

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): March 5, 2021

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))

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

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. ☐

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On March 5, 2021, 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 December 31, 2020. 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 March 5, 2021, 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 March 5, 2021

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: March 5, 2021

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



providing optimized global transportation
of drybulk commodities



Earnings Presentation
Fourth Quarter 2020
5 March 2021

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.

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 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 purchase price of our vessels and our vessels' estimated useful lives and scrap value, general and administrative expenses, and financing costs related to our indebtedness. The accuracy of the Company's assumptions, expectations, beliefs and projections depends on events or conditions that change over time and are thus susceptible to change based on actual experience, new developments and known and unknown risks. The Company gives no assurance that the forward-looking statements will prove to be correct and does not undertake any duty to update them. 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 drybulk 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 drybulk vessel newbuilding orders or lower than anticipated rates of drybulk vessel scrapping; (iii) changes in rules and regulations applicable to the drybulk industry, including, without limitation, legislation adopted by international bodies or organizations such as the International Maritime Organization and the European Union (the "EU") or by individual countries; (iv) actions taken by regulatory authorities including without limitation the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"); (v) changes in trading patterns significantly impacting overall drybulk tonnage requirements; (vi) changes in the typical seasonal variations in drybulk 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 dry docking costs); (x) significant deterioration in charter hire rates from current levels or the inability of the Company to achieve its cost-cutting measures; (xi) the duration and impact of the novel coronavirus ("COVID-19") pandemic; (xii) the relative cost and availability of low and high sulfur fuel oil; (xiii) our ability to realize the economic benefits or recover the cost of the scrubbers we have installed; and (xiv) any legal proceedings which we may be involved from time to time; and other factors listed from time to time in our filings with the Securities and Exchange Commission (the "Commission").

We have based these statements on assumptions and analyses formed by applying our experience and perception of historical trends, current conditions, expected future developments and other factors we believe are appropriate in the circumstances. The Company's future results may be impacted by adverse economic conditions, such as inflation, deflation, or lack of liquidity in the capital markets, that may negatively affect it or parties with whom it does business. Should one or more of the foregoing risks or uncertainties materialize in a way that negatively impacts the Company, or should the Company's underlying assumptions prove incorrect, the Company's actual results may vary materially from those anticipated in its forward-looking statements, and its business, financial condition and results of operations could be materially and adversely affected.



Agenda

1 Highlights

2 Financial Summary

3 Industry Review

* Appendix



Highlights

Executing on Growth

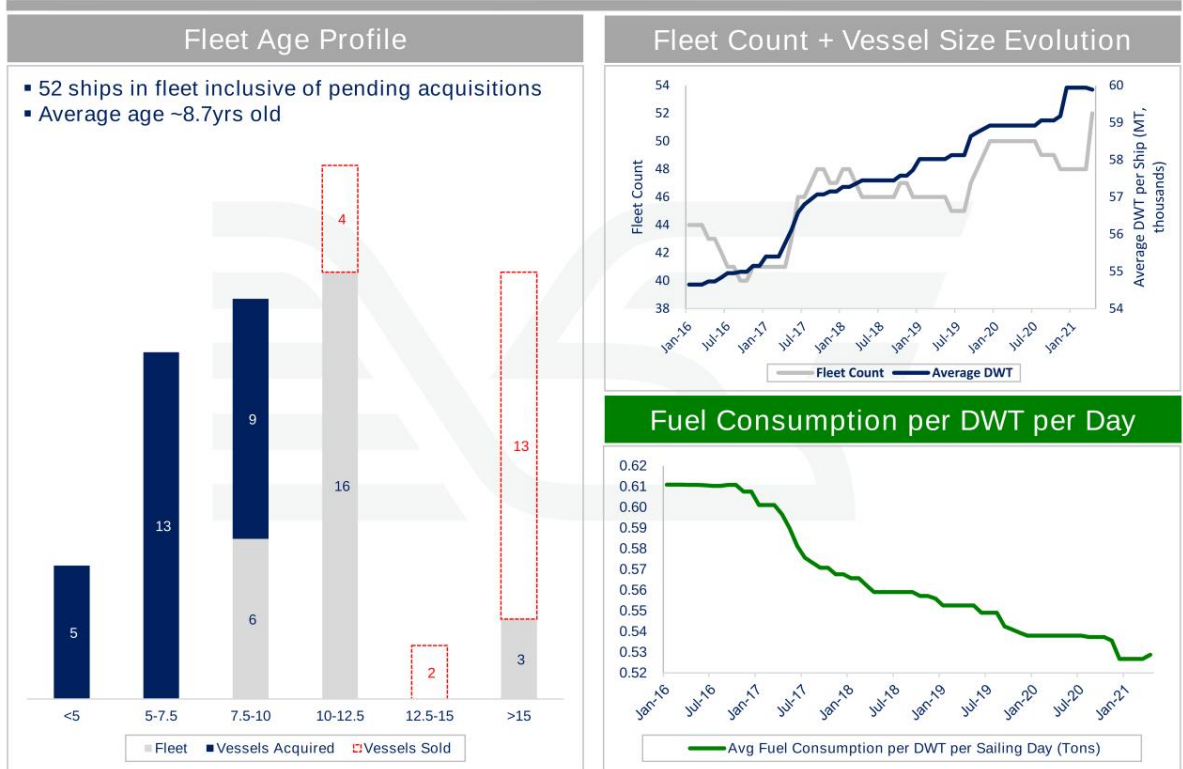
- Raised USD 25 million* in new equity at USD 18.10 per share (December 2020)
- Acquired seven vessels for ~USD 86.3 million in cash + 541,898 in shares

	Vessel	Type	Built	Yard	Scrubber	Purchase Price		Delivery
						Cash	Shares	
1	Oslo Eagle	Ultramax	2015	Chengxi	Yes	\$16.0m		Jan 21
2	Helsinki Eagle	Ultramax	2015	Chengxi	Yes	\$16.5m		Feb 21
3	Stockholm Eagle	Ultramax	2016	Chengxi	Yes	\$17.65m		Mar 21
4	Rotterdam Eagle	Ultramax	2017	Chengxi	Yes	\$15.00m	212,315	2q21
5	Sankaty Eagle	Supramax	2011	Dayang		\$7.05m	109,861	Mar 21
6	Montauk Eagle	Supramax	2011	Dayang		\$7.05m	109,861	2q21
7	Newport Eagle	Supramax	2011	Dayang		\$7.05m	109,861	2q21



▪ USD 25 million gross, net proceeds received of USD 23.5 million, after offering fees

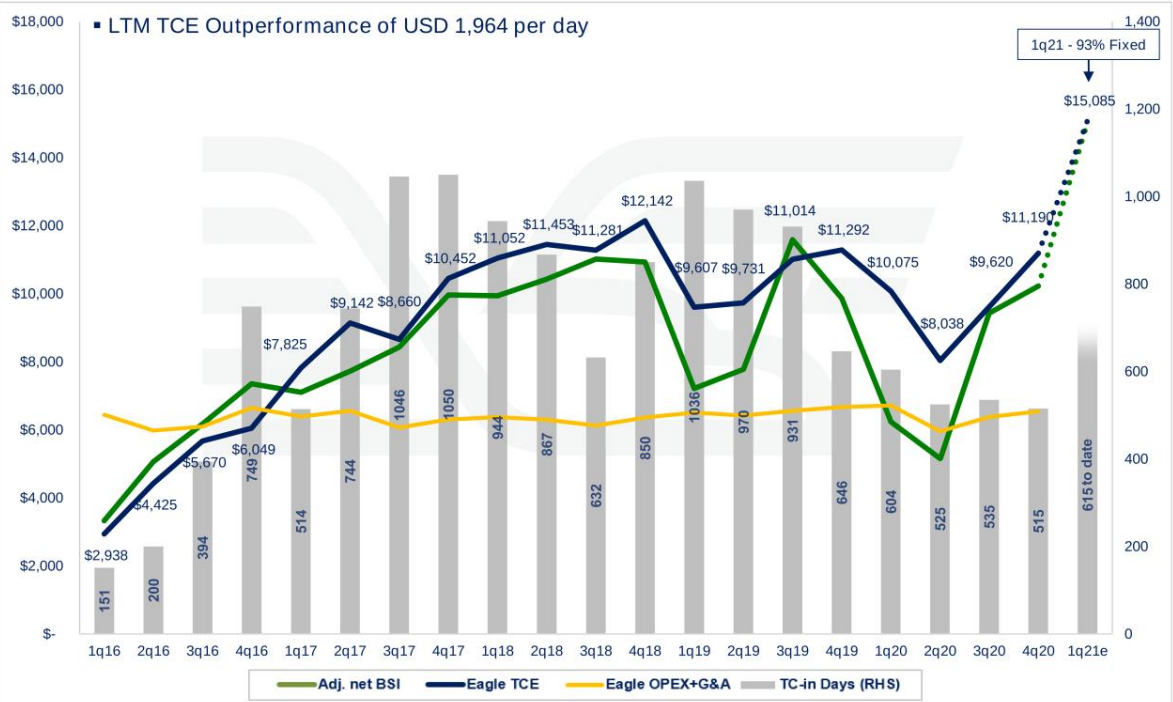
Significantly Improving Fleet Makeup



- Eagle fleet count as of March 5, 2021, including all pending acquisitions as shown on slide 5
- Fleet Age Profile chart depicts current age of sold vessels. Fleet renewal/growth commenced in April 2016

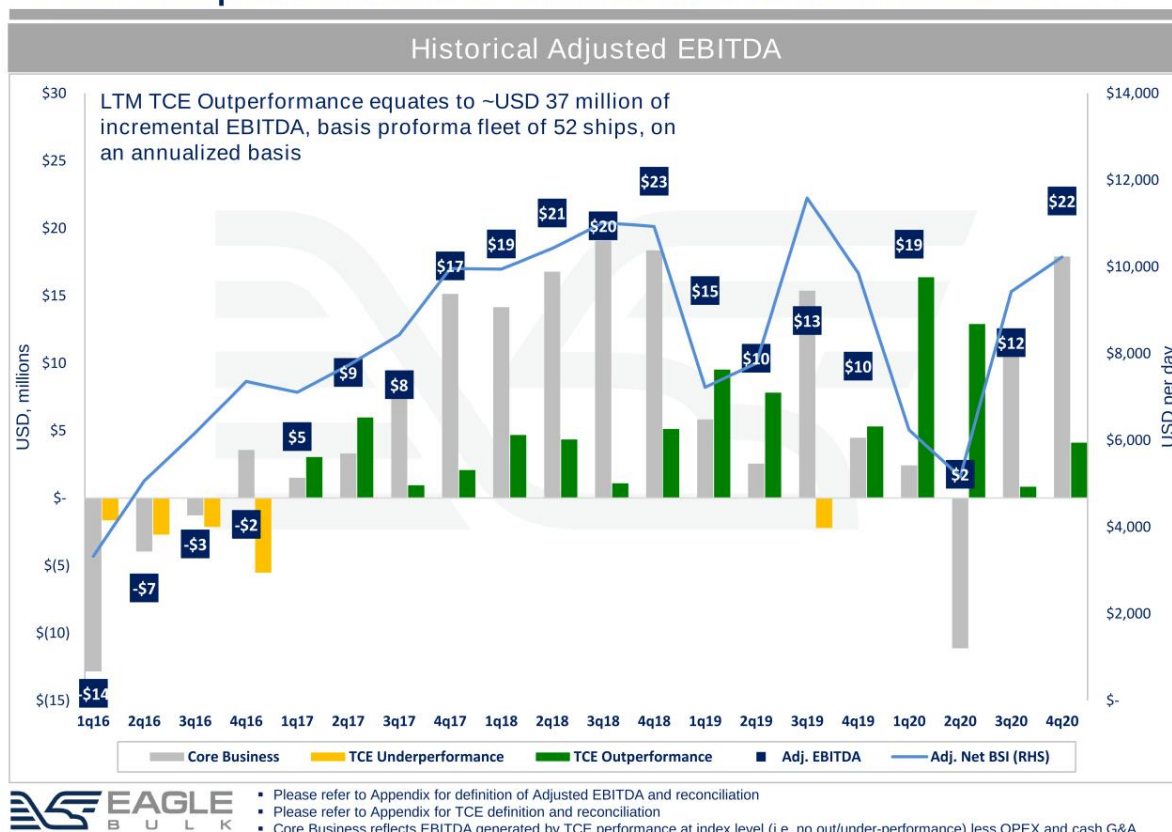
Consistently Outperforming the Market

Eagle Revenue + Cost Performance



1q21 EGLE TCE and TC-in days fixed to date as of Mar 4, 2021. 1q21 BSI includes Jan-Feb actual and Mar FFA curve as of Mar 2. TCE relative performance is benchmarked against Adj. net BSI = gross BSI net of commission, adjusted for owned-fleet specification, ex-scrubber. Outperformance from Q1 2020 onward is inclusive of both commercial performance and scrubber benefit. BSI-52 index used up through 4q18, and BSI-58 index used as from 1q19. G&A excludes stock-based compensation. Please refer to Appendix for full TCE definition and reconciliation

TCE Outperformance Drives Incremental EBITDA





Financial Summary

Income Statement

USD in Thousands except EPS	4q20	3q20	4q19	FY 2020	FY 2019
Revenues, net of commissions	\$ 75,181	\$ 68,182	\$ 71,486	\$ 275,134	\$ 292,378
Operating expenses					
Voyage expenses	19,589	19,628	21,442	89,549	87,701
Charter hire expenses	5,459	5,061	8,152	21,280	42,169
Vessel expenses	20,847	21,749	22,336	86,528	82,342
Depreciation and amortization	12,570	12,618	11,322	50,157	40,546
General and administrative expenses	8,809	7,996	10,140	31,532	35,042
Other operating expense	-	-	1,125	-	1,125
Loss/(gain) on sale of vessels	101	389	66	490	(5,979)
Lease impairment	-	-	-	352	-
Total operating expenses	67,373	67,440	74,582	279,889	282,945
Operating income / (loss)	7,808	743	(3,096)	(4,755)	9,433
Other expenses					
Interest expense, net - cash	6,872	7,322	7,047	28,863	24,926
Interest expense - debt discount & deferred financing costs ¹	1,617	1,609	1,519	6,272	3,784
Loss/(gain) on derivatives	(796)	2,971	(490)	(4,827)	150
Loss on debt extinguishment	-	-	-	-	2,268
Total other expenses, net	7,693	11,902	8,076	30,308	31,128
Net income / (loss)	\$ 115	\$ (11,159)	\$ (11,171)	\$ (35,063)	\$ (21,695)
Weighted average shares outstanding (Basic) ²	10,415	10,280	10,211	10,310	10,195
EPS (Basic) ²	\$ 0.01	\$ (1.09)	\$ (1.09)	\$ (3.40)	\$ (2.13)
Adjusted EBITDA ³	\$ 22,022	\$ 11,519	\$ 9,780	\$ 54,120	\$ 48,675



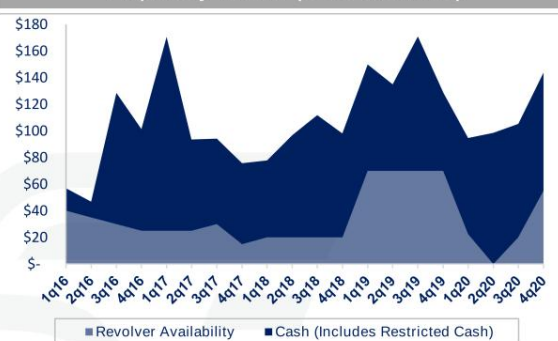
1 – Includes non-cash interest expense related to the amortization of the equity component of the convertible bond of \$1.0 million for 4q20, \$1.0 million for 3q20, \$0.9 million for 4q19, \$3.9 million for FY 2020, and \$1.5 million for FY 2019.
2 – Weighted average shares outstanding and EPS adjusted to give effect for the 1 for 7 reverse stock split that became effective on September 15, 2020
3 – Please see the Definitions slide in the Appendix for an explanation of Adjusted EBITDA

Balance Sheet + Liquidity

Balance Sheet (USD thousands) - Dec 31, 2020

Cash ¹	88,849
Accounts receivable	13,843
Inventory	11,625
Other current assets	4,023
Vessels, net	810,714
Right of use assets - lease	7,541
Other assets	30,532
Total assets	967,127
Accounts payable	10,590
Current liabilities	24,991
Debt (including \$39.2M current) ²	452,175
Fair value of derivatives - LT	651
Lease liability (\$7.6M current)	8,302
Total liabilities	496,709
Stockholder's equity	470,418
Total liabilities and stockholder's equity	967,127

Liquidity Trend (USD millions)



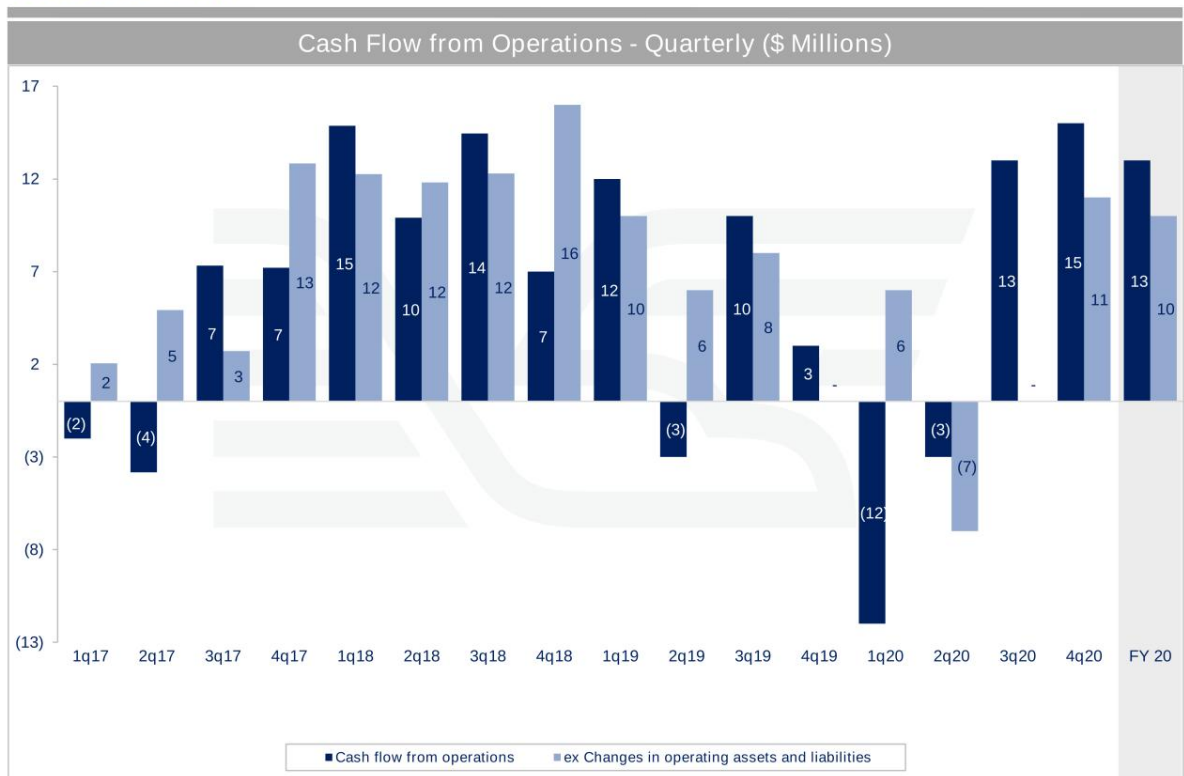
Liquidity Position (USD thousands)

Cash ¹	88,849
Revolver undrawn availability	55,000
Total liquidity	143,849



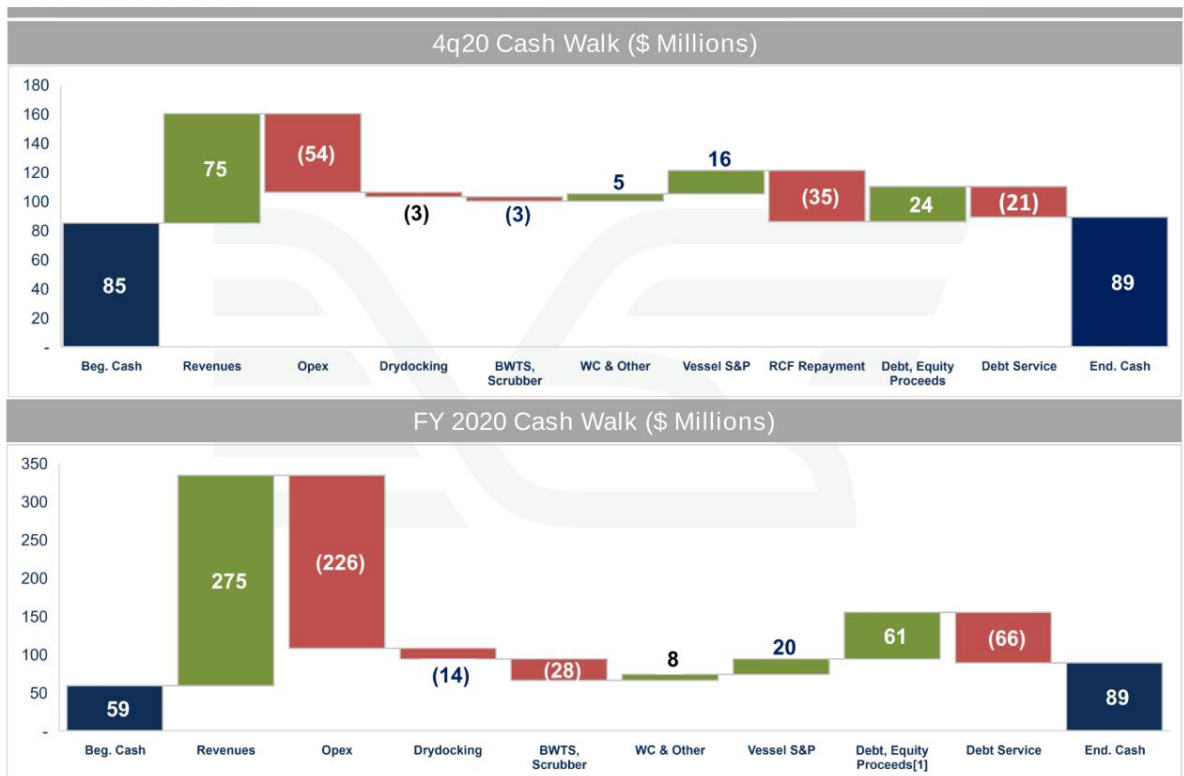
1 – Cash balance includes cash, cash equivalents and restricted cash.
 2 – Debt is net of \$23.4m of debt discount and deferred financing costs

Cash Flow



▪ Cash balances at beginning and end of period include 1) cash, 2) cash equivalents, and 3) restricted cash

Cash Walk

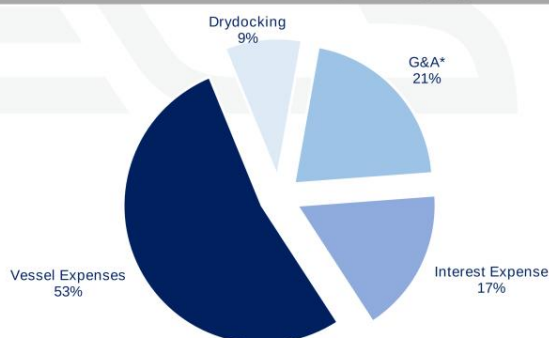


- Cash balances at beginning and end of period include 1) cash, 2) cash equivalents, and 3) restricted cash
- [1] Debt proceeds in YTD chart is net of RCF repayment in 3q20

Cash Breakeven per Vessel per Day

	FY 2020	4q20	3q20	FY 2019
Operating				
Vessel expenses	\$ 4,790	\$ 4,718	\$ 4,784	\$ 4,859
Drydocking	791	784	936	702
G&A*	1,561	1,824	1,596	1,681
Total operating	7,142	7,325	7,316	7,243
Debt Service				
Interest Expense	1,598	1,555	1,611	1,471
Debt Principal Repayment	2,033	2,673	1,718	1,366
Total Cash Breakeven	\$ 10,774	\$ 11,553	\$ 10,644	\$ 10,080

4q20 Cash Breakeven by Category

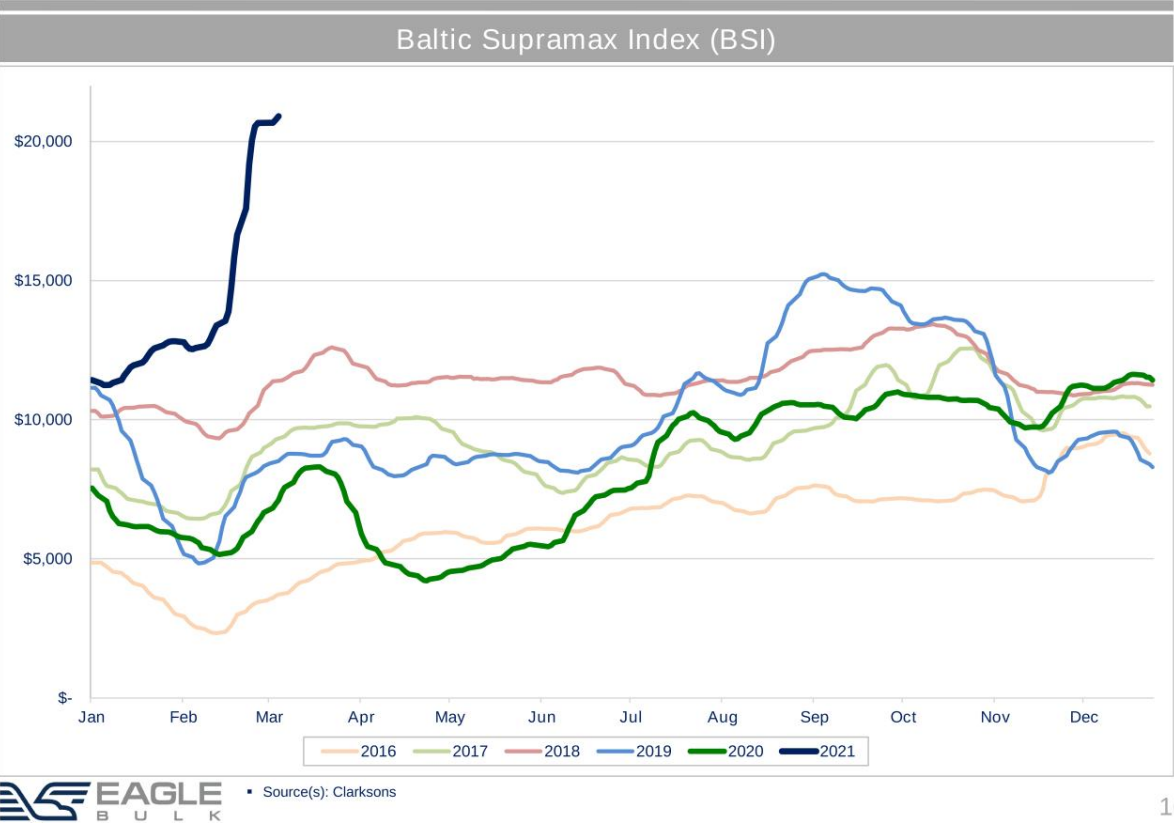


* G&A excludes stock-based compensation for all periods shown. G&A for FY 2020 and FY 2019 excludes certain non-recurring expenses.

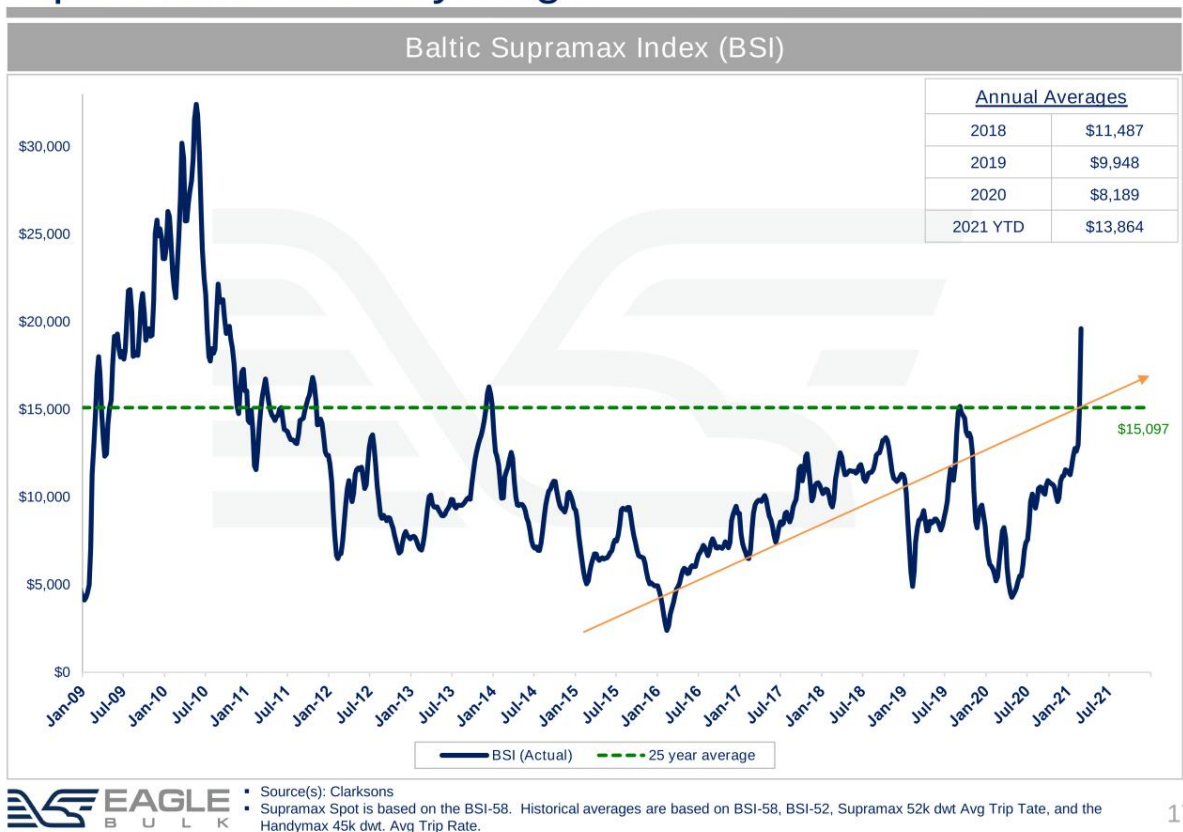


Industry Review

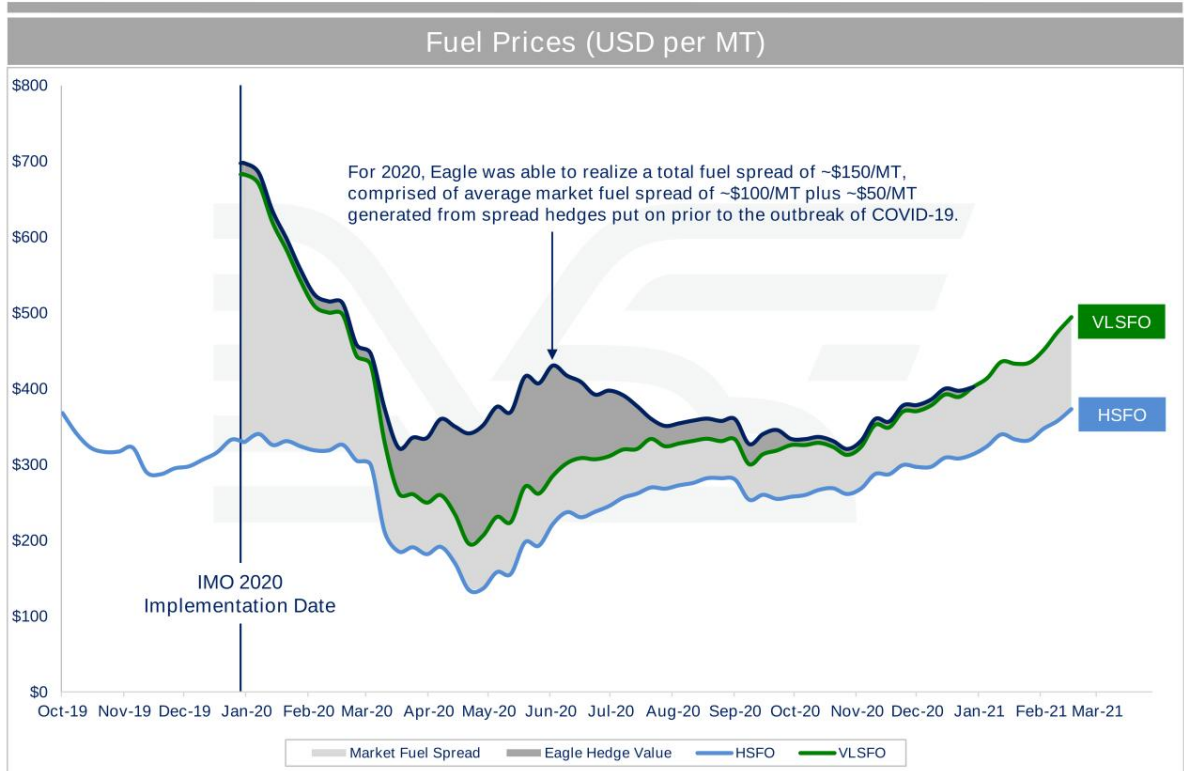
Market Off to a Strong Start



Spot Rates at a 10yr High

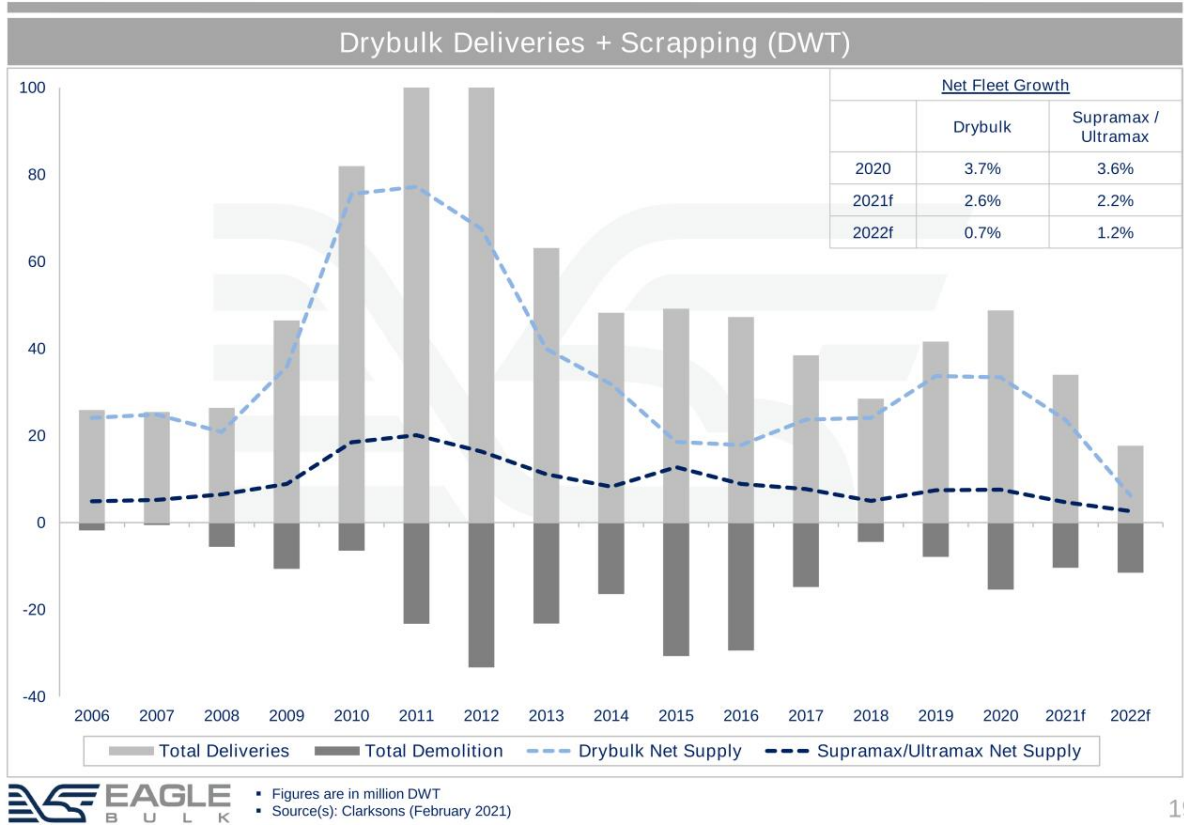


Spot Fuel Spread Currently Trading at ~\$120/MT

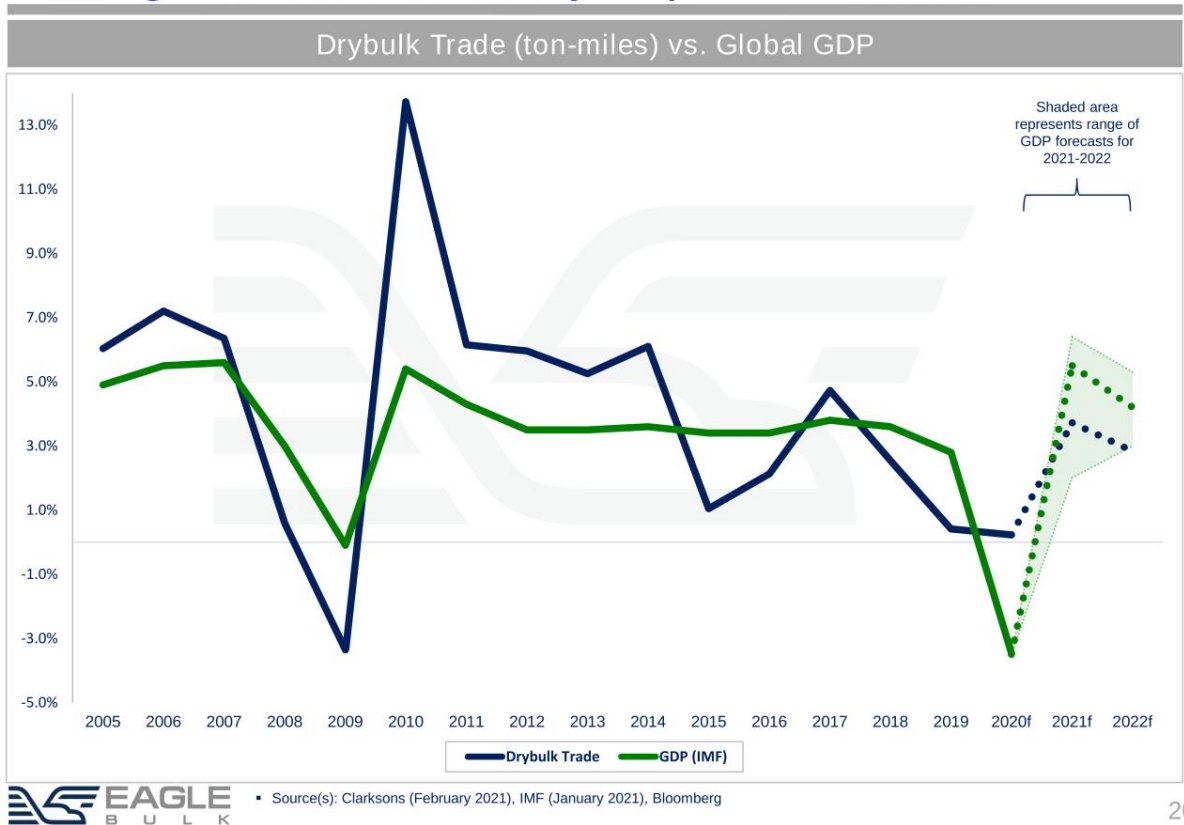


Source: Clarksons. VLSFO and HSFO average of historical prices at Fujairah, Houston, Rotterdam, and Singapore.

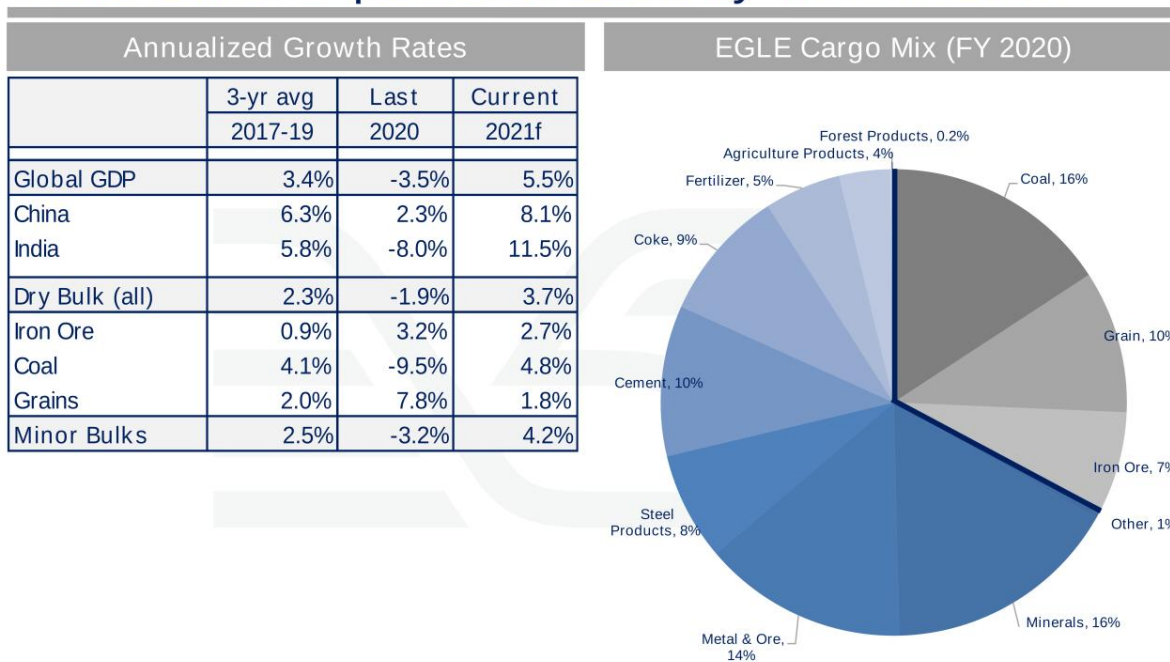
Supramax/Ultramax 2021f Net Fleet Growth ~2.2%



Strong Demand Recovery Expected in 2021



Minor Bulks Expected to Grow by 4.2% in 2021



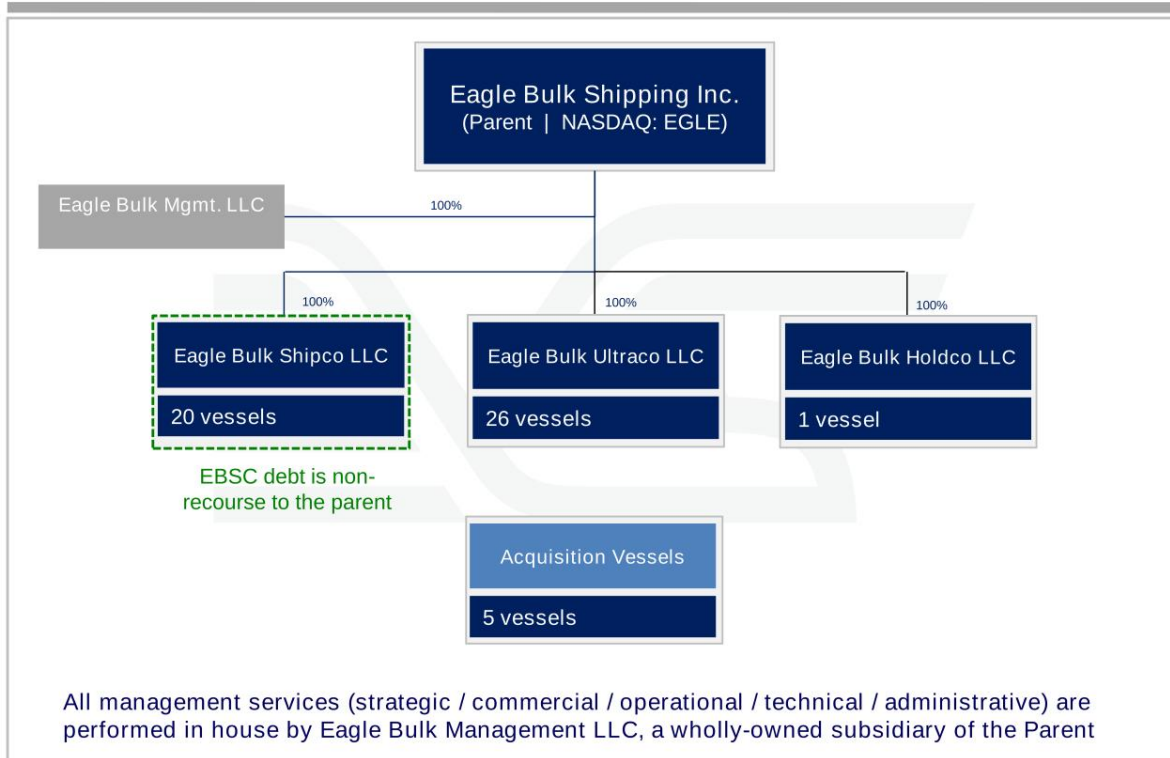
Eagle derives about 2/3 of cargo demand from minor bulk commodities



- Source(s): Clarksons (February 2021)
- Cargoes loaded during the 12 months ended December 31, 2020.
- Metal & Ore group includes: Manganese ore, scrap, copper concentrate, bauxite. Minerals group includes: Salt, gypsum, feldspar, limestone

APPENDIX

Corporate Structure



Eagle Debt Terms

PARENT	Eagle Bulk Shipping Inc.				
ISSUER/ BORROWER	Eagle Bulk Shipping Inc.	Eagle Bulk Shipco LLC		Eagle Bulk Ultraco LLC	
LOAN TYPE	Convertible Note	Bond	RCF	Term Loan	RCF
AMOUNT	USD 114m	USD 200m	USD 15m	USD 210m	USD 55m
OUTSTANDING	USD 114m	USD 180m	USD 15m	USD 166m	-
SECURITY	Senior Unsecured	Senior Secured	Super Senior Secured	Senior Secured	
RECOURSE	Parent Guarantee	Ringfenced and non-recourse to the Parent		Parent Guarantee	
COLLATERAL	N/A	20 vessels + restricted cash		26 vessels	
INTEREST RATE	5.0% fixed	8.25% fixed	L+200bps	L+250bps	
INTEREST RATE SWAPS IN PLACE	N/A	N/A	N/A	100% of Outstanding Amount at 58bps	N/A
MATURITY	2024	2022		2024	
AMORTIZATION	N/A	USD 8m/year	N/A	USD 31.2m/year	
CONVERSION	25,453 shares common stock per USD 1,000 principal (approx. share price of USD 39.29)	N/A		N/A	



- Debt amounts outstanding as of December 31, 2020.
- Eagle fleet count as of March 5, 2021. Acquired vessels not yet delivered to Eagle are not reflected in this slide. Please refer to the "Owned Fleet" slide in the appendix for further details.

Owned Fleet

52 Vessels				45 Scrubber-fitted				3114 DWT (MT, thousands)				8.7 yrs-old			
Eagle Bulk Shipco LLC				Eagle Bulk Ultraco LLC				Eagle Bulk Holdco LLC							
Vessel	Scrubber	Built	DWT	Vessel	Scrubber	Built	DWT	Vessel	Scrubber	Built	DWT				
1 Singapore Eagle	*	2017	63.4	1 Hong Kong Eagle	*	2016	63.5	1 Helsinki Eagle	*	2015	63.6				
2 Shanghai Eagle	*	2016	63.4	2 Santos Eagle	*	2015	63.5								
3 Oslo Eagle	*	2015	63.7	3 Copenhagen Eagle	*	2015	63.5								
4 Stamford Eagle	*	2016	61.5	4 Sydney Eagle	*	2015	63.5								
5 Sandpiper Bulker	*	2011	57.8	5 Dublin Eagle	*	2015	63.5								
6 Roadrunner Bulker	*	2011	57.8	6 New London Eagle	*	2015	63.1								
7 Puffin Bulker	*	2011	57.8	7 Cape Town Eagle	*	2015	63.7								
8 Petrel Bulker	*	2011	57.8	8 Westport Eagle	*	2015	63.3								
9 Owl	*	2011	57.8	9 Hamburg Eagle	*	2014	63.3								
10 Oriole	*	2011	57.8	10 Madison Eagle	*	2013	63.3								
11 Egret Bulker	*	2010	57.8	11 Greenwich Eagle	*	2013	63.3								
12 Crane	*	2010	57.8	12 Groton Eagle	*	2013	63.3								
13 Canary	*	2009	57.8	13 Fairfield Eagle	*	2013	63.3								
14 Bittern	*	2009	57.8	14 Southport Eagle	*	2013	63.3								
15 Stellar Eagle	*	2009	56.0	15 Rowayton Eagle	*	2013	63.3								
16 Crested Eagle	*	2009	56.0	16 Mystic Eagle	*	2013	63.3								
17 Crowned Eagle	*	2008	55.9	17 Stonington Eagle	*	2012	63.3								
18 Jaeger		2004	52.5	18 Nighthawk	*	2011	57.8								
19 Cardinal		2004	55.4	19 Martin	*	2010	57.8								
20 Tern		2003	50.2	20 Kingfisher	*	2010	57.8								
				21 Jay	*	2010	57.8								
				22 Ibis Bulker	*	2010	57.8								
				23 Grebe Bulker	*	2010	57.8								
				24 Gannet Bulker	*	2010	57.8								
				25 Imperial Eagle	*	2010	56.0								
				26 Golden Eagle	*	2010	56.0								
20 Vessels				26 Vessels				5 Vessels							
1,156				1,594				300							



▪ Eagle fleet count as of March 5, 2021, including all pending acquisitions as shown on slide 5

TCE Reconciliation

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

\$ Thousands except TCE and days	3q18	4q18	1q19	2q19	3q19	4q19	1q20	2q20	3q20	4q20
Revenues, net	\$ 69,093	\$ 86,692	\$ 77,390	\$ 69,391	\$ 74,110	\$ 71,486	\$ 74,378	\$ 57,392	\$ 68,182	\$ 75,181
Less:										
Voyage expenses	(15,126)	(24,721)	(25,906)	(20,907)	(19,446)	(21,442)	(26,564)	(23,768)	(19,628)	(19,589)
Charter hire expenses	(7,460)	(10,209)	(11,492)	(11,179)	(11,346)	(8,152)	(6,041)	(4,719)	(5,061)	(5,459)
Reversal of one legacy time charter	497	(226)	(414)	767	(120)	(270)	463	(42)	(88)	116
Realized gain/(loss) - Derivatives	284	(211)	(475)	861	(806)	294	756	7,164	(1,029)	(2,365)
TCE revenue	\$ 47,288	\$ 51,326	\$ 39,102	\$ 38,933	\$ 42,393	\$ 41,917	\$ 42,992	\$ 36,027	\$ 42,377	\$ 47,883
Owned available days *	4,192	4,227	4,070	4,001	3,849	3,712	4,267	4,482	4,405	4,279
TCE	\$ 11,281	\$ 12,142	\$ 9,607	\$ 9,731	\$ 11,014	\$ 11,292	\$ 10,075	\$ 8,038	\$ 9,620	\$ 11,190



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

EBITDA Reconciliation

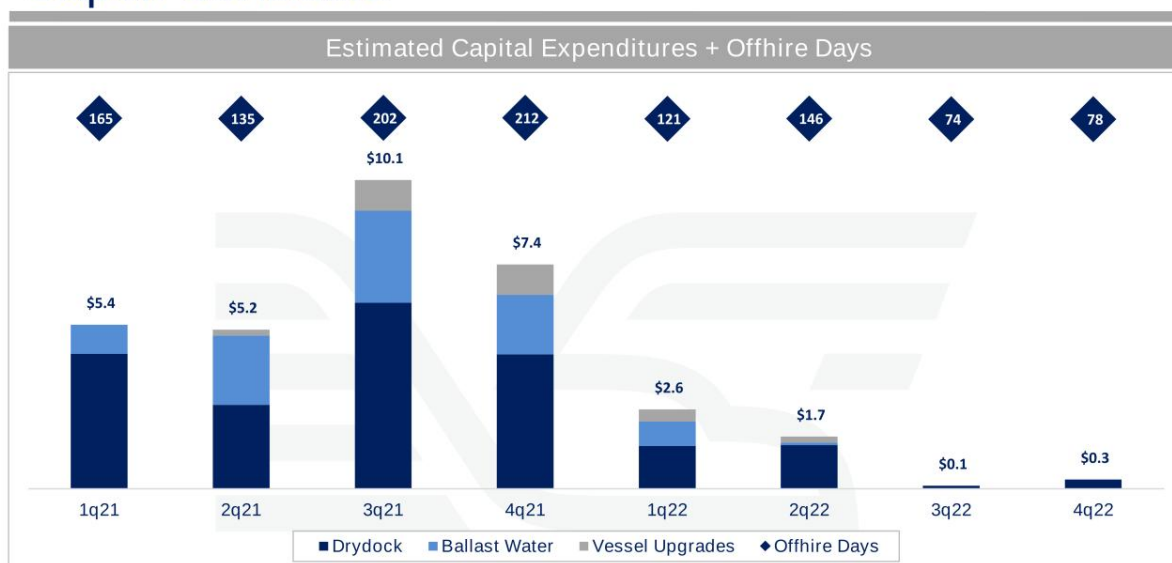
USD in Thousands	1q16	2q16	3q16	4q16	1q17	2q17	3q17	4q17	1q18	2q18
Net Income / (Loss)	\$ (39,279)	\$ (22,496)	\$ (19,359)	\$ (142,389)	\$ (11,068)	\$ (5,888)	\$ (10,255)	\$ (16,584)	\$ 53	\$ 3,451
Less adjustments to reconcile:										
Interest expense	2,818	4,903	7,434	6,644	6,445	6,859	7,837	8,236	6,261	6,387
Interest income	(3)	-	(88)	(124)	(190)	(186)	(143)	(133)	(95)	(112)
EBIT	(36,464)	(17,593)	(12,013)	(135,868)	(4,813)	785	(2,561)	(8,481)	6,219	9,726
Depreciation and amortization	9,397	9,654	9,854	9,979	7,493	8,021	8,981	9,196	9,276	9,272
EBITDA	(27,068)	(7,939)	(2,159)	(125,889)	2,680	8,805	6,420	715	15,495	18,998
Less adjustments to reconcile:										
Stock-based compensation	827	842	(735)	1,273	2,171	2,478	2,350	1,740	3,511	2,410
One-time and non-cash adjustments	11,756	436	(509)	122,656	(297)	(1,977)	(373)	14,764	(170)	(276)
Adjusted EBITDA*	\$ (14,486)	\$ (6,661)	\$ (3,403)	\$ (1,961)	\$ 4,553	\$ 9,307	\$ 8,397	\$ 17,219	\$ 18,835	\$ 21,132

USD in Thousands	3q18	4q18	1q19	2q19	3q19	4q19	1q20	2q20	3q20	4q20
Net Income / (Loss)	\$ 2,585	\$ 6,486	\$ 29	\$ (5,992)	\$ (4,563)	\$ (11,171)	\$ (3,528)	\$ (20,491)	\$ (11,159)	\$ 115
Less adjustments to reconcile:										
Interest expense	6,574	6,521	6,762	6,733	8,117	8,965	9,192	8,737	8,954	8,510
Interest income	(129)	(248)	(434)	(393)	(640)	(400)	(157)	(56)	(24)	(21)
EBIT	9,030	12,759	6,357	348	2,914	(2,606)	5,507	(11,810)	(2,229)	8,604
Depreciation and amortization	9,460	9,708	9,407	9,761	10,056	11,322	12,466	12,503	12,618	12,570
EBITDA	18,490	22,467	15,764	10,109	12,970	8,715	17,974	693	10,389	21,174
Less adjustments to reconcile:										
Stock-based compensation	2,100	1,187	1,445	1,227	1,155	998	836	723	741	748
One-time and non-cash adjustments	(406)	(165)	(1,838)	(967)	(971)	66	-	352	389	101
Adjusted EBITDA*	\$ 20,184	\$ 23,489	\$ 15,372	\$ 10,370	\$ 13,154	\$ 9,780	\$ 18,810	\$ 1,768	\$ 11,519	\$ 22,022



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

Capex Schedule



- Drydock - represents capex relating to statutory maintenance.
- Ballast Water - represents capex relating to the installation of IMO-mandated ballast water treatment systems.
- Vessel Upgrades - represents capex relating to items such as high-spec low friction hull paint which improves fuel efficiency and reduces fuel costs, NeoPanama Canal chock fittings enabling vessels to carry additional cargo through the new Panama Canal locks, as well as other retrofitted fuel-saving devices. Vessel Upgrades are discretionary in nature and evaluated on a business case-by-case basis.
- Offhire Days - represents the estimated days fleet is offhire due to drydock plus an additional allowance for unforeseen events.



Includes forecast amounts relating to recently-acquired vessels as shown on slide 5. 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 requires advance payments as per the contract terms.

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%

For Illustrative Purposes Only

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 Japanese 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



- The Matrix is meant to capture general ship types but there are likely some vessels which fall outside the stated figures. The index factors shown were calculated using a TCE of USD 10,000 per day and fuel cost of USD 400 per ton. The specific index factors can change somewhat with movements in both fuel prices and (spot) rate environment, but the relative relationships will remain similar to those shown.

Definitions

Item	Description
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, lease impairment, gain/(loss) on sale of vessels, stock-based compensation, loss on debt extinguishment and restructuring expenses that the Company believes are not indicative of the ongoing performance of its core operations.
TCE	<p>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. The BSI was initiated in 2006 based on the Tess 52 design. The index for the Tess 58 design has been published commencing on April 3, 2017, and transition was completed as of December 2018, when the Baltic stopped publishing a dynamic Tess 52 daily rate. The Company has now switched to the Tess 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 Tess 58 index.</p> <p>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.</p>



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