



NASDAQ: SBLK

Financial Results Q2 2020



August 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.

Q2 2020 Financial Highlights



	Q2 2020	Q2 2019	% Change
Voyage Revenues	\$146.1m	\$157.8m	(7.4%)
TCE Revenues ⁽¹⁾	\$97.1m	\$92.7m	4.8%
EBITDA	\$8.9m	\$11.1m	(19.8%)
Adjusted EBITDA	\$35.1m	\$31.2m	12.5%
Net Loss	\$(44.1)m	\$(40.2)m	9.8%
Adjusted Net Loss	\$(18.1)m	\$(20.5)m	11.6%
TCE	\$9,402	\$10,549	(10.9%)
Average daily OPEX per vessel ⁽²⁾	\$4,027	\$3,939	2.2 %
Average daily Net Cash G&A expenses per vessel	\$1,048	\$1,009	3.8 %
Average No. of Vessels	116.0	107.2	8.2%
Adjusted EPS, basic	\$(0.19)	\$(0.22)	15.3%
EPS GAAP, basic	\$(0.46)	\$(0.44)	5.3%
Weighted average number of shares outstanding, basic	95,797,142	91,841,090	4.3%

Cash & Debt Position⁽³⁾

- **Total Liquidity:** \$ 154.4m
- **Total Debt & Capital lease obligations:** \$ 1,600.6m

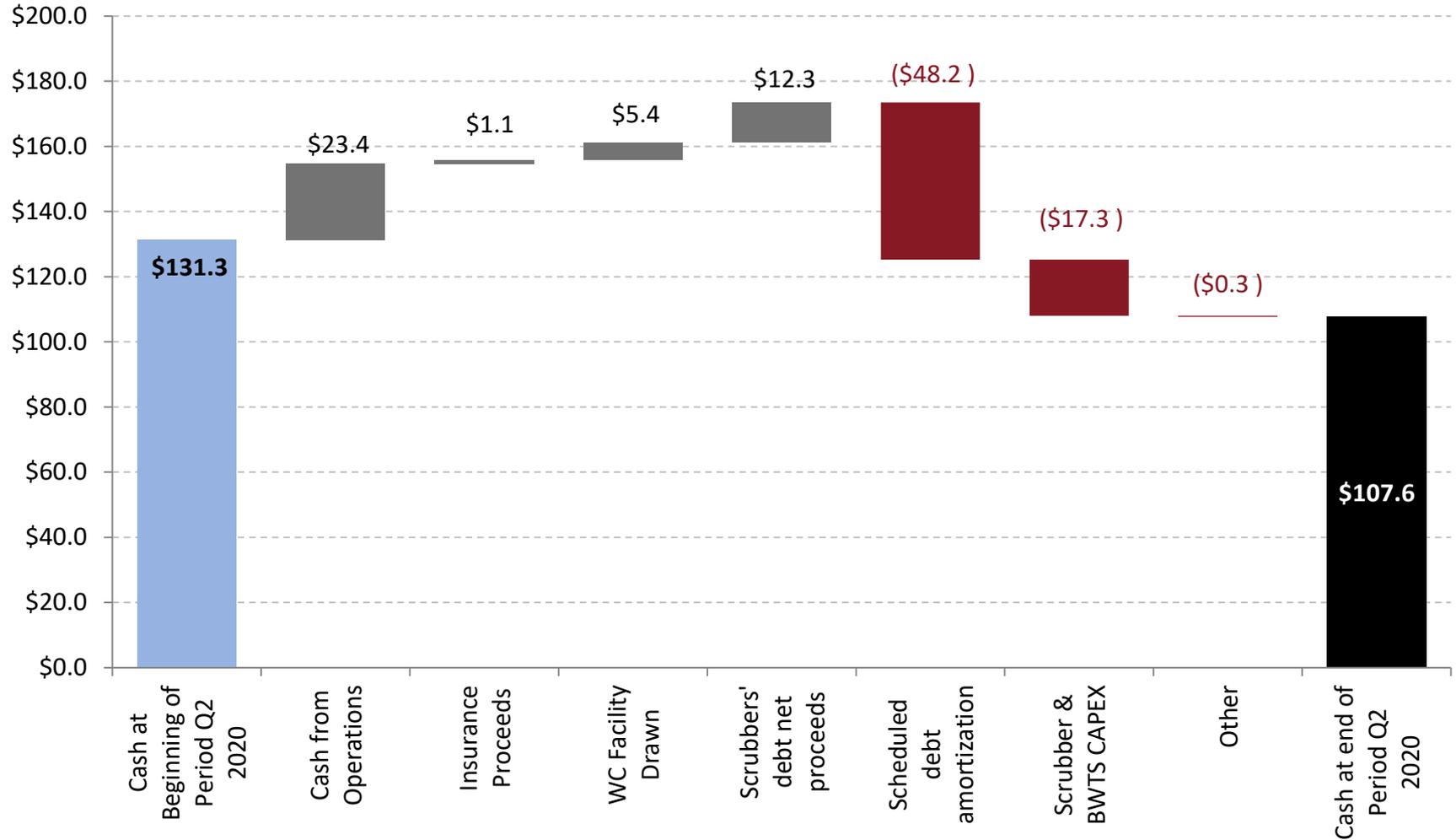
Notes:

- (1) TCE revenues = Total voyage revenues – Voyage expenses – Charter-in hire expenses+ Realized gain/(loss) from bunker and FFAs
- (2) Excludes predelivery and one-off expenses
- (3) As of August 4th 2020

Q2 2020 Cash Flow Generation



Q2 2020 Cash Flow Breakdown



- **Refinancings**

- In July 2020, we drew down \$172.9 million of new financing to refinance 15 vessels with outstanding debt of \$135.6 million leaving excess proceeds of \$37.4 million
- Furthermore, until today, we have secured commitments from 4 financial institutions to refinance 16 vessels which are expected to release after refinancing outstanding debt, excess proceeds of approximately \$75.0 million
 - The above mentioned transactions are expected to be completed within H2 2020

- **Q3 Coverage^(1,2)**

- Physical coverage: 59.4% at ~\$12,145 on a scrubbed basis
- Our all – in (including debt principal amortization) break even is at \$11,300 per day including scrubber cost and debt service

- **Bunker Hedging**

- For the remaining of 2020, we have hedged the differential between HFO and LSFO, for 71,000 tons for an average price of \$232 per ton

- **Interest Rate Coverage**

- We have hedged 66%⁽³⁾ of our base rate exposure, which corresponds to a notional of approximately \$1.0 billion at a fixed rate of 46bps and average maturity 4 years.

(1) Note: As of August 4th, 2020

(2) The above forward-looking estimated daily TCE rates are calculated using the discharge-to-discharge method of accounting while U.S. GAAP requires us to 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. The discharge-to-discharge method, however, recognizes revenues over more days, affecting the 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 at the end of the quarter, affecting the daily TCE rates for the respective period.

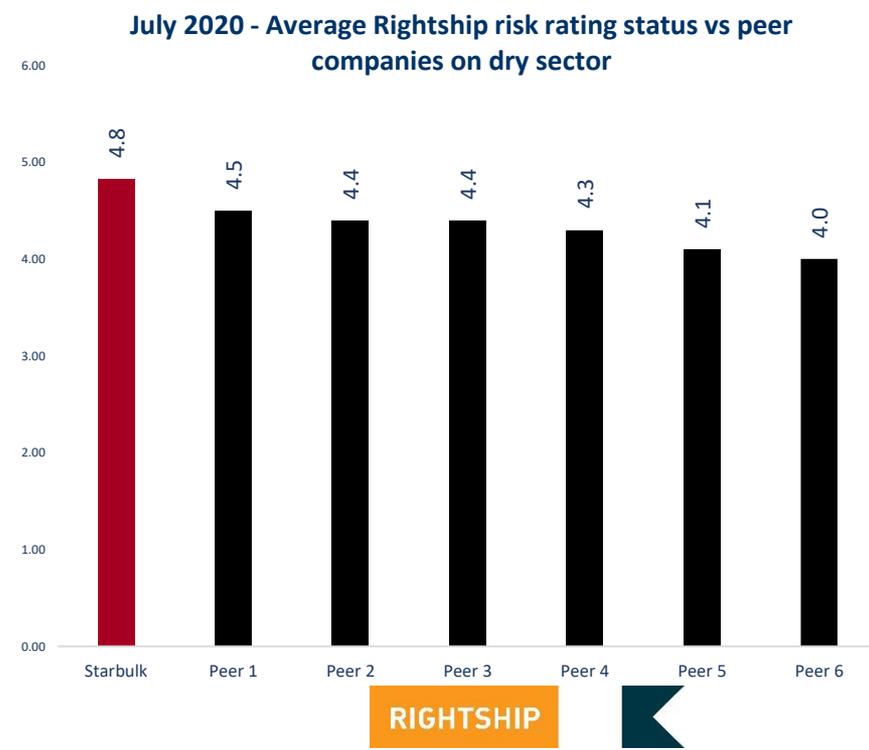
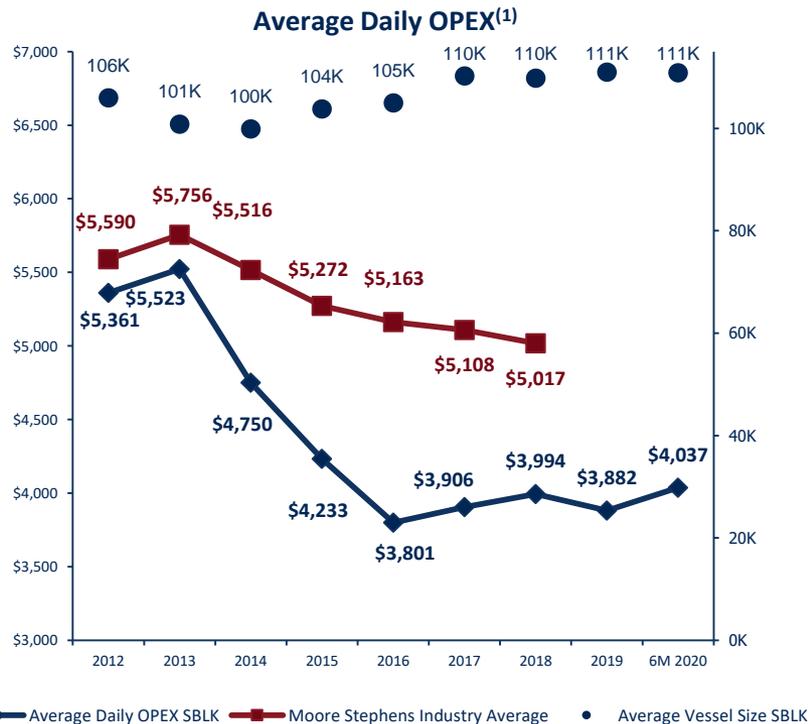
(3) Based on outstanding balance as of August 4th, 2020 excluding Working Capital facility and Baby Bond

Continued Operational Excellence

- For Q2 2020 vessel OPEX⁽¹⁾ were \$4,027 per vessel per day and \$3,939 for 2019
- Net cash G&A⁽²⁾ expenses per vessel per day were \$1,048 for Q2 2020
- We are consistently in the top 5 dry bulk operators amongst our peer group in Rightship Ratings
- No vessel drydockings pending for 2020
- Our vessels operated & traded largely uninterrupted during Q2, despite Covid 19 pandemic

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

...without compromising quality



Source: Moore Stephens, Company Filings

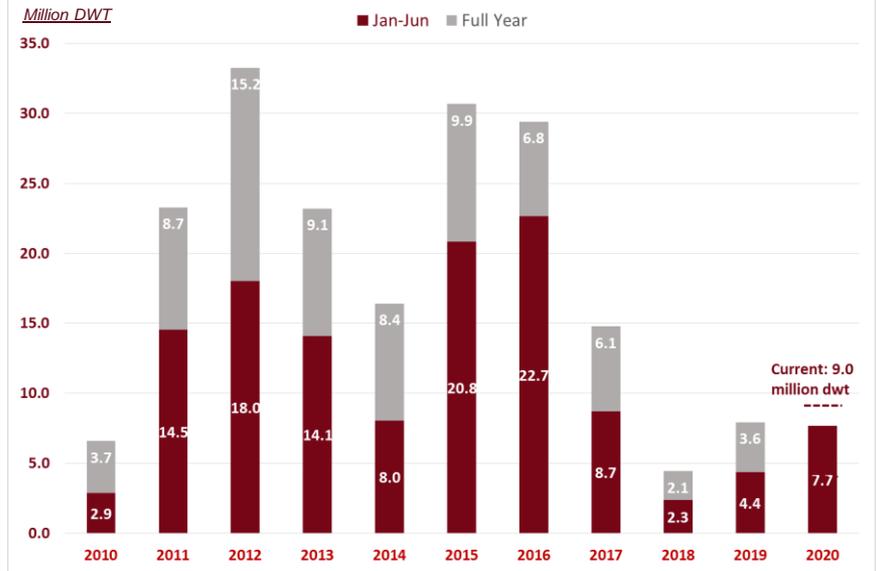
(1) Figures exclude pre-delivery expenses

(2) Excludes share incentive plans, includes management fees

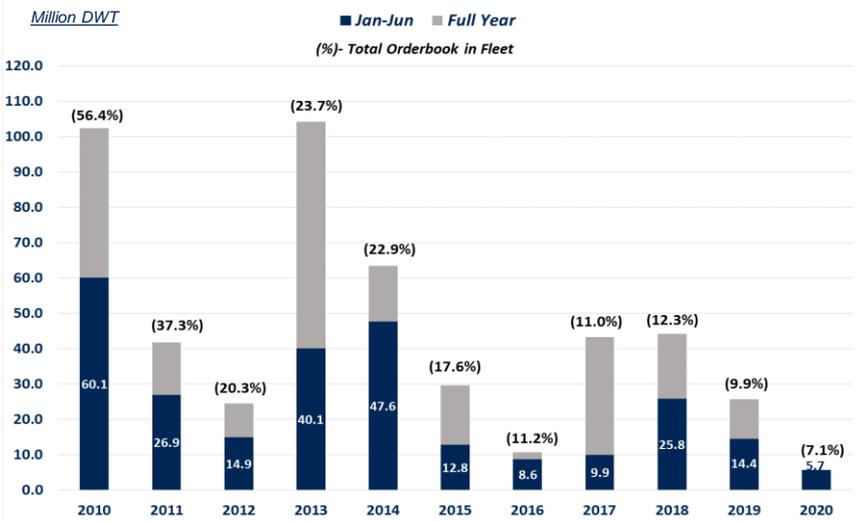
Dry Bulk Supply Update

- Annual fleet growth running at +4.3% vs +3.0% same period last year.
 - First half 2020 deliveries: 27.5 million dwt - Up from 19.0 million dwt
 - First half 2020 demolition: 7.7 million dwt - Up from 4.4 million dwt
 - First half 2020 contracting: 5.7 million dwt - Down from 15.2 million dwt
- Orderbook currently estimated at ~7.1% of the fleet, a record low.
- Vessels above 15 years of age currently at ~15.4% of the fleet.
 - New orders expected to remain at low levels in the foreseeable future due to environmental regulations uncertainty
- 2020 Fleet growth projected at around 3% and drops below 2% by 2022
 - Covid19 and IMO2020 Sulphur regulation causing supply inefficiencies

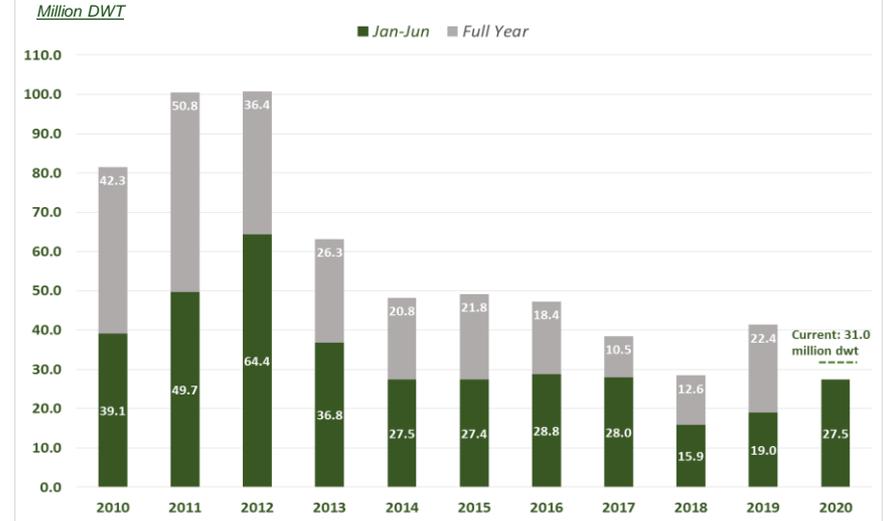
Dry Bulk Demolition



Dry Bulk New Orders



Dry Bulk Deliveries



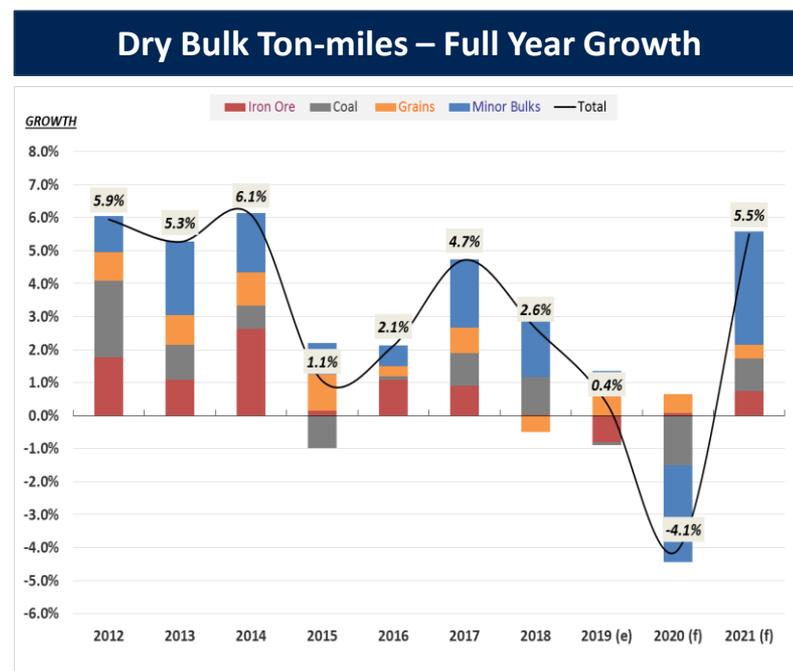
Dry Bulk Demand Update

- First half trade affected from strong disruptions related to the coronavirus outbreak and weak seasonality.
- Early indications that economic activity is normalizing with China leading the recovery.
- Global economic stimulus as a response to COVID19 and Atlantic ton-miles to inflate dry bulk demand growth during the next years.
- Dry bulk ton-miles projected to contract -4% in 2020 and rebound +5.5% in 2021

Key Dry bulk cargoes:

- **Iron ore trade growth in 2020 projected at -0.4% y-o-y (+0.3% y-o-y in ton-miles)** (up from -1.5% and -2.9% respectively in 2019)
 - Major supply disruptions in Brazil during the last year. Vale exports projected to rebound 40%+ during the second half 2020. China producing record high levels of steel despite low iron ore inventories. Rest of the world still weak.
- **Coal trade in 2020 projected at -7.9% y-o-y (-8.8% y-o-y in ton-miles)** (down from +2.3% and -0.6% respectively in 2019)
 - Coal affected the most from COVID19 with oversupply during the second quarter pushing stocks higher. Peak hydropower season between July and September. China electricity generation has recovered. India still lagging.
- **Grains incl. soybeans growth in 2020 at +3.5% y-o-y (+4.6% in ton-miles)** (up from +0.5% and down from +6.2% respectively in 2019)
 - Brazil record high soybeans exports season. US soy exports to rebound in the context of Phase 1 trade deal. China's corn and soybean demand is accelerating.
- **Minor bulk growth in 2020 at -7.1% (-7.2% in ton-miles)** (down from +0.9% and +1.4% respectively in 2019)
 - COVID 19 negative impact on semi manufacturers activity due to shock in global steel production. Global economic stimulus to support minor bulk trade as of second half 2020. Bauxite from West Africa to continue to support ton-miles.

Dry Bulk Trade (Million tons)	2013	2014	2015	2016	2017	2018	2019 (e)	2020 (f)	2021 (f)
Iron ore	1,188	1,340	1,364	1,418	1,473	1,477	1,455	1,450	1,469
Coal	1,183	1,217	1,138	1,141	1,202	1,263	1,292	1,191	1,247
Grains	363	409	430	450	476	475	477	494	508
Minor Bulks	1,826	1,848	1,892	1,881	1,937	2,010	2,028	1,883	2,028
Total Dry	4,560	4,814	4,823	4,890	5,088	5,225	5,253	5,018	5,253
Annual Growth (tons)	249	254	9	67	198	138	27	-235	235
Annual Growth (%)	5.8%	5.6%	0.2%	1.4%	4.0%	2.7%	0.5%	-4.5%	4.7%
Ton-miles growth	5.3%	6.1%	1.1%	2.1%	4.7%	2.6%	0.4%	-4.1%	5.5%



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

THANK YOU

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