries and contain net fleet growth between +1.5% - +2.5%



## Dry Bulk New Orders



## Dry Bulk Deliveries



# Dry Bulk Demand Update

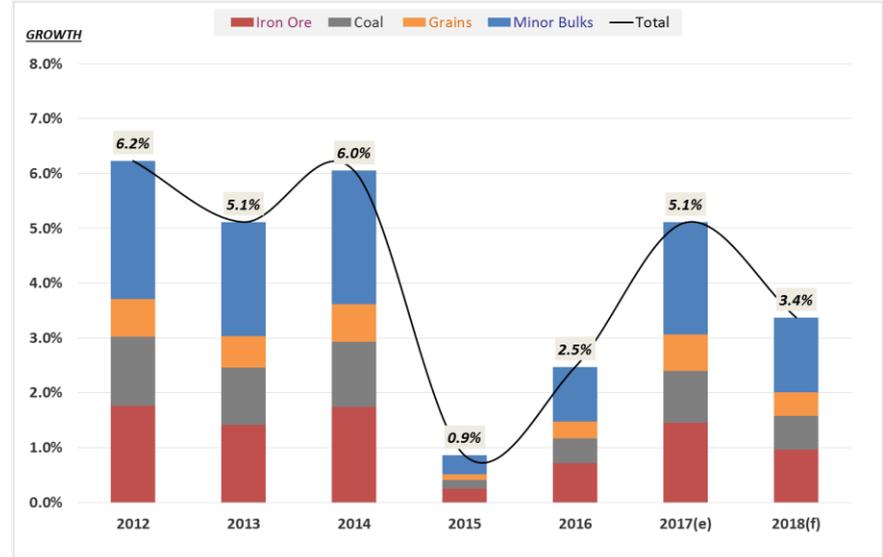
- Full Year 2018 trade projected to grow +2.6% vs +4.0% in 2017 and +1.7% in 2015/16
- Ton-mile demand projected to grow at a faster pace +3.4% vs +5.1% in 2017 and +2.5% in 2015/16

## Key Dry bulk cargoes:

- **Iron ore trade in 2018 projected to grow +3.2% y-o-y (+3.9% in ton-miles)**
  - China supply side reforms supporting steel prices at record high levels and increase in global steel production stimulate growth in iron ore demand. Strong demand for high grade iron ore mainly produced in Brazil positive for ton-miles (SD 11 mine).
- **Thermal & Coking Coal projected to grow +1.6% (+1.7% in tons-miles)**
  - China and India coal needs for electricity generation currently exceeding domestic coal production growth while low stocks support imports. Coal increasing distances due to lower North Pacific production and exports as of 2018.
- **Grains incl. soybeans projected to grow +1.2% y-o-y (+2.7% in ton-miles)**
  - Healthy demand from the Pacific and Atlantic exports concentration has been positive for dry bulk ton-miles. Uncertainty surrounding US-China tariffs remains.
- **Minor bulk projected to grow +3.1% y-o-y (+4.0% in ton-miles)**
  - Global minor bulk growth recovery in line with global GDP revisions. West African bauxite ton-mile generation, ASEAN and India infrastructure development acceleration. One Belt One Road project expected to support growth.

Dry Bulk Trade (Million tons)	2014	2015	2016	2017(e)	2018 (f)
<b>Iron ore</b>	1,340	1,364	1,418	1,473	1,520
<b>Coal</b>	1,216	1,138	1,142	1,209	1,228
<b>Grains</b>	432	460	481	515	521
<b>Minor Bulks</b>	1,844	1,872	1,875	1,917	1,975
<b>Total Dry</b>	<b>4,832</b>	<b>4,833</b>	<b>4,915</b>	<b>5,113</b>	<b>5,245</b>
<i>Annual Growth (tons)</i>	248	0	83	197	132
<i>Annual Growth (%)</i>	5.4%	0.0%	1.7%	4.0%	2.6%
<i>Ton-miles growth</i>	6.0%	0.9%	2.5%	5.1%	3.4%

## Dry Bulk Ton-miles – Full Year Growth



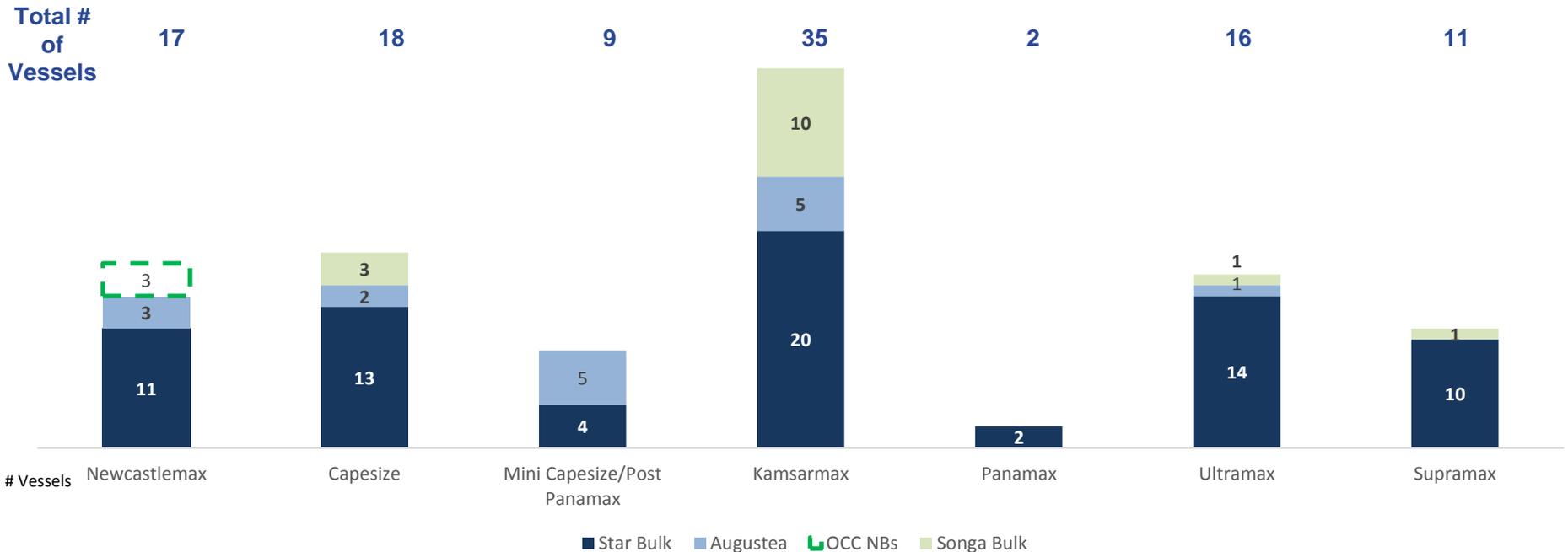
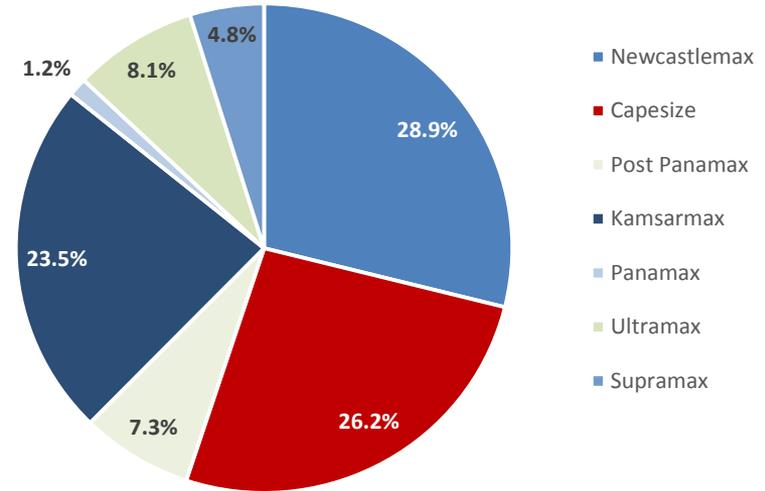
# APPENDIX



# Diverse Fleet Covering All Segments

- Fully delivered fleet of 108 vessels
- 39,420 ownership days on a fully delivered basis
- Average age of ~7.3 years
- 35 Newcastlemax / Capesize vessels

Million DWT

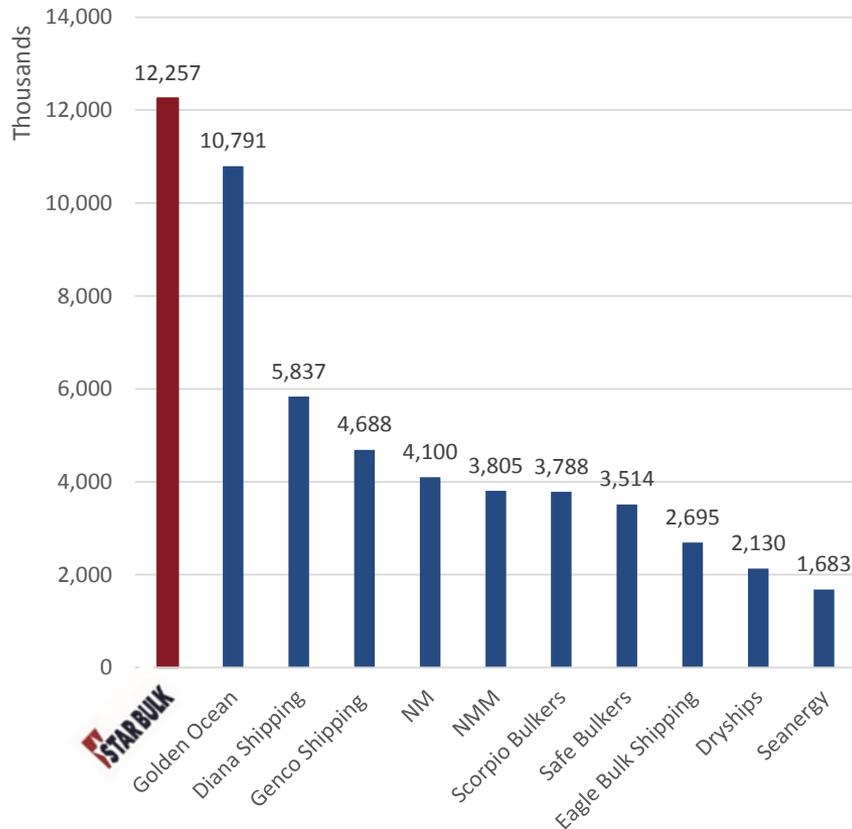


# Industry Leading Dry Bulk Owner

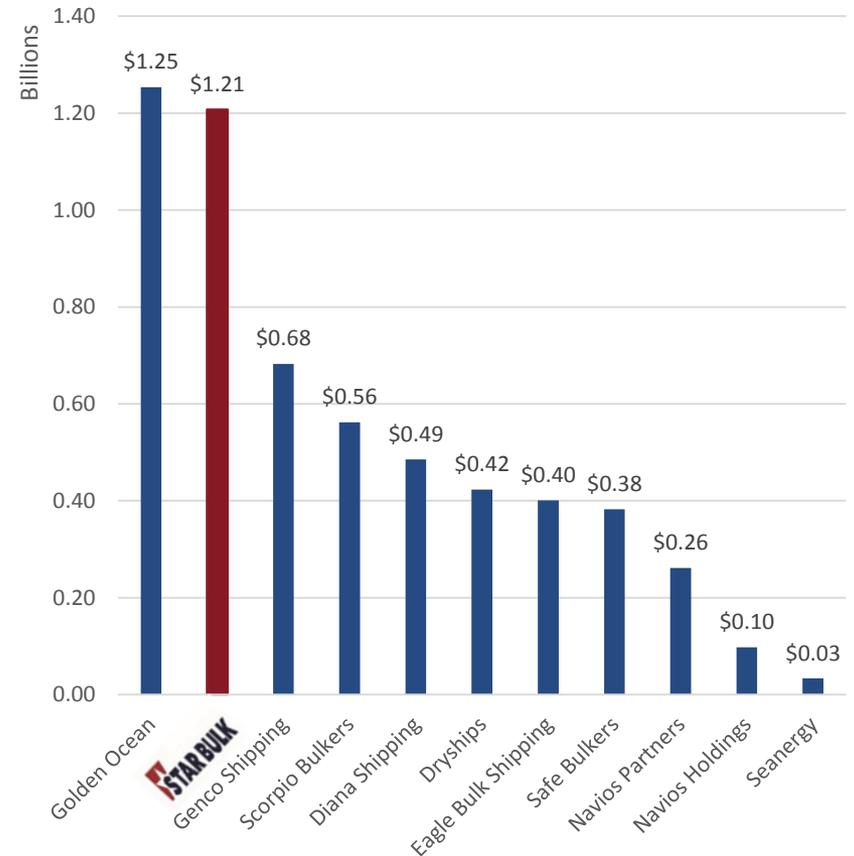


- The largest US listed owner (by dwt) of drybulk vessels
- Market capitalization >\$1.2 billion assuming completion of recently announced transactions

## Peer Comparison according to DWT



## Peer Comparison according to Market Cap<sup>(1)</sup>



Source: Public filings and information from public sources as of June 11, 2018

(1) Market capitalization calculated on the basis of approximately 92 million shares outstanding, and the share price as of June 11, 2018

# Acquisition of Augustea Fleet



- **Augustea Transaction:** On April 20, 2018 Star Bulk entered into an agreement to acquire 16 vessels from entities affiliated with Augustea Atlantica SpA and York Capital Management
- **The total consideration that Star Bulk will pay is comprised of:**
  - Issuance of approximately 10.5 million SBLK common shares
  - Assumption of existing debt & capital lease obligations of \$310 mln.
- **Expanded our lender universe with high quality names:**
  - BNP Paribas
  - Credit Suisse
  - Bank of Tokyo Leasing
  - Mitsui
- **Upon completion of the transaction Mr. Zagari is expected to join Star Bulk's Board of Directors.**
- **The acquisition remains subject to the execution of definitive finance agreements and customary closing conditions.**

## Augustea Fleet Snapshot

- 16 vessels with 1.95 million dwt carrying capacity
- Average age of ~4.5 years
- 3 Newcastlemax, 2 Capesizes, 2 Mini Capes, 3 Post Panamax, 5 Kamsarmax and 1 Ultramax

Vessel	Vessel Type	DWT	YoB	Yard	Country
ABOY Sienna	Newcastlemax	208,000	2017	SWS	China
ABOY Laetitia	Newcastlemax	208,000	2017	SWS	China
ABOY Karlie	Newcastlemax	208,000	2016	SWS	China
ABY Scarlett	Capesize	178,000	2014	Jinhai	China
ABYO Audrey	Capesize	175,125	2011	New Times	China
Paola	Mini Cape	115,259	2011	NTS	China
ABML Eva	Mini Cape	106,659	2012	STX Dalian	China
Piera	Post Panamax	91,951	2010	Sungdong	South Korea
Maria Laura Prima	Post Panamax	91,945	2010	Sungdong	South Korea
Aphrodite	Post Panamax	91,827	2011	Sungdong	South Korea
ABY Jeannette	Kamsarmax	83,000	2014	STX	South Korea
ABY Asia	Kamsarmax	82,000	2017	Sanoyas	Japan
Lydia Cafiero	Kamsarmax	81,187	2013	JMU	Japan
Nicole	Kamsarmax	81,120	2013	JMU	Japan
ABY Virginia	Kamsarmax	81,000	2015	JMU	Japan
ABY Monica	Ultramax	60,000	2015	JMU	Japan
<b>Total</b>		<b>1,943,073</b>			

# Acquisition of Songa Fleet



- **Songa Transaction:** On May 14, 2018 Star Bulk entered into an agreement to acquire fifteen (15) vessels from Songa Bulk ASA (OSE: SBULK, “Songa”)
- **The total consideration that Star Bulk expects to pay is comprised of:**
  - Payment of \$145 million in cash
  - Issuance of 13.725 million SBLK common shares
- **Acquisition financing:** The cash portion of the transaction is expected to be financed through a new five-year capital lease of \$180 million with China Merchants Bank Leasing (“CMBL”) at L+280 bps, subject to entry into definitive documentation.
- **Upon completion of the transaction Mr. Arne Blystad is expected to join Star Bulk’s Board of Directors. Mr. Herman Bilung is expected to join Star Bulk’s management team**
- **As part of the closing, Star Bulk intends to apply for a secondary listing of its common shares in the Oslo stock exchange**
- **The Songa Transaction is subject to the approval of 2/3 majority of Songa shareholders at an EGM**

## Songa Fleet Snapshot

- 15 vessels with 1.48 million dwt carrying capacity
- Average age of ~6.8 years
- 3 Capesizes, 10 Kamsarmax, 1 Ultramax and 1 Supramax

Vessel	Fleet Type	DWT	YoB	Yard	Country
Songa Claudine	Capesize	181,258	2011	STX SB (Jinhae)	Korea
Songa Opus	Capesize	180,706	2010	STX SB (Jinhae)	Korea
Songa Mountain	Capesize	179,150	2009	Hyundai HI (Ulsan)	Korea
Songa Hirose	Kamsarmax	83,494	2011	Sanoyas	Japan
Songa Maru	Kamsarmax	82,687	2008	Tsuneishi Zhoushan	China
Songa Grain	Kamsarmax	82,672	2008	Tsuneishi Zosen	Japan
Songa Moon	Kamsarmax	82,158	2012	Tsuneishi Zosen	Japan
Songa Hadong	Kamsarmax	82,158	2012	Tsuneishi Zosen	Japan
Songa Devi	Kamsarmax	81,918	2014	Tsuneishi Zosen	Japan
Songa Delmar	Kamsarmax	81,501	2011	Hyundai Samho HI	Korea
Songa Sky	Kamsarmax	81,466	2010	Sumitomo	Japan
Songa Genesis	Kamsarmax	82,705	2010	STX SB (Jinhae)	Korea
Songa Flama	Kamsarmax	80,448	2011	STX SB (Jinhae)	Korea
Songa Wave	Ultramax	61,491	2017	DACKS	China
Songa Glory	Supramax	58,680	2012	NACKS	China
<b>TOTAL</b>		<b>1,482,492</b>			

# Acquisition of OCC Vessels

## OCC Fleet Snapshot

- 3 Newcastlemax vessels with 0.62 million dwt carrying capacity
- Vessels under construction with delivery in H1 2019
- Sister vessels to SBLK Newcastlemaxes from SWS

Vessel	Fleet Type	DWT	Built	Yard	Country
HN1388	Newcastlemax	208,000	Jan-19	SWS	China
HN1389	Newcastlemax	208,000	Feb-19	SWS	China
HN1390	Newcastlemax	208,000	Apr-19	SWS	China
<b>TOTAL</b>		<b>624,000</b>			

- **OCC Transaction:** On May 14, 2018 Star Bulk entered into an agreement to acquire three (3) Newcastlemax NB vessels from Oceanbulk Container Carriers LLC (“OCC”)
- **The total consideration that Star Bulk will pay is comprised of:**
  - Issuance of 3.39 million SBLK common shares
  - Assumption of \$103.8 million of remaining capex obligations of the 3 vessels
- **No equity capex:** The remaining capex obligations will be fully financed through a committed ten-year capital lease of \$104.4 million to be provided by CSSC Leasing.

# Income Statement 1st Quarter 2018



(in \$000's)	3-months period ended March 31, 2018	Non-cash Adjustments	3-months period ended March 31, 2018	3-months period ended March 31, 2017
<b>REVENUES:</b>	<b>121,057</b>	<b>-</b>	<b>121,057</b>	<b>64,866</b>
<b>EXPENSES:</b>				
Voyage expenses	(22,695)	-	(22,695)	(14,999)
Charter in expense	(16,470)	-	(16,470)	(873)
Vessel operating expenses	(26,273)	-	(26,273)	(24,415)
Drydocking expenses	(1,120)	-	(1,120)	(1,392)
Management fees	(1,930)	-	(1,930)	(1,814)
Gain/(Loss) on forward freight agreements and bunker swaps	(812)	917	105	(83)
General and administrative expenses	(7,319)	1,062	(6,257)	(5,382)
Other operational Loss	-	-	-	-
Other Operational gain	5	-	5	2,166
Gain/(Loss) on sale of vessel	-	-	-	-
<b>Total expenses</b>	<b>(76,614)</b>	<b>1,979</b>	<b>(74,635)</b>	<b>(46,792)</b>
<b>EBITDA</b>	<b>44,449</b>	<b>1,973</b>	<b>46,422</b>	<b>18,074</b>
Depreciation	(21,168)	-	(21,168)	(19,645)
<b>Operating (loss)/ income</b>	<b>23,275</b>	<b>1,979</b>	<b>25,254</b>	<b>(1,571)</b>
Interest and finance costs	(14,273)	123	(14,150)	(11,006)
Loss on debt extinguishment	-	-	-	-
Interest income and other	893	-	893	620
Gain/(Loss) on derivative financial instrument	(1)	(137)	(138)	(851)
<b>Total other income (expenses), net</b>	<b>(13,381)</b>	<b>(14)</b>	<b>(13,395)</b>	<b>(11,237)</b>
Equity in income /loss of investee	6	(6)	-	-
<b>Net income before tax</b>	<b>9,900</b>	<b>1,959</b>	<b>11,859</b>	<b>(12,808)</b>
Income tax	-	-	-	(65)
<b>Net income</b>	<b>9,900</b>	<b>1,959</b>	<b>11,859</b>	<b>(12,873)</b>
<b>Earnings per share, diluted</b>	<b>\$0.15</b>		<b>\$0.18</b>	<b>(\$0.21)</b>

# 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)

