EAGLE BULK

**providing optimized global transportation of drybulk commodities**


# NobleCon15

January 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.*

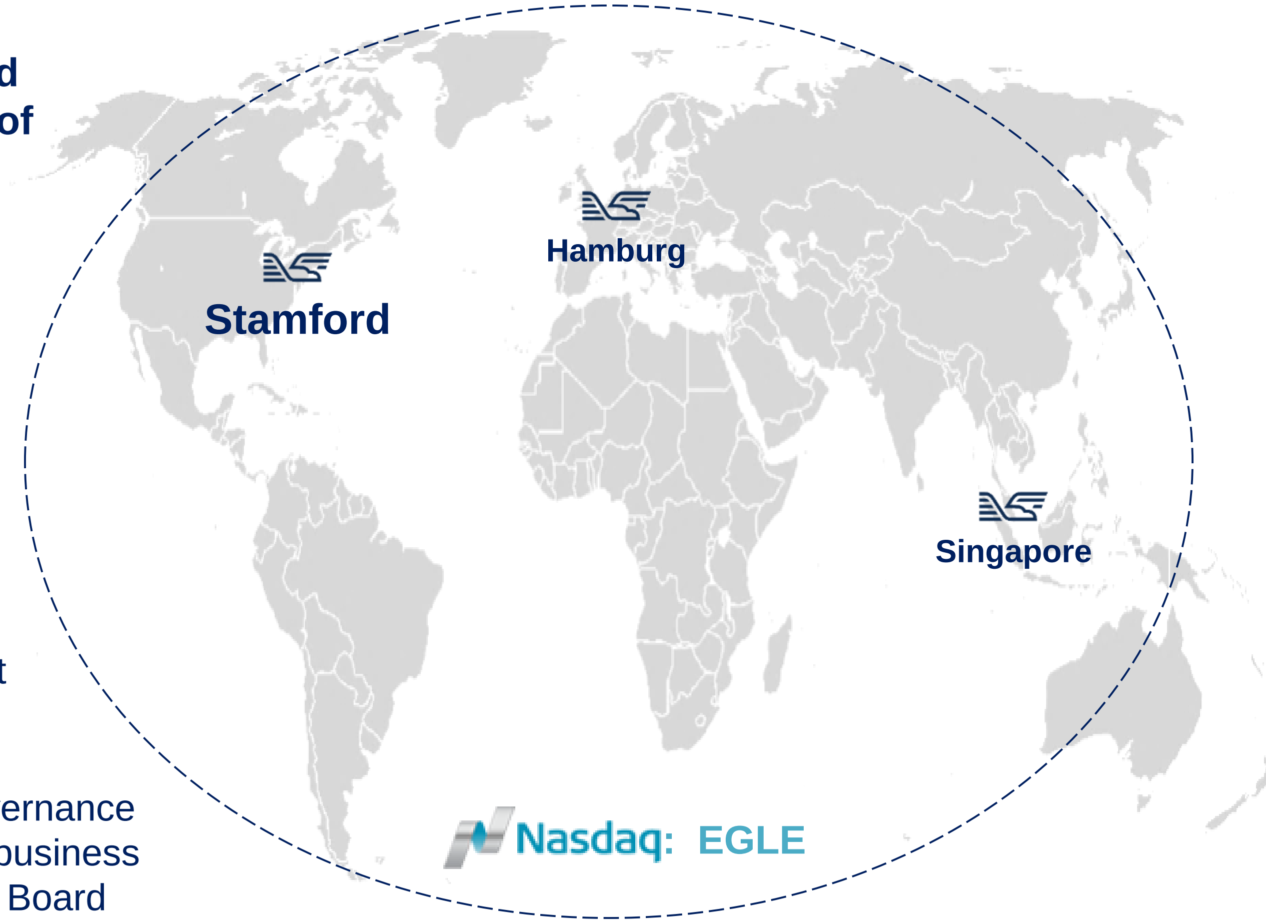
# Agenda

# Introduction

# Company Profile

**Eagle is a fully-integrated shipowner-operator engaged in the global transportation of drybulk commodities**

- Exclusive focus on the midsize Supramax/Ultramax vessel segment: 46 owned vessels
- Perform all management services inhouse: strategic, commercial, operational, technical, & administrative
- Employ an Active Management approach to fleet trading
- Maintain strong Corporate Governance structure with no related party business dealings; majority independent Board




**Our vision is to be the leading shipowner-operator through consistent outperformance and sustainable growth**

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- Eagle fleet count as of January 2019

# Drybulk Trade Totals ~5.3b Tons per Year

## Major Bulk commodities represent ~60% of total drybulk trade

**IRON ORE (27%)**

**COAL (24%)**

**GRAIN (9%)**

## Minor Bulk commodities represent ~40% of total drybulk trade

**STEEL (8%)**

**FOREST PRODUCTS (7%)**

**FERTILIZER (3%)**

**BAUXITE (2%)**

**CEMENT (2%)**

**SCRAP (2%)**

**PETCOKE (1%)**

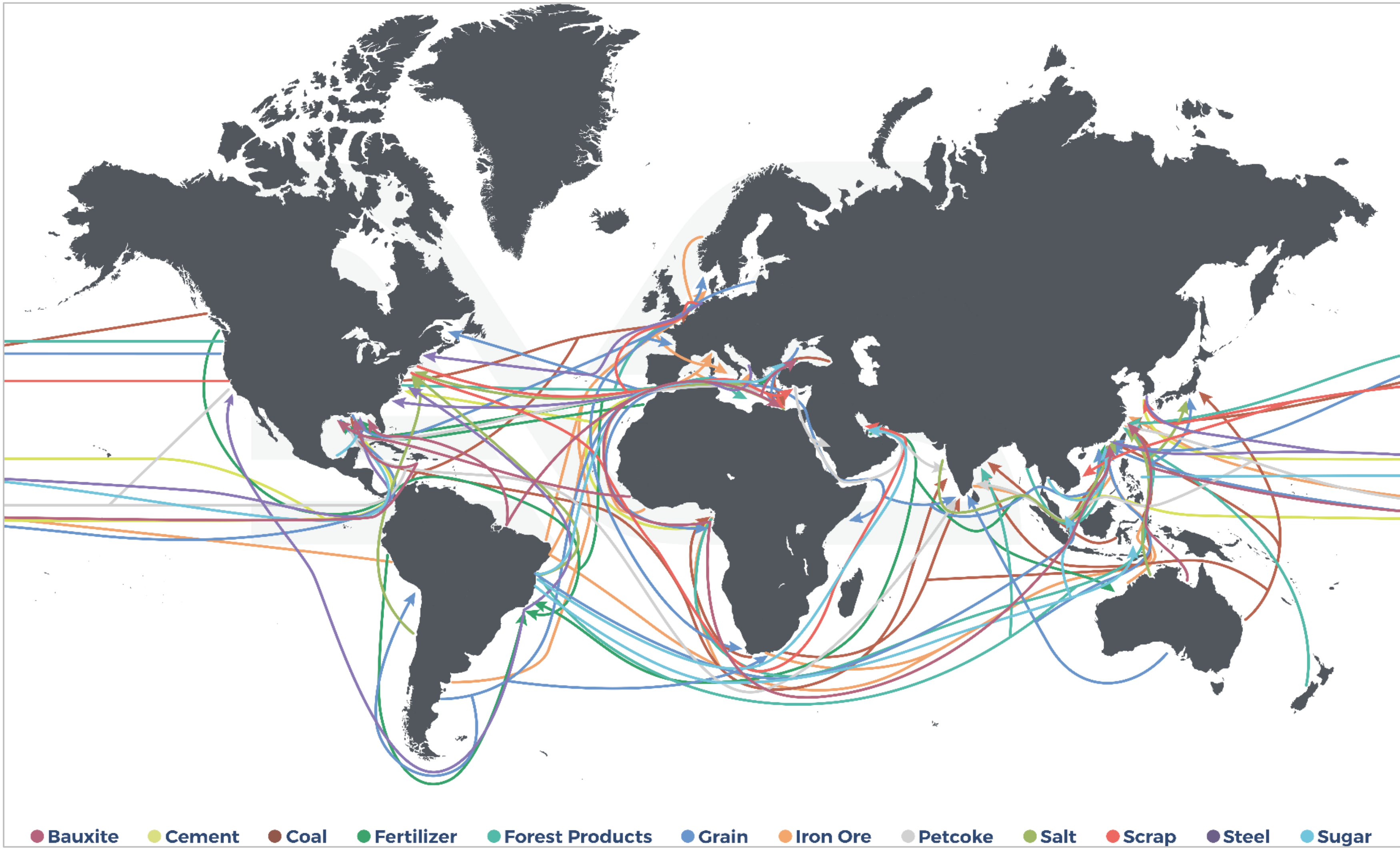
**SUGAR (1%)**

**SALT (1%)**

- Only selected Minor Bulk cargoes depicted

# 2019 Drybulk Ton-mile Demand Growth of +3.4%

## Selected Drybulk Trade Flows




- Source: Clarksons

# Supramax/Ultramax: Most Versatile Asset Class

## Drybulk Vessel Segment Classification

| VESSEL | Asset Class | Handysize / Handymax | Supramax / Ultramax | Panamax / Kamsarmax | Capesize |
|---|---|---|---|---|---|
| | Size (DWT) | 10-50k | 50-65k | 65-100k | >100k |
| MAJOR BULK | Iron Ore | | ✓ | ✓ | ✓ |
| | Coal | | ✓ | ✓ | ✓ |
| | Grain | ✓ | ✓ | ✓ | |
| MINOR BULK | Bauxite | ✓ | ✓ | ✓ | |
| | Steel | ✓ | ✓ | | |
| | Scrap | ✓ | ✓ | | |
| | Cement | ✓ | ✓ | | |
| | Salt | ✓ | ✓ | | |
| | Forest Products | ✓ | ✓ | | |
| | Potash / Fertilizer | ✓ | ✓ | | |
| | Coke | ✓ | ✓ | | |
| | Nickel Ore | ✓ | ✓ | | |
| | Sugar | ✓ | ✓ | | |
| | Other | ✓ | ✓ | | |

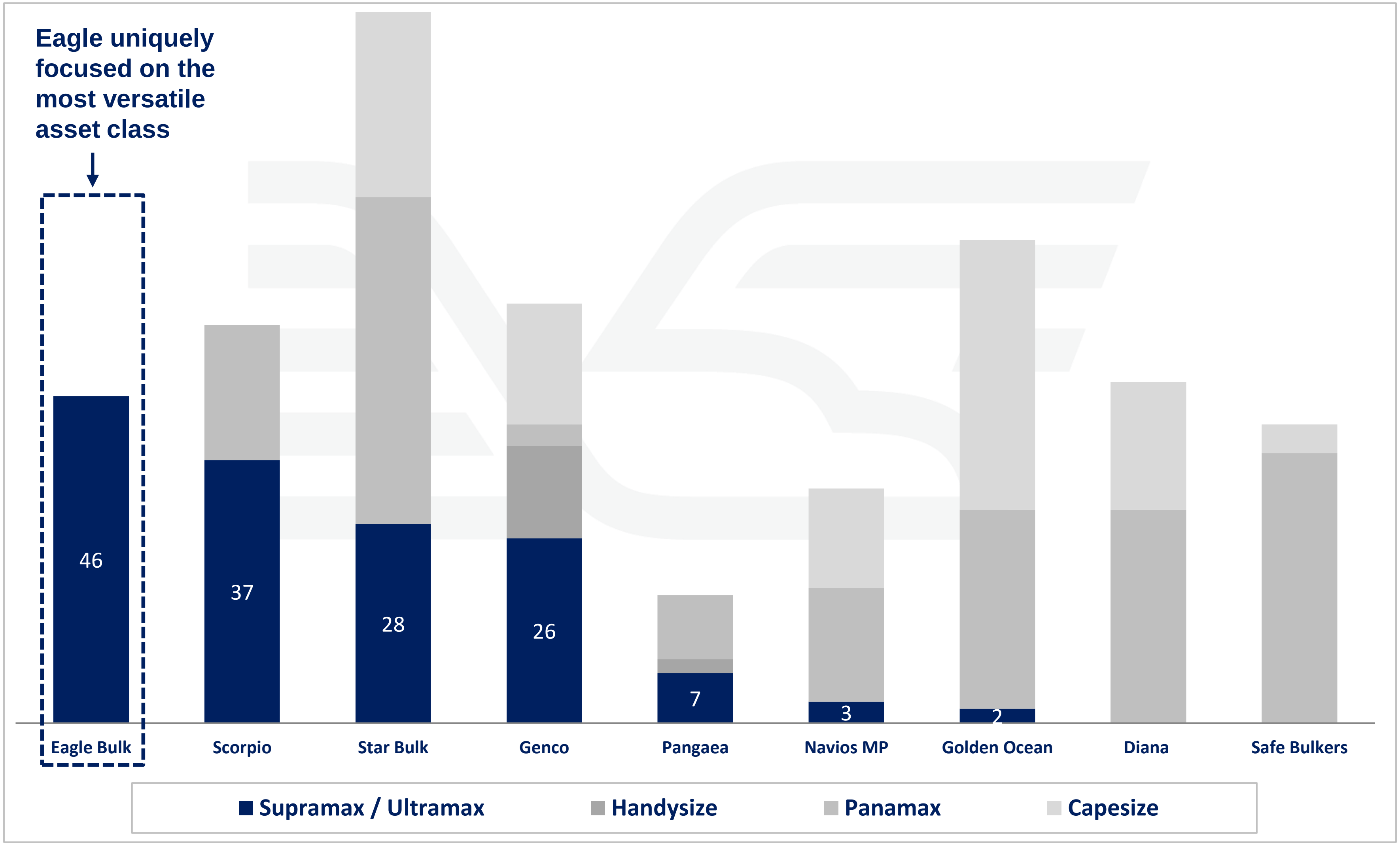
**Eagle's Focus**

**Supramax/Ultramax vessels are able to carry all drybulk commodities due to their optimal size and ability to load/discharge cargo using onboard gear**

- DWT= deadweight tons

# Eagle: Leader in the Supramax/Ultramax Segment

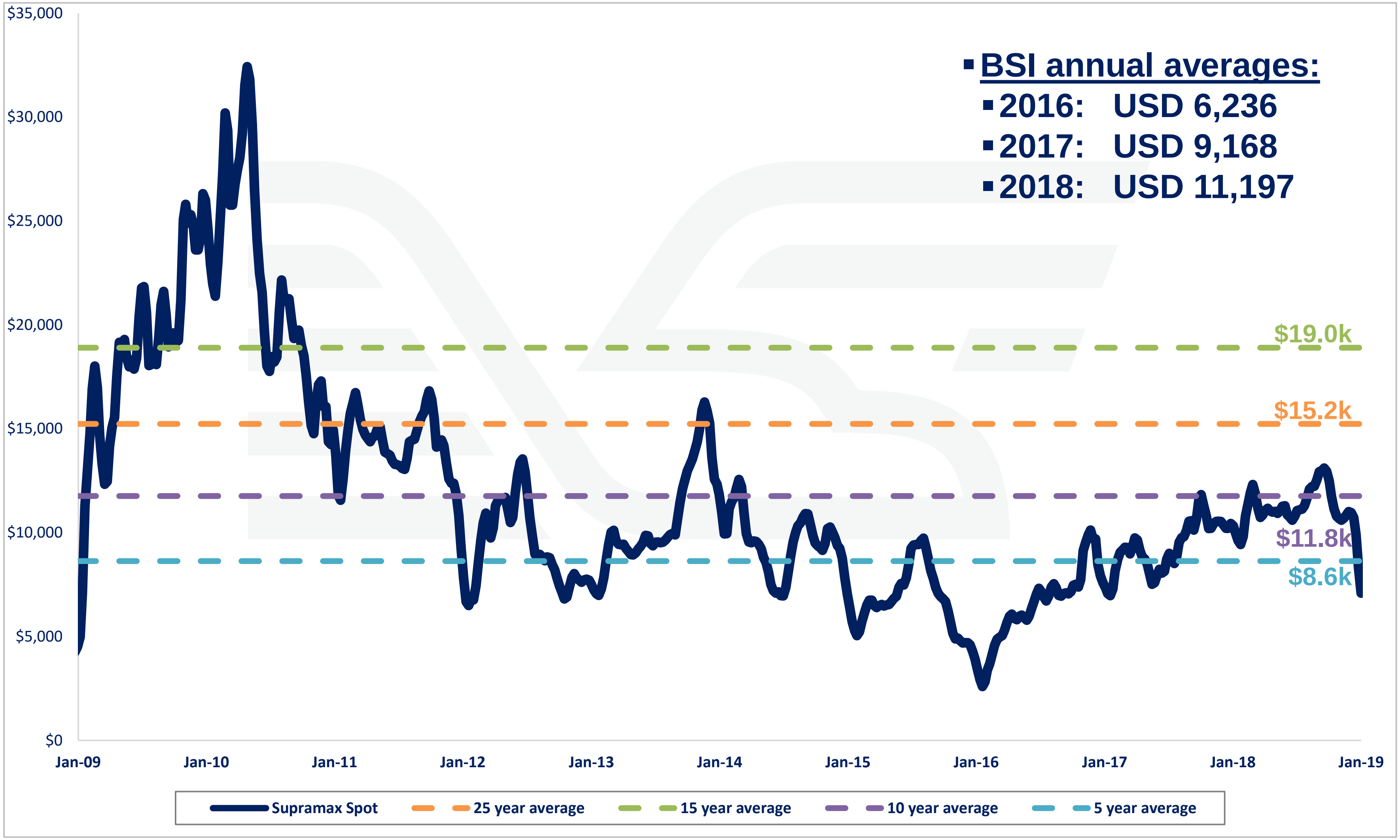
## U.S.-Listed Peer Group Fleet Profiles




- Eagle fleet count as of January 2019
- Source(s): VesselsValue

# Rates Have Posted a Strong Recovery Since 2016

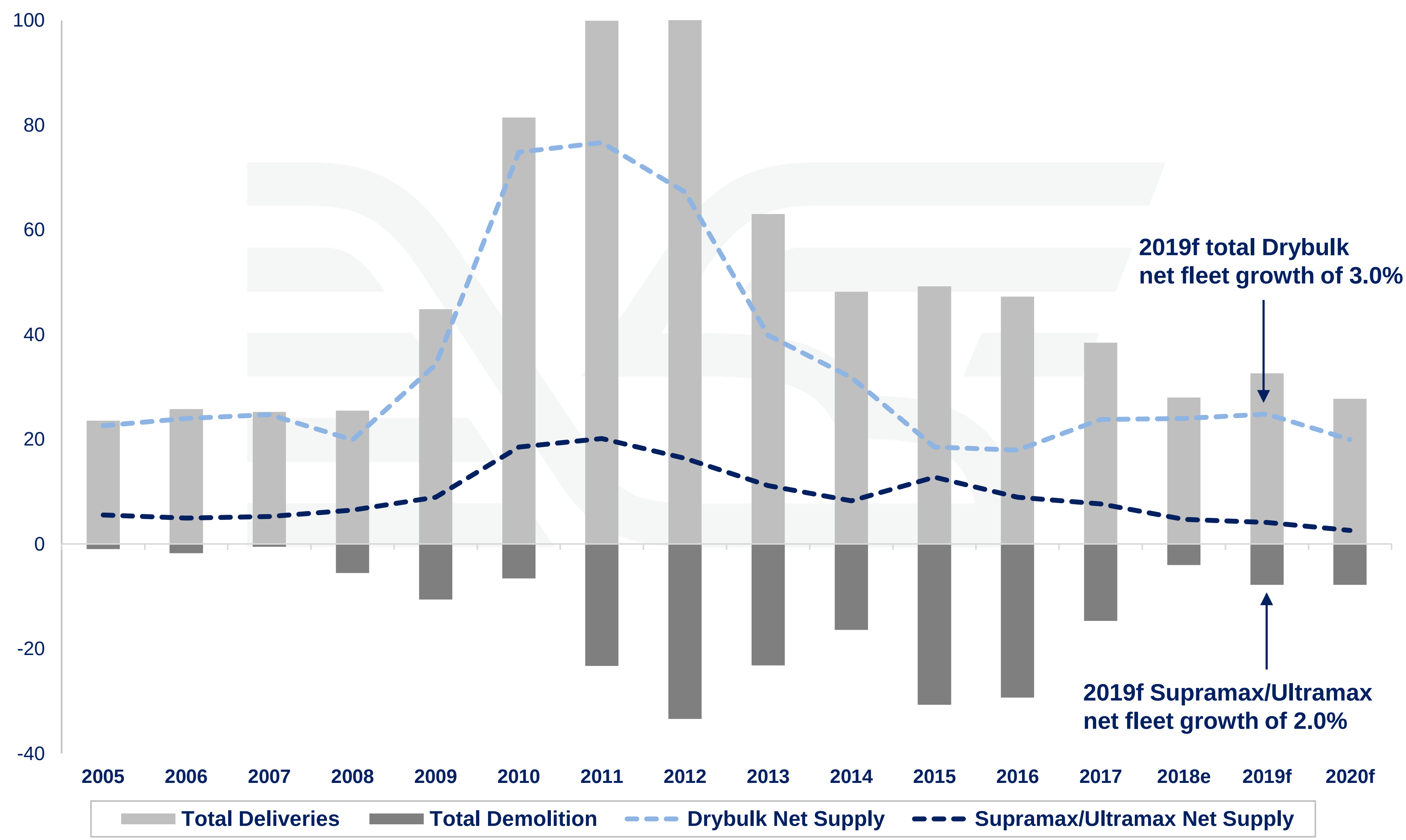
## Historical Supramax Rates




- Source(s): Clarksons
- Supramax Spot is based on the BSI
- Historical averages are based on BSI, Supramax 52k dwt Average Trip Tate, and the Handymax 45k dwt. Average Trip Rate.

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

## Drybulk Deliveries + Scrapping (DWT)

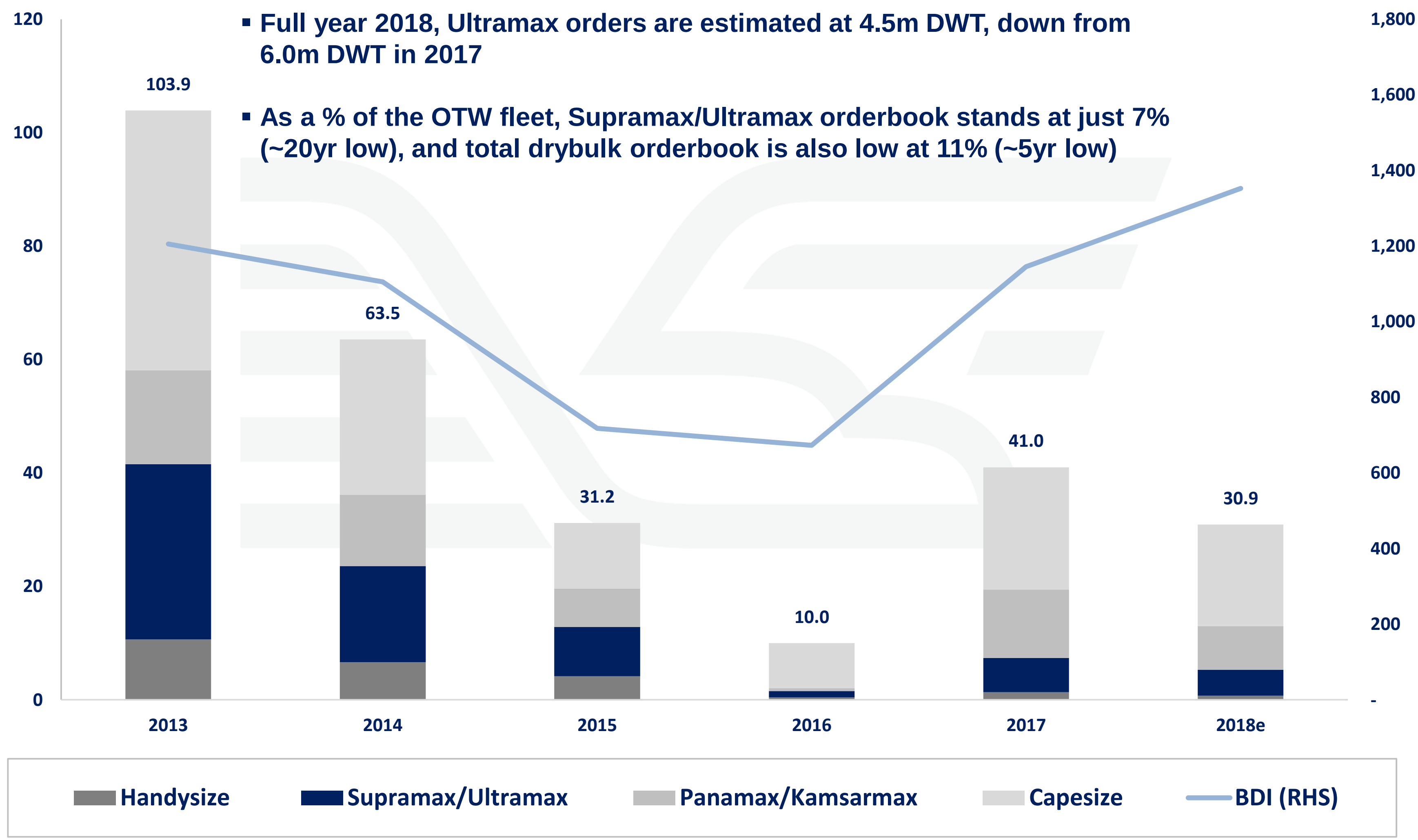



- Source(s): Clarksons
- Scrapping for 2019 and beyond projected at 7.8m MT (total Drybulk) and 1.3m MT (Supramax/Ultramax) per year.
- Forecasted slippage assumed at 25%

# Total Orderbook 11% of the Fleet

## Full year Contracting (by DWT) vs BDI

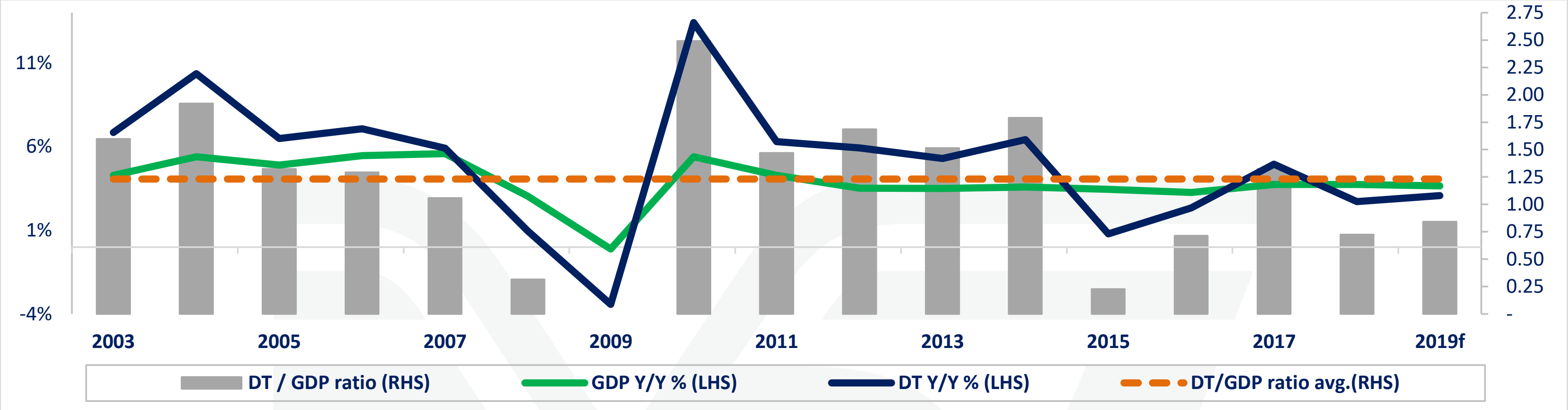
- Full year 2018, Ultramax orders are estimated at 4.5m DWT, down from 6.0m DWT in 2017
- As a % of the OTW fleet, Supramax/Ultramax orderbook stands at just 7% (~20yr low), and total drybulk orderbook is also low at 11% (~5yr low)




- 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%** | **3.7%** | **3.5%** | **3.6%** |
| China | 6.8% | 6.6% | 6.2% | 6.2% |
| India | 7.3% | 7.3% | 7.5% | 7.7% |
| **Dry Bulk Trade** | **1.8%** | **2.4%** | **2.6%** | **2.1%** |
| Iron Ore | 3.2% | -0.1% | 1.8% | 1.1% |
| Coal | -0.3% | 3.8% | 2.0% | 1.5% |
| Grains | 5.4% | 0.4% | 4.2% | 3.0% |
| Minor Bulk | 1.5% | 3.7% | 3.2% | 3.1% |

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

# Company

# "New" Eagle Milestones

**2H15 | 2016 | 2017 | 2018 | 2019**

Appointed Gary Vogel as CEO

Executed comprehensive balance sheet recapitalization providing USD 105m of incremental liquidity

Relocated headquarters to Stamford, Connecticut

Raised USD 88m in new growth equity

Opened new European Commercial office based in Hamburg, Germany

Raised USD 100m in additional growth equity

Recruited Frank De Costanzo as new CFO

Recruited new General Counsel

Closed on new USD 61.2m 5-yr credit facility financing 40% of the purchase price on Greenship Bulk 9-Ultramax fleet acquisition

Refinanced USD 270m in debt extending all debt maturities to 2022: issued 5-yr USD 200m Bond, executed a new 5-yr USD 65m Credit Facility, and arranged for a new USD 15m RCF

Arranged for 40% financing on the 2015 CROWN-63 Ultramax acquired

Entered into agreements to purchase up to 37 exhaust gas cleaning systems ("scrubbers") to be retrofitted on vessels within the fleet at a cost ~USD 2 million per system.

Received commitment on a new 5yr senior secured credit facility totalling USD 208m, including USD 55m RCF. Proceeds to repay ~USD 142m in existing debt and fund scrubber CAPEX

Recruited new Head of Operations

Sold four vessels during 2016 (averaging 15-yrs in age and 50k DWT)

Recruited new Chief Commercial Officer and new Head of Technical Management

Purchased 2016 NACKS-61 Ultramax for USD 18.9m

Purchased 2017 SDARI-64 (resale) Ultramax for USD 17.9m

Sold four vessels during 2017 (averaging 12-yrs in age and 52k DWT)

Acquired nine CROWN-63 Ultramax vessels (built 2012-2015) from Greenship Bulk for USD 153m enbloc , or USD 17m per vessel

Purchased 2015 CROWN-63 Ultramax for USD 21.3m

Sold two 8-yr old 53k DWT vessel

Purchased 2014 SDARI-64 Ultramax for USD 21.2m

Sold two 18-yr old 50k DWT vessels

Purchased 2015 SDARI-64 Ultramax for USD 20.4m

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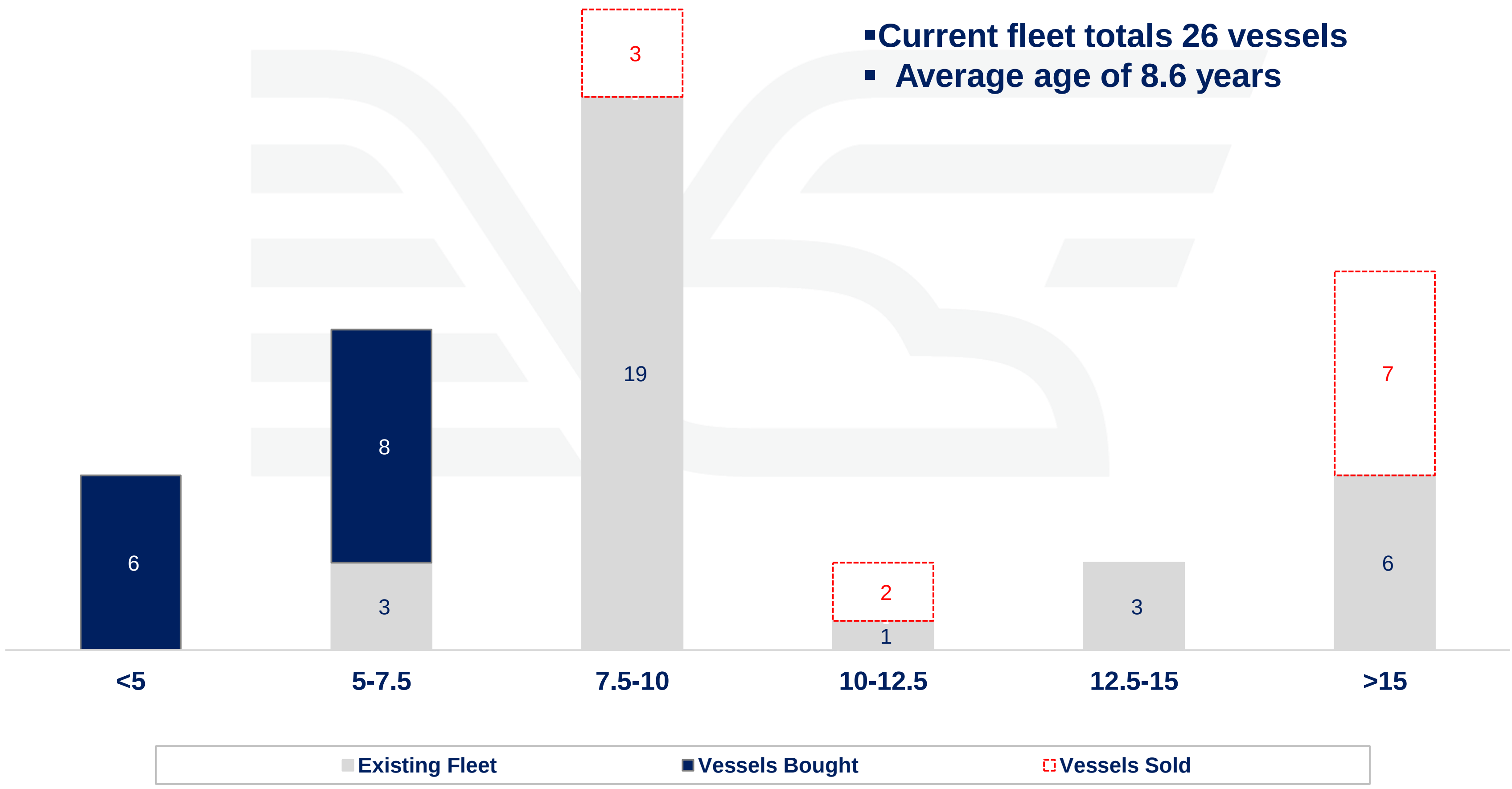
# Actively Renewing/Growing the Fleet

## Eagle Fleet by Age Grouping

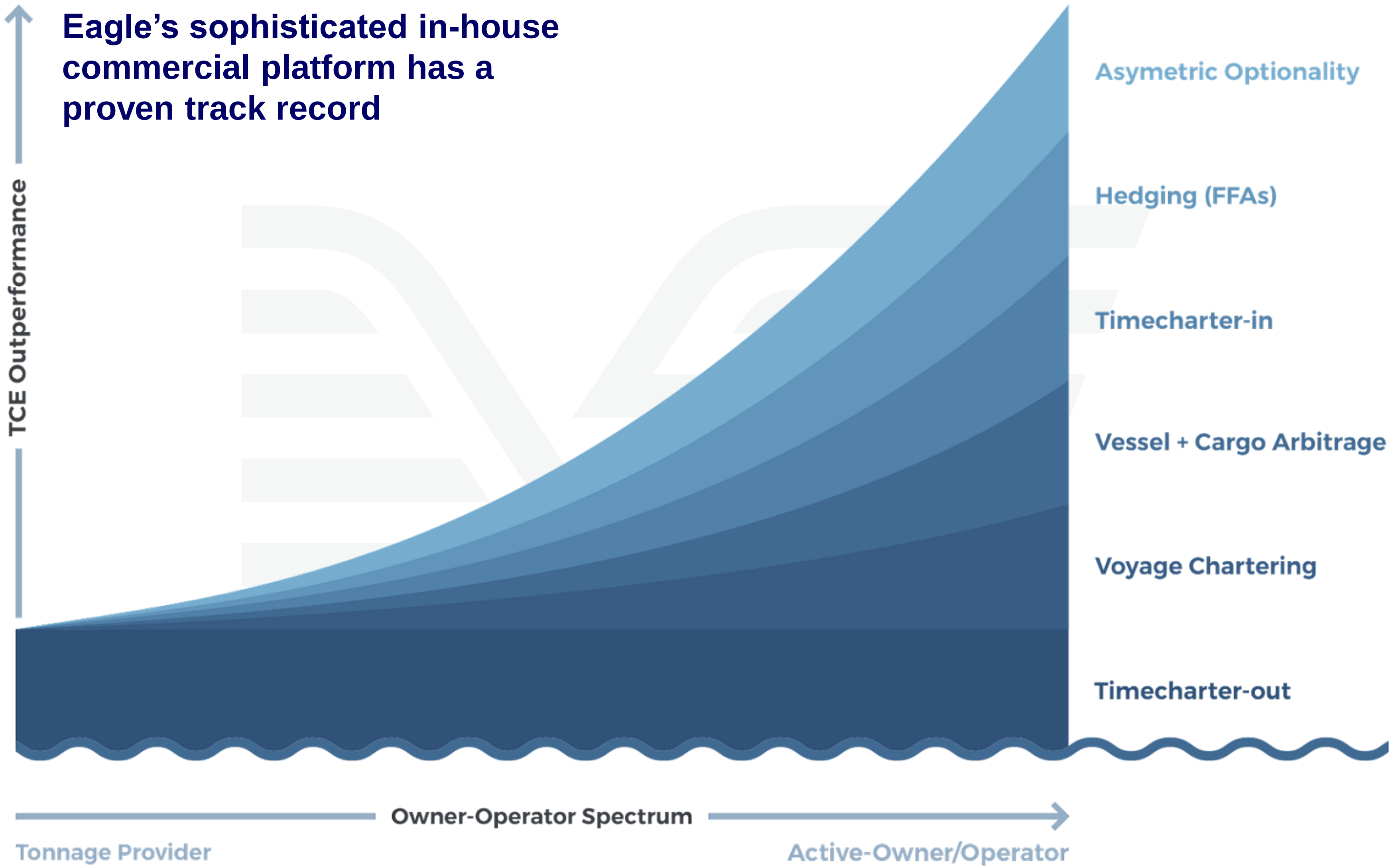
- **26 S&P transactions executed since 2016**
  - **14 purchases | 12 sales**
- **Current fleet totals 26 vessels**
  - **Average age of 8.6 years**




- Eagle fleet count as of January 2019

# Creating Value Through Active Management

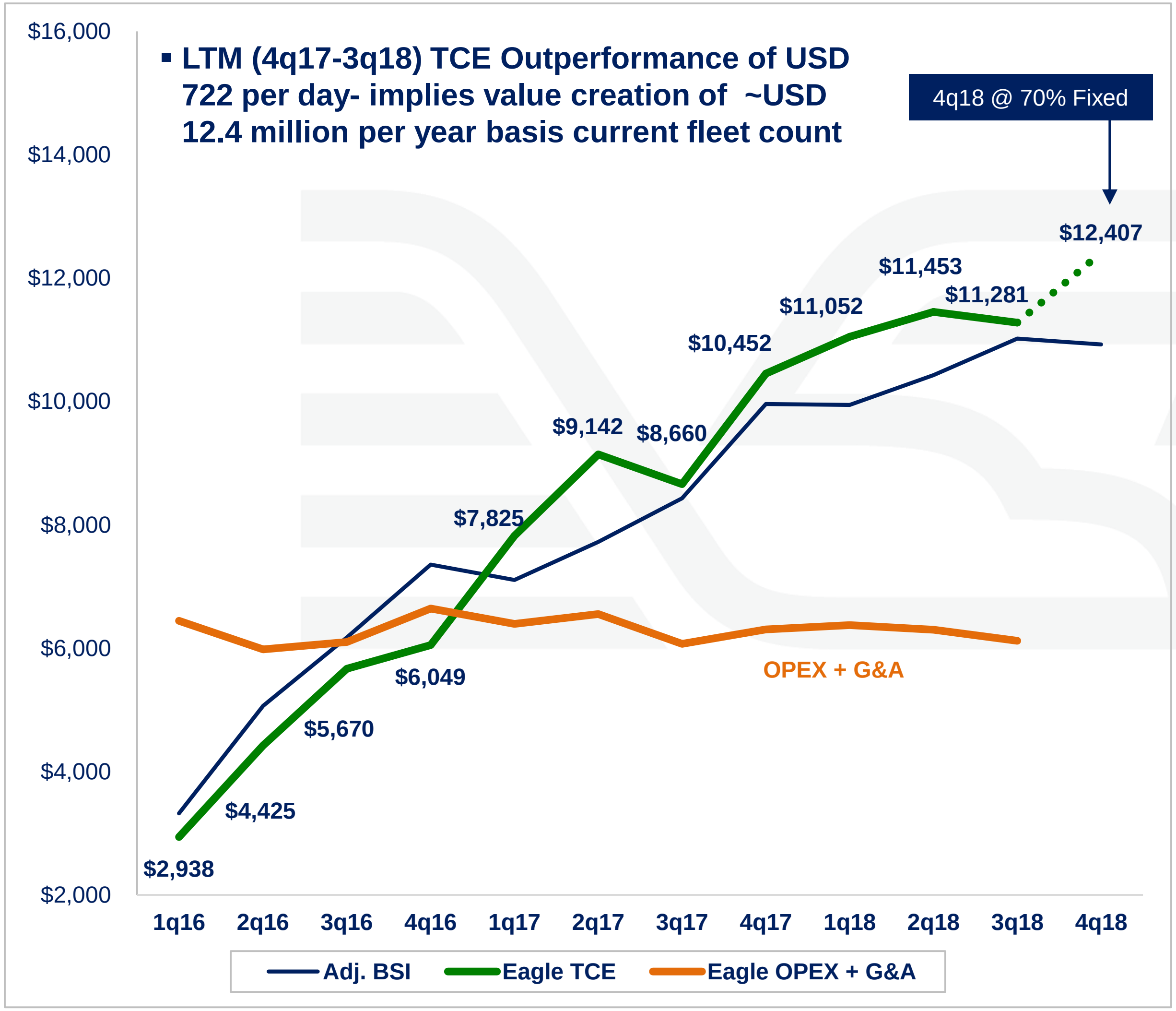
**Eagle's sophisticated in-house commercial platform has a proven track record**



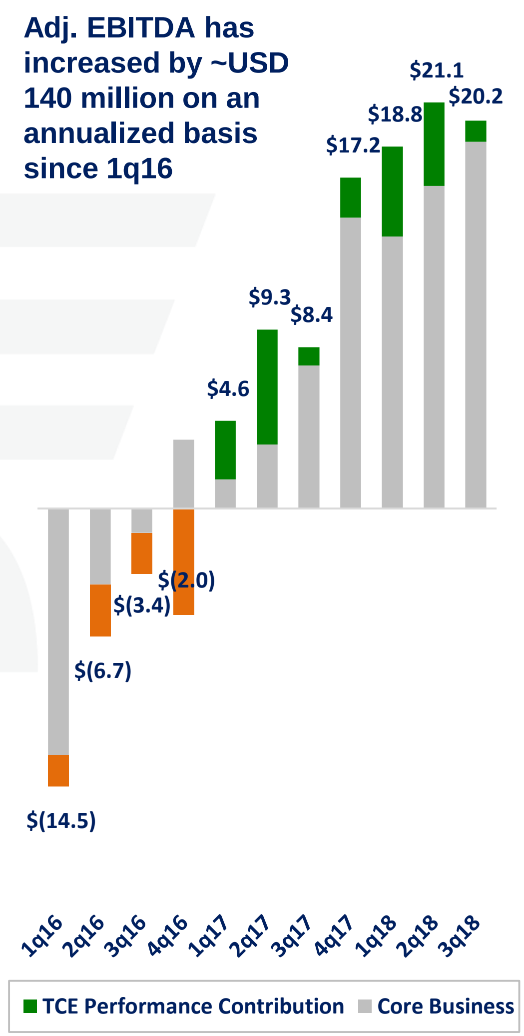

- Please see the appendix for further descriptions of Eagle's commercial strategies

# TCE Outperformance Leading to Improved Results

## Eagle Revenue + Cost Performance




## Adj. EBITDA

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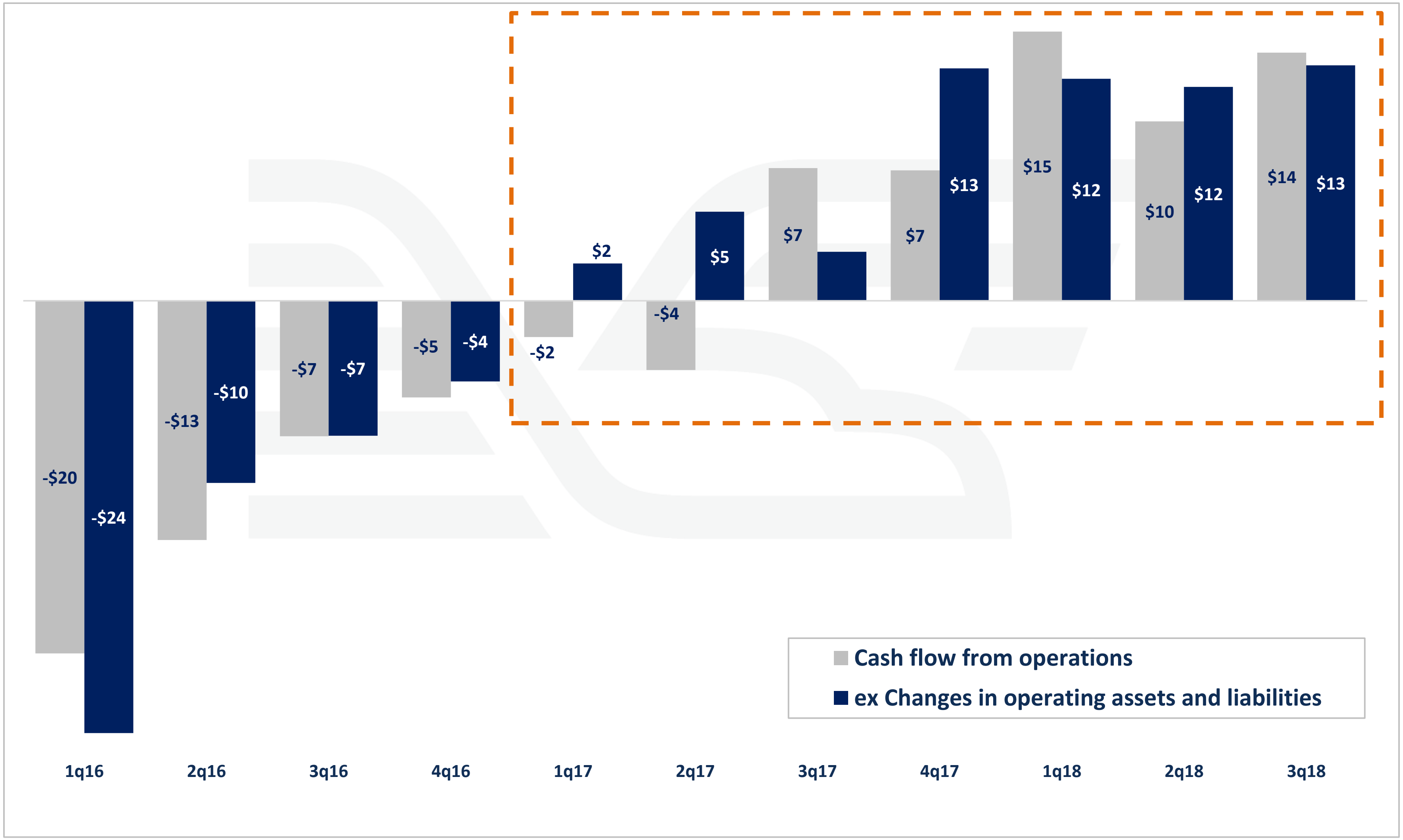
- TCE relative performance is benchmarked against the Adj. net BSI-52= gross BSI-52 net of commission, adjusted for owned-fleet profile
- 4q18 EGLE TCE as of November 2, 2018 + 4q18 Adj. BSI basis October 2018 actual and November-December FFA as of November 2, 2018
- G&A excludes stock-based compensation. Please refer to Appendix for a definition of Adjusted EBITDA

# Cash Flow

## Cash Flow from Operations (in millions)

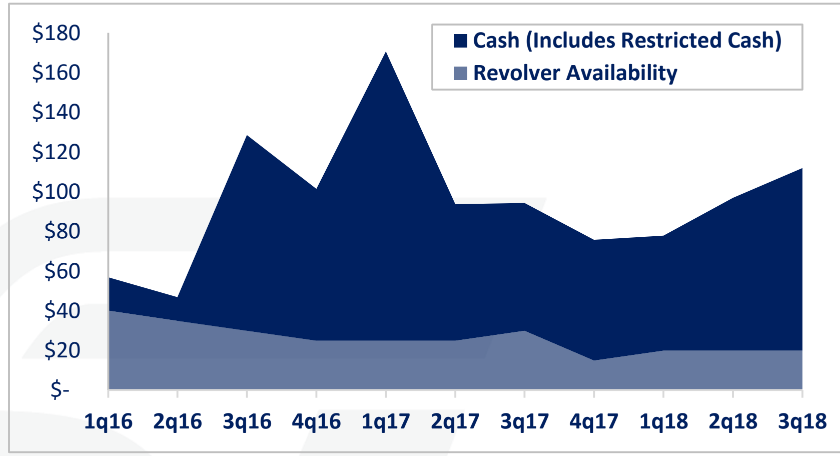


# Liquidity + Balance Sheet

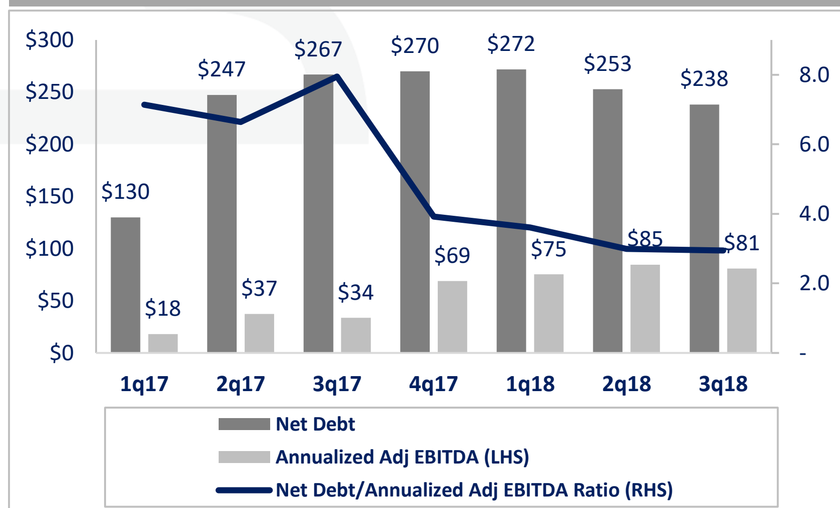
| **Liquidity Position** (September 30, 2018) | |
|---|---|
| Cash (including restricted cash) | 91,645 |
| Undrawn availability | 20,000 |
| **Total Liquidity** | **111,645** |

| **Balance Sheet** (September 30, 2018) | |
|---|---|
| Cash (including restricted cash) | 91,645 |
| Other Current Assets | 34,382 |
| Vessels, net | 678,145 |
| Other Assets | 22,323 |
| **Total Assets** | **826,494** |
| Accounts Payable | 8,909 |
| Current Liabilities | 20,635 |
| Debt (including $23.8M current)* | 322,275 |
| Other Noncurrent Liabilities | 2,202 |
| Total Liabilities | 354,021 |
| Stockholder's Equity | 472,473 |
| **Total Liabilities and Stockholder's Equity** | **826,494** |

## Liquidity Trend (in millions)




## Net Debt / Annualized Adj EBITDA (in millions)

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- Liquidity and Balance sheet figures are in thousands USD
- Debt is net of $7.5m of debt discount and deferred financing costs
- Please see the Definitions slide in the Appendix for an explanation of Adjusted EBITDA

# Financing Enhances Debt Profile + Funds CAPEX

- **On 22 January 2019, the Company received a loan commitment from a consortium of banks for a new five year senior credit facility (the "Facility") totaling USD 208 million, bearing an interest rate of LIBOR plus 2.50% and maturing in 2024**

- **The Facility will include a term loan equating to approximately USD 153 million and a revolving credit facility of USD 55 million**

- **Net Proceeds from the term loan will used to repay in full the existing debt of Eagle Bulk Ultraco LLC and Eagle Shipping LLC ("the Refinanced Debt")**

- **After taking into consideration the repayment of the Refinanced Debt, the Company expects to achieve approximately USD 65 million of incremental liquidity, which can be used for general corporate purposes, including capital expenditures relating to the installation of exhaust gas cleaning systems, or scrubbers**

# Scrubber Initiative

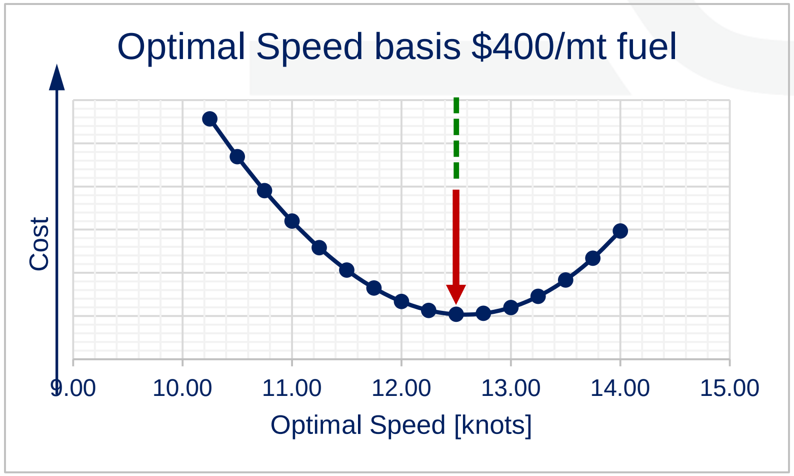
# 2020 Global Sulphur Limit

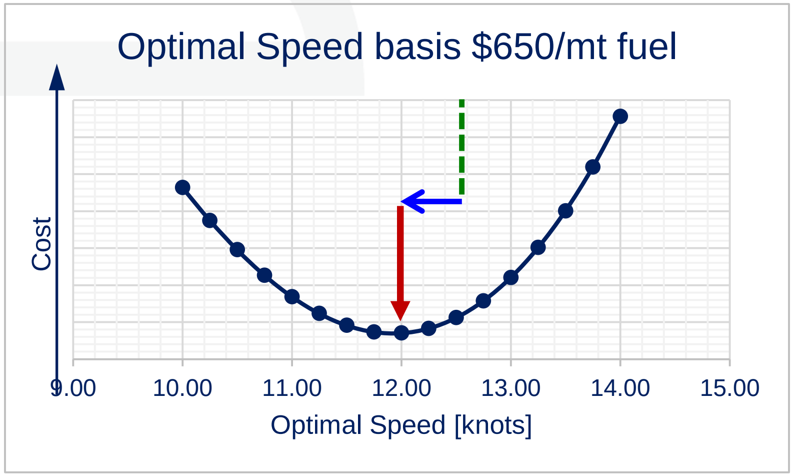
**IMO Regulation**

- Global limit for sulphur content of ships' fuel will decrease from 3.50% to 0.50%
- New limit will come into effect on 1 January 2020
- Ships can meet requirements by either using low-sulphur compliant fuel or installing exhaust cleaning systems ("scrubbers")
- High sulfur fuel carriage ban for ships without scrubbers will enter force March 1, 2020 – providing a robust enforcement mechanism for IMO 2020 compliance

**Implications on shipping**

- Higher fuel costs encourage slow steaming to reduce fuel consumption
- Slow steaming effectively reduces supply thereby improving global fleet utilization leading to higher rates
- Scrapping may increase for vessels that are older and less fuel-efficient

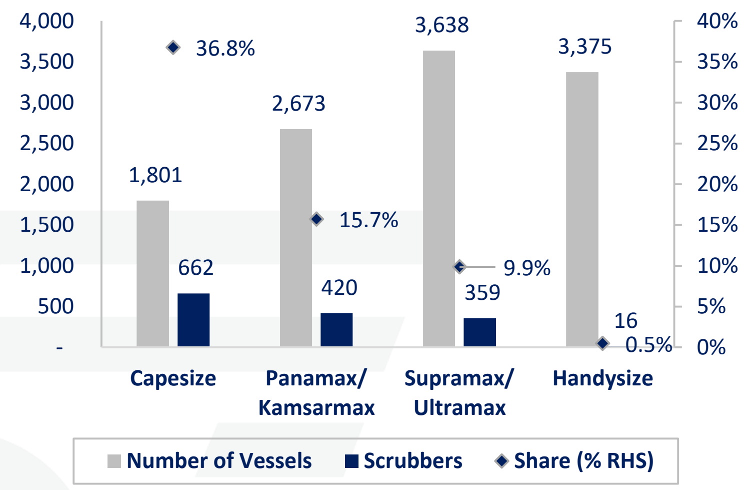


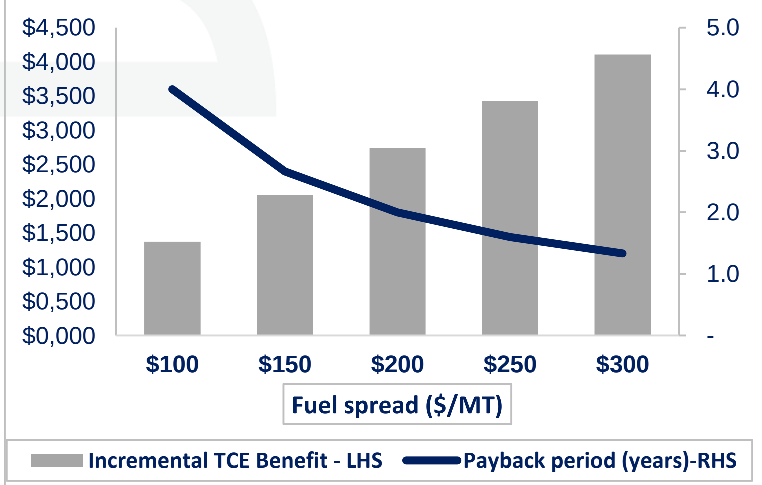
# Eagle Scrubber Initiative

- 37 scrubbers ordered- installations scheduled to take place through January 2020
- Quality scrubber manufacturers are essentially booked for 2019 into 2020- special materials and Class approval lead times are growing rapidly
- Every USD 100 change in the fuel spread equates to ~USD 1,370 daily TCE benefit for a Supramax/Ultramax vessel equipped with a scrubber
- In a USD 200 fuel spread environment:
  - Each Supramax/Ultramax retrofitted with a scrubber should generate approximately USD 1 million in incremental cash flow per year
  - Eagle could potentially generate up to USD 37 million in total incremental cash flow per year
  - Assuming a USD 2 million investment, payback period is ~2 years

## Forecast Scrubber Uptake




## Scrubber TCE Benefit

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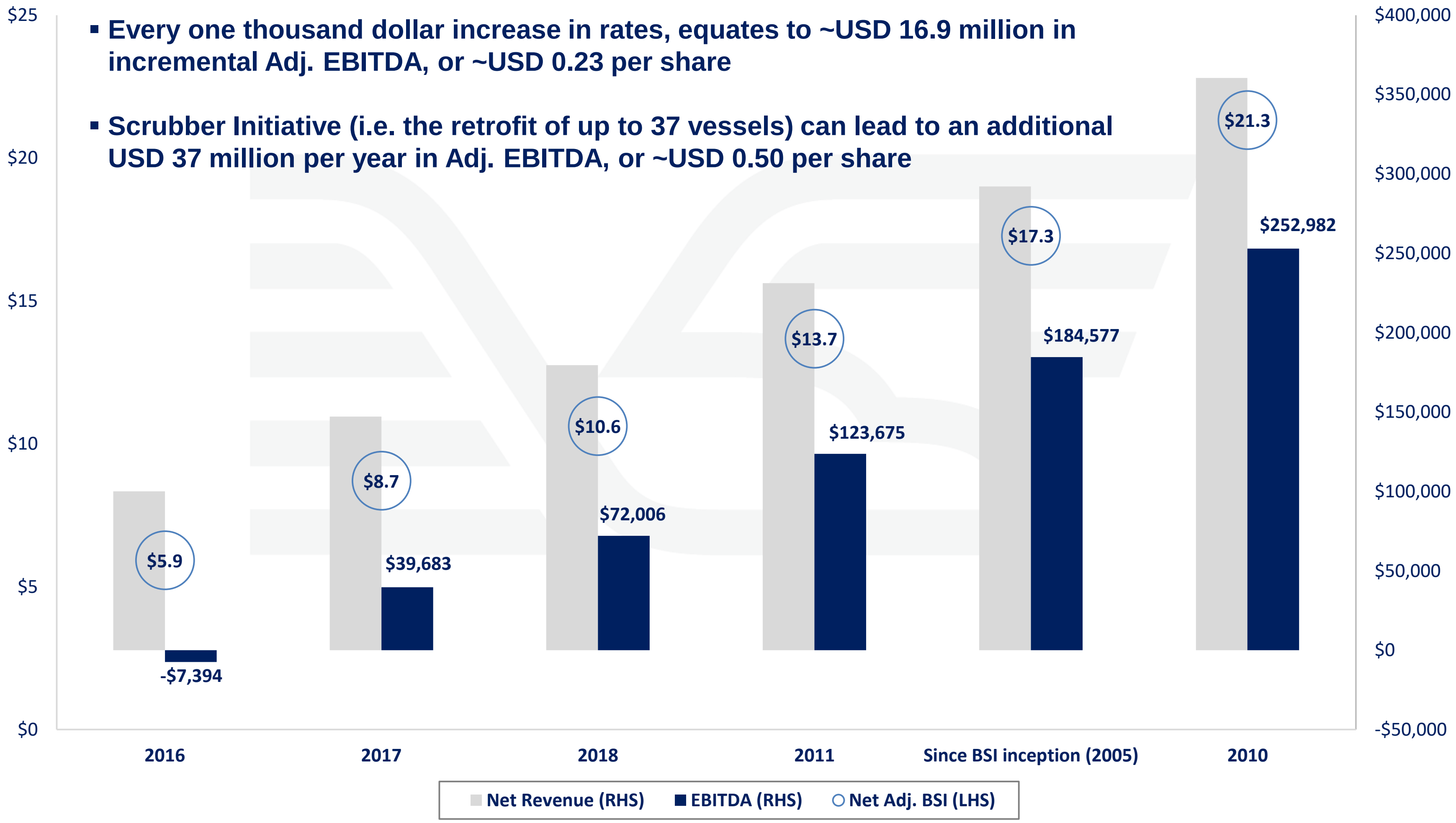
- Scrubber uptake source: DNB Markets – Nov 2018
- TCE benefit calculation assumes 200 sailing days per ship annually for Supramax/Ultramax and daily consumption of 25 MT/day

# Summary

# Significant Operational Leverage

## Net Revenue + Adj. EBITDA Generation in Different Rate Environments

- **Every one thousand dollar increase in rates, equates to ~USD 16.9 million in incremental Adj. EBITDA, or ~USD 0.23 per share**
- **Scrubber Initiative (i.e. the retrofit of up to 37 vessels) can lead to an additional USD 37 million per year in Adj. EBITDA, or ~USD 0.50 per share**




**For Illustrative Purposes Only**

- 2016/2017//2018/2011/2010 basis BSI for period. 'Since BSI Inception (2005)' is basis average for 2005-2018, net of commission/offhire and adj. for Eagle's fleet profile in terms of design
- No platform premium is assumed for Net Revenue. Adj. EBITDA is calculated basis Eagle's 9m18 actual OPEX and G&A per vessel per day.
- Scrubber Adj. EBITDA estimate basis installations on 37 ships and assumes 200 sailing days per ship per year, consumption of 25 MT per ship per day and fuel spread of USD 200 per MT

# Uniquely Positioned to Capitalize on Market

| | |
|---|---|
| **Vessel Segment:** | **SUPRAMAX / ULTRAMAX** |
| **Business Model:** | **OWNER-OPERATOR + INHOUSE MGMT.** |
| **Operating Scale:** | **46 SHIPS OWNED + TC-IN FLEET** |
| **Balance Sheet:** | **WELL-CAPITALIZED** |
| **Corporate Governance:** | **INDEPENDENT BOARD*** |
| **Management Team:** | **PROVEN TRACK RECORD** |

**Superior performance and results**

- *Except for CEO

www.eagleships.com

# APPENDIX

# Experienced and Seasoned Leadership Team

## Senior Management

**Gary Vogel** | Chief Executive Officer
- 30+ years experience in drybulk | former CEO of Clipper Group | Managing Director of Van Ommeren Bulk Shipping

**Frank De Costanzo** | Chief Financial Officer
- 31+ years experience in finance/banking | former CFO at Catalyst Paper | Global Treasurer at Kinross Gold

**Bo Westergaard Jensen** | Chief Commercial Officer
- 26+ years experience in drybulk | former Co-head of Chartering at Clipper Group | Chartering and Operations at J. Lauritzen

**Archie Morgan** | VP, Head of Technical Management
- 30+ years experience in ship management / former Global Technical Manager at Tidewater / Operations at Alliance Marine Services / Fleet Manager at American Ship Mgmt. / Chief Engineer at Denholm Ship Mgmt.

**Michael Mitchell** | General Counsel
- 28+ years experience in shipping/law | former General Counsel at The American Club | Partner at Holland & Knight | Head of Operations at Principal Maritime

**Costa Tsoutsoplides, CFA** | Director of Strategy + BD
- 16+ years experience in shipping/finance/banking | former VP at Citigroup (Foreign Exchange and High Yield)

## Board of Directors

**Paul M. Leand, Jr.** | Chairman
- Chief Executive Officer of AMA Capital Partners | Director of Seadrill | Director of Frontline 2012 | Director of Golar LNG

**Randee Day** | Director
- 30+ years experience in shipping | President and CEO of Day & Partners | Director of International Seaways | former CEO of DHT Maritime | former Division Head of JP Morgan's Shipping Group

**Justin A. Knowles** | Director
- Founder of Dean Marine Advisers Ltd. | former finance at Bank of Scotland

**Bart Veldhuizen** | Director
- 25+ years experience in shipping/banking | former Member of the Board of Managing Directors at DVB | MD & Head of Shipping at Lloyds Banking Group

**Gary Weston** | Director
- Former Chairman and CEO of C Transport Maritime S.A.M (CTM) | former CEO of Clarksons PLC | former CEO of Carras

**Gary Vogel** | Chief Executive Officer | Director

# Best-in Class Corporate Governance

**Eagle is ranked #1 out of 56 listed companies in Wells Fargo's Shipping Corporate Governance Scorecard and is the only drybulk company listed within the top 10**

**WF Corporate Governance Scorecard**
Volume V- 2018 (May 2018)

## Top Ten Ranked Companies:

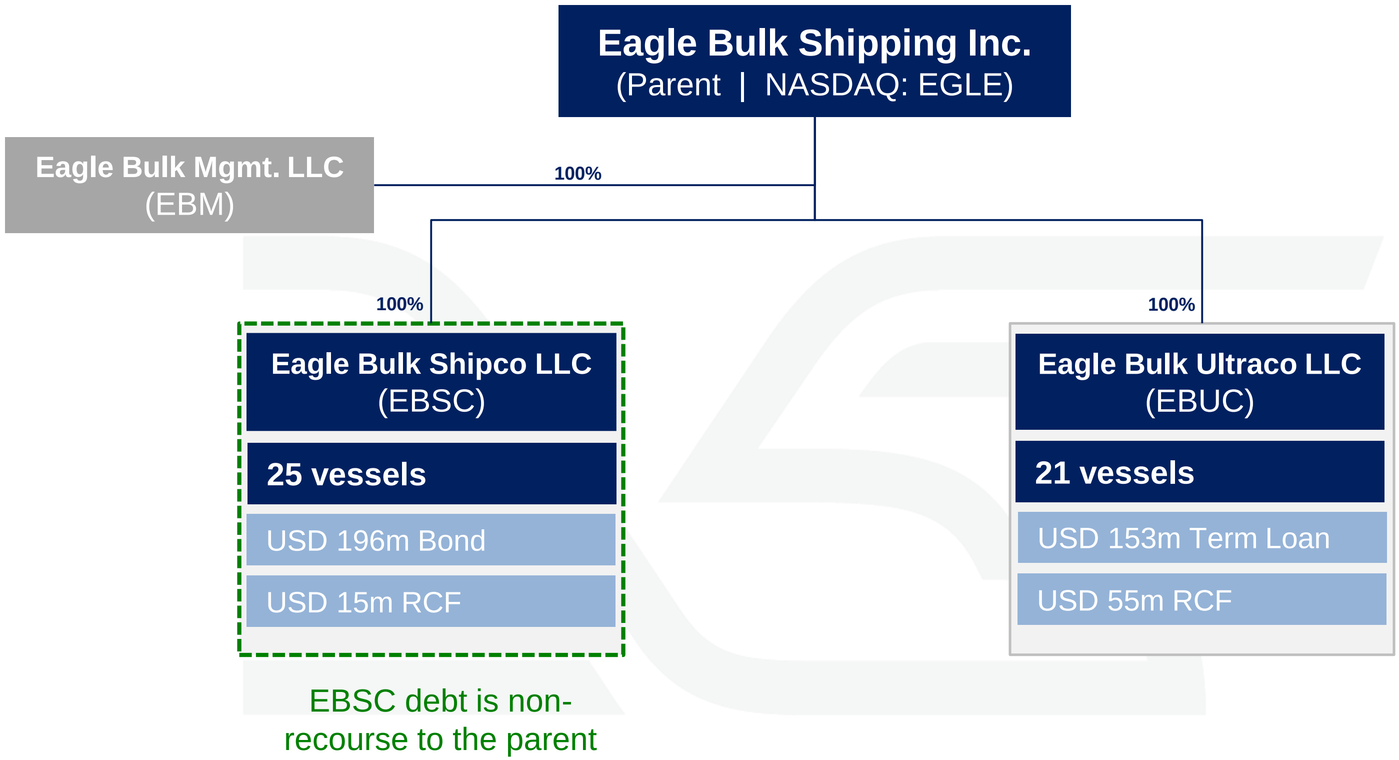
1. Eagle Bulk
2. International Seaways
3. OSG
4. Triton
5. Matson
6. Navigator
7. Avance Gas
8. Euronav
9. Gaslog
10. DHT

**WF Scorecard Governance Criteria**
(eight categories total)

1. **Related Party Commercial Management**
   Eagle performs all commercial management in-house and has NO related party transactions
2. **Related Party Technical Management**
   Eagle performs all technical management in-house and has NO related party transactions
3. **Related Party Sale & Purchase Fees**
   Eagle utilizes third-party brokers in S&P transactions and pays NO related party fees
4. **Related Party Other Transactions**
   Eagle has NO related party transactions
5. **Board Independence**
   Eagle Board is comprised of 5 independent Directors (including Chairman) plus CEO
6. **Board Composition**
   Eagle Board has separate committees for Audi, Governance, and Compensation
7. **Board Policy**
   Eagle does have any shareholder disenfranchisement tools; such as Poison Pill or Classified Board
8. **Subjective**

- Rankings as per the Wells Fargo Shipping Corporate Governance Scorecard Volume V- 2018 (May 2018)

# Corporate Structure




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

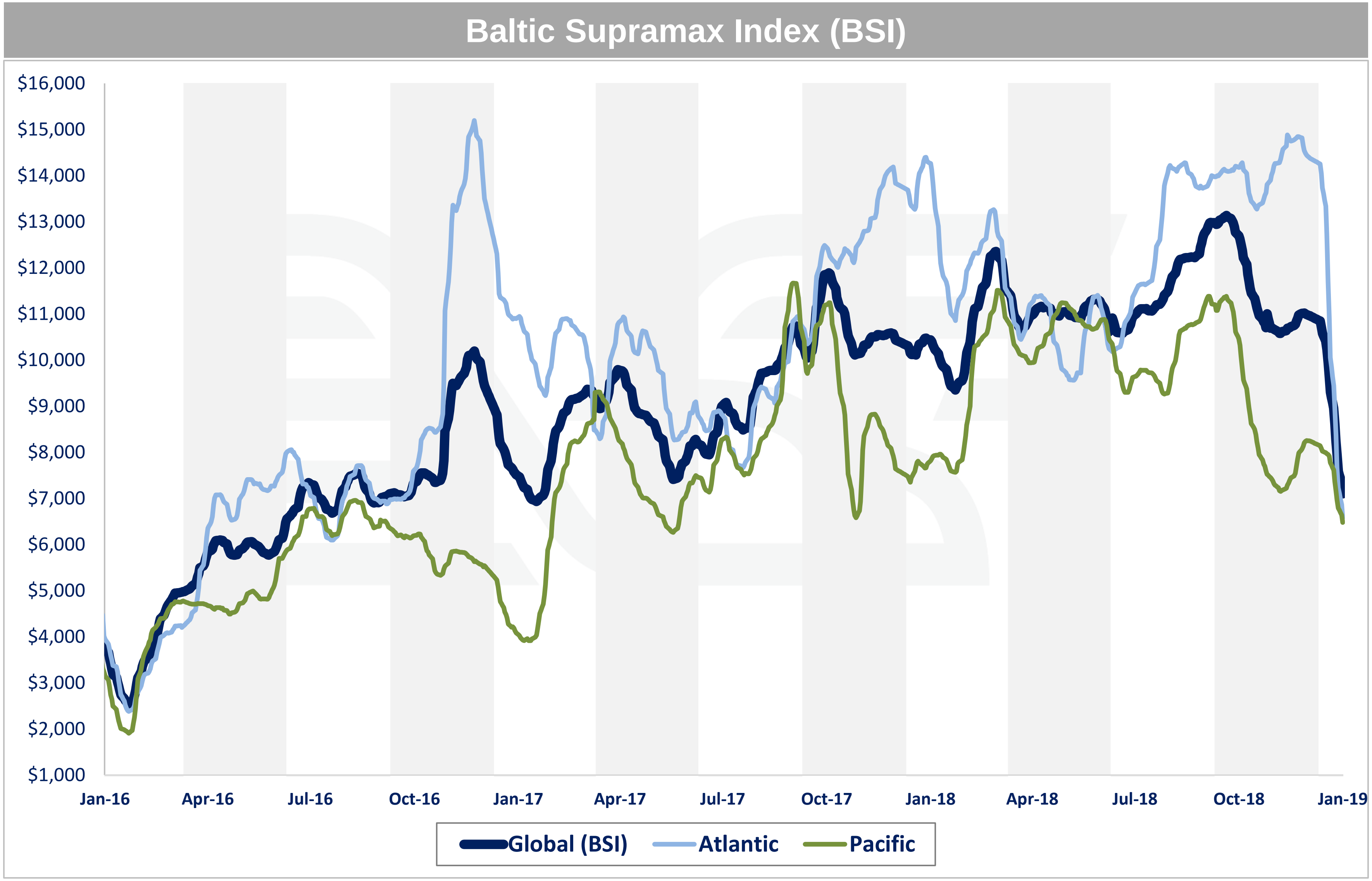
- As of January 2019

# Owned Fleet

| Consolidated Fleet: | 46 Vessels | | 2668.6 DWT | 8.6 Age | |
|---|---|---|---|---|---|
| **EBSC** | | | **EBUC** | | |
| **Vessel** | **DWT** | **Age** | **Vessel** | **DWT** | **Age** |
| **1** Singapore Eagle | 63.4 | 2.0 | **1** New London Eagle | 63.1 | 3.4 |
| **2** Stamford Eagle | 61.5 | 2.9 | **2** Cape Town Eagle | 63.7 | 3.7 |
| **3** Sandpiper Bulker | 57.8 | 7.2 | **3** Westport Eagle | 63.3 | 4.0 |
| **4** Roadrunner Bulker | 57.8 | 7.4 | **4** Hamburg Eagle | 63.4 | 4.6 |
| **5** Puffin Bulker | 57.8 | 7.4 | **5** Madison Eagle | 63.3 | 5.2 |
| **6** Petrel Bulker | 57.8 | 7.5 | **6** Greenwich Eagle | 63.3 | 5.3 |
| **7** Owl | 57.8 | 7.5 | **7** Groton Eagle | 63.3 | 5.5 |
| **8** Oriole | 57.8 | 7.6 | **8** Fairfield Eagle | 63.3 | 5.5 |
| **9** Thrasher | 53.4 | 9.0 | **9** Southport Eagle | 63.3 | 5.6 |
| **10** Egret Bulker | 57.8 | 9.0 | **10** Rowayton Eagle | 63.3 | 5.8 |
| **11** Crane | 57.8 | 9.0 | **11** Mystic Eagle | 63.3 | 5.9 |
| **12** Canary | 57.8 | 9.1 | **12** Stonington Eagle | 63.3 | 6.7 |
| **13** Bittern | 57.8 | 9.2 | **13** Nighthawk | 57.8 | 7.9 |
| **14** Stellar Eagle | 56.0 | 9.8 | **14** Martin | 57.8 | 8.4 |
| **15** Crested Eagle | 56.0 | 9.9 | **15** Kingfisher | 57.8 | 8.5 |
| **16** Crowned Eagle | 55.9 | 10.2 | **16** Jay | 57.8 | 8.5 |
| **17** Jaeger | 52.2 | 14.2 | **17** Ibis Bulker | 57.8 | 8.6 |
| **18** Cardinal | 55.4 | 14.5 | **18** Grebe Bulker | 57.8 | 8.7 |
| **19** Kestrel I | 50.3 | 14.6 | **19** Gannet Bulker | 57.8 | 8.7 |
| **20** Skua | 53.4 | 15.7 | **20** Imperial Eagle | 56.0 | 8.9 |
| **21** Shrike | 53.3 | 15.8 | **21** Golden Eagle | 56.0 | 9.0 |
| **22** Tern | 50.2 | 16.0 | | | |
| **23** Osprey I | 50.2 | 16.5 | | | |
| **24** Goldeneye | 52.4 | 17.0 | | | |
| **25** Hawk I | 50.3 | 18.0 | | | |
| **25 Vessels** | **1,392.0** | **10.4** | **21 Vessels** | **1,276.6** | **6.5** |

- Fleet count as of January 2019

# BSI: Atlantic vs. Pacific Performance




- Source(s): Clarksons
- Atlantic market calculated based on BSI routes S4A and S4B. Pacific market calculated based on routes S2, S8, and S10.

# 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-52 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) | | | |
|---|---|---|---|---|---|---|
| | | | JAPANESE | | CHINESE | |
| | FROM | TO | FROM | TO | FROM | TO |
| BSI-52 | 52,000 | | 100.0% | | | |
| 1 | 50,000 | 55,000 | 94.0% | 100.0% | 85.0% | 90.0% |
| 2 | 55,000 | 60,000 | 98.0% | 107.0% | 92.0% | 100.0% |
| 3 | 60,000 | 65,000 | 112.0% | 120.0% | 112.0% | 116.0% |

**Matrix depicts the estimated TCE Earnings Performance range for a generic Supramax/Ultramax vessel type as compared to the BSI-52 ship**

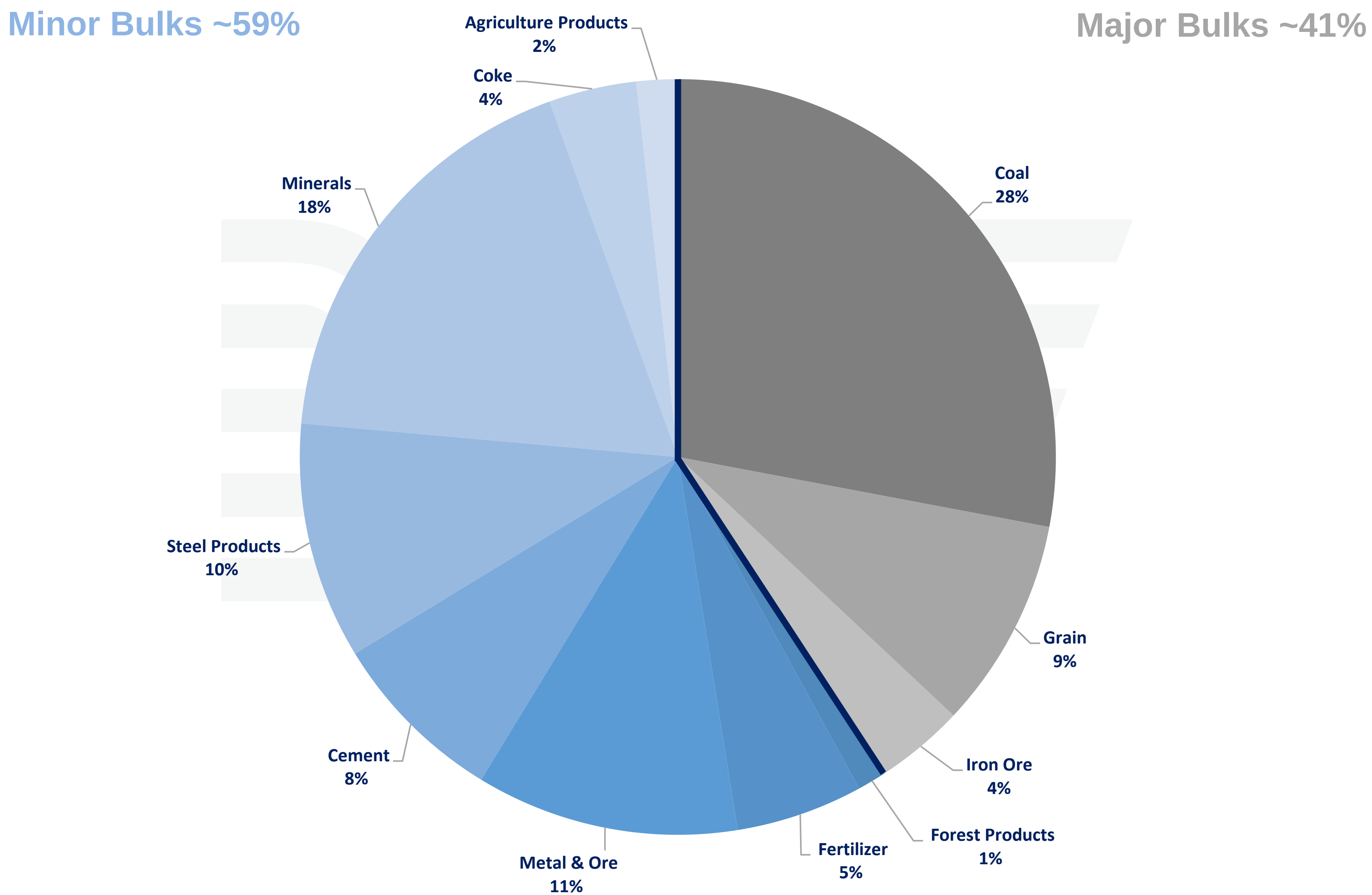
The BSI-52 is based on the 52k DWT Japanese TESS-52 design Supramax and is gross of commissions

A Chinese 60-65k DWT Ultramax should earn a premium of 12-16% to the net BSI-52, 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

# Eagle Cargo Mix – 3q18




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

# TCE Reconciliation

| $ Thousands except TCE and days | 1q16 | 2q16 | 3q16 | 4q16 | 1q17 | 2q17 | 3q17 | 4q17 | 1q18 | 2q18 | 3q18 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Revenues, net** | 21,278 | 25,590 | 35,788 | 41,836 | 45,855 | 53,631 | 62,711 | 74,587 | 79,371 | 74,939 | 69,093 |
| **Less:** | | | | | | | | | | | |
| Voyage expenses | (9,244) | (7,450) | (11,208) | (14,192) | (13,353) | (13,380) | (17,463) | (18,155) | (22,515) | (17,205) | (15,126) |
| Charter hire expenses | (1,489) | (1,668) | (3,822) | (5,866) | (3,873) | (6,446) | (9,652) | (11,312) | (10,268) | (10,108) | (7,460) |
| Reversal of one legacy time charters | 1,045 | 793 | 670 | 432 | (302) | 584 | 329 | 426 | (86) | (404) | 497 |
| Realized gain/loss on FFAs and bunker swaps | | - | (449) | (113) | - | 83 | 248 | (349) | 117 | 345 | 284 |
| TCE revenue | 11,590 | 17,265 | 20,979 | 22,097 | 28,326 | 34,473 | 36,173 | 45,197 | 46,619 | 47,567 | 47,288 |
| | | | | | | | | | | | |
| **Owned available days *** | 3,945 | 3,902 | 3,700 | 3,653 | 3,620 | 3,771 | 4,177 | 4,324 | 4,218 | 4,153 | 4,192 |
| **TCE** | **$ 2,938** | **$ 4,425** | **$ 5,670** | **$ 6,049** | **$ 7,825** | **$ 9,142** | **$ 8,660** | **$ 10,452** | **$ 11,052** | **$ 11,453** | **$ 11,281** |

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

# Earnings

| $ Thousands except EPS | 3q18 | 2q18 | 3q17 | 3q18YTD | 3q17YTD |
|---|---|---|---|---|---|
| **REVENUES, net of commissions** | 69,093 | 74,939 | 62,711 | 223,402 | 162,197 |
| **EXPENSES** | | | | | |
| Voyage expenses | 15,126 | 17,205 | 17,463 | 54,846 | 44,196 |
| Charter hire expenses | 7,460 | 10,108 | 9,652 | 27,836 | 19,971 |
| Vessel expenses | 19,569 | 20,577 | 20,110 | 61,225 | 57,374 |
| Depreciation and amortization | 9,460 | 9,272 | 8,981 | 28,009 | 24,494 |
| General and administrative expenses | 8,883 | 8,896 | 8,621 | 27,692 | 24,990 |
| Gain on sale of vessels | (236) | (105) | (202) | (341) | (2,100) |
| Total operating expenses | 60,262 | 65,953 | 64,625 | 199,267 | 168,925 |
| **OPERATING INCOME / (LOSS)** | **8,831** | **8,986** | **(1,914)** | **24,135** | **(6,728)** |
| **OTHER EXPENSES** | | | | | |
| Interest expense, net | 6,445 | 6,275 | 7,694 | 18,886 | 20,622 |
| (Gain)/Loss on derivatives | (199) | (740) | 647 | (839) | (139) |
| Total other expense, net | 6,246 | 5,535 | 8,341 | 18,047 | 20,483 |
| **Net Income / (Loss)** | **2,585** | **3,451** | **(10,255)** | **6,088** | **(27,211)** |
| **EPS (Basic)** | **$ 0.04** | **$ 0.05** | **$ (0.15)** | **$ 0.09** | **$ (0.40)** |
| | | | | | |
| **Adjusted EBITDA** | **20,184** | **21,132** | **8,397** | **60,151** | **22,257** |

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

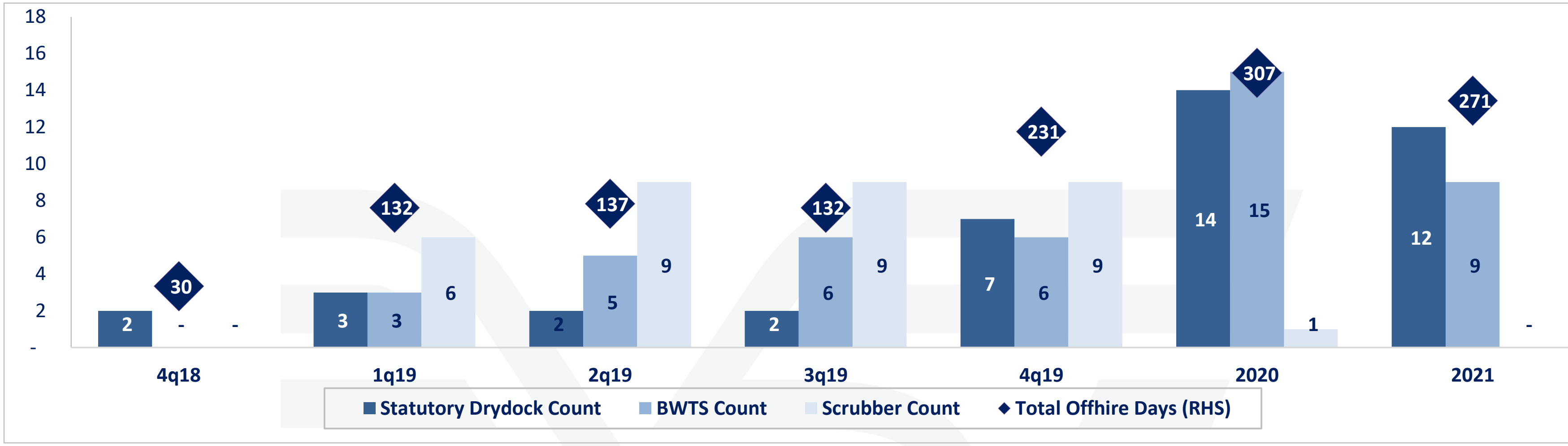
# EBITDA Reconciliation

| $ Thousands | 3q18 | 2q18 | 3q17 | 3q18YTD | 3q17YTD |
|---|---|---|---|---|---|
| **Net Income / (Loss)** | 2,585 | 3,451 | (10,255) | 6,088 | (27,212) |
| Adjustments to reconcile: | | | | | |
| Interest expense | 6,574 | 6,387 | 7,837 | 19,222 | 21,140 |
| Interest income | (129) | (112) | (143) | (337) | (518) |
| EBIT | 9,030 | 9,726 | (2,561) | 24,973 | (6,590) |
| Depreciation and amortization | 9,460 | 9,272 | 8,981 | 28,009 | 24,494 |
| **EBITDA** | **18,490** | **18,998** | **6,420** | **52,982** | **17,904** |
| Adjustments to reconcile: | | | | | |
| One-time and non-cash adjustments* | 1,694 | 2,134 | 1,977 | 7,169 | 4,353 |
| **Adjusted EBITDA** | **20,184** | **21,132** | **8,397** | **60,151** | **22,257** |

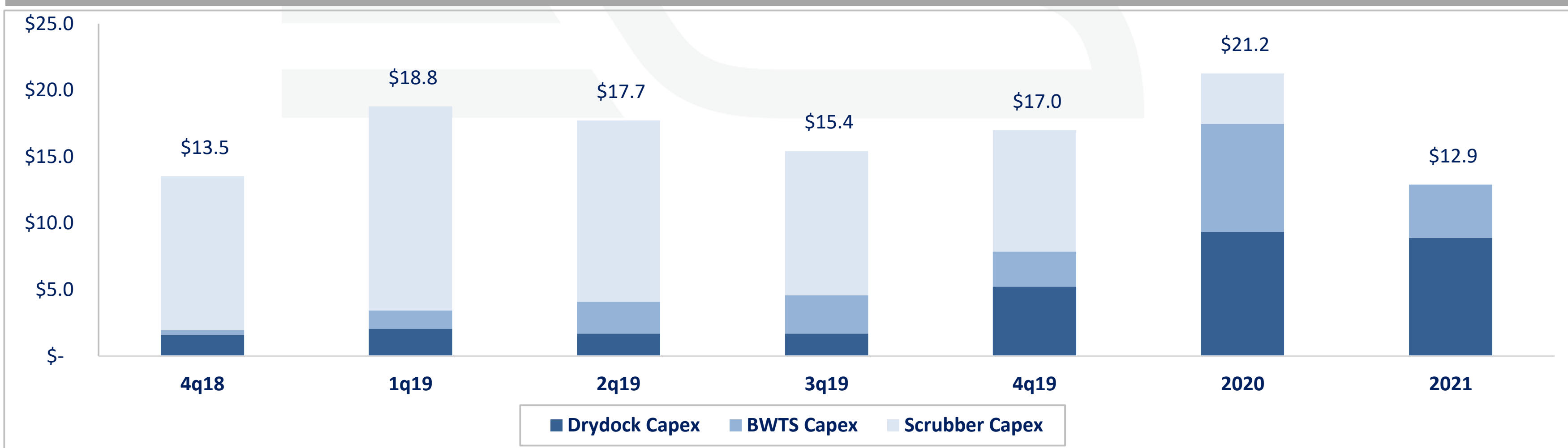
- Please see the Definitions slide in the Appendix for an explanation of Adjusted EBITDA

# CAPEX Schedule

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




## Estimated Capital Expenditure




- Actual timing and duration of off-hire days will vary based on the condition of the vessel, yard schedules and other factors
- Actual costs (and will vary based on various factors, including where the drydockings are actually performed
- Schedule as of November 2018

# Eagle Commercial Strategies

## 1. Timecharter-out

The most basic method of employing a vessel, Timecharter-out involves leasing out a ship for an agreed period of time at a set USD per day rate. The shipowner-operator essentially hands over commercial management to the charterer who performs the voyage(s). The length of timecharters can range from as short as one voyage (approximately 20-40 days) to multiple years.

## 2. Voyage Chartering

This involves the employment of a vessel to carry cargo from one port to another based on a USD per ton rate. In contrast to a Timecharter-out strategy, in a Voyage Charter, the shipowner-operator maintains control of the commercial operation and is responsible for managing the voyage, including vessel scheduling and routing, and for any related costs such as fuel, port expenses, etc. Having the ability to control and manage the voyage, the shipowner-operator is able to generate increased margin through operational efficiencies, business intelligence and scale. Additionally, contracting to carry cargoes on voyage terms often gives the shipowner-operator the ability to utilize a wide range of vessels to perform the contract (as long as the vessel meets the contractual parameters), thereby giving significant operational flexibility to the fleet. Vessels used to perform this type of business may include not only ships owned by the company, but also third-party ships which can be timechartered-in on an opportunistic basis (the inverse of a Timecharter-out Strategy).

## 3. Vessel + Cargo Arbitrage

With this strategy, the shipowner-operator contracts to carry a cargo on voyage terms (as described in Voyage Chartering) with a specific ship earmarked to cover the commitment. As the date of cargo loading approaches, the shipowner-operator may elect to substitute a different vessel to perform the voyage, while securing alternate employment for the ship that was initially earmarked for the voyage. Taken as a whole, this strategy can generate increased revenues, on a risk-adjusted basis, as compared to the initial cargo commitment.

# Eagle Commercial Strategies

**4. Timecharter-in**

This strategy involves leasing a vessel from a third-party shipowner at a set USD per day rate. As referenced above, vessels can be timechartered-in to cover existing cargo commitments, or to effect Vessel+Cargo Arbitrage. These ships may be chartered-in for periods longer than required for the initial cargo or can be chartered-in opportunistically in order to benefit from rate dislocations and risk-managed exposure to the market overall.

**5. Hedging (FFAs)**

Forward Freight Agreements ("FFAs") are cleared financial instruments, which can be used to hedge market rate exposure by locking in a fixed rate against the eventual forward market. FFAs are an important tool to manage market risk associated with the time chartering-in of third party vessels. FFAs can also be used to lock in revenue streams on owned vessels or against forward cargo commitments the company may have entered into.

**6. Asymmetric Optionality**

This is a blended strategy approach that uses a combination of timecharters, cargo commitments, and FFAs in order to hedge market exposure, while maintaining upside optionality to positive market volatility. For example, in a scenario where a ship may be timechartered-in for one year with an option for an additional year, Eagle, dependent on market conditions, could sell an FFA for the firm 1-year period commitment (essentially eliminating exposure to the market), while maintaining full upside on rate developments for the optional year.

# 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 not indicative of the ongoing performance of its core operations.

**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 not 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.

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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