

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 8, 2019

Eagle Bulk Shipping Inc.

(Exact name of registrant as specified in its charter)

Republic of the Marshall Islands

(State or other jurisdiction of incorporation or organization)

001-33831

(Commission File Number)

98-0453513

(IRS employer identification no.)

300 First Stamford Place, 5th Floor
Stamford, CT 06902

(Address of principal executive offices, including zip code)

(Registrant's telephone number, including area code): (203) 276-8100

(Former Name or Former Address, if Changed Since Last Report): None

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company. ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	EGLE	The Nasdaq Stock Market LLC

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On May 8, 2019, Eagle Bulk Shipping Inc., a Republic of the Marshall Islands corporation (the “*Company*”), posted to its website a corporate presentation including certain financial results and other information for the quarter ended March 31, 2019. A copy of the corporate presentation is attached as Exhibit 99.1 hereto.

The information in this Item 2.02 of this Current Report on Form 8-K, including the exhibit, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), or otherwise subject to the liabilities of such section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing. By filing this Current Report on Form 8-K and furnishing this information, the Company makes no statement or admission as to the materiality of any information in this Item 2.02 or the exhibit attached hereto.

Additionally, Exhibit 99.1 contains various non-GAAP financial measures as defined by Regulation G. Reconciliations of each non-GAAP financial measure to its comparable GAAP financial measure can be found in the attached corporate presentation.

This Current Report on Form 8-K and Exhibit 99.1 hereto contain forward-looking statements within the meaning of the federal securities laws. These forward looking statements are based on current expectations and are not guarantees of future performance. Further, the forward-looking statements are subject to the limitations listed in Exhibit 99.1 and in the other reports of the Company filed with the Securities and Exchange Commission, including that actual events or results may differ materially from those in the forward-looking statements.

ITEM 7.01. REGULATION FD DISCLOSURE.

On May 8, 2019, the Company posted to its website a corporate presentation described above in Item 2.02 of this Current Report on Form 8-K. A copy of the corporate presentation is attached hereto as Exhibit 99.1.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits.

Exhibit Number	Description
99.1	Earnings Presentation dated May 8, 2019

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

EAGLE BULK SHIPPING INC.
(registrant)

Dated: May 8, 2019

By:	/s/ Frank De Costanzo
Name:	Frank De Costanzo
Title:	Chief Financial Officer



providing optimized global transportation
of drybulk commodities



Earnings Presentation
First Quarter 2019
8 May 2019

Disclaimer

This presentation contains certain statements that may be deemed to be “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, and are intended to be covered by the safe harbor provided for under these sections. These statements may include words such as “believe,” “estimate,” “project,” “intend,” “expect,” “plan,” “anticipate,” and similar expressions in connection with any discussion of the timing or nature of future operating or financial performance or other events. Forward-looking statements reflect management’s current expectations and observations with respect to future events and financial performance. Where we express an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, our forward-looking statements are subject to risks, uncertainties, and other factors, which could cause actual results to differ materially from future results expressed, projected, or implied by those forward-looking statements.

The forward-looking statements in this presentation are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, examination of historical operating trends, data contained in our records and other data available from third parties. Although Eagle Bulk Shipping Inc. believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, Eagle Bulk Shipping Inc. cannot assure you that it will achieve or accomplish these expectations, beliefs or projections.

The principal factors that affect our financial position, results of operations and cash flows include, charter market rates, which have declined significantly from historic highs, periods of charter hire, vessel operating expenses and voyage costs, which are incurred primarily in U.S. dollars, depreciation expenses, which are a function of the cost of our vessels, significant vessel improvement costs and our vessels’ estimated useful lives, and financing costs related to our indebtedness. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors which could include the following: (i) changes in demand in the dry bulk market, including, without limitation, changes in production of, or demand for, commodities and bulk cargoes, generally or in particular regions; (ii) greater than anticipated levels of dry bulk vessel new building orders or lower than anticipated rates of dry bulk vessel scrapping; (iii) changes in rules and regulations applicable to the dry bulk industry, including, without limitation, legislation adopted by international bodies or organizations such as the International Maritime Organization and the European Union or by individual countries; (iv) actions taken by regulatory authorities; (v) changes in trading patterns significantly impacting overall dry bulk tonnage requirements; (vi) changes in the typical seasonal variations in dry bulk charter rates; (vii) changes in the cost of other modes of bulk commodity transportation; (viii) changes in general domestic and international political conditions; (ix) changes in the condition of the Company’s vessels or applicable maintenance or regulatory standards (which may affect, among other things, our anticipated drydocking costs); (x) the outcome of legal proceedings in which we are involved; and (xi) and other factors listed from time to time in our filings with the SEC.

We disclaim any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable security laws.



Agenda

1 Highlights

2 Financial Summary

3 Scrubber Initiative

4 Industry Review

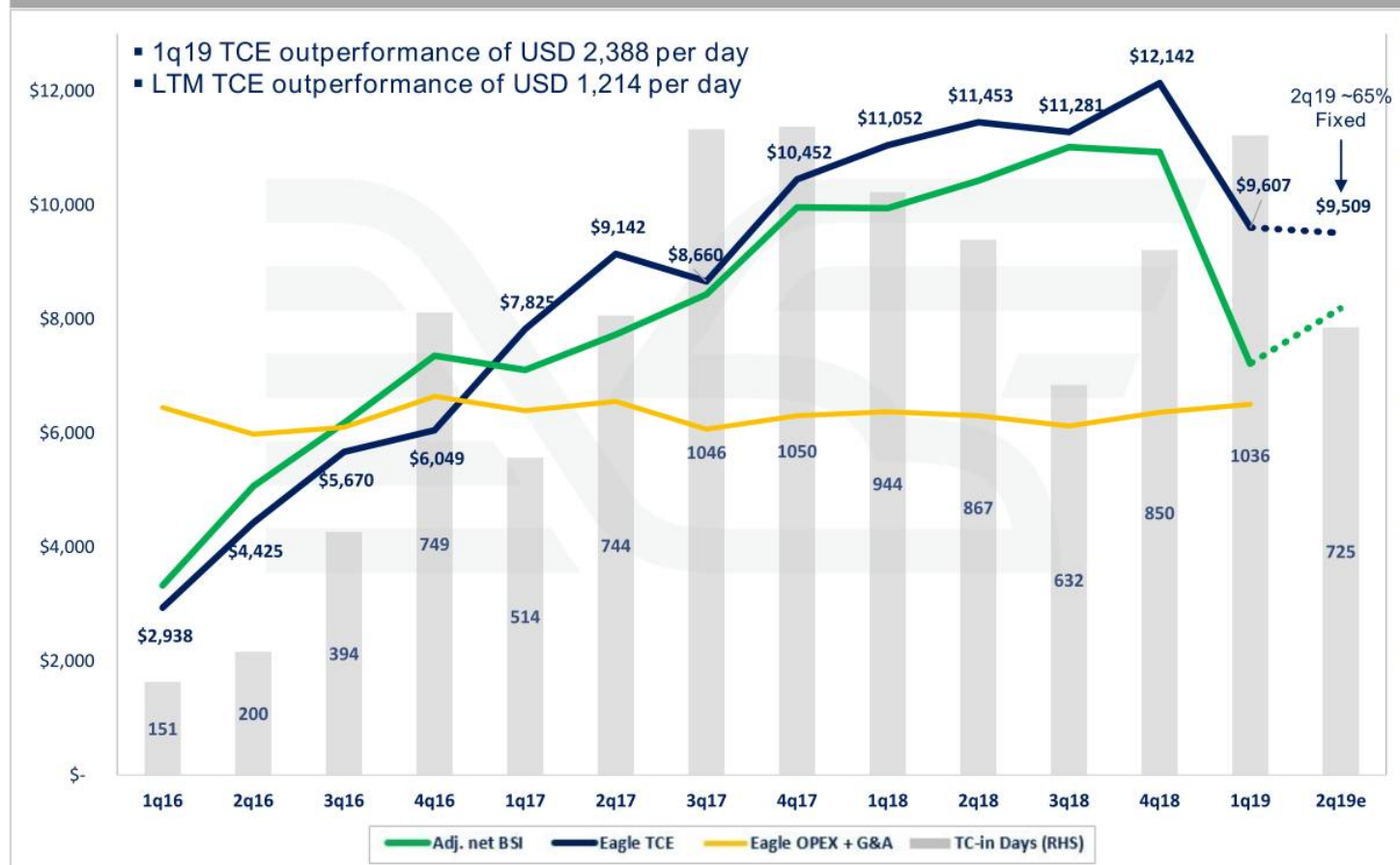
* Appendix



Highlights

Nine Consecutive Quarters of TCE Outperformance

Eagle Revenue + Cost Performance

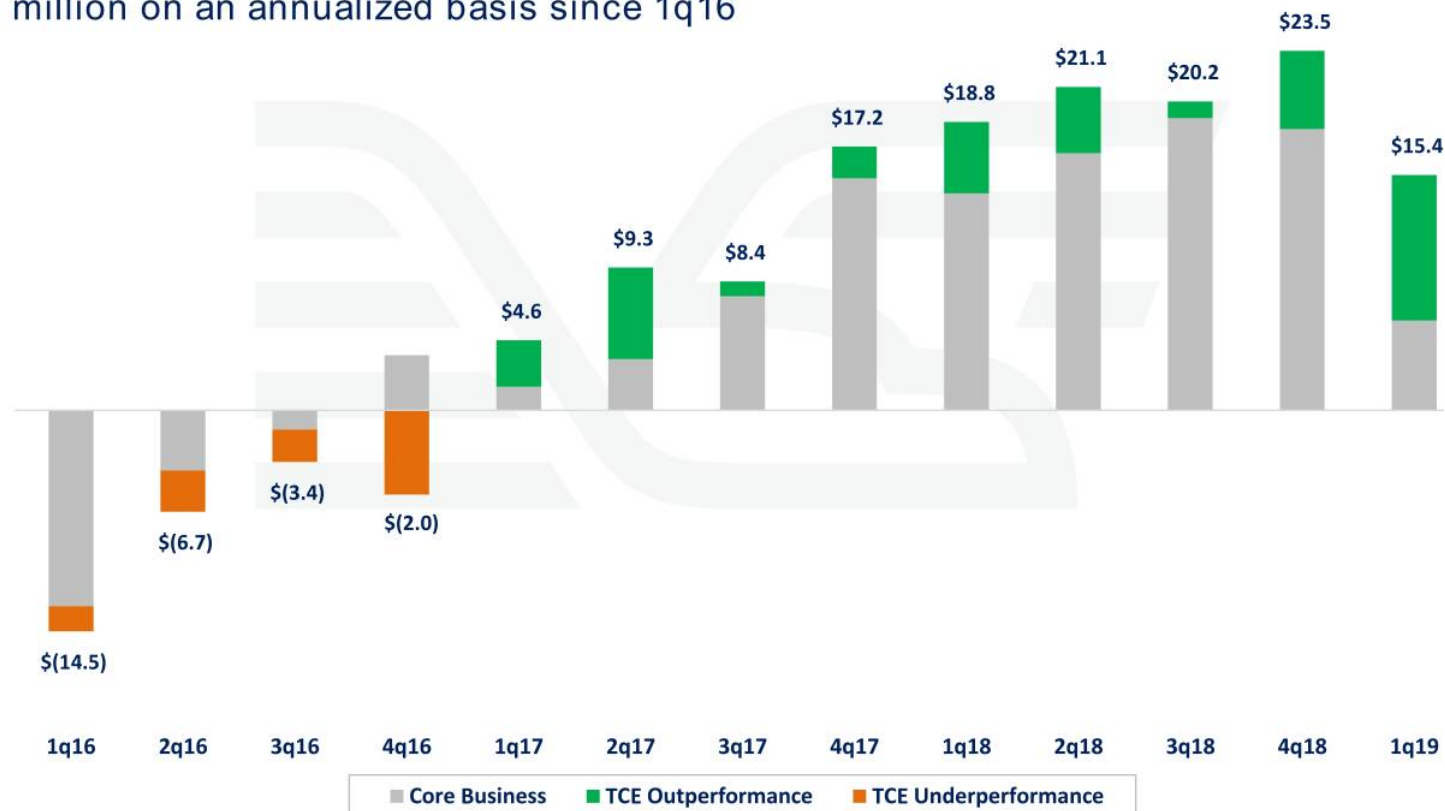


- TCE relative performance is benchmarked against Adj. net BSI = gross BSI net of commission, adjusted for owned-fleet makeup. BSI-52 index used up through 4q18, and BSI-58 index used as from 1q19. Please see the appendix for further information on the changes between the BSI-52 and BSI-58 indices
- 2q19 EGLE TCE as of May 7, 2019 with 1) ~65% of available days fixed and 2) TC-in days fixed to date. 2q19 Adj. BSI basis Apr 2019 actual and May-Jun FY19 actual
- G&A excludes stock-based compensation. | Please refer to Appendix for TCE definition and reconciliation

EBITDA Benefiting from TCE Outperformance

Adj. EBITDA

Adj. EBITDA has increased by ~USD 120 million on an annualized basis since 1q16

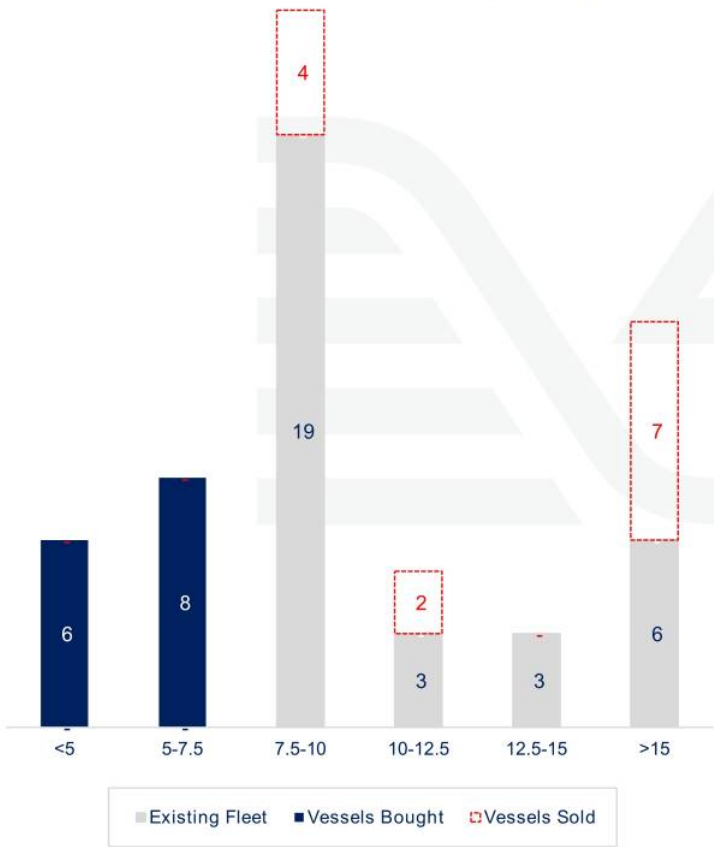


▪ Please refer to Appendix for definition of Adjusted EBITDA and reconciliation

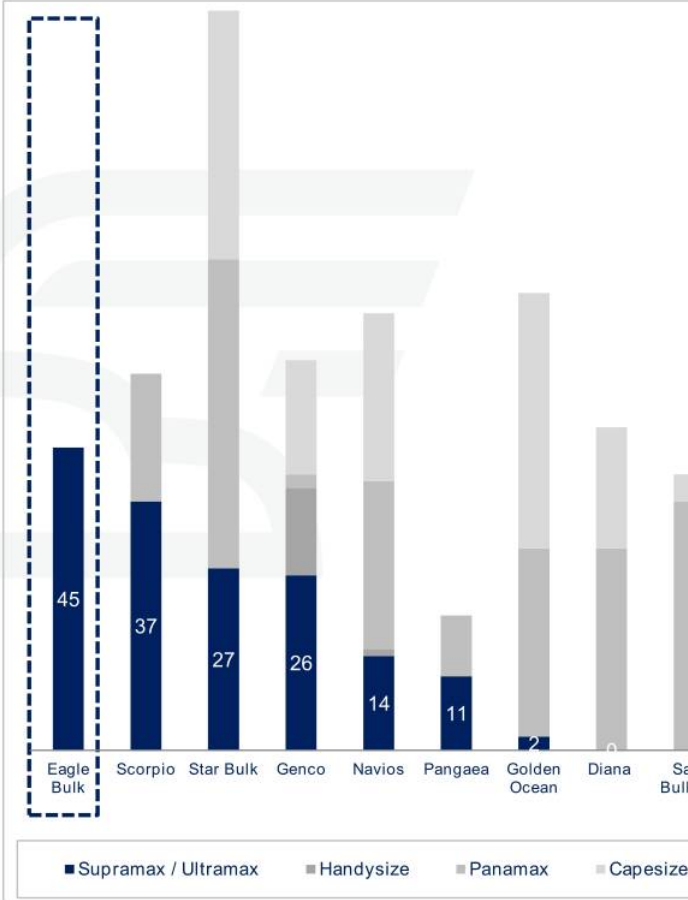
Leader in the Supramax/Ultramax Segment

Eagle Fleet by Age Grouping

Total fleet = 45 vessels | ~8.9 yrs



U.S.-Listed Peer Group Fleet Profiles



▪ Eagle fleet count and age as of May 2019, proforma for sale of THRASHER expected to close in 2q19
▪ Source(s): Company filings and VesselsValue



Financial Summary

Earnings

USD in Thousands except EPS	1q19	4q18	1q18
REVENUES, net of commissions	\$ 77,390	\$ 86,692	\$ 79,371
EXPENSES			
Voyage expenses	25,906	24,721	22,515
Charter hire expenses	11,492	10,210	10,268
Vessel expenses	20,094	20,111	21,079
Depreciation and amortization	9,407	9,708	9,276
General and administrative expenses	8,410	8,464	9,914
(Gain)/loss on sale of vessels	(4,107)	6	-
Total operating expenses	71,202	73,220	73,052
Operating income	6,187	13,472	6,319
OTHER EXPENSES			
Interest expense, net	6,328	6,273	6,166
(Gain)/loss on derivatives	(2,438)	713	100
Loss on debt extinguishment	2,268	-	-
Total other expense, net	6,158	6,986	6,266
Net Income	\$ 29	\$ 6,486	\$ 53
EPS (Basic)	\$ 0.00	\$ 0.09	\$ 0.00
Adjusted EBITDA*	\$ 15,372	\$ 23,489	\$ 18,835



▪ Please see the Definitions slide in the Appendix for an explanation of Adjusted EBITDA

Balance Sheet + Liquidity

Liquidity Position (March 31, 2019)¹

Cash (includes restricted cash)	79,998
Undrawn availability	70,000
Total Liquidity	149,998

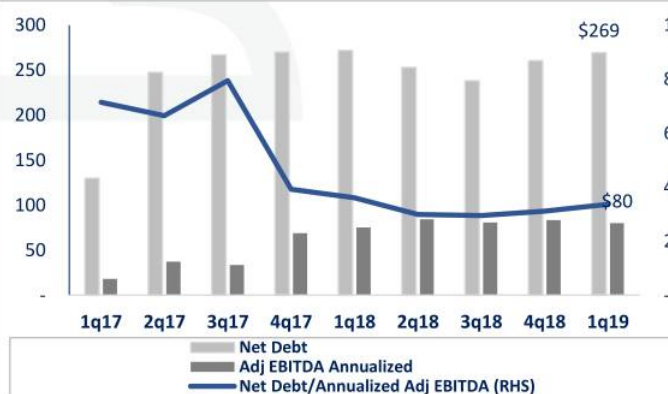
Balance Sheet (March 31, 2019)¹

Cash ²	79,998
Accounts Receivable	18,975
Inventory	13,138
Other Current Assets	7,184
Vessels, net	695,343
Right of Use Assets - Lease	25,434
Other Assets	42,933
Total Assets	883,005
Accounts Payable	13,694
Current Liabilities	21,273
Debt (including \$28.2M current) ³	340,915
Lease Liability (\$13.8M current)	26,918
Total Liabilities	402,801
Stockholder's Equity	480,204
Total Liabilities and Stockholder's Equity	883,005

Liquidity Trend (USD millions)



Net Debt/Adjusted EBITDA⁴ (USD millions)



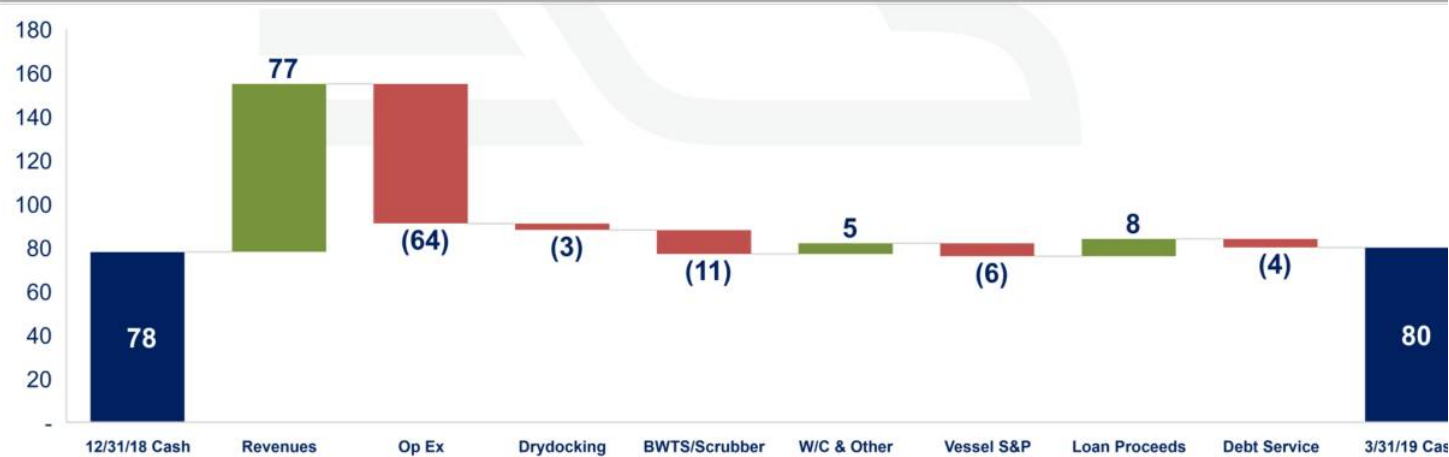
1 – Liquidity and Balance sheet figures are in thousands USD
 2 – Cash balance includes cash, cash equivalents and restricted cash
 3 – Debt is net of \$8.5m of debt discount and deferred financing costs
 4 – Adj EBITDA Annualized is basis quarterly figure * 4 for 2q17-4q18, and basis trailing four quarters (TFQ) for 1q19. Please see the Definitions slide in the Appendix for an explanation of Adjusted EBITDA and further information relating to the use of TFQ for Adj. EBITDA versus annualized Adj. EBITDA

Cash Flows

Cash Flow from Ops – Quarterly (USD millions)



1q19 Cash Flows (USD millions)

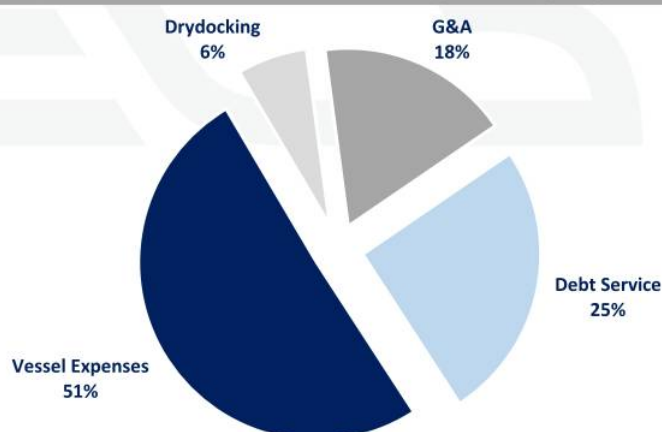


*Cash Includes restricted cash

Cash Breakeven per Vessel per Day

	1q19	4q18	FY 18
OPERATING			
Vessel Expenses	\$ 4,830	\$ 4,674	\$ 4,725
Drydocking	608	415	484
G&A	1,674	1,691	1,566
Total Operating	7,112	6,780	6,775
DEBT SERVICE			
Interest Expense	1,400	1,346	1,351
Debt Principal Repayment	1,018	930	232
TOTAL CASH BREAKEVEN	\$ 9,530	\$ 9,056	\$ 8,358

1q 2019 Cash Breakeven by Category



▪ G&A excludes stock-based compensation.



Scrubber Initiative

Eagle Fleet Scrubber Initiative Update

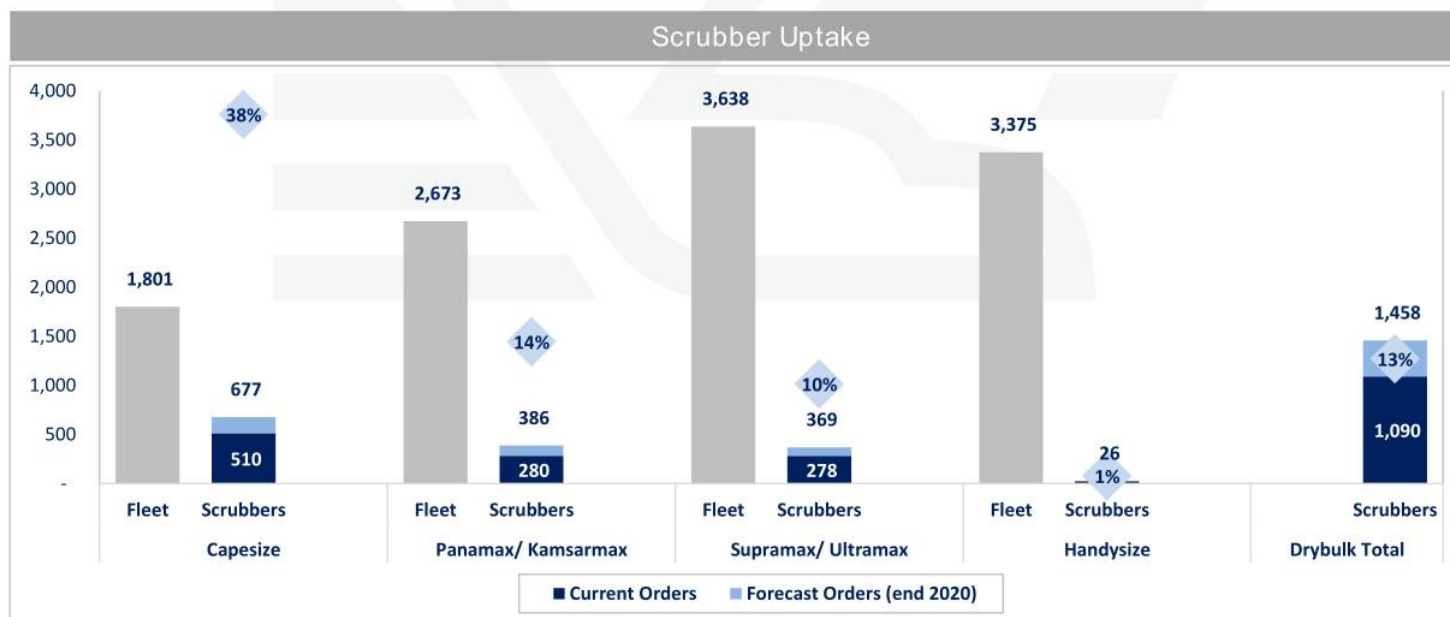
- Scrubber installation planned for thirty-seven vessels
 - Thirty-four scrubbers expected to be installed by January 1, 2020, with remaining three in early 2020 during statutory drydocks
- Five scrubbers fitted to date
 - Five riding teams currently onboard
- Ten additional scrubbers to be fitted within next two months
- Project cost estimated at USD 83 million (basis 37 scrubbers)
 - Funding basis cash on-hand and amounts available under credit facilities



Update on IMO Regulation + Scrubber Orderbook

Regulatory Update

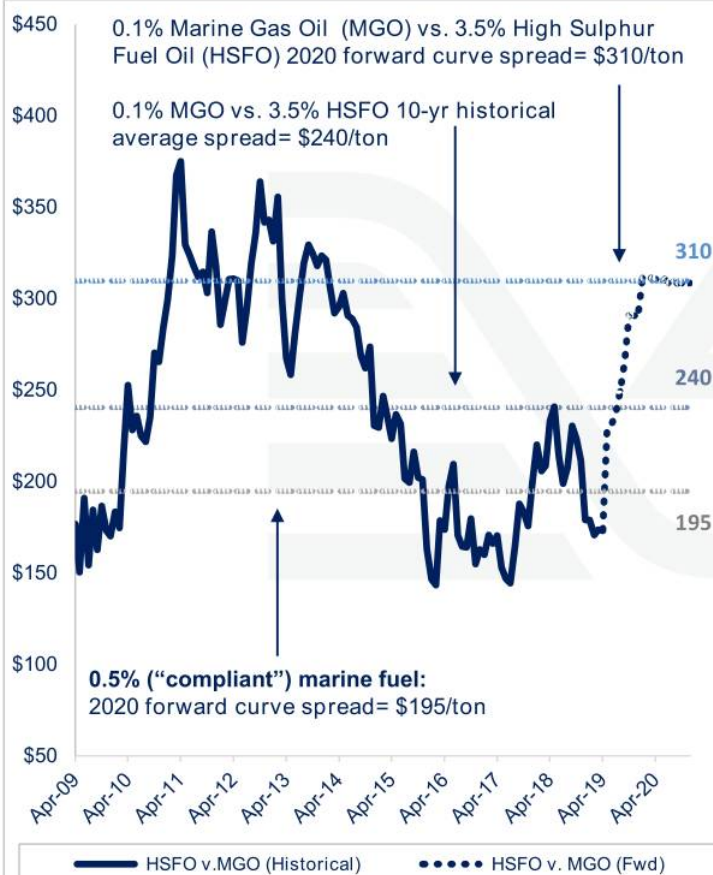
- Final IMO Marine Environmental Protection Committee (MEPC) meeting before 2020 runs 13-17 March
- Draft guidelines for implementation, port state control, and fuel oil suppliers expected to be approved
- Draft Fuel Oil Non Availability Report (FONAR) also expected to be approved
- MEPC will consider undertaking an environmental impact assessment of EGCS wash water
- Submissions from Japan and Cruise Lines Industry Association (CLIA) positive for EGCS



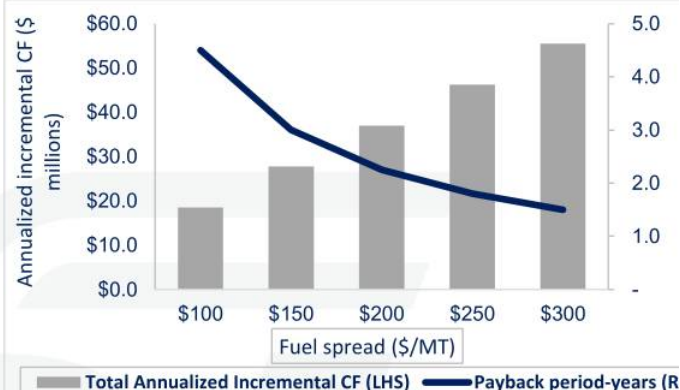
▪ Scrubber uptake source: DNB Markets (March 2019)

Scrubber Economics Basis Fuel Spreads

Fuel Spreads



Scrubber Cash Flow Effect



Scrubber TCE Benefit



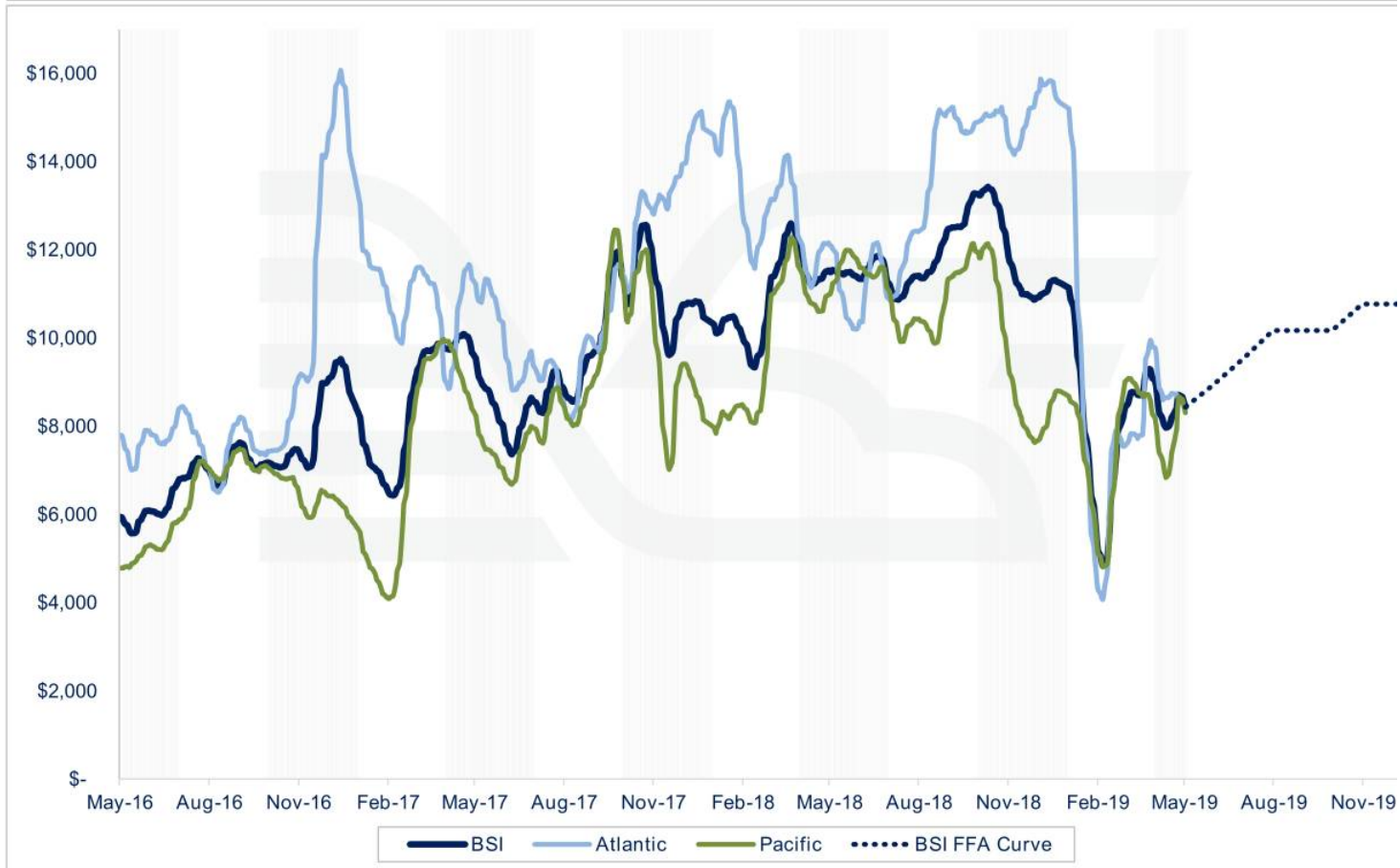
- Source: Clarksons. Forward curve data as of May 1, 2019
- Scrubber Cash Flow Effect and TCE Benefit based on fleet of 37 scrubber-fitted vessels and assume average of 200 annual sailing days per ship for Supramax/Ultramax vessels with daily consumption of 25 MT/day



Industry Review

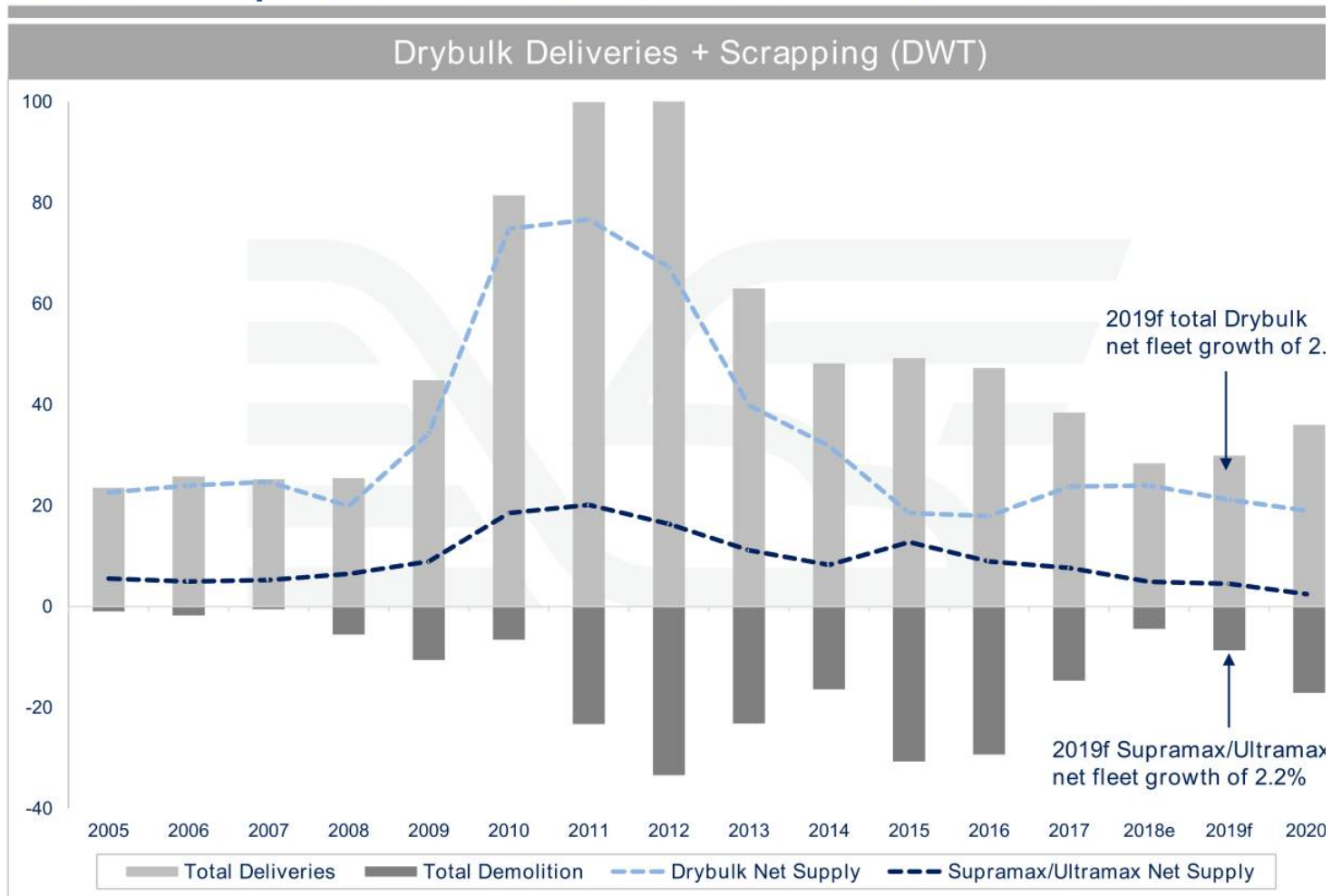
Historical Rates and 2019 Forward Curve

Baltic Supramax Index (BSI)



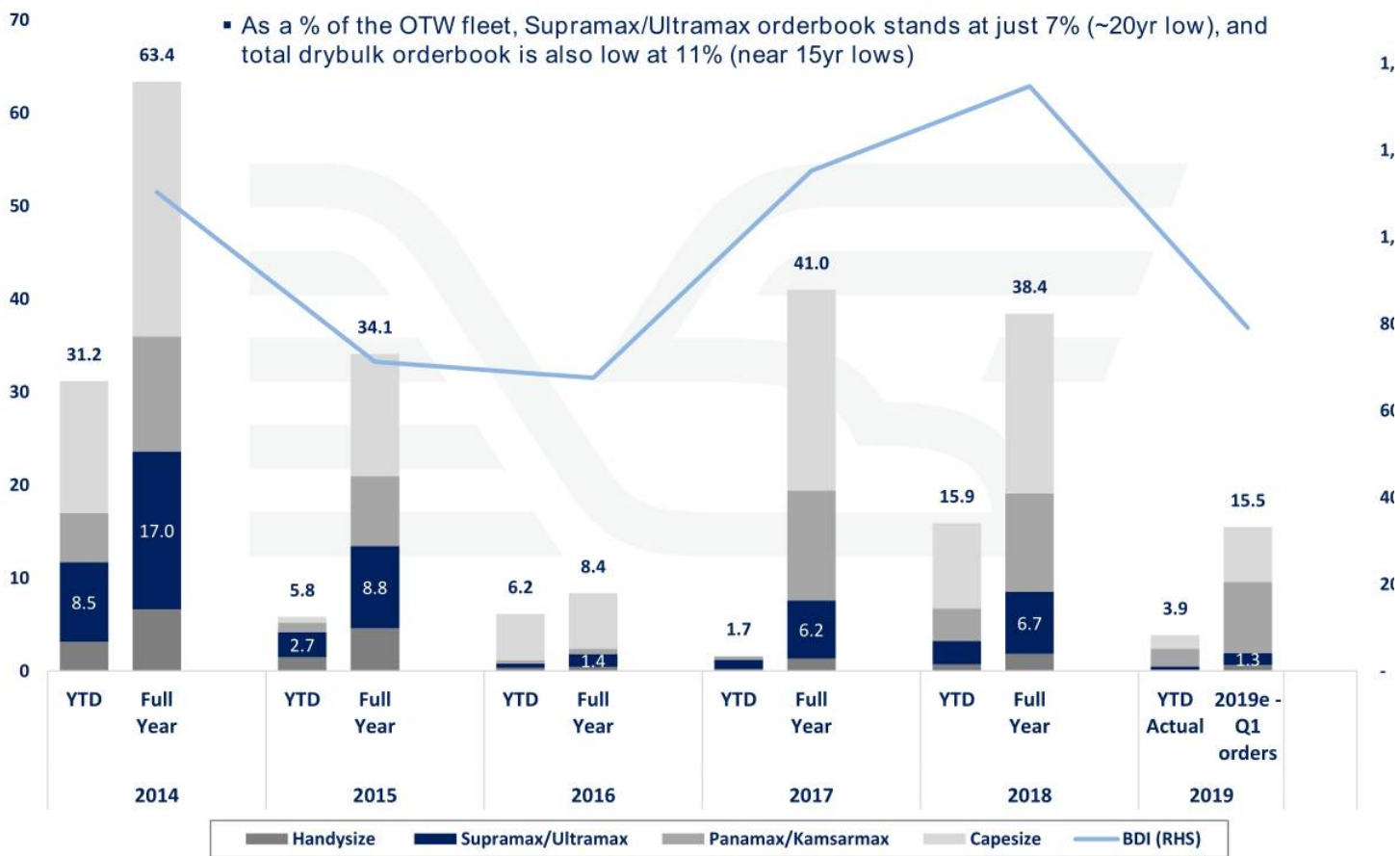
- Source: Clarkson
- Atlantic market calculated based on BSI routes S4A and S4B. Pacific market calculated based on routes S2, S8, and S10
- FFA curve is based on the midpoint of bid/ask as of May 3, 2019

2019f Supramax/Ultramax Net Fleet Growth of ~2%



Total Orderbook at 11% of the Fleet

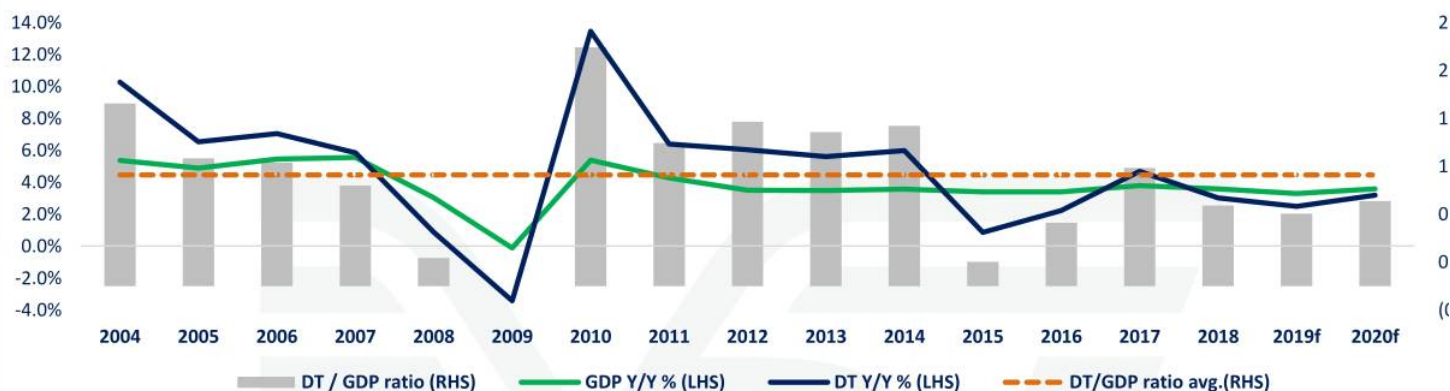
Full year Contracting (by DWT) vs BDI



Source: Clarksons

Minor Bulk Demand Leading Drybulk Growth

Drybulk Trade (DT) vs. Global GDP



Annualized Growth Rates

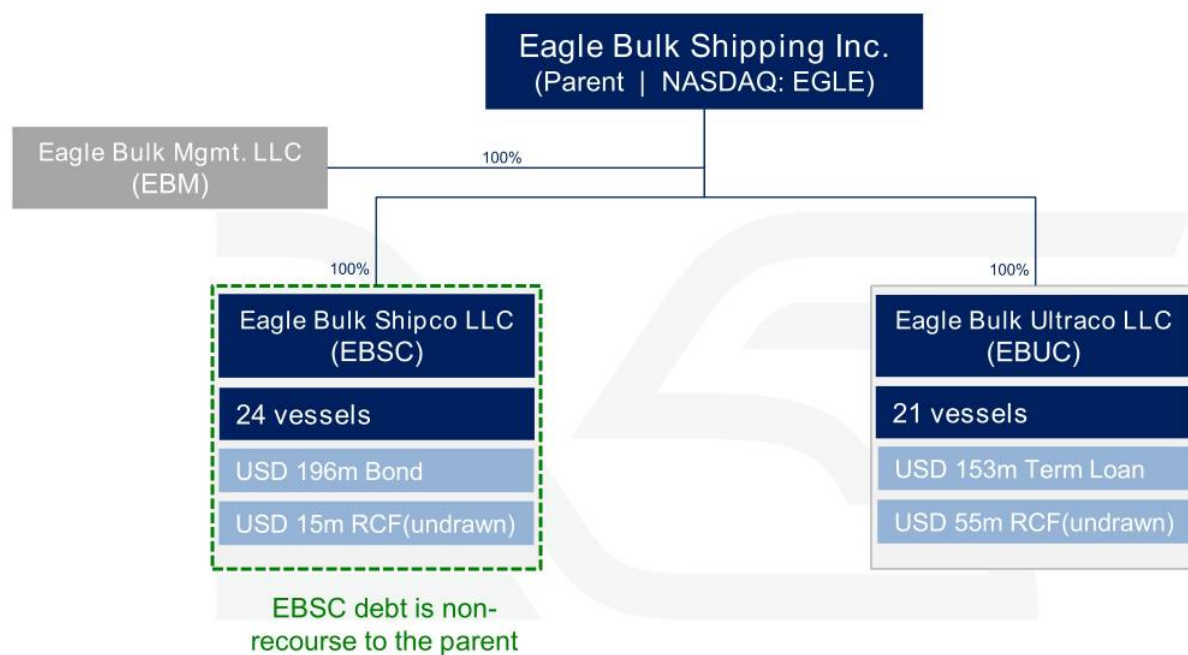
	Historical 2015-17	Last 2018	Current 2019f	Next 2020f
Global GDP	3.5%	3.6%	3.3%	3.6%
China	6.8%	6.6%	6.3%	6.1%
India	7.3%	7.1%	7.3%	7.5%
Dry Bulk Trade	1.8%	2.4%	1.7%	2.2%
Iron Ore	3.2%	0.2%	-0.5%	1.1%
Coal	-0.3%	5.0%	1.7%	1.6%
Grains	5.4%	-0.6%	1.7%	1.9%
Minor Bulk	1.5%	3.9%	3.5%	3.3%



- Source(s): Clarksons, IMF
- Drybulk Trade growth (chart) adjusted for ton miles
- Drybulk Trade / Global GDP ratio for 2009 excluded from historical average calculation

APPENDIX

Corporate Structure



All management services (strategic / commercial / operational / technical / administrative) are performed inhouse by EBM, a wholly-owned subsidiary of the Parent



- Bond and term loan outstanding amounts as of March 31, 2019. Fleet count proforma for sale of THRASHER expected to close in 2q19. RCF drawn amounts as of March 31, 2019 are zero for both Shipco and Ultraco

Eagle Debt Terms

CLOSED	November 2017		January 2019	
PARENT	Eagle Bulk Shipping Inc.			
ISSUER/BORROWER	Eagle Bulk Shipco LLC		Eagle Bulk Ultraco LLC	
LOAN TYPE	Bond	RCF	Term Loan	RCF
AMOUNT	USD 200m	USD 15m	USD 153m	USD 55m
OUTSTANDING	USD 196m	-	USD 153m	-
SECURITY	Senior Secured	Super Senior Secured	Senior Secured	
RECOURSE	Ringfenced and non-recourse to the Parent		Parent Guarantee	
COLLATERAL	24 vessels		21 vessels	
INTEREST RATE	8.25% fixed	L+200bps	L+250bps	
TENOR	5 years		5 years	
MATURITY	2022		2024	
AMORTIZATION	USD 8m/year	N/A	USD 20.2m for first year (starting April 2019) and USD 26.1m/year thereafter	



- Debt levels as of March 31, 2019
- Vessel
- Fleet count is proforma for sale of THRASHER expected to close in 2q19

Owned Fleet

Total Fleet: 45 Vessels		2615 DWT (MT, thousands)	8.9 Age
EBSC		EBUC	
Vessel	DWT	Vessel	DWT
1 Singapore Eagle	63.4	1 New London Eagle	63.1
2 Stamford Eagle	61.5	2 Cape Town Eagle	63.7
3 Sandpiper Bulker	57.8	3 Westport Eagle	63.3
4 Roadrunner Bulker	57.8	4 Hamburg Eagle	63.4
5 Puffin Bulker	57.8	5 Madison Eagle	63.3
6 Petrel Bulker	57.8	6 Greenwich Eagle	63.3
7 Owl	57.8	7 Groton Eagle	63.3
8 Oriole	57.8	8 Fairfield Eagle	63.3
9 Egret Bulker	57.8	9 Southport Eagle	63.3
10 Crane	57.8	10 Rowayton Eagle	63.3
11 Canary	57.8	11 Mystic Eagle	63.3
12 Bittern	57.8	12 Stonington Eagle	63.3
13 Stellar Eagle	56.0	13 Nighthawk	57.8
14 Crested Eagle	56.0	14 Martin	57.8
15 Crowned Eagle	55.9	15 Kingfisher	57.8
16 Jaeger	52.2	16 Jay	57.8
17 Cardinal	55.4	17 Ibis Bulker	57.8
18 Kestrel I	50.3	18 Grebe Bulker	57.8
19 Skua	53.4	19 Gannet Bulker	57.8
20 Shrike	53.3	20 Imperial Eagle	56.0
21 Tern	50.2	21 Golden Eagle	56.0
22 Osprey I	50.2		
23 Goldeneye	52.4		
24 Hawk I	50.3		
24 Vessels	1,338.7	21 Vessels	1,276.6



- Eagle fleet count and age as of May 2019, proforma for sale of THRASHER expected to close in 2q19

EBITDA Reconciliation

USD in Thousands	1q16	2q16	3q16	4q16	1q17	2q17	3q17	4q17
Net Income / (Loss)	(\$39,279)	(\$22,496)	(\$19,359)	(\$142,389)	(\$11,068)	(\$5,888)	(\$10,255)	(\$16,584)
Less adjustments to reconcile:								
Interest expense	2,818	4,903	7,434	6,644	6,445	6,859	7,837	8,234
Interest income	-3	0	-88	-124	-190	-186	-143	-134
EBIT	-36,464	-17,593	-12,013	-135,868	-4,813	785	-2,561	-8,484
Depreciation and amortization	9,397	9,654	9,854	9,979	7,493	8,021	8,981	9,194
EBITDA	-27,068	-7,939	-2,159	-125,889	2,680	8,805	6,420	714
Less adjustments to reconcile:								
Stock-based compensation	827	842	-735	1,273	2,171	2,478	2,350	1,744
One-time and non-cash adjustments	11,756	436	-509	122,656	-297	-1,977	-373	14,764
Adjusted EBITDA*	(\$14,486)	(\$6,661)	(\$3,403)	(\$1,961)	\$4,553	\$9,307	\$8,397	\$17,214

USD in Thousands	1q18	2q18	3q18	4q18	1q19
Net Income / (Loss)	\$53	\$3,451	\$2,585	\$6,486	\$29
Less adjustments to reconcile:					
Interest expense	6,261	6,387	6,574	6,521	6,762
Interest income	-95	-112	-129	-248	-434
EBIT	6,219	9,726	9,030	12,759	6,357
Depreciation and amortization	9,276	9,272	9,460	9,708	9,407
EBITDA	15,495	18,998	18,490	22,467	15,764
Less adjustments to reconcile:					
Stock-based compensation	3,511	2,410	2,100	1,187	1,445
One-time and non-cash adjustments	-170	-276	-406	-165	-1,838
Adjusted EBITDA*	\$18,835	\$21,132	\$20,184	\$23,489	\$15,372



▪ Please see the Definitions slide in the Appendix for an explanation of Adjusted EBITDA

TCE Reconciliation

\$ Thousands except TCE and days	1q16	2q16	3q16	4q16	1q17	2q17	3q17	4q17
Revenues, net	\$ 21,278	\$ 25,590	\$ 35,788	\$ 41,836	\$ 45,855	\$ 53,631	\$ 62,711	\$ 74,311
Less:								
Voyage expenses	(9,244)	(7,450)	(11,208)	(14,192)	(13,353)	(13,380)	(17,463)	(18,411)
Charter hire expenses	(1,489)	(1,668)	(3,822)	(5,866)	(3,873)	(6,446)	(9,652)	(11,411)
Reversal of one legacy time charter	1,045	793	670	432	(302)	584	329	411
Realized gain/(loss) - Derivatives	-	-	(449)	(113)	-	83	248	(1,111)
TCE revenue	\$ 11,590	\$ 17,265	\$ 20,979	\$ 22,097	\$ 28,326	\$ 34,473	\$ 36,173	\$ 45,611
Owned available days *	3,945	3,902	3,700	3,653	3,620	3,771	4,177	4,111
TCE	\$ 2,938	\$ 4,425	\$ 5,670	\$ 6,049	\$ 7,825	\$ 9,142	\$ 8,660	\$ 10,411

\$ Thousands except TCE and days	1q18	2q18	3q18	4q18	1q19
Revenues, net	\$ 79,371	\$ 74,939	\$ 69,093	\$ 86,692	\$ 77,390
Less:					
Voyage expenses	(22,515)	(17,205)	(15,126)	(24,721)	(25,906)
Charter hire expenses	(10,268)	(10,108)	(7,460)	(10,209)	(11,492)
Reversal of one legacy time charter	(86)	(404)	497	(226)	(414)
Realized gain/(loss) - Derivatives	117	345	284	(211)	(475)
TCE revenue	\$ 46,619	\$ 47,567	\$ 47,288	\$ 51,326	\$ 39,102
Owned available days *	4,218	4,153	4,192	4,227	4,070
TCE	\$ 11,052	\$ 11,453	\$ 11,281	\$ 12,142	\$ 9,607



▪ Please see the Definitions slide in the Appendix for an explanation of Owned Available Days

Baltic Supramax Index Update

- The Baltic Exchange Supramax Index ("BSI") was initiated in 2006 based on the Tess 52 design
- The trend towards larger vessels led Baltic Exchange to select the Tess 58 design for an updated in
- Index for the Tess 58 design has been published commencing on 3 April 2017, and transition was completed as of December 2018, when the Baltic stopped publishing a dynamic Tess 52 daily rate.
- Eagle has now switched to Tess 58 index for valuation modeling as from 1 Jan 2019

Tess 52 index: 52,454 DWT ship		
14.0/14.5 knots B/L on 31.0/31.0 mt/day		
12.0/11.5 knots B/L on 23.0/23.0 mt/day		
4.0/6.0 mt/day idle/wkg		
Route	Weighting	Route
1A	12.5%	Antwerp - Skaw trip to Singapore-Japan
1B	12.5%	Canakkale trip to Singapore-Japan
2	25.0%	South Korea -Japan, one Australian or Pacific round voyage
3	25.0%	South Korea-Japan trip to Skaw-Gibraltar
4A	12.5%	US Gulf trip to Skaw-Passero
4B	12.5%	Skaw-Passero trip to US Gulf



Tess 58: 58,328 DWT non-scrubber fitted ship		
14.0/14.0 knots B/L on 32.0/33.0 mt/day		
12.5/12.0 knots B/L on 23.0/24.0 mt/day		
3.0/5.0 mt/day idle/wkg		
Route	Weighting	Route
1B	5.0%	Canakkale via Med/Black Sea to China-South Korea
1C	5.0%	USG trip to China-South Japan
2	20.0%	North China one Australian or Pacific Round Voyage
3	15.0%	North China trip to West Africa
4A	7.5%	US Gulf trip to Skaw-Passero
4B	10.0%	Skaw-Passero trip to US Gulf
5	5.0%	West Africa trip via East Coast South America to North China
8	15.0%	South China trip via Indonesia to East Coast India
9	7.5%	West Africa trip via East Coast South America to Skaw-Passero
10	10.0%	South China trip via Indonesia to South China

Evaluating TCE Relative Performance

This page is meant to assist analysts/investors on how to potentially evaluate and forecast vessel/fleet TCE relative performance within the Supramax/Ultramax segment

- Since the Supramax/Ultramax segment is comprised of a number of different ship types / sizes / designs, TCE generation ability can differ significantly from the standard vessel used to calculate the BSI-58 benchmark
- For example, a 2013-built Chinese 60-65k DWT Ultramax should be expected to earn a significant premium to a 2013-built 55-60k Supramax, particularly given the incremental cost of the 60-65k DWT vessel
- **Ultimately, it's about yield** – the expected earnings ability of a vessel versus its cost

Supramax/Ultramax TCE Performance Matrix						
SHIP TYPE	SIZE (DWT)		VESSEL TYPE INDEX FACTOR (AS COMPARED TO THE BSI VESSEL)			
			JAPAN		CHINA	
	FROM	TO	FROM	TO	FROM	TO
BSI-58	58,000		100.0%			
1	50,000	55,000	86.0%	95.0%	81.0%	87.0%
2	55,000	60,000	96.0%	106.0%	88.0%	97.0%
3	60,000	65,000	106.0%	118.0%	102.0%	113.0%

Matrix depicts the estimated TCE Earnings Performance range for a generic Supramax/Ultramax vessel type as compared to the BSI-58 ship

The BSI-58 is based on the 58k DWT Japan TESS-58 design Supramax and is gross of commissions

A Chinese 60-65k DWT Ultramax should earn a premium of 2-13% to the net BSI-58, depending on its specific design characteristics, due to cargo carrying capacity, speed, and fuel consumption differences

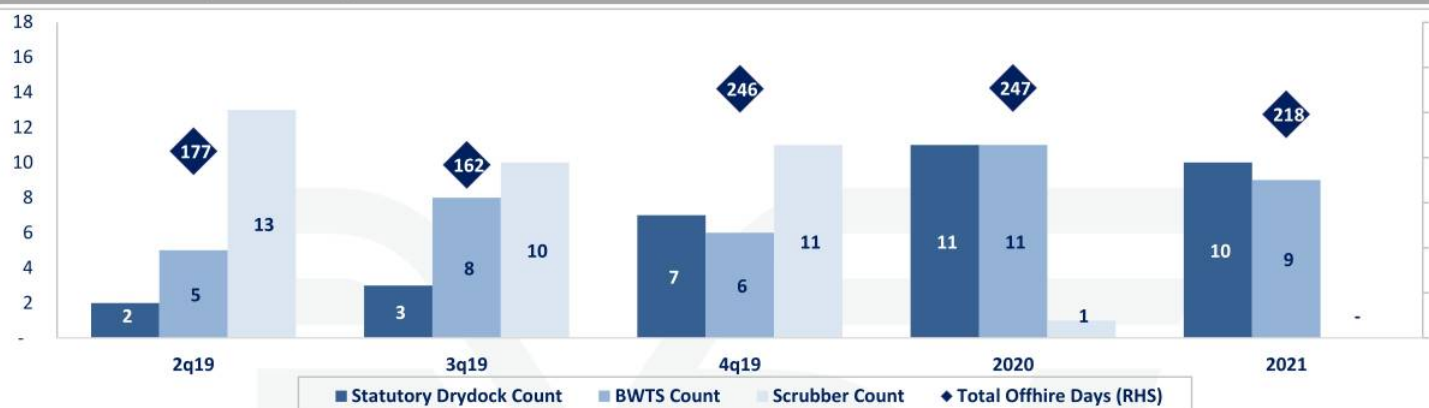
For Illustrative Purposes Only



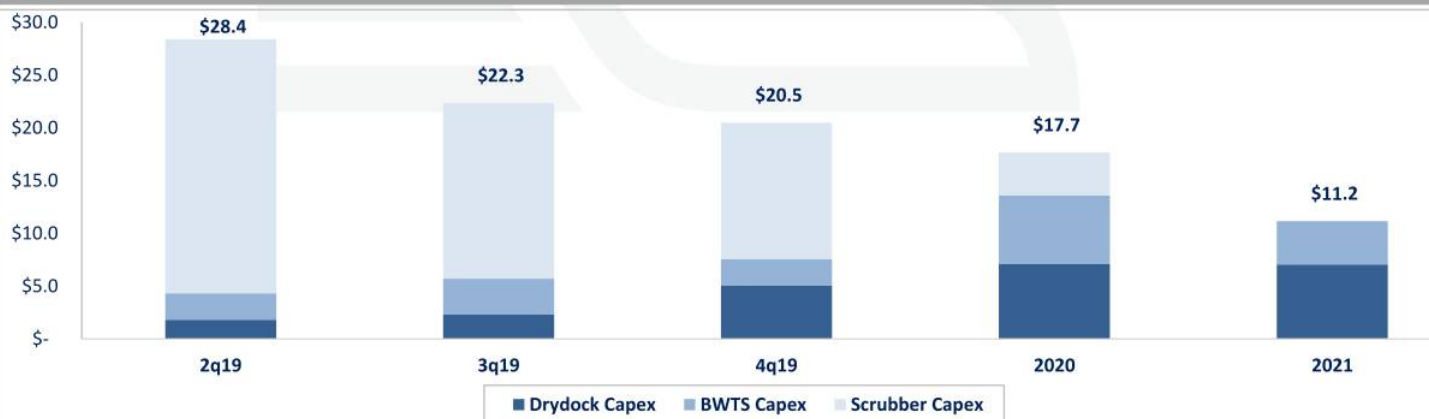
- The Matrix is meant to capture general ship types but there are likely some vessels which fall outside the stated figures
- Index Factors can change somewhat with movements in both fuel prices and (spot) rate environment

CAPEX Schedule

Count of Dry Dockings, Ballast Water Treatment/Scrubber Installations, Estimated Offhire Days



Estimated Capital Expenditure



- Actual duration of off-hire days will vary based on the condition of the vessel, yard schedules and other factors
- Actual costs will vary based on various factors, including where the drydockings are actually performed
- BWTS and Scrubbers require advance payments as per the contract terms. Excludes vessels sold in 2019.

Definitions

Adjusted EBITDA

Adjusted EBITDA is a non-GAAP financial measure that is used as a supplemental financial measure by our management and by external users of our financial statements, such as investors, commercial banks and others, to assess our operating performance as compared to that of other companies in our industry without regard to financing methods, capital structure or historical costs basis. Our Adjusted EBITDA should not be considered an alternative to net income/(loss), operating income/(loss), cash flows provided by/(used in) operating activities or any other measure of financial performance or liquidity presented in accordance with U.S. GAAP. Our Adjusted EBITDA may not be comparable to similarly titled measures of another company because all companies may not calculate Adjusted EBITDA in the same manner. Adjusted EBITDA represents EBITDA adjusted to exclude the items which represent certain non-cash, one-time and other items such as vessel impairment, gain/(loss) on sale of vessels, stock-based compensation and restructuring expenses that the Company believes are indicative of the ongoing performance of its core operations.

For purposes of the Net Debt/Adjusted EBITDA calculation included in this presentation, Adjusted EBITDA is annualized for the second quarter of 2017 through the fourth quarter of 2018. Starting with the first quarter of 2019, the Company uses trailing four quarters (TFQ) to calculate Net Debt/Adjusted EBITDA. The Company used the prior practice of annualizing the Adjusted EBITDA because it did not have positive Adjusted EBITDA until first quarter of 2017, which made it impossible to use TFQ during 2017. We believe using the TFQ for purposes of this calculation aligns us with market practice in our industry and provides more meaningful information to our investors. However, the change in calculation affects the comparability of this calculation between periods that annualize Adjusted EBITDA and periods that utilize TFQ Adjusted EBITDA.

TCE

Time charter equivalent ("TCE") is a non-GAAP financial measure that is commonly used in the shipping industry primarily to compare daily earnings generated by vessels on time charters with daily earnings generated by vessels on voyage charters, because charter hire rates for vessels on voyage charters are generally expressed in per-day amounts while charter hire rates for vessels on time charters generally are expressed in such amounts. The Company defines TCE as shipping revenues less voyage expenses and charter hire expenses, adjusted for the impact of one legacy time charter and realized gains on FFAs and bunker swaps, divided by the number of owned available days. TCE provides additional meaningful information in conjunction with shipping revenues, the most directly comparable GAAP measure, because it assists Company management in making decisions regarding the deployment and use of its vessels and in evaluating their financial performance. The Company's calculation of TCE may not be comparable to that reported by other companies. The Company calculates relative performance by comparing TCE against the Baltic Supramax Index ("BSI") adjusted for commissions and fleet makeup. The BSI was initiated in 2006 based on the Toss 52 design. The index for the Toss 58 design has been published commencing on April 3, 2017, and transition was completed as of December 21, 2017 when the Baltic stopped publishing a dynamic Toss 52 daily rate. The Company has now switched to the Toss 58 index for valuation modeling as of January 1, 2019. The change in the BSI may affect comparability of our TCE against BSI in periods prior to Company switching to the Toss 58 index.

Owned available days is the aggregate number of days in a period during which each vessel in our fleet has been owned by us less the aggregate number of days that our vessels are off-hire due to vessel familiarization upon acquisition, repairs, vessel upgrades or special surveys. The shipping industry uses available days to measure the number of days in a period during which vessels should be capable of generating revenues.



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