



NASDAQ: SBLK

OSE: SBLK



March 2020

# 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 (i) general dry bulk shipping market conditions, including fluctuations in charterhire rates and vessel values (ii) the strength of world economies, the stability of Europe and the Euro, fluctuations in interest rates and foreign exchange rates (iii) changes in demand in the dry bulk shipping industry, including the market for our vessels (iv) changes in our operating expenses, including bunker prices, dry docking and insurance costs (v) changes in governmental rules and regulations or actions taken by regulatory authorities (vi) the impact of regulation and regulatory, investigative and legal proceedings and legal compliance risks, including the impact of IMO's MARPOL ANNEX VI and IMO 2020 regulations and any changes thereof (vii) potential liability from pending or future litigation (viii) general domestic and international political conditions and potential disruption of shipping routes due to accidents or political events (ix) the availability of financing and refinancing (x) potential conflicts of interest involving our Chief Executive Officer, his family and other members of our senior management, , (xi) vessel breakdowns and instances of off-hire, risks associated with vessel construction and potential exposure or loss from investment in derivative instrument (xii) our ability to have scrubbers installed within the price range and time frame anticipated (xiii) our ability to obtain any additional financing we may seek for scrubbers on acceptable terms (xiv) the relative cost and availability of low sulfur and high sulfur fuel (xv) our ability to realize the economic benefits or recover the cost of the scrubbers we plan to install. Our ability to pay dividends in any period will depend upon various factors, including the limitations under any credit agreements to which we may be a party, applicable provisions of Marshall Islands law and the final determination by the Board of Directors each quarter after its review of our financial performance. The timing and amount of dividends, if any, could also be affected by factors affecting cash flows, results of operations, required capital expenditures, or reserves. As a result, the amount of dividends actually paid may vary.*

*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. The estimations of daily TCE rates are provided using the discharge-to-discharge method of accounting, while as per US GAAP we recognize revenues in our books using the load-to-discharge method of accounting. Both methods recognize the same total TCE revenues over the completion of a voyage, however discharge-to-discharge method recognizes revenues over more days, resulting in lower daily TCE rates. Under the load-to discharge method of accounting, increased ballast days at the end of the quarter will reduce the revenues that can be booked, following the accounting cut-off, in the relevant quarter, resulting in reduced daily TCE rates for the respective period.*

*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

- Star Bulk is the largest U.S. listed dry bulk company with a fleet of 116 high quality vessels on a fully delivered basis and an average age of approximately 8.3 years
- During the last two years we acquired 48 vessels worth \$1.1 billion by issuing shares at NAV
- Fleet geared towards larger vessel sizes (Newcastlemax and Capesize) which offer the highest exposure to a rising market

## 105 Operational Scrubber Fitted vessels as of end of Q1

- Star Bulk was one of the first companies to embark on a scrubber installation program, and have the fleet scrubber fitted by April 2020
- Secured scrubber debt financing at ~72% of the total cost of the scrubber installation program with an average margin < 3.0%
- Star Bulk's fleet mix with an average deadweight of ~114k dwt is geared towards maximizing the benefits of the new regulations
- No remaining equity capex for scrubber program
- Voyage charters will enable Star Bulk to take advantage of scrubber investment program

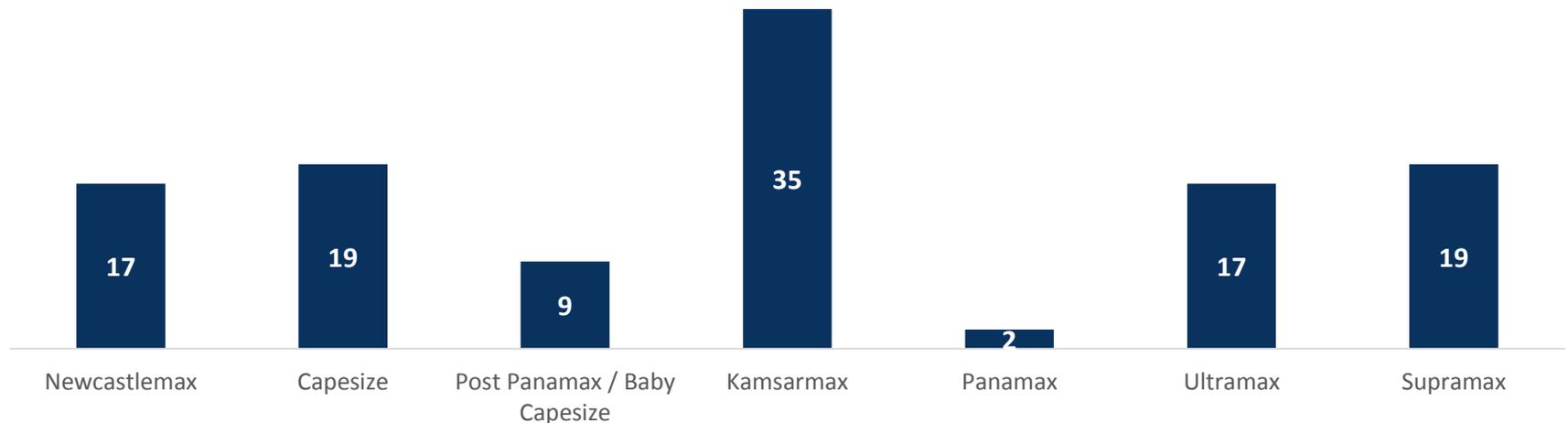
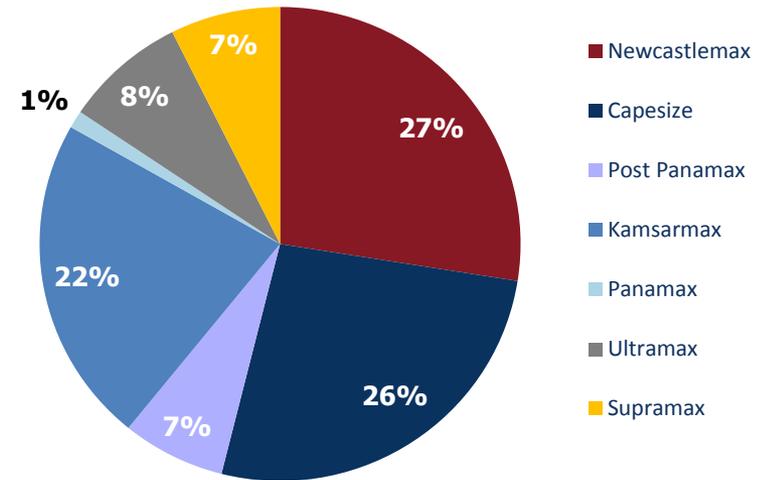
## Strong Corporate Governance

- Strong independent Board of Directors comprised of financial investors and experienced shipping professionals
- Four shipowners as major shareholders with a combined experience of more than 100 years in shipping
- In-house technical and commercial management platform

# Diverse Fleet Covering All Segments

- Fully delivered fleet of 116 vessels
- Average age of ~8.3 years
- 36 Newcastlemax / Capesize vessels
- 42,456 ownership days on a fully delivered basis

Million DWT



(1) Pro forma for the delivery of two sold vessels, Star Cosmo and Star Epsilon

# Scrubbers Project – Installation Update

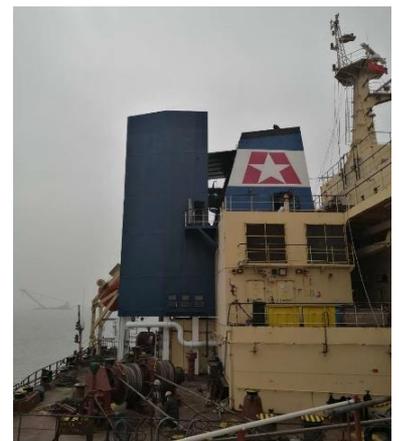
- At the end of Q1 2020, 105 out of 114 EGCS systems are certified and operational
- First steps into IMO 2020 successful with 98.4% of scrubber operating days availability
- Until today we have hedged approximately 25% of our estimated annual fuel consumption by selling the 2020 VLSFO – HSFO spread at an average level of \$206/ ton



Sailing from shipyard with operational scrubber



The new scrubber tower during descent in the existing funnel at the yard



Back-pack Solution on a Supramax vessel

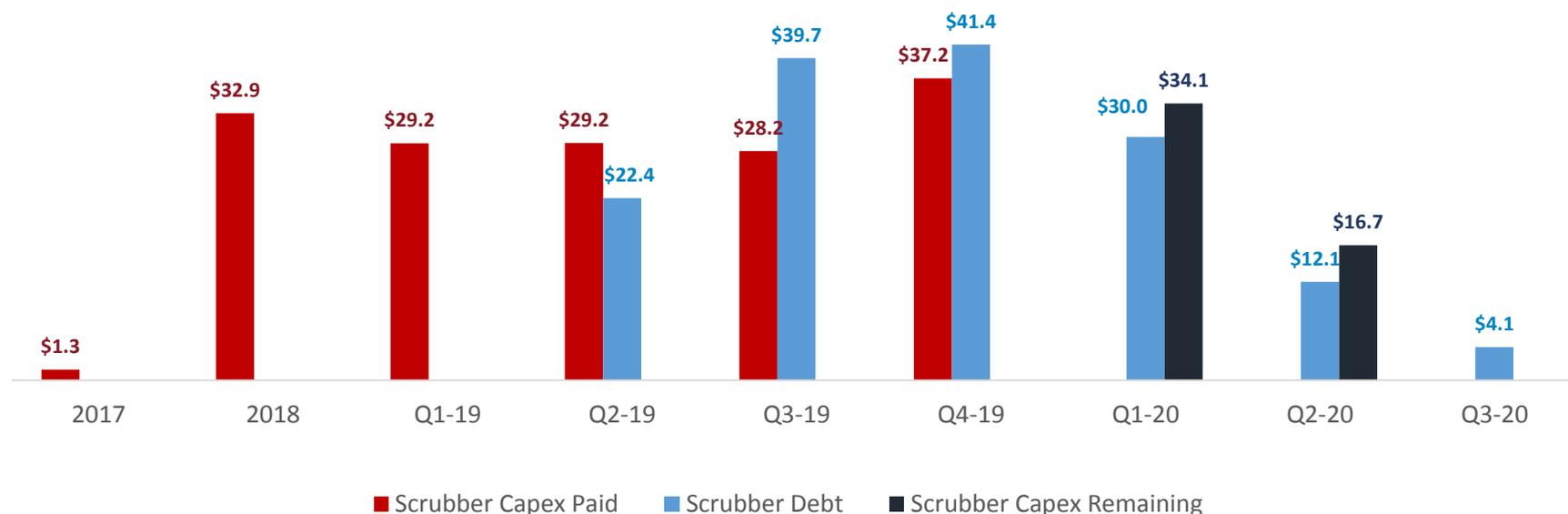
# Scrubbers CAPEX

## Total Figures<sup>(1)</sup>

- Expected Total cost of Scrubber project \$209.0 million for 114 scrubber systems
- Secured debt financing of approximately 72%, ~\$150.0 million

| As of February 14 <sup>th</sup> 2020 | CAPEX          | Equity        | Debt           |
|--------------------------------------|----------------|---------------|----------------|
| Paid / Drawn                         | \$178.7        | \$63.7        | \$115.0        |
| Remaining                            | \$30.3         | (\$4.4)       | \$34.7         |
| <b>Total</b>                         | <b>\$209.0</b> | <b>\$59.2</b> | <b>\$149.8</b> |

## Estimated Remaining Scrubber CAPEX<sup>(1) (2)</sup>



Note:

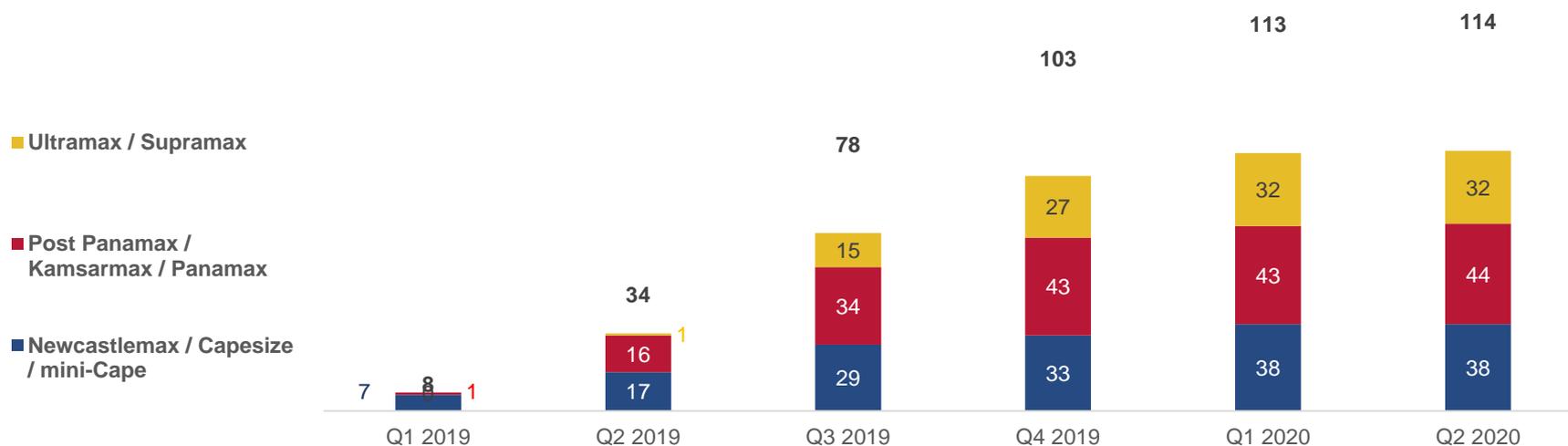
(1) As of February 14<sup>th</sup>, 2020, for 114 vessels

(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)

# Scrubbers Installation Schedule



## Scrubber Tower Installations



|                                     | Q1 2019 | Q2 2019 | Q3 2019 | Q4 2019 | Q1 2020 | Q2 2020 |
|-------------------------------------|---------|---------|---------|---------|---------|---------|
| Scrubbers Certified and Operational | 0       | 11      | 24      | 73      | 105     | 114     |
| Total installed                     | 8       | 34      | 78      | 103     | 113     | 114     |

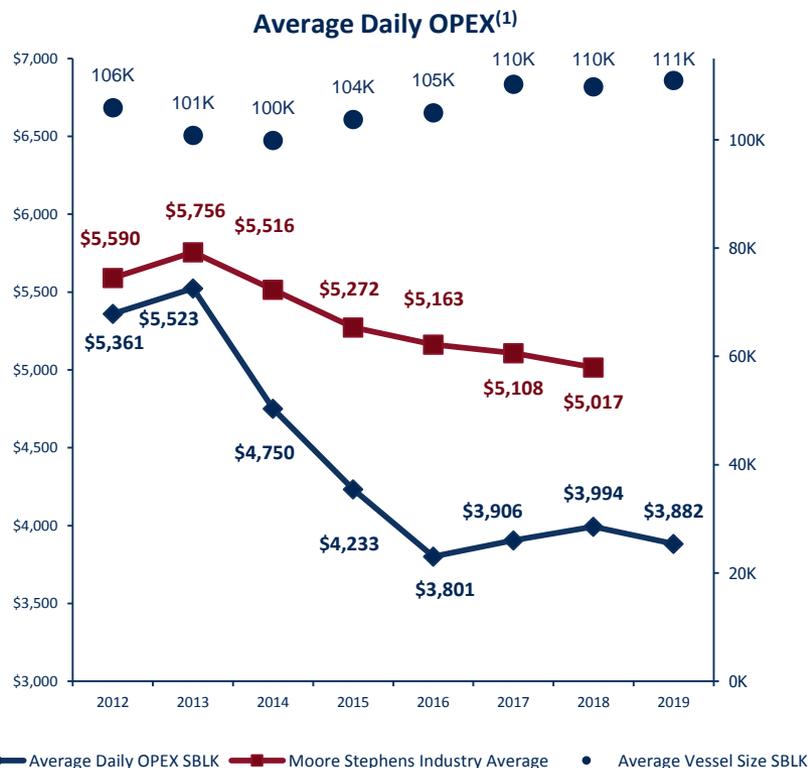
# Continued Operational Excellence



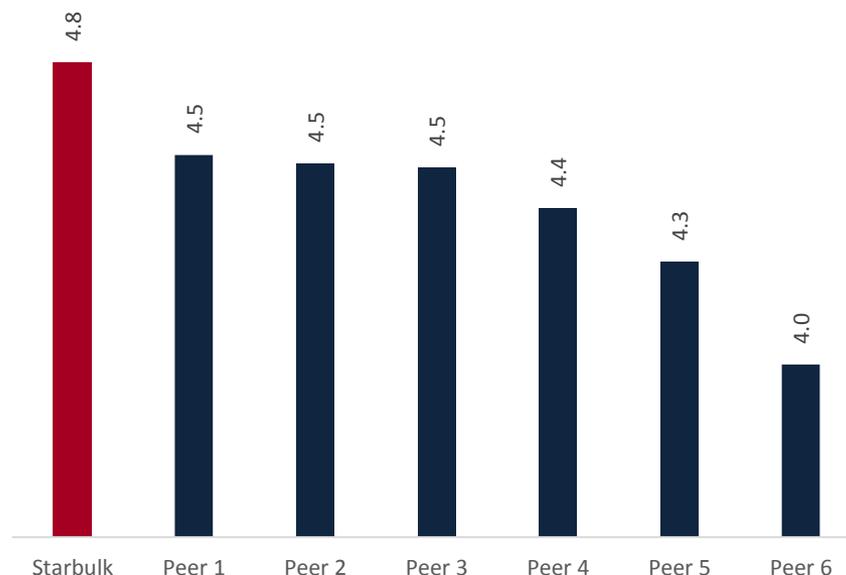
- For Q4 2019 vessel OPEX<sup>(1)</sup> were \$3,899 per vessel per day and \$3,882 for 2019
- Net cash G&A<sup>(2)</sup> expenses per vessel per day were \$925 for Q4 2019 and \$929 for 2019
- We are consistently in the top 5 dry bulk operators amongst our peer group in Rightship Ratings

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

**...without compromising quality**



**Jan 2020 - Average Rightship risk rating status vs peer companies on dry sector**



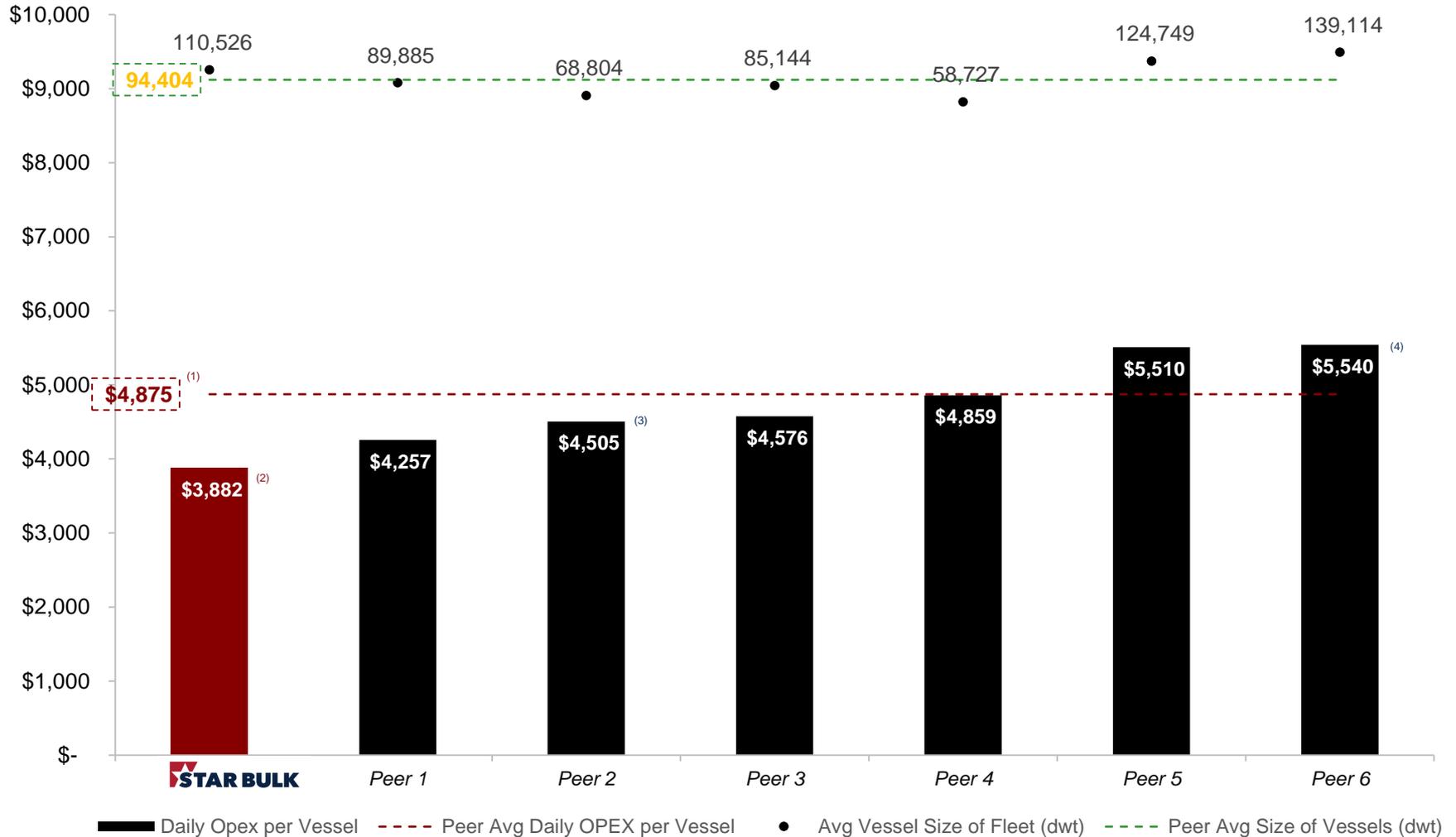
Source: Moore Stephens, Company Filings

(1) Figures exclude pre-delivery expenses  
 (2) Excludes share incentive plans, includes management fees

# Industry Leading OPEX FY 2019



## OPEX Benchmarking based on latest published financial statements

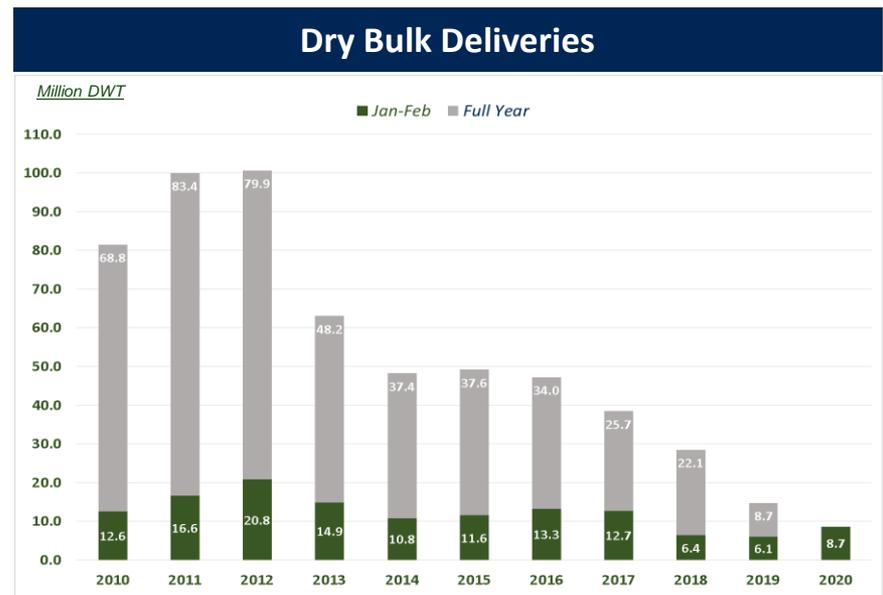
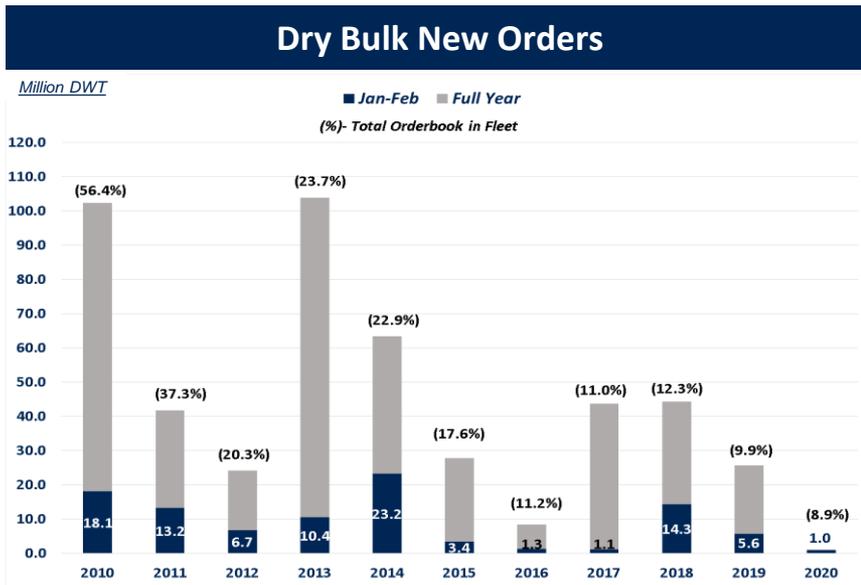
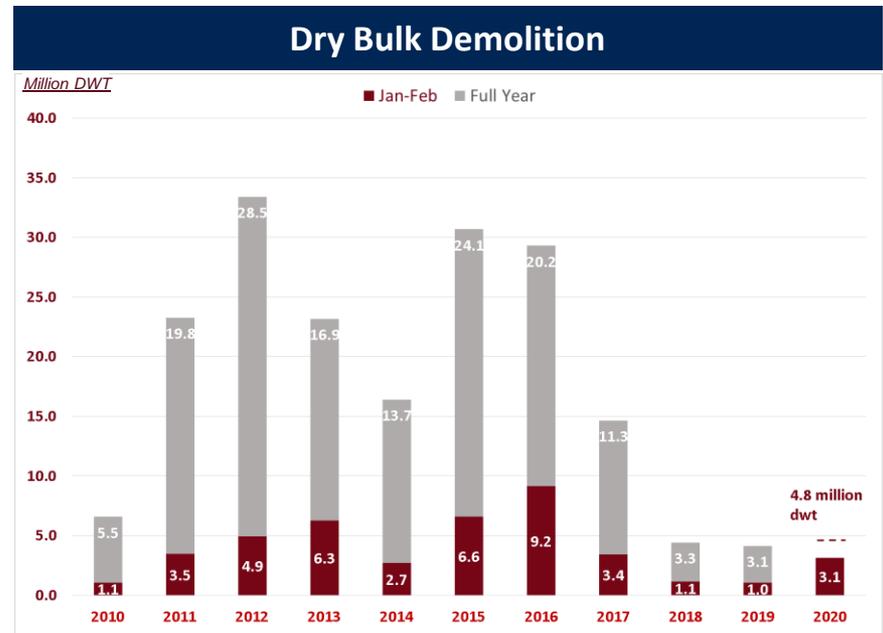


1) Peer Average figures exclude SBLK  
 2) Figures exclude pre-delivery expenses

3) Excludes management fees  
 4) Includes management fees

# Dry Bulk Supply Update

- Dry bulk fleet growth currently at +3.7% y-o-y vs +2.9% during 2019.
  - YTD 2020 deliveries: 9.6 million dwt - Up from 9.0 million dwt
  - YTD 2020 demolition: 4.7 million dwt - Up from 2.4 million dwt
  - YTD 2020 contracting: 1.0 million dwt - Down from 5.6 mdwt
- Orderbook currently estimated at ~8.9% of the fleet, the lowest since 2002.
- Vessels above 15 years of age currently at ~15.3% of the fleet.
- Suppressed freight rate environment has incentivized slow steaming with dry bulk speeds approx. -3.0% to end 2019.
- Low contracting, slippage and demolition expected to keep net fleet growth contained at below 2.0% per annum during 2020-2022



# Dry Bulk Demand Update

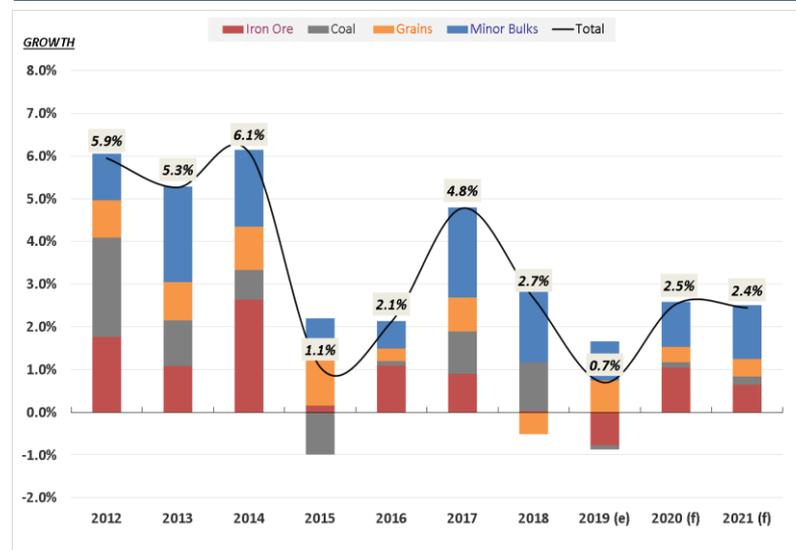
- During Q1 2020, the dry bulk market has been negatively affected by weak seasonality and strong disruptions related to the coronavirus outbreak.
- Nevertheless, during full year 2020 and 2021, total dry bulk trade is projected to grow by +1.8% and +2.5% per annum in tons and ton-miles respectively.
  - Current trade disruptions related to the Coronavirus are exacerbating the first half seasonal weakness, but are likely to inflate demand later in 2020 and especially 2021.

## Key Dry bulk cargoes:

- **Iron ore trade growth in 2020 projected at +2.2% y-o-y (+3.7% y-o-y in ton-miles)** (up from -1.3% and -2.8% respectively in 2019)
  - China's steel demand indicators remain positive and infrastructure stimulus providing support. Vale is currently maintaining its full year guidance for 2020. However, supply disruptions due to COVID19 are adding a lot of uncertainty.
- **Coal trade in 2020 projected at +0.9% y-o-y (+0.6% y-o-y in ton-miles)** (down from +2.1% and up from -0.6% respectively in 2019)
  - China coal needs for electricity generation have underperformed domestic coal production growth as a result of the coronavirus restrictions. Potential domestic supply deficit can weigh positively during second half 2020.
- **Grains incl. soybeans growth in 2020 at +2.2% y-o-y (+3.0% in ton-miles)** (up from +0.7% and down from +6.3% respectively in 2019)
  - Phase 1 trade deal soybean purchases might not fully materialize on COVID19. China containing the virus in Q1 could see soybean demand recovering in subsequent months aided by import tariffs waivers.
- **Minor bulk growth in 2020 at +2.1% (+2.5% in ton-miles)** (up from 1.6% and 2.1% respectively in 2019)
  - Bauxite from West Africa to continue to support ton-miles for Capesize vessels. Synchronized global economic stimulus as a response to COVID19 is expected to lead to an acceleration of minor bulk growth once the virus is under control.

| Dry Bulk Trade<br>(Million tons) | 2014         | 2015         | 2016         | 2017         | 2018         | 2019 (e)     | 2020 (f)     | 2021 (f)     |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Iron ore                         | 1,340        | 1,364        | 1,418        | 1,473        | 1,477        | 1,457        | 1,489        | 1,507        |
| Coal                             | 1,217        | 1,138        | 1,141        | 1,202        | 1,263        | 1,290        | 1,302        | 1,311        |
| Grains                           | 409          | 430          | 450          | 476          | 475          | 478          | 489          | 504          |
| Minor Bulks                      | 1,848        | 1,892        | 1,881        | 1,939        | 2,014        | 2,046        | 2,088        | 2,144        |
| <b>Total Dry</b>                 | <b>4,814</b> | <b>4,823</b> | <b>4,890</b> | <b>5,090</b> | <b>5,229</b> | <b>5,271</b> | <b>5,369</b> | <b>5,466</b> |
| Annual Growth (tons)             | 254          | 9            | 67           | 200          | 137          | 62           | 106          | 88           |
| Annual Growth (%)                | 5.6%         | 0.2%         | 1.4%         | 4.1%         | 2.7%         | 0.8%         | 1.8%         | 1.8%         |
| Ton-miles growth                 | 6.1%         | 1.1%         | 2.1%         | 4.8%         | 2.7%         | 0.7%         | 2.5%         | 2.4%         |

## Dry Bulk Ton-miles – Full Year Growth



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

# THANK YOU

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