



NASDAQ: SBLK

BORS: SBLK R

Financial Results Q3 2018



November 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, the impact of regulation and regulatory, investigative and legal proceedings and legal compliance risks, including the impact of IMO's MARPOL ANNEX VI and any changes thereof 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.

Q3 2018 Financial Highlights



	<u>3-months period</u> <u>ended September</u> <u>30, 2018</u>	<u>3-months period</u> <u>ended September</u> <u>30, 2017</u>	Increase / (Decrease) %
Voyage Revenues	\$188.5m	\$80.8m	133.3%
TCE Revenues ⁽¹⁾	\$128.7m	\$62.6m	105.8%
EBITDA	\$75.6m	\$26.1m	-
Adjusted EBITDA	\$80.1m	\$28.6m	180.4%
Net Income/(Loss)	\$26.1m	\$(7.4)m	-
Adjusted Net Income/(Loss)	\$30.5m	\$(5.3)m	-
TCE	\$14,521	\$9,621	50.9%
Fleet Utilization	98.4%	99.9%	-
Average daily OPEX per vessel ⁽²⁾	\$4,054	\$3,947	2.7%
Average daily Net Cash G&A expenses per vessel	\$918	\$1,066	(13.9%)
Average No. of Vessels	98.2	70.7	39.0%
Adjusted EPS per share basic & diluted	\$0.35	(\$0.08)	-
EPS GAAP per share basic & diluted	\$0.30	\$(0.12)	-
Weighted average number of shares outstanding, basic	87,025,267	63,652,049	36.7%
Weighted average number of shares outstanding, diluted	87,430,711	63,652,049	37.4%

Notes:

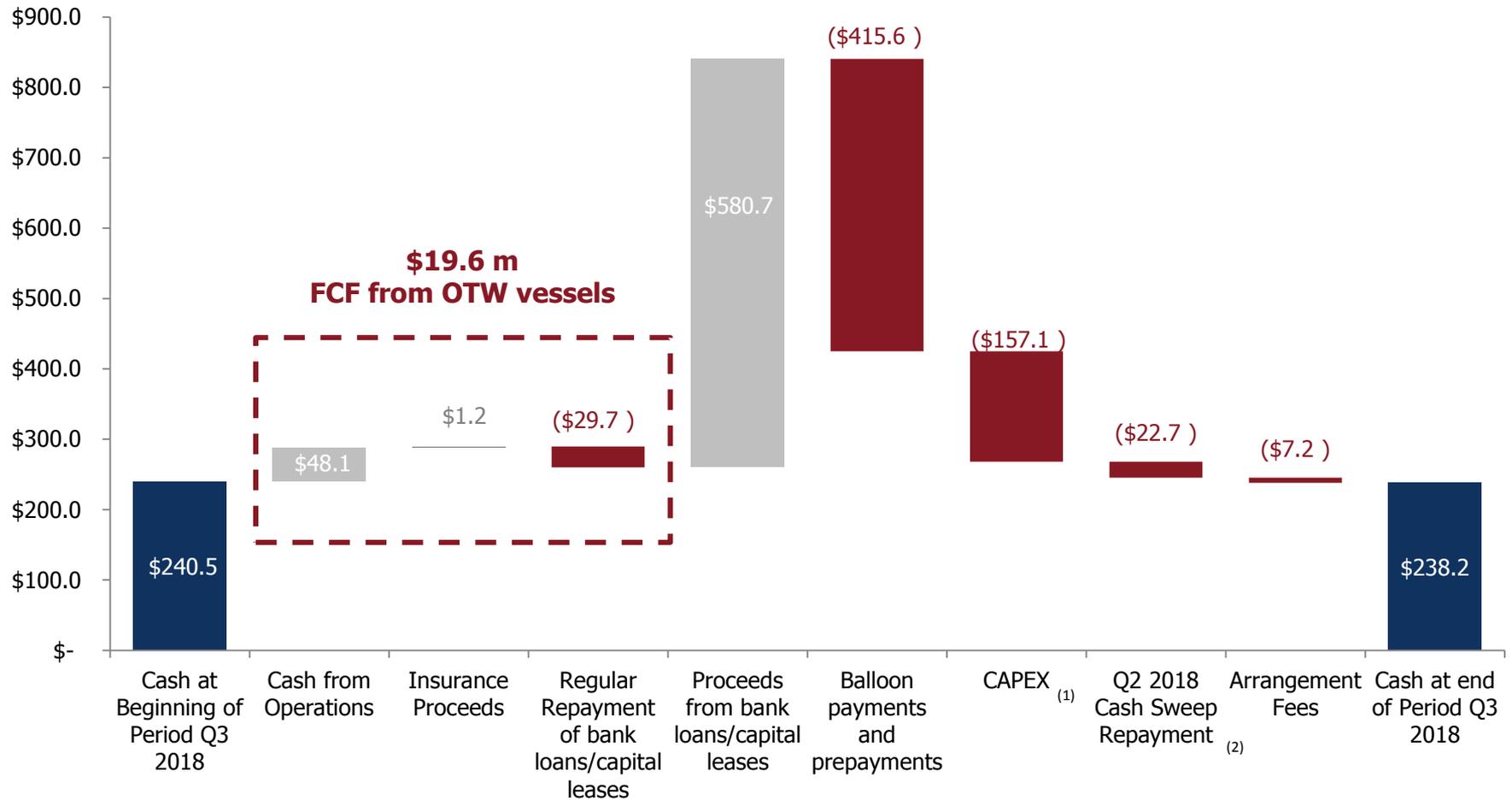
(1) TCE revenues = Total voyage revenues – Voyage expenses – Charter-in hire expenses

(2) Excludes predelivery and one-off expenses

Solid Cash Flow Generation



Q3 Cash Flow Breakdown

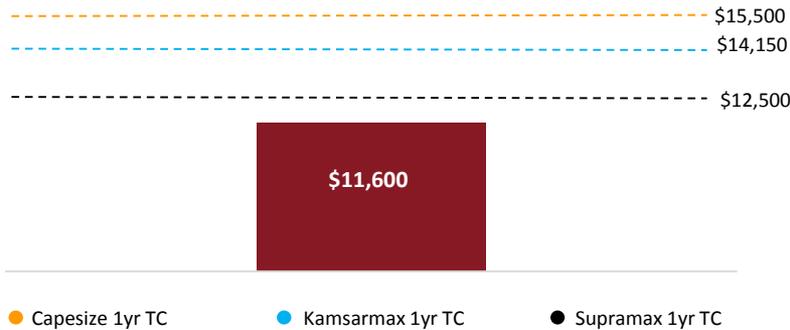


(1) Includes acquisition cost of \$145 million for Songa vessels, \$5 million for NB predelivery installment, and \$8 million for scrubber capex

(2) This represents the cash sweep payment made for Q2 2018 in Q3 2018

Strong Liquidity Position

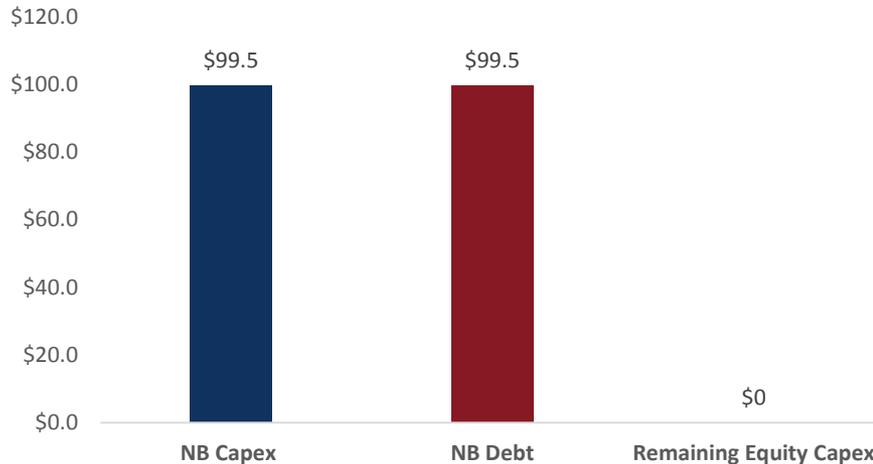
Fleet-wide Net TCE FCF Breakeven Rate ⁽¹⁾



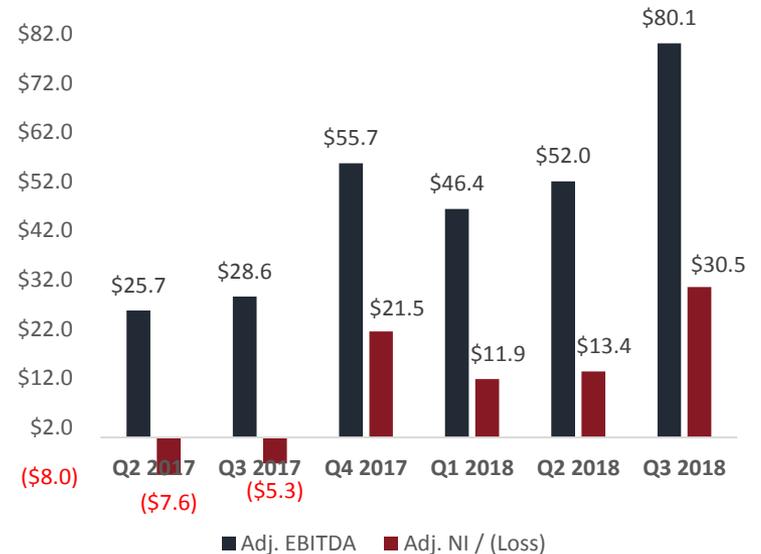
Pro Forma Cash & Debt position⁽²⁾

- ❖ **Total Cash (including minimum liquidity)⁽³⁾: \$ 232m**
- ❖ **Total Debt & Capital lease obligations⁽³⁾: \$1.48b**

Remaining Capex - Fully Financed



Performance evolution⁽⁴⁾



(1) Source: Clarkson Research Services Ltd. (Shipping Intelligence Network, database), as of November 16th, 2018

(2) SBLK cash and debt as of November 19th, 2018

(3) Pro forma for the expected debt to be raised for Star Anna and Star Bright

(4) Please refer to our Financial Statements for a reconciliation regarding Adjusted EBITDA and Adjusted Net Income to the closest comparable GAAP metric

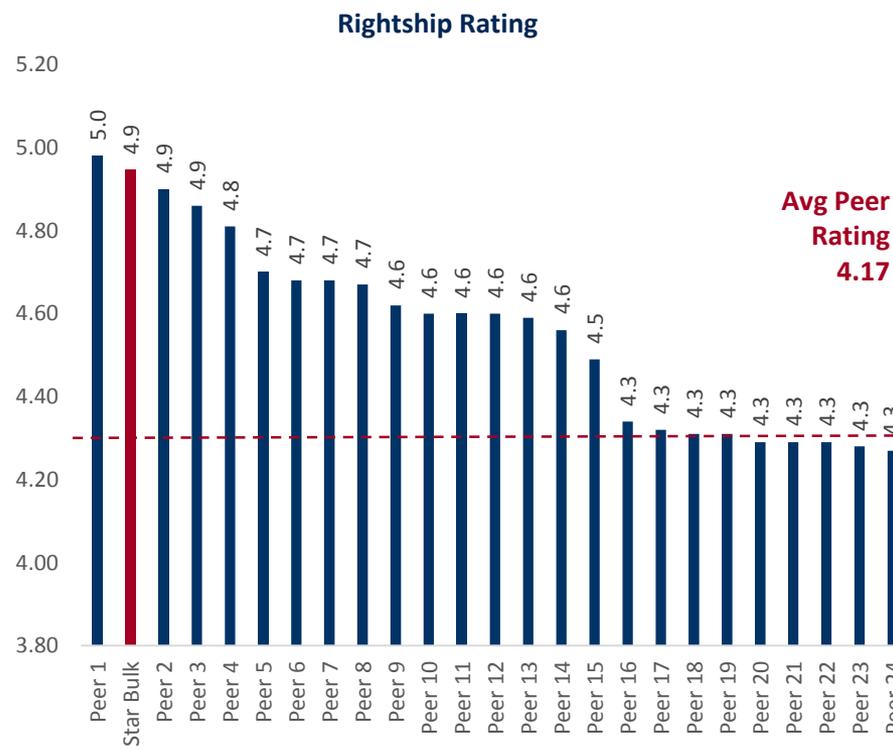
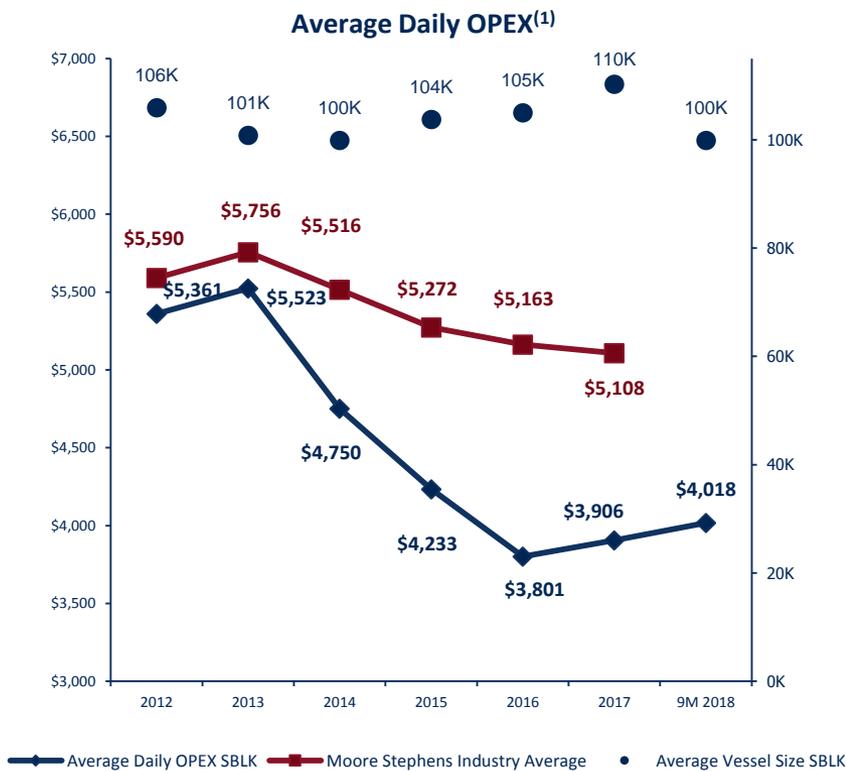
Continued Operational Excellence



- For Q3 2018 vessel OPEX were \$4,054⁽¹⁾ per vessel per day and \$4,018 for 9M 2018
- Net cash G&A⁽²⁾ expenses per vessel per day were \$918 for Q3 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...⁽³⁾



(1) Figures exclude pre-delivery expenses

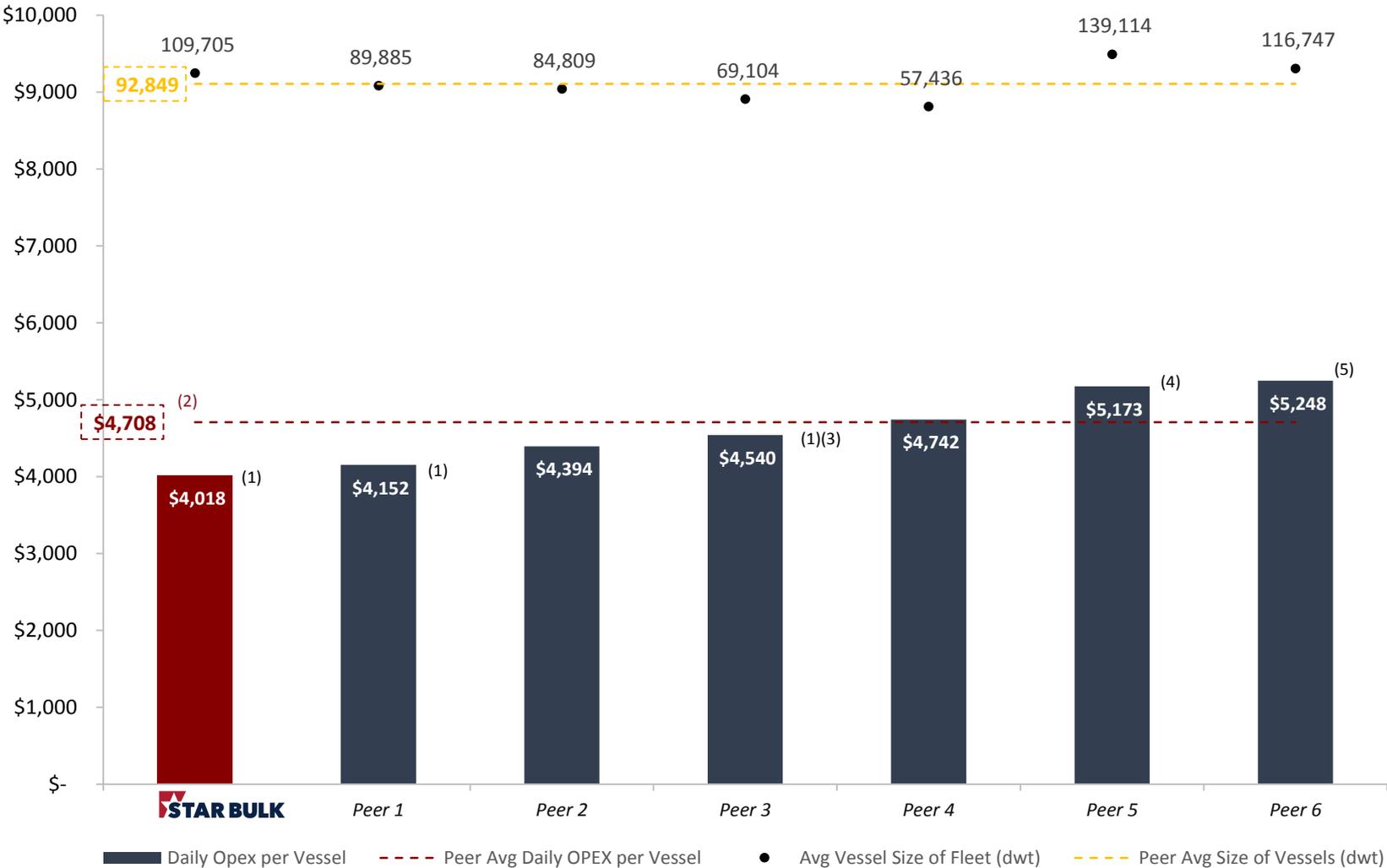
(2) Excludes one-off severance payments, advisory and restructuring fees share incentive plans and termination charges, includes management fees

(3) As of November 2018

Industry Leading OPEX 9M 2018



OPEX Benchmarking based on latest published financial statements



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

3) Excludes management fees
 4) Includes Management fees

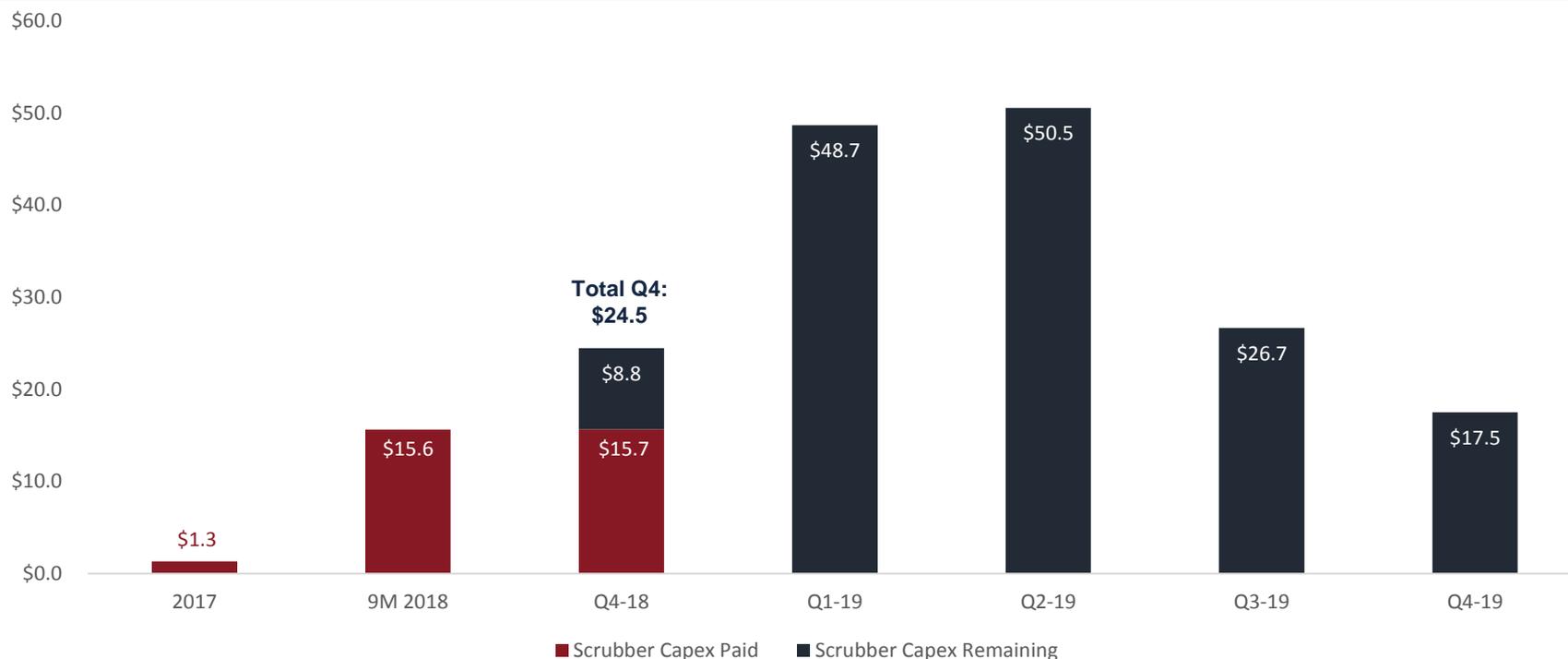
5) Based on 6M figures

Scrubber Capex



- By year end we will have completed installation in three vessels
- We have started preparatory work in numerous vessels in order to minimize off hire period
- Remaining Scrubber Capex after November 19th, 2018 : \$152 million
- Secured debt financing of approximately 70%, i.e. \$135-\$140 million

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



Note:

(1) As of November 19th, 2018 for 111 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)

Sulfur and Sulfates emissions

- Takes sulfur out of the air, puts it in the ocean where it exists already in large quantities, as it is a natural component of seawater: ⁽¹⁾
 - Sulfur necessary for life in the ocean; used in fertilizer on land
 - Sulfur in the ocean would create a layer around the earth of 5 feet thick; all the sulfur in known oil and coal reserves would add a layer as thick as a sheet of paper to this layer or about 10 micron.
 - Typical seawater contains 2600-3000 mg sulfate per liter. Open loop scrubber adds 260 mg sulfate per liter. One popular bottled water has 450 mg sulfate per liter.
 - Studies and field testing confirm that the sulfate increase from exhaust gas scrubbing will be insignificant when compared with the quantity already in the oceans.

CO₂ emissions

- Refining HFO creates excess CO₂.⁽²⁾
 - One study by the Danish Environmental protection agency estimated 400kg CO₂ per ton of HFO refined
 - Scrubbers allow HFO to be used with almost no excess CO₂ (1-2% of fuel used to run scrubber)

References:

- (1) Exhaust Gas Cleaning Association Q&A/ As per an EPA study regarding washwater discharges, in the discharge samples, sulfate concentrations ranged between 2,600 and 3,052 mg/L, which accounts for a slight increase to the initial intake 0.4 to 6 percent. Source: Exhaust Gas Scrubber Washwater Effluent, Characterization of Pollutants in EGCS Washwater Discharges (EPA 2011)/ Seawater scrubbing – reduction of SOx emissions from ship exhausts. Karle and Turner. Publisher: The Alliance For Global Sustainability Gothenburg 2007 / Effects on Seawater Scrubbing. Final Report. Behrends, Hufnagl, Liebezeit. Publisher: BP Marine/Research Centre Terramare, 2005/ Hamworthy Krystallon (2007)
- (2) The Danish EPA “Assessment of possible impacts of scrubber water discharges on the marine environment-supplementary note” citing vendor Hamworthy Krystallon (2007). / The 2007 paper “Sea Water Scrubbing – Does it contribute to increased global CO2 emissions”, assesses the factors involved in seawater scrubbing and compares them with the factors involved in the production of distillate fuel. “The paper draws the conclusion that there appears to be a net CO2 benefit from the use of high sulphur fuel oil with exhaust gas cleaning systems” (EGCA).

Particulate Matter emissions and PAH's

- Burning compliant fuel sends particulates straight into the air which are hazardous to health. Then they fall into the ocean. Emissions include black carbon which is very sensitive in the Arctic and related to acceleration of regional warming:⁽¹⁾
 - Scrubbers are effective in reducing particulates
 - Typical removal rate of around 80%
 - Notably efficient in reducing smaller particulates and black carbon
- Burning compliant fuels sends harmful heavy metals into the air. Those heavy metals drift down into the ocean if they are not inhaled by a human or animal:⁽²⁾
 - HFO has no more heavy metals than MGO or blended fuels, except for nickel and vanadium
 - Scrubbers effectively remove most of the metals from the exhaust gas, while the resulting concentrations in the sea will be orders of magnitude below the levels of concern as expressed e.g. by IMO standards and by the EU's environmental quality standards (EQS) for the marine environment.
 - The concentration of the most critical substances in relation to this criterion, the metals nickel and copper, will still be more than two orders of magnitude below the EQS.
- Burning compliant fuel sends polycyclic aromatic hydrocarbons (PAHs) into the air which is not ideal. Those PAH's drift down to the ocean if they are not breathed in by a human or animal:⁽³⁾
 - Scrubbers are effective in removing PAHs from the air, while concentrations of PAHs in the washwater are below levels which create environmental concerns.

References:

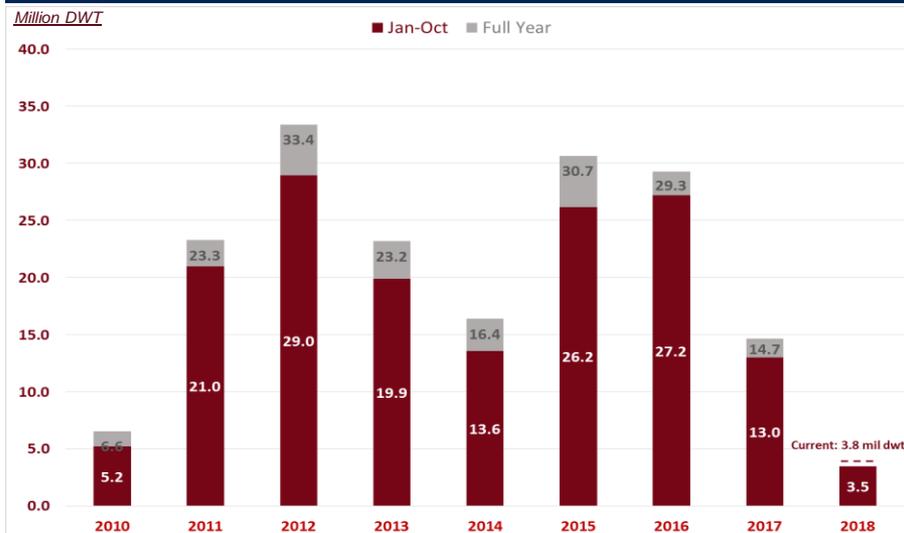
- (1) Exhaust Gas Cleaning Association Q&A/ COWI, 2012. Exhaust Gas Scrubber Installed Onboard MV Ficaria Seaways:Public Test Report , Environmental Project No. 1429, s.l. COWI / Lack, DA, Thuesen, J, Elliot, R, Stuer-Lauridsen, F, Overgaard, S, et al. 2012 Investigation of appropriate control measures (abatement technologies) to reduce Black Carbon emissions from international shipping. IMO / Francesco Di Natale, Claudia Carotenuto (2015): Particulate matter in marine diesel engines exhausts: Emissions and control strategies
- (2) Assessment of possible impacts of scrubber washwater discharges on the marine environment (Danish EPA, 2012)
- (3) Hufnagl, M., Liebezeit, G., Behrends, B. (2005): Effects of Sea Water Scrubbing, Final Report to BP Marine. Research Centre Terramare, Wilhelmshaven, Germany and School of Marine Science and Technology, University of Newcastle, Newcastle upon Tyne, UK

Dry Bulk Supply Update

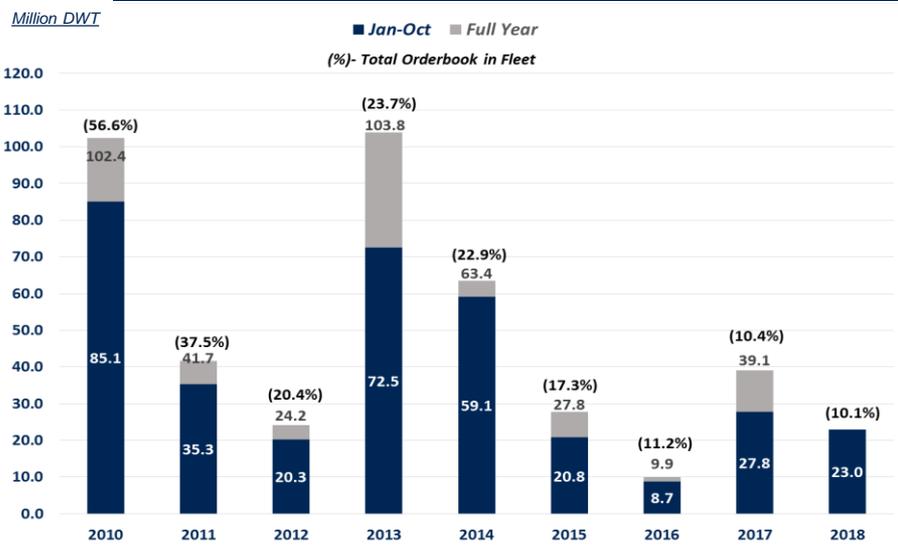


- Fleet growth is currently running at +2.5% down from +3.2% during the same period in 2017
 - YTD Deliveries activity has declined to 23.9 mdwt down from 36.4 mdwt during Jan-Oct 2017, the lowest in a decade
 - YTD Demolition activity has declined to 3.8 mdwt from 13.0 mdwt during Jan-Oct 2017
 - Contracting activity softened to 23.0 mdwt down from 27.8 mdwt during Jan-Oct 2017
- Orderbook currently estimated at ~10.1% of the fleet
- Vessels above 15 years of age currently at ~14.5% of the fleet
- Low contracting expected to trim 2019/20 deliveries and contain net fleet growth below +2.5%
- IMO 2020 regulation expected to limit supply as of 2019 through increased off hires and slow steaming

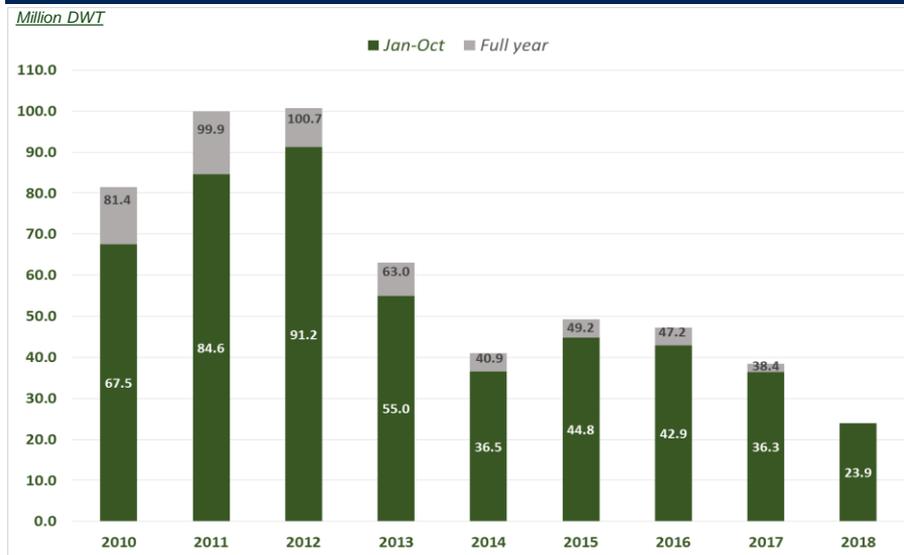
Dry Bulk Demolition



Dry Bulk New Orders



Dry Bulk Deliveries



Dry Bulk Demand Update



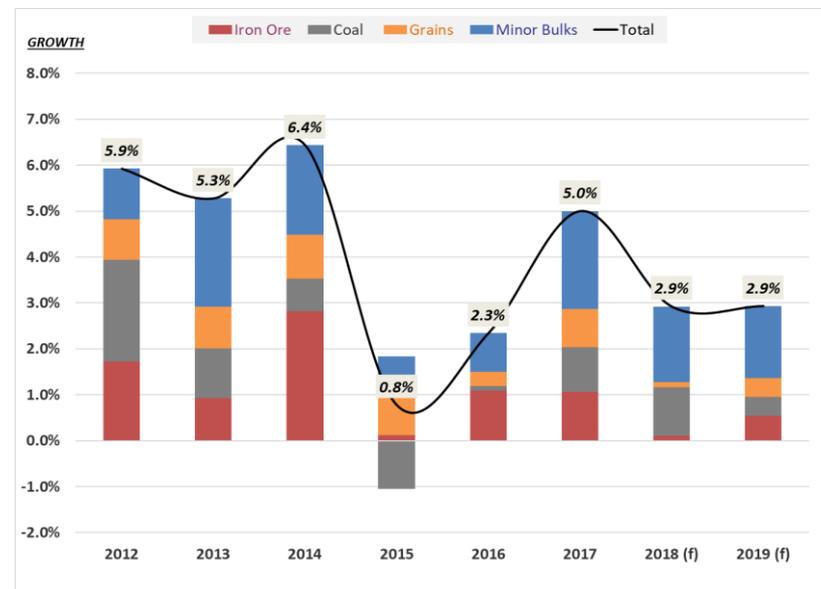
- Full Year 2018 dry bulk trade projected to grow +2.5% y-o-y, with ton-miles growing at a slightly higher pace of approx. +3.0% y-o-y.
- During 2019, dry bulk growth is projected to maintain the same pace

Key Dry bulk cargoes:

- **Iron ore trade in 2018 projected to grow +1.0% y-o-y (+0.4% in ton-miles)**
 - Despite strong demand, iron ore trade is expected to be relatively flat during 2018 on a series of exports disruptions and Chinese destocking. Growing Brazil exports projected to support ton-miles
- **Thermal & Coking Coal projected to grow +4.0% y-o-y (+5.8% in tons-miles)**
 - China and India coal needs for electricity generation exceeding domestic coal production growth while Indian low stocks have supported imports. Coal increasing distances due to lower North Pacific production and exports as of 2018.
- **Grains incl. soybeans projected to grow +1.3% y-o-y (+0.9% in ton-miles)**
 - Brazil's (Jan-Sep YTD) soybean exports +11.8% y-o-y. Uncertainty surrounding US-China tariffs remains and is affecting US soybean exports. China cannot fully substitute its US import needs with soybeans from other sources.
- **Minor bulk projected to grow +2.9% y-o-y (+4.0% in ton-miles)**
 - Global minor bulk growth recovery in line with global GDP revisions. Bauxite from West Africa boosting ton-miles for Capesize vessels. ASEAN and India infrastructure development projected to accelerate with One Belt One Road project supporting growth looking forward.

Dry Bulk Trade (Million tons)	2014	2015	2016	2017(e)	2018 (f)	2019 (f)
Iron ore	1,340	1,364	1,418	1,473	1,486	1,508
Coal	1,216	1,137	1,140	1,200	1,249	1,274
Grains	408	429	450	478	484	496
Minor Bulks	1,852	1,882	1,882	1,939	1,996	2,061
Total Dry	4,816	4,811	4,890	5,090	5,215	5,338
<i>Annual Growth (tons)</i>	259	-5	79	201	125	124
<i>Annual Growth (%)</i>	5.7%	-0.1%	1.6%	4.1%	2.5%	2.4%
<i>Ton-miles growth</i>	6.4%	0.8%	2.3%	5.0%	2.9%	2.9%

Dry Bulk Ton-miles – Full Year Growth



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

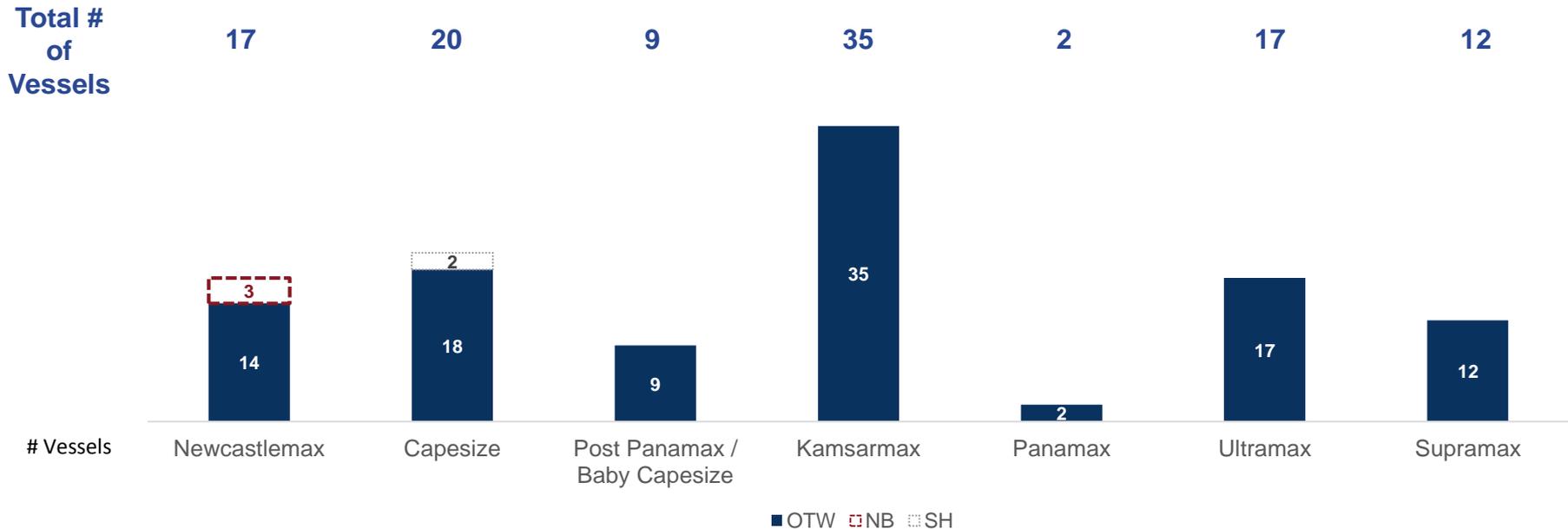
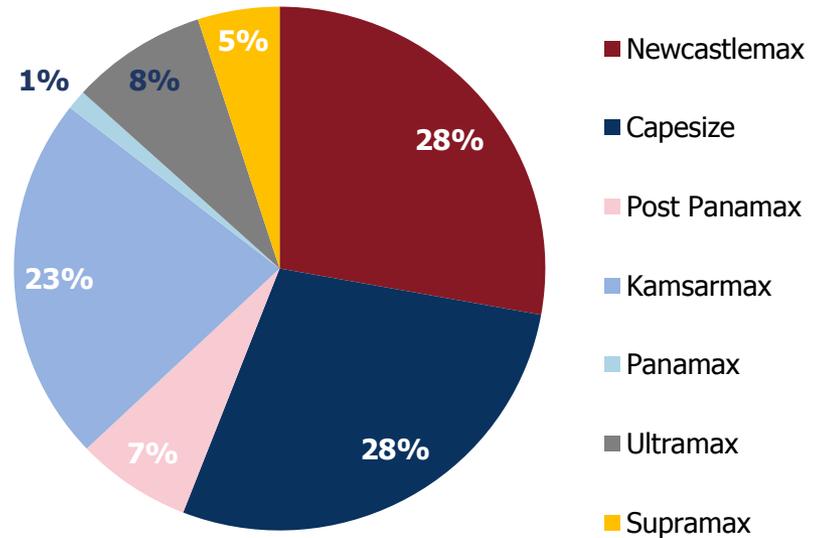
APPENDIX



Diverse Fleet Covering All Segments

- Fully delivered fleet of 112 vessels
- 40,880 ownership days on a fully delivered basis
- Average age of ~7.8 years
- 37 Newcastlemax / Capesize vessels

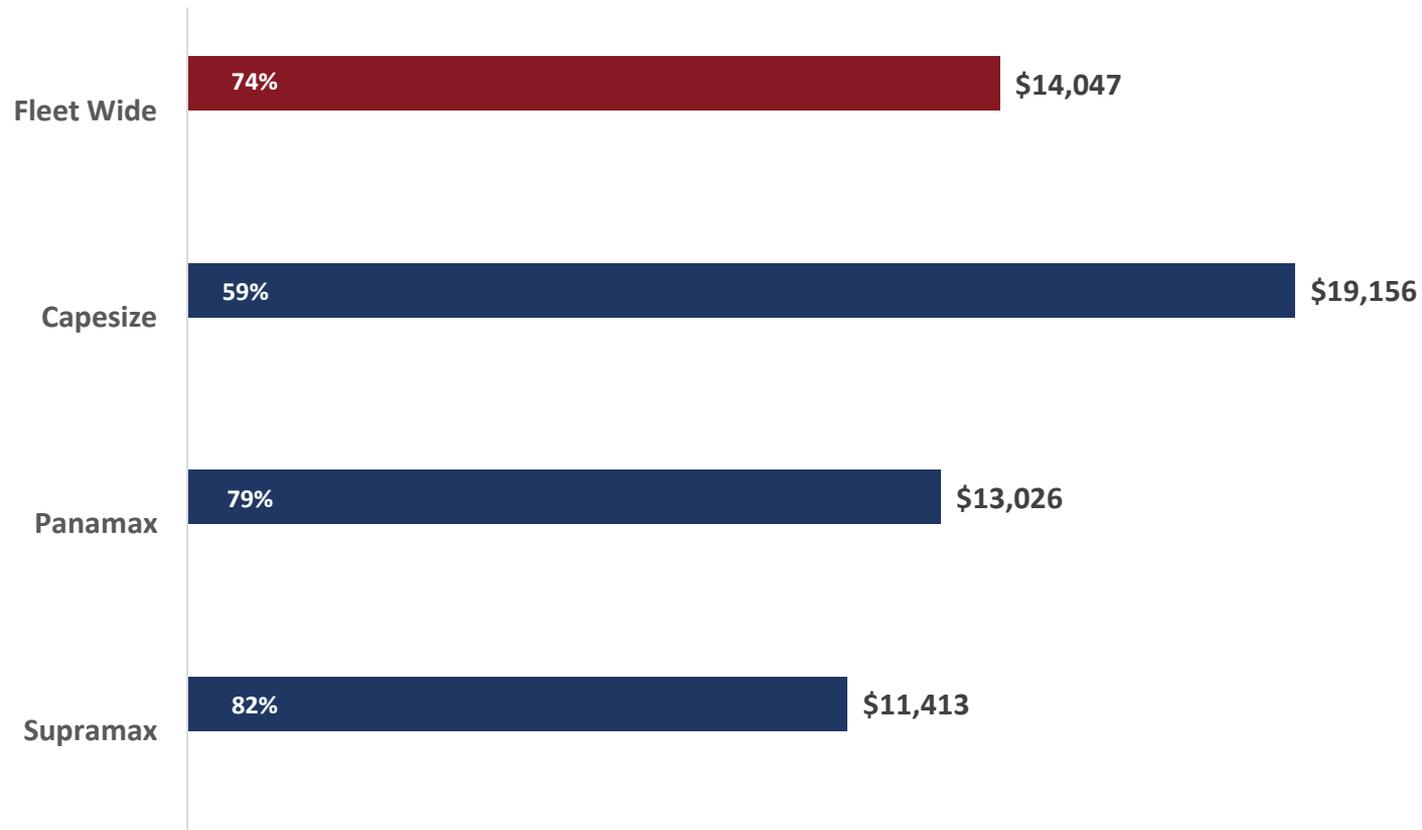
Million DWT



Q4 2018 Coverage

- We have fixed more than 74% of our fleet on time charters for Q4 2018

Fleet Employment – Q4 2018



(1) Note: As of November 19th, 2018

Income Statement 3rd Quarter 2018



(in \$000's)	3-months period ended September 30, 2018	Non-cash Adjustments	3-months period ended September 30, 2018	3-months period ended September 30, 2017
REVENUES:	188,467	(704)	187,763	80,798
EXPENSES:				
Voyage expenses	(32,382)	-	(32,382)	(17,781)
Charter in expense	(27,128)	473	(26,655)	(476)
Vessel operating expenses	(36,647)	-	(36,647)	(26,469)
Drydocking expenses	(2,576)	-	(2,576)	(652)
Management fees	(3,366)	-	(3,366)	(1,929)
Gain/(Loss) on forward freight agreements and bunker swaps	(1,058)	1,304	246	-
General and administrative expenses	(9,047)	2,724	(6,323)	(5,286)
Other operational Loss	-	-	-	28
Other Operational gain	(2)	-	(2)	318
Gain/(Loss) on sale of vessel	-	-	-	1
Total expenses	(112,206)	4,501	(107,705)	(52,246)
EBITDA	75,603	4,455	80,058	28,552
Depreciation	(28,795)	-	(28,795)	(21,107)
Operating (loss)/ income	47,466	3,797	51,263	7,445
Interest and finance costs	(21,353)	-	(21,353)	(12,976)
Loss on debt extinguishment	(1,449)	1,449	-	-
Interest income and other	636	-	636	794
Gain/(Loss) on derivative financial instrument	708	(708)	-	(533)
Total other income (expenses), net	(21,458)	741	(20,717)	(12,715)
Equity in income /loss of investee	46	(46)	-	-
Net income before tax	26,054	4,492	30,546	(5,270)
Income tax	-	-	-	(51)
Net income	26,054	4,492	30,546	(5,321)
Earnings per share, basic & diluted	\$0.30		\$0.35	(\$0.08)

THANK YOU

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