

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 6, 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. ☐

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On March 6, 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 and full year ended December 31, 2018. 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 6, 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	Corporate Presentation dated March 6, 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: March 6, 2019

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



providing optimized global transportation
of drybulk commodities



Earnings Presentation Fourth Quarter 2018 6 March 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

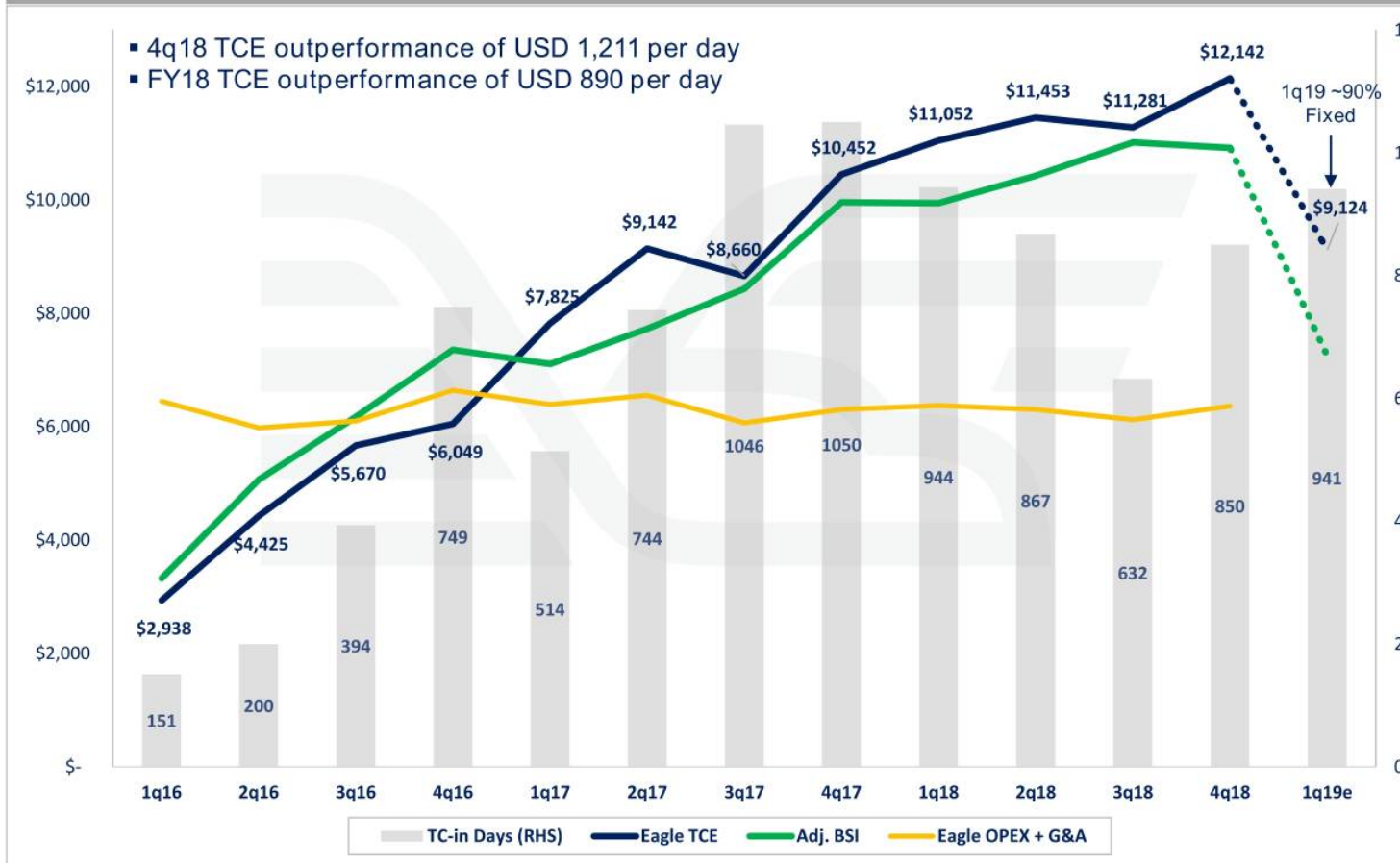
4 Industry Review

* Appendix

Highlights

TCE Outperformance for 8 Consecutive Quarters

Eagle Revenue + Cost Performance

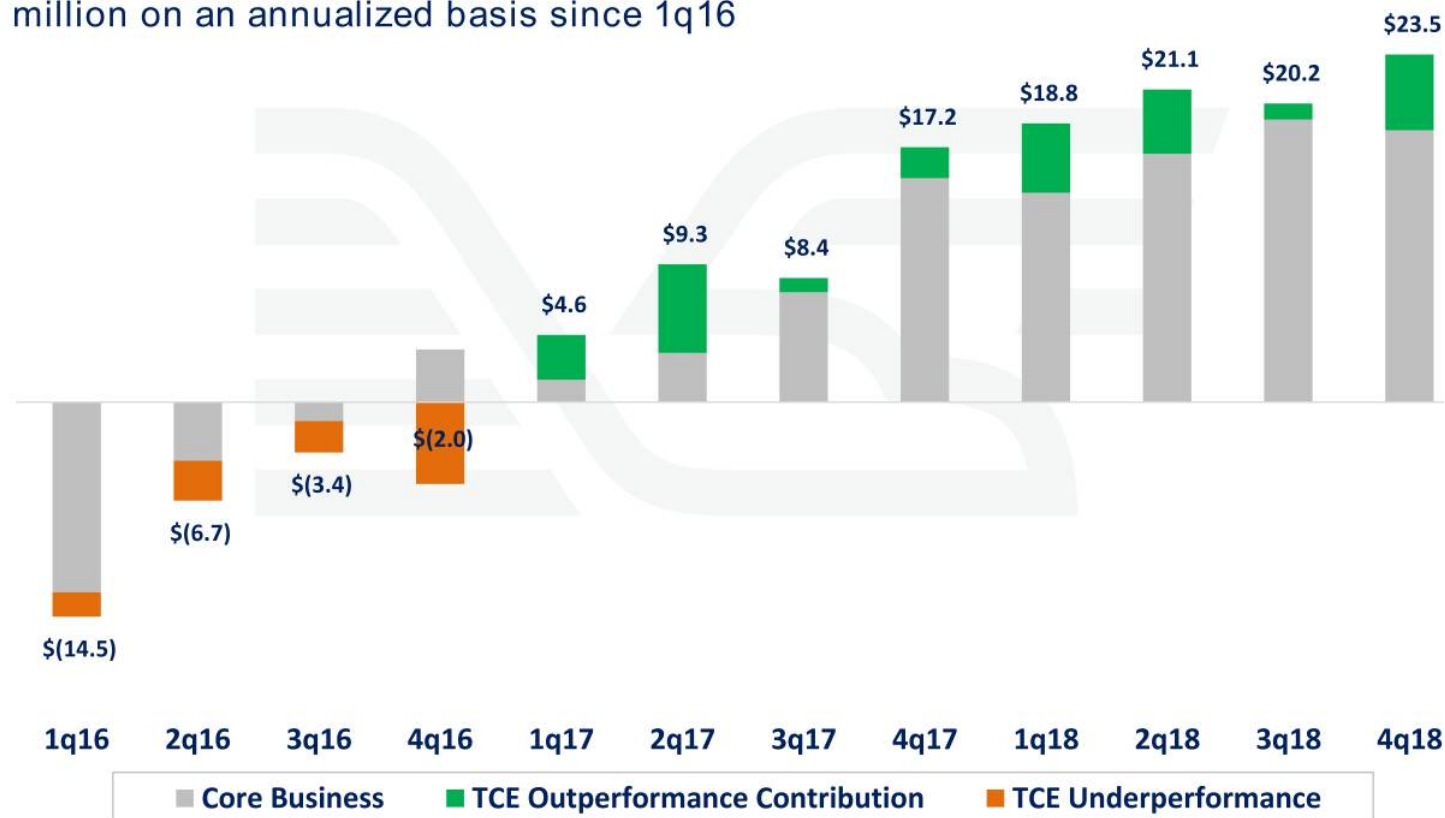


- TCE relative performance is benchmarked against the Adj. net BSI-52= gross BSI-52 net of commission, adjusted for owned-fleet profile
- 1q19 EGLE TCE as of March 1 2019 with ~90% of available days fixed & 1q19 Adj. BSI basis January-February 2019 actual and March F
- G&A excludes stock-based compensation. | Please refer to Appendix for TCE definition and reconciliation

Significant Improvement in Operating Margins

Adj. EBITDA

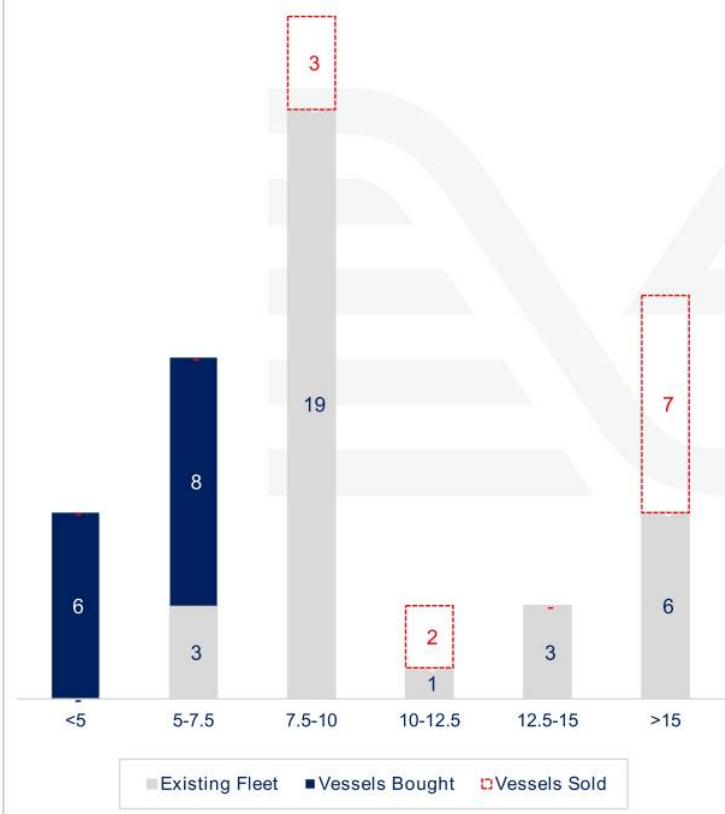
Adj. EBITDA has increased by ~USD 152 million on an annualized basis since 1q16



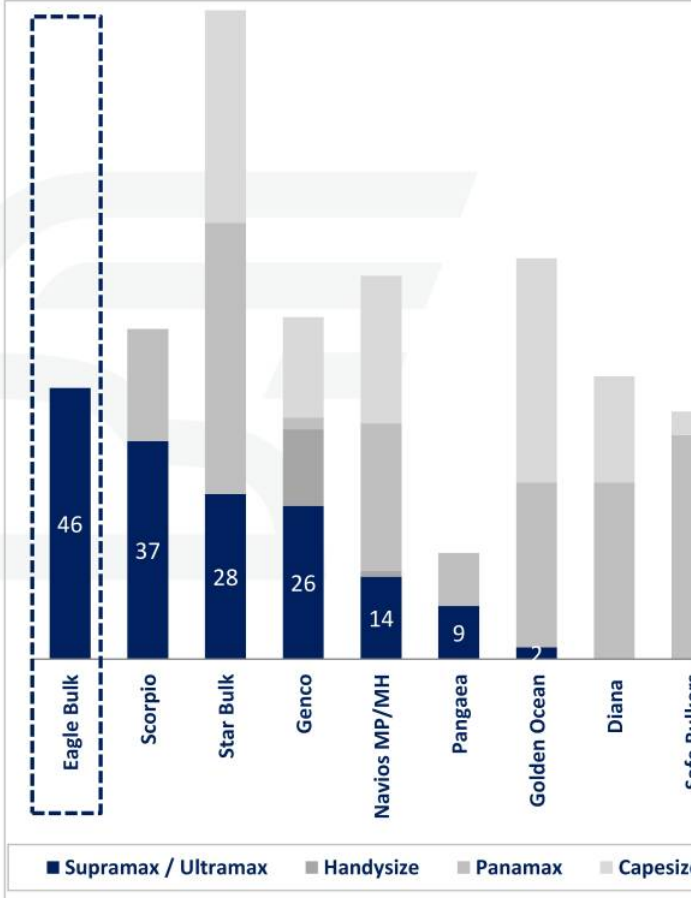
Leader in the Supramax/Ultramax Segment

Eagle Fleet by Age Grouping

Total fleet = 46 vessels | ~8.7 yrs



U.S.-Listed Peer Group Fleet Profiles



▪ Eagle fleet count and age as of March 2019
▪ Source(s): Company filings and VesselsValue

Financial Summary

Earnings

\$ Thousands except EPS	4q18	3q18	4q17	4q18YTD	4q17YTD
REVENUES, net of commissions	86,692	69,093	74,587	310,094	236,785
EXPENSES					
Voyage expenses	24,721	15,126	18,155	79,566	62,351
Charter hire expenses	10,210	7,460	11,313	38,046	31,284
Vessel expenses	20,111	19,569	21,233	81,336	78,607
Depreciation and amortization	9,708	9,460	9,196	37,717	33,697
General and administrative expenses	8,464	8,883	8,136	36,157	33,126
Gain on sale of vessels	6	(236)	(34)	(335)	(2,135)
Total operating expenses	73,220	60,262	67,999	272,487	236,924
OPERATING INCOME / (LOSS)	13,472	8,831	6,588	37,607	(13,939)
OTHER EXPENSES					
Interest expense, net	6,273	6,445	8,103	25,158	28,726
Loss/(Gain) on derivatives	713	(199)	100	(126)	(38)
Loss on debt extinguishment	-	-	14,969	-	14,969
Total other expense, net	6,986	6,246	23,172	25,032	43,657
Net Income / (Loss)	6,486	2,585	(16,584)	12,575	(43,796)
EPS (Basic and Diluted)	\$ 0.09	\$ 0.04	\$ (0.24)	\$ 0.18	\$ (0.63)
Adjusted EBITDA	23,489	20,184	17,219	83,641	39,476



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

Balance Sheet + Liquidity

Liquidity Position (December 31, 2018)

Cash (including restricted cash)	78,164
Undrawn availability	20,000

Total Liquidity	98,164
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Balance Sheet (December 31, 2018)

Cash*	78,164
Accounts Receivable	19,786
Inventory	16,138
Other Current Assets	15,341
Vessels, net	684,985
Other Assets	31,796
Total Assets	846,209

Accounts Payable	14,161
Current Liabilities	19,656
Debt (including \$29.2M current)	330,760
Other Noncurrent Liabilities	2,027
Total Liabilities	366,603
Stockholder's Equity	479,606
Total Liabilities and Stockholder's Equity	846,209

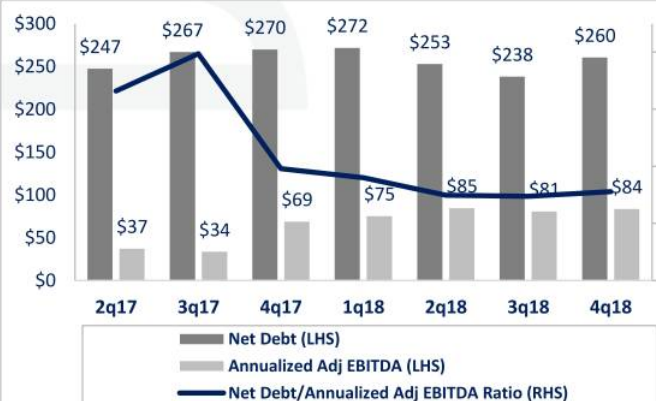


- Cash includes Cash, cash equivalents and restricted cash
- Liquidity and Balance sheet figures are in thousands USD
- Debt is net of \$7.8m of debt discount and deferred financing costs
- Please see the Definitions slide in the Appendix for an explanation of Adjusted EBITDA

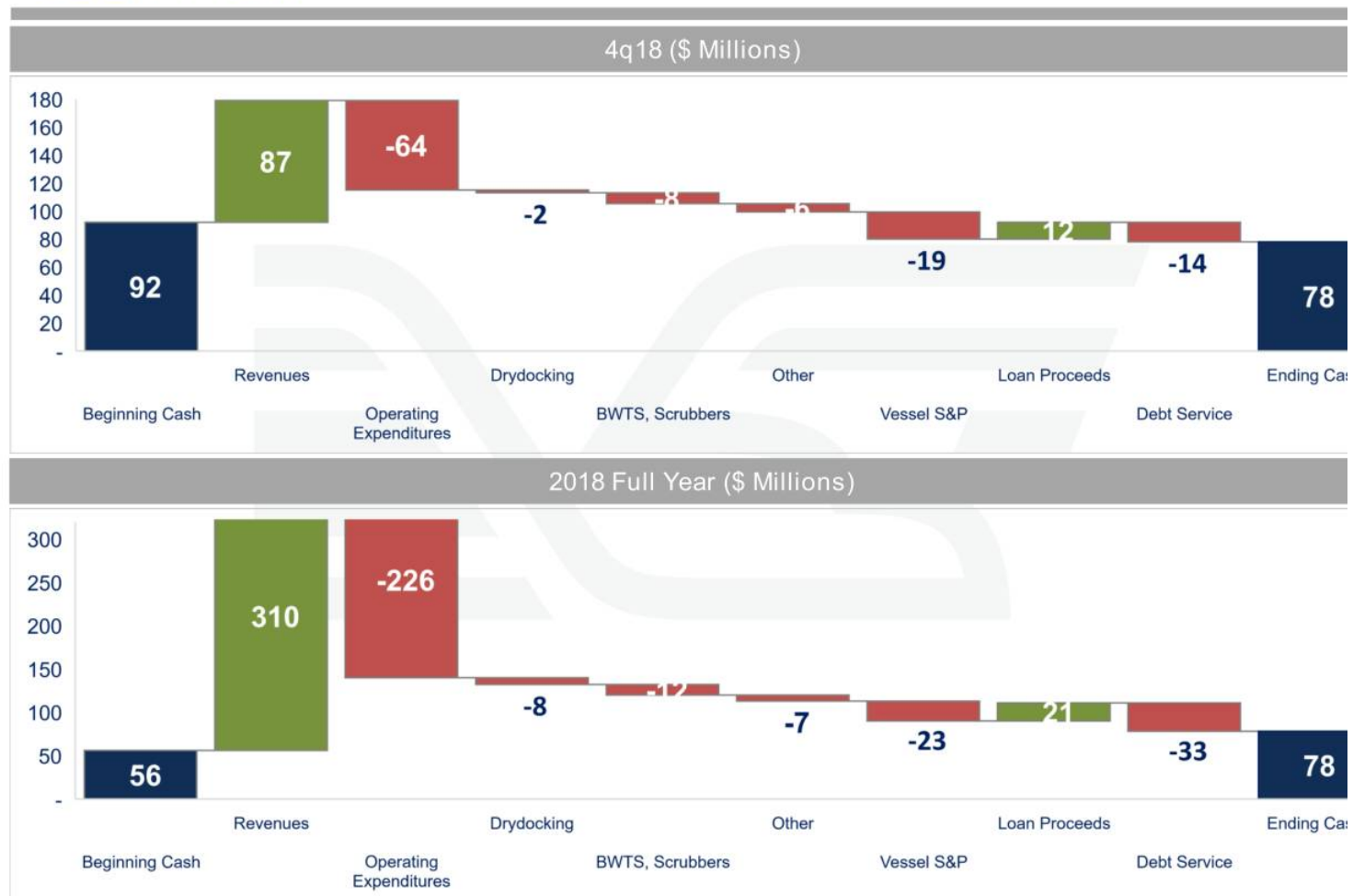
Cash Flow from Ops – Quarterly (in millions)



Net Debt/Adjusted EBITDA (in millions)



Cash Flow

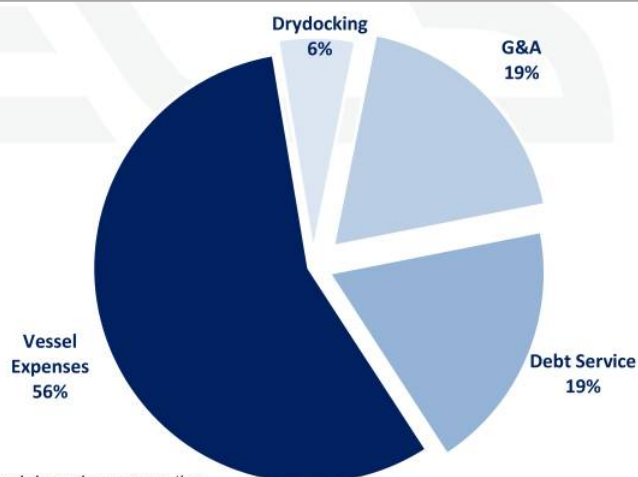


*Includes Cash, cash equivalents and restricted cash

Cash Breakeven per Vessel per Day

	4q18	3q18	FY 18	FY17
OPERATING				
Vessel Expenses	\$ 4,674	\$ 4,547	\$ 4,725	\$ 4,825
Drydocking	415	442	484	158
G&A	1,691	1,576	1,566	1,497
Total Operating	6,780	6,565	6,775	6,480
DEBT SERVICE				
Interest Expense	1,350	1,390	1,351	819
Debt Principal Repayment	930	-	232	-
TOTAL CASH BREAKEVEN	\$ 9,060	\$ 7,955	\$ 8,358	\$ 7,299

Full Year 2018 Cash Breakeven by Category



▪ G&A excludes stock-based compensation.



Scrubber Initiative

Eagle Fleet Scrubber Initiative Update

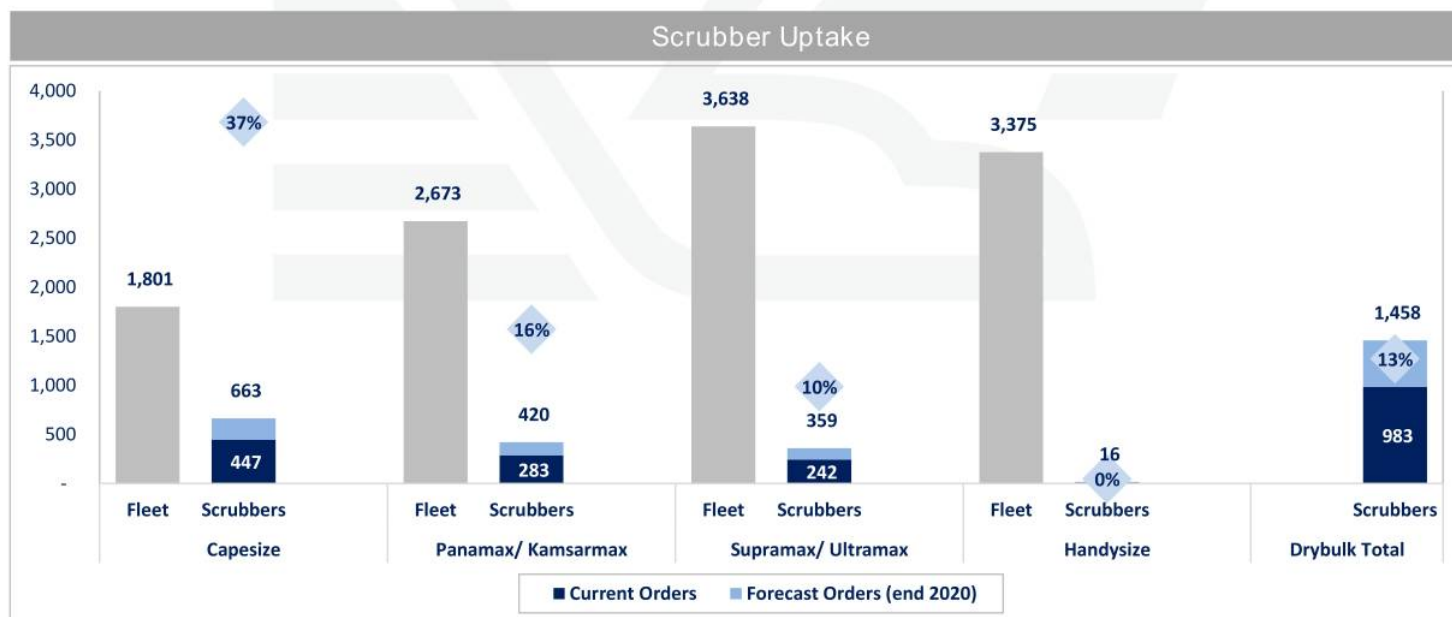


- Thirty-seven vessels to be retrofitted with scrubbers
- First scrubber install underway with 4 more expected by April
 - Thirty-four scrubbers expected to be installed by January 2020, with remaining three to be installed in early 2020 during statutory drydocks
- Project cost estimated at USD 83 million – basis 37 scrubbers
 - Funding is planned basis cash on-hand and amounts available under credit facilities

Update on IMO Regulation + Scrubber Orderbook

Regulation Update: PPR 6 Subcommittee

- Recommended actions for Flag and PSC to take in non-compliance scenarios
- Fuel Oil Non-Availability Report (FONAR) template adopted
- Grandfathering provision will apply to systems installed before adoption of revised 2015 guidelines (expected mid-2020)
- Referred recommendation for further study on washwater to MEPC-74 meeting in May



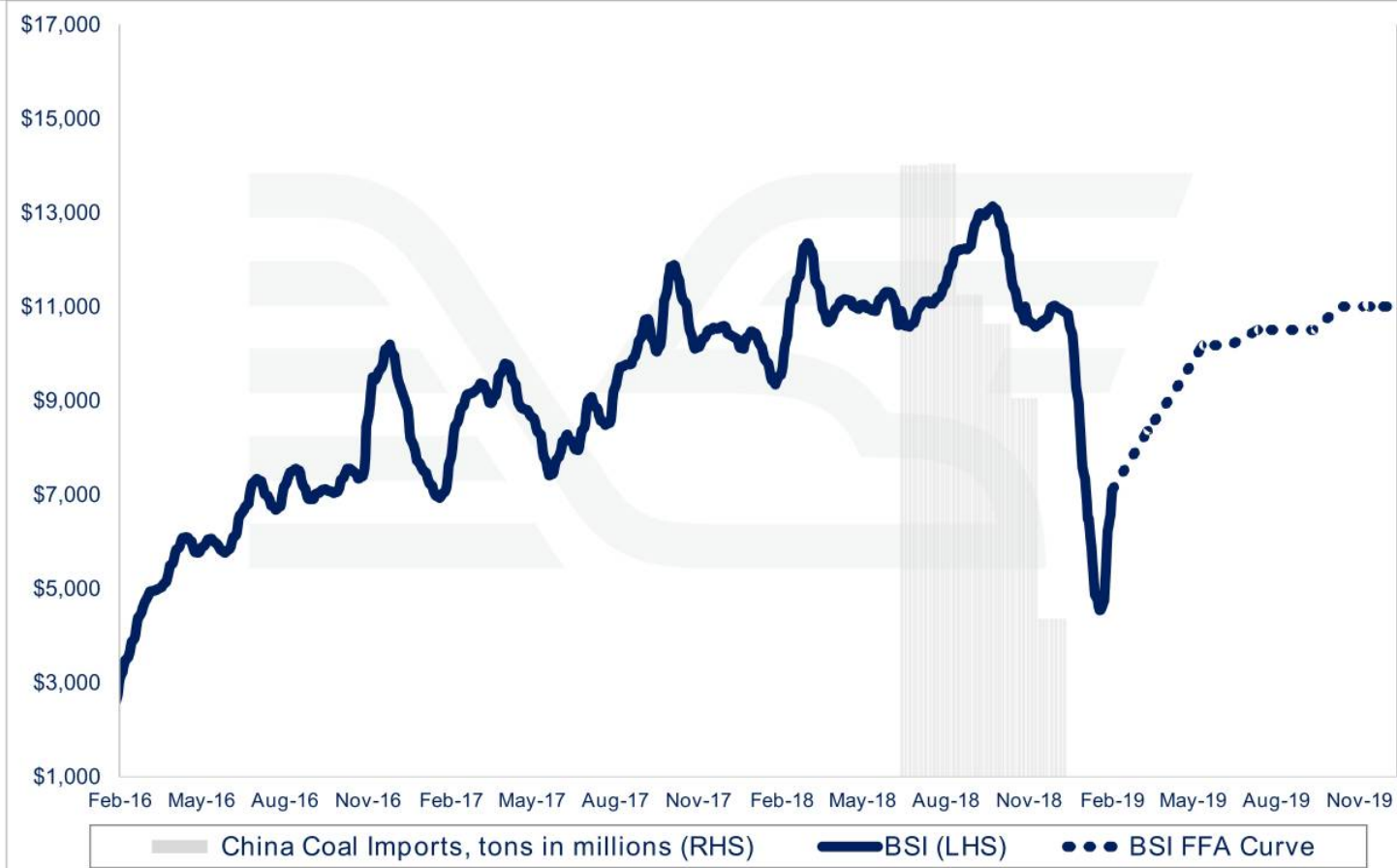
- PPR = Pollution Prevention and Response
- Scrubber uptake source: DNB Markets – January 2019 (for current and forecasted future ordering) and Nov 2018 (for % split by size class)



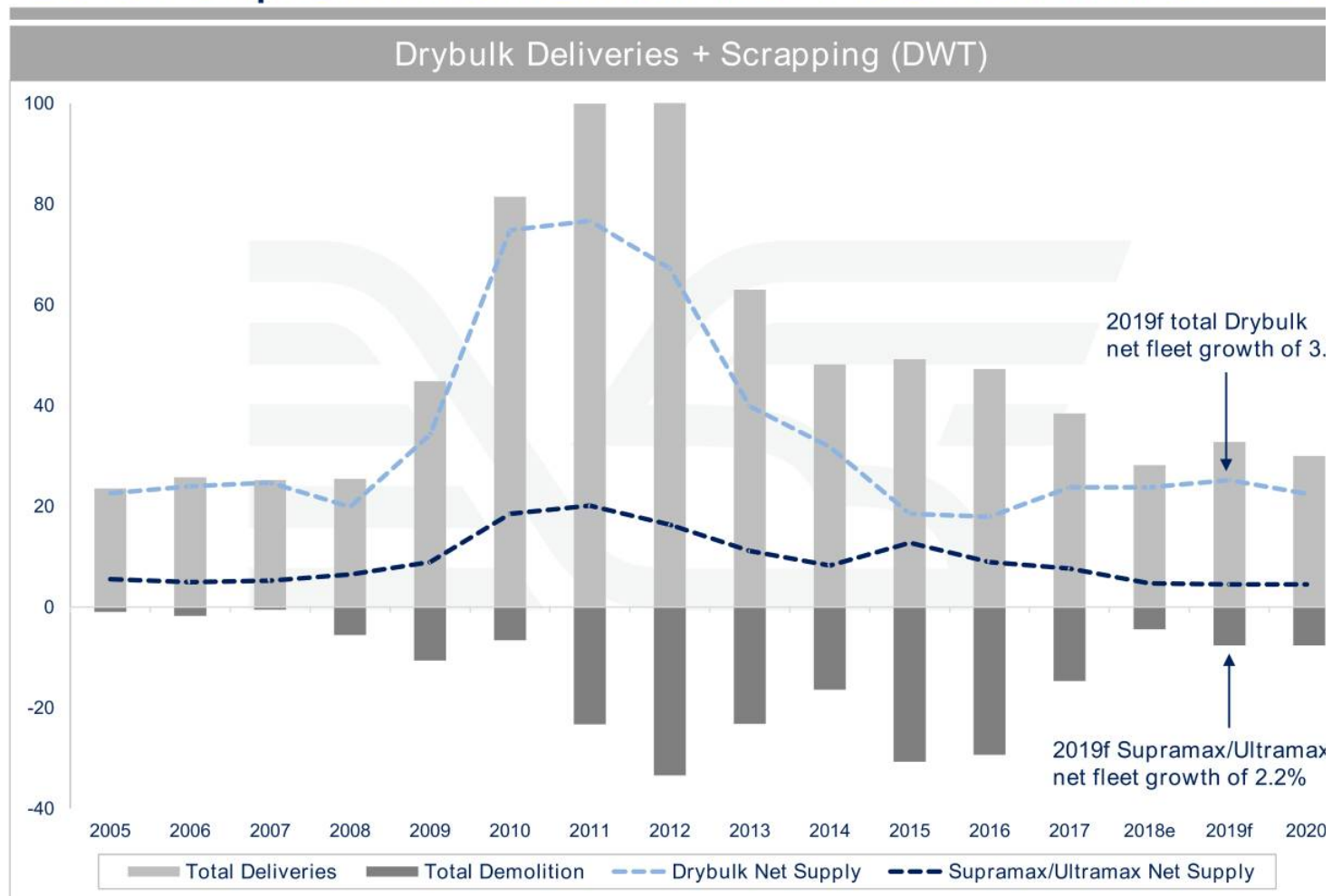
Industry Review

Historical Rates and 2019 Forward Curve

Baltic Supramax Index (BSI)



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

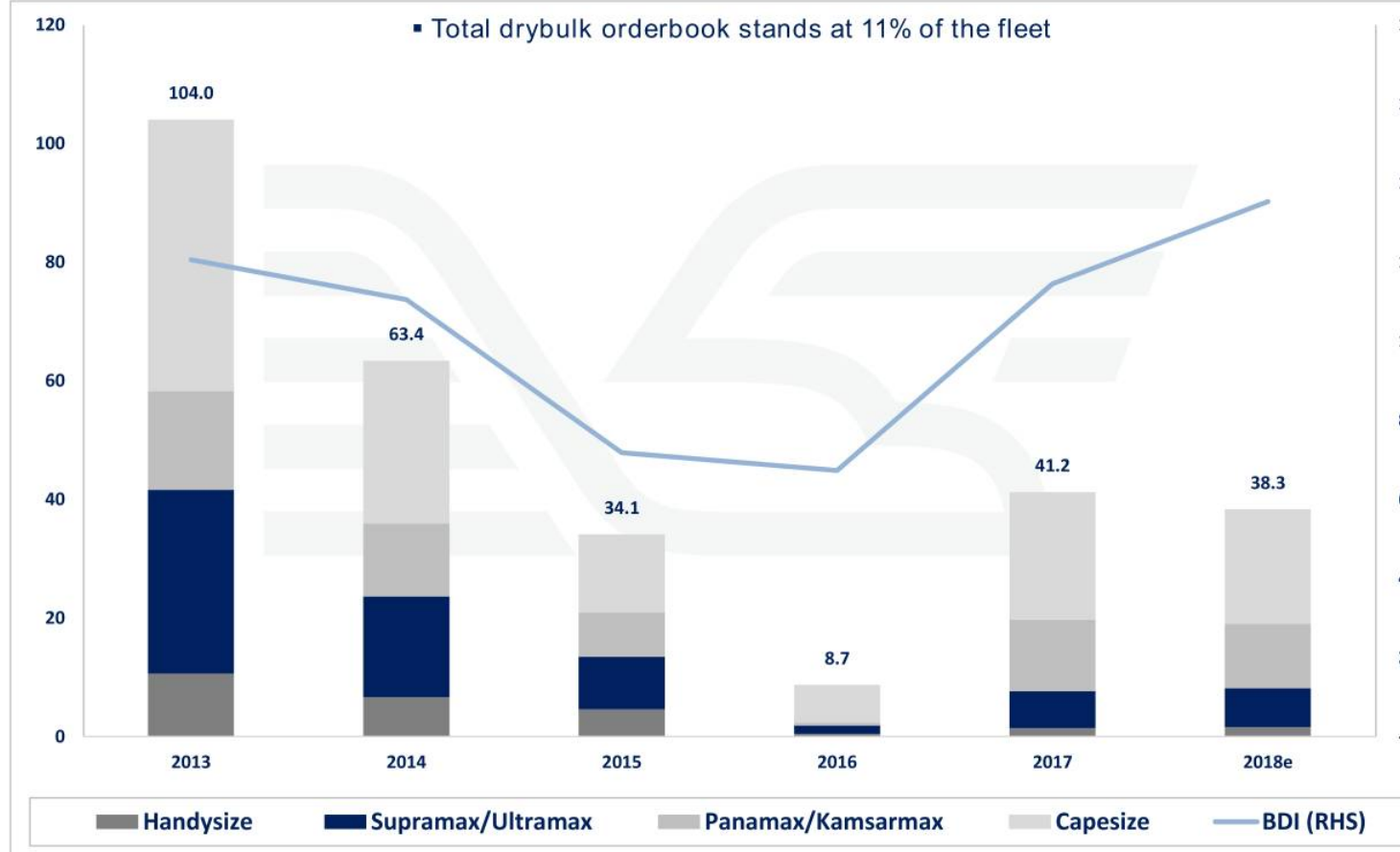


- Source(s): Clarksons
- Scrapping for 2019 and beyond projected at 7.8m MT (total Drybulk) and 1.3m MT (Supramax/Ultramax) per year.
- Forecasted slippage assumed at 25%

Supramax/Ultramax Orderbook at 7% of the Fleet

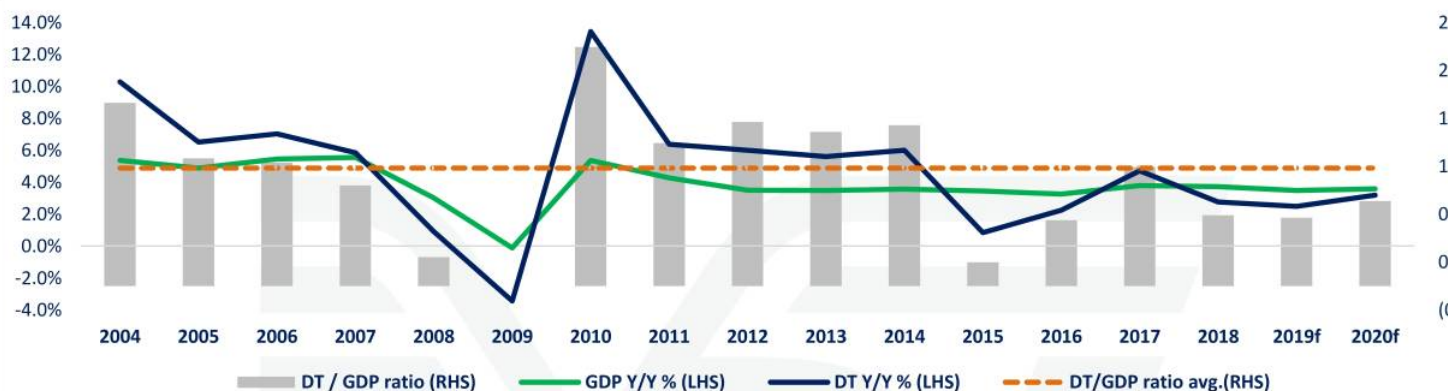
Full year Contracting (by DWT) vs BDI

▪ Total drybulk orderbook stands at 11% of the fleet



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%	2.3%	2.2%	2.2%
Iron Ore	3.2%	0.0%	0.5%	1.4%
Coal	-0.3%	3.3%	1.9%	1.5%
Grains	5.4%	0.0%	4.0%	3.0%
Minor Bulk	1.5%	3.8%	3.3%	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

APPENDIX

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

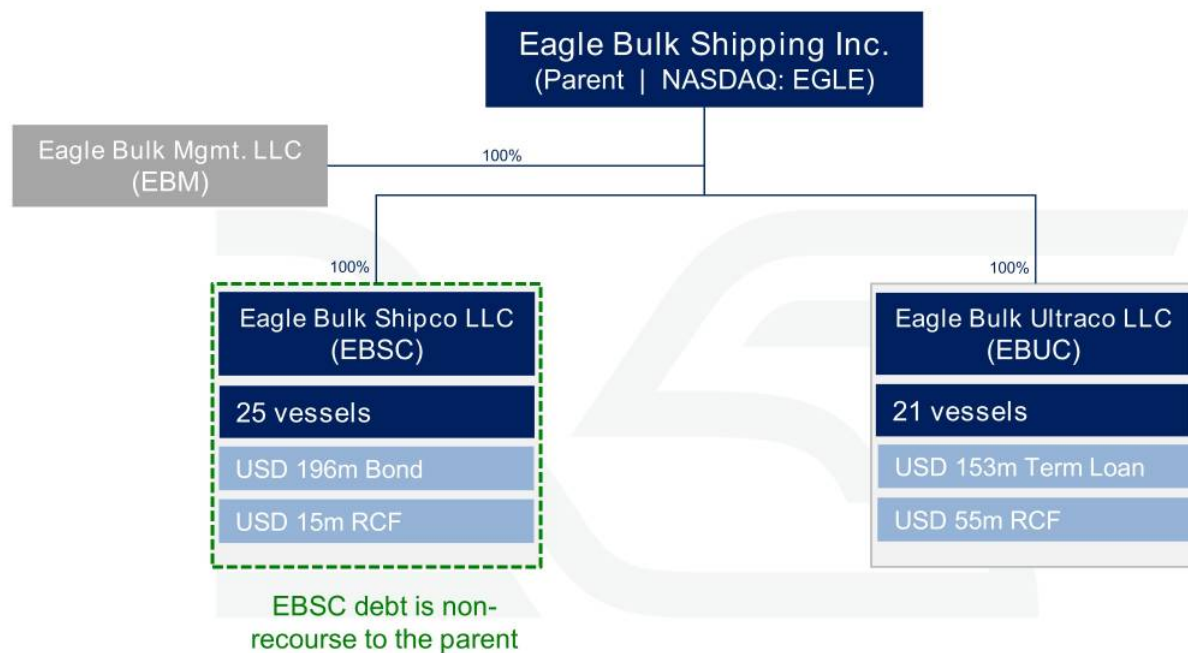
A Chinese 60-65k DWT Ultramax should expect a premium of 12-16% to the net BSI-52, depending on its specific design characteristics, due to cargo carrying capacity, speed, and fuel consumption differences

For Illustrative Purposes Only



- 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

Corporate Structure



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

TCE Reconciliation

\$ Thousands except TCE and days	1q16	2q16	3q16	4q16	1q17	2q17	3q17	4q17	1q18	2q18	3q18	4
Revenues, net	\$ 21,278	\$ 25,590	\$ 35,788	\$ 41,836	\$ 45,855	\$ 53,631	\$ 62,711	\$ 74,587	\$ 79,371	\$ 74,939	\$ 69,093	\$ 8
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)	(2
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)	(1
Reversal of one legacy time charter	1,045	793	670	432	(302)	584	329	426	(86)	(404)	497	
Realized gain/(loss) - FFAs & 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	\$ 5
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	\$ 1



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

EBITDA Reconciliation

\$ Thousands	1q16	2q16	3q16	4q16	1q17	2q17	3q17	4q17	1q18	2q18	3q18	4
Net Income / (Loss)	\$(39,279)	\$(22,496)	\$(19,359)	\$(142,389)	\$(11,068)	\$(5,888)	\$(10,255)	\$(16,584)	\$ 53	\$ 3,451	\$ 2,585	\$
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	6,574	
Interest income	(3)	(0)	(88)	(124)	(190)	(186)	(143)	(133)	(95)	(112)	(129)	
EBIT	(36,464)	(17,593)	(12,013)	(135,868)	(4,813)	785	(2,561)	(8,481)	6,219	9,726	9,030	1
Depreciation and amortization	9,397	9,654	9,854	9,979	7,493	8,021	8,981	9,196	9,276	9,272	9,460	
EBITDA	(27,068)	(7,939)	(2,159)	(125,889)	2,680	8,805	6,420	715	15,495	18,998	18,490	2
Less adjustments to reconcile:												
Stock based compensation	827	842	(735)	1,273	2,171	2,478	2,350	1,740	3,511	2,410	2,100	
One-time and non-cash adjustments	11,756	436	(509)	122,656	(297)	(1,977)	(373)	14,764	(170)	(276)	(406)	
Adjusted EBITDA*	\$(14,486)	\$ (6,661)	\$ (3,403)	\$ (1,961)	\$ 4,553	\$ 9,307	\$ 8,397	\$ 17,219	\$18,835	\$21,132	\$20,184	\$23



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

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	25 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 and fleet count as of January 2019

Owned Fleet

Total Fleet: 46 Vessels		2669 DWT (MT, thousands)	8.7 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 Thrasher	53.4	9 Southport Eagle	63.3
10 Egret Bulker	57.8	10 Rowayton Eagle	63.3
11 Crane	57.8	11 Mystic Eagle	63.3
12 Canary	57.8	12 Stonington Eagle	63.3
13 Bittern	57.8	13 Nighthawk	57.8
14 Stellar Eagle	56.0	14 Martin	57.8
15 Crested Eagle	56.0	15 Kingfisher	57.8
16 Crowned Eagle	55.9	16 Jay	57.8
17 Jaeger	52.2	17 Ibis Bulker	57.8
18 Cardinal	55.4	18 Grebe Bulker	57.8
19 Kestrel I	50.3	19 Gannet Bulker	57.8
20 Skua	53.4	20 Imperial Eagle	56.0
21 Shrike	53.3	21 Golden Eagle	56.0
22 Tern	50.2		
23 Osprey I	50.2		
24 Goldeneye	52.4		
25 Hawk I	50.3		
25 Vessels	1,392.0	21 Vessels	1,276.6



▪ Fleet count and age as of March 2019

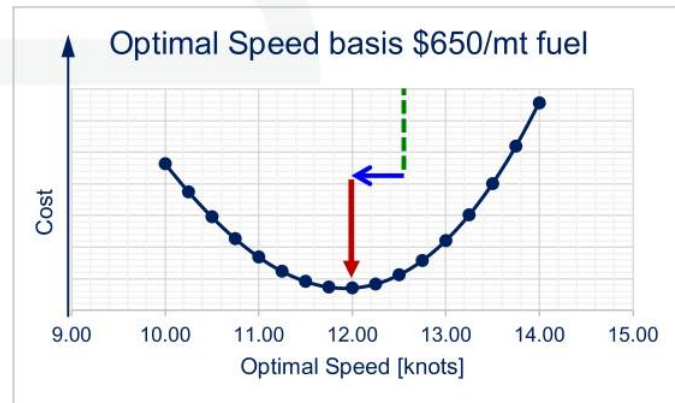
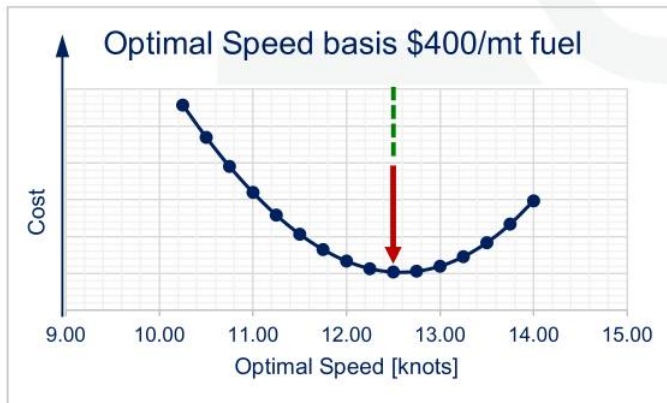
2020 Global Sulphur Limit

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

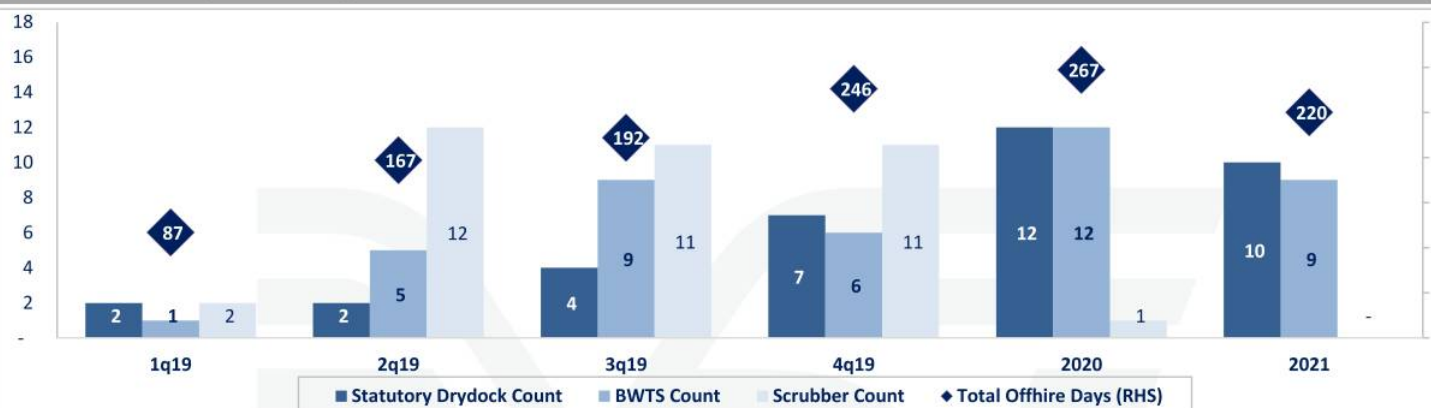
Implications on shipping

- 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

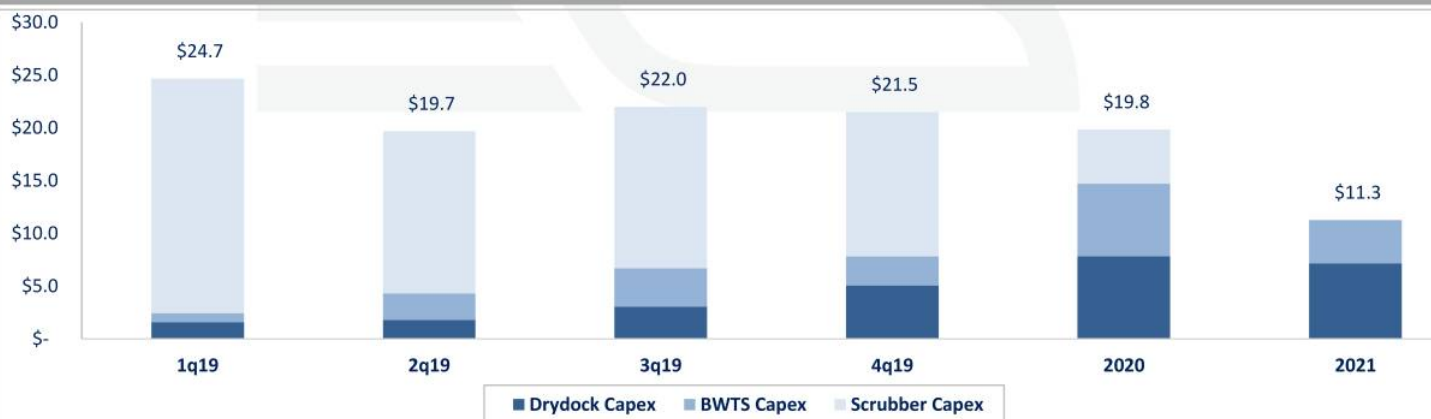


CAPEX Schedule

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 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 are generally expressed in such amounts. The Company defines TCE as shipping revenues less voyage expenses and charter 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 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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