

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): **November 7, 2019**

**Eagle Bulk Shipping Inc.**

*(Exact name of registrant as specified in its charter)*

**Republic of the Marshall Islands**  
*(State or other jurisdiction of incorporation or organization)*

**001-33831**  
*(Commission File Number)*

**98-0453513**  
*(IRS employer identification no.)*

**300 First Stamford Place, 5th Floor**  
**Stamford, CT 06902**  
*(Address of principal executive offices, including zip code)*

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

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

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

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

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

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

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

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

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On November 7, 2019, Eagle Bulk Shipping Inc., a Republic of the Marshall Islands corporation (the “*Company*”), posted to its website a corporate presentation including certain financial results and other information for the quarter ended September 30, 2019. A copy of the corporate presentation is attached as Exhibit 99.1 hereto.

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

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

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

ITEM 7.01. REGULATION FD DISCLOSURE.

On November 7, 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
<a href="#">99.1</a>	<a href="#">Earnings Presentation dated November 7, 2019</a>

**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: November 7, 2019

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



providing optimized global transportation  
of drybulk commodities



## Earnings Presentation

### Third Quarter 2019

7 November 2019



# Disclaimer

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*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 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 or by individual countries; (iv) actions taken by regulatory authorities including without limitation 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 drydocking costs); (x) significant deteriorations in charter hire rates from current levels or the inability of the Company to achieve its cost-cutting measures; and (xi) the outcome of legal proceeding in which we are involved; and other factors listed from time to time in our filings with the Securities and Exchange Commission.*

*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

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1 Highlights

2 Financial Summary

3 Industry Review

\* Appendix

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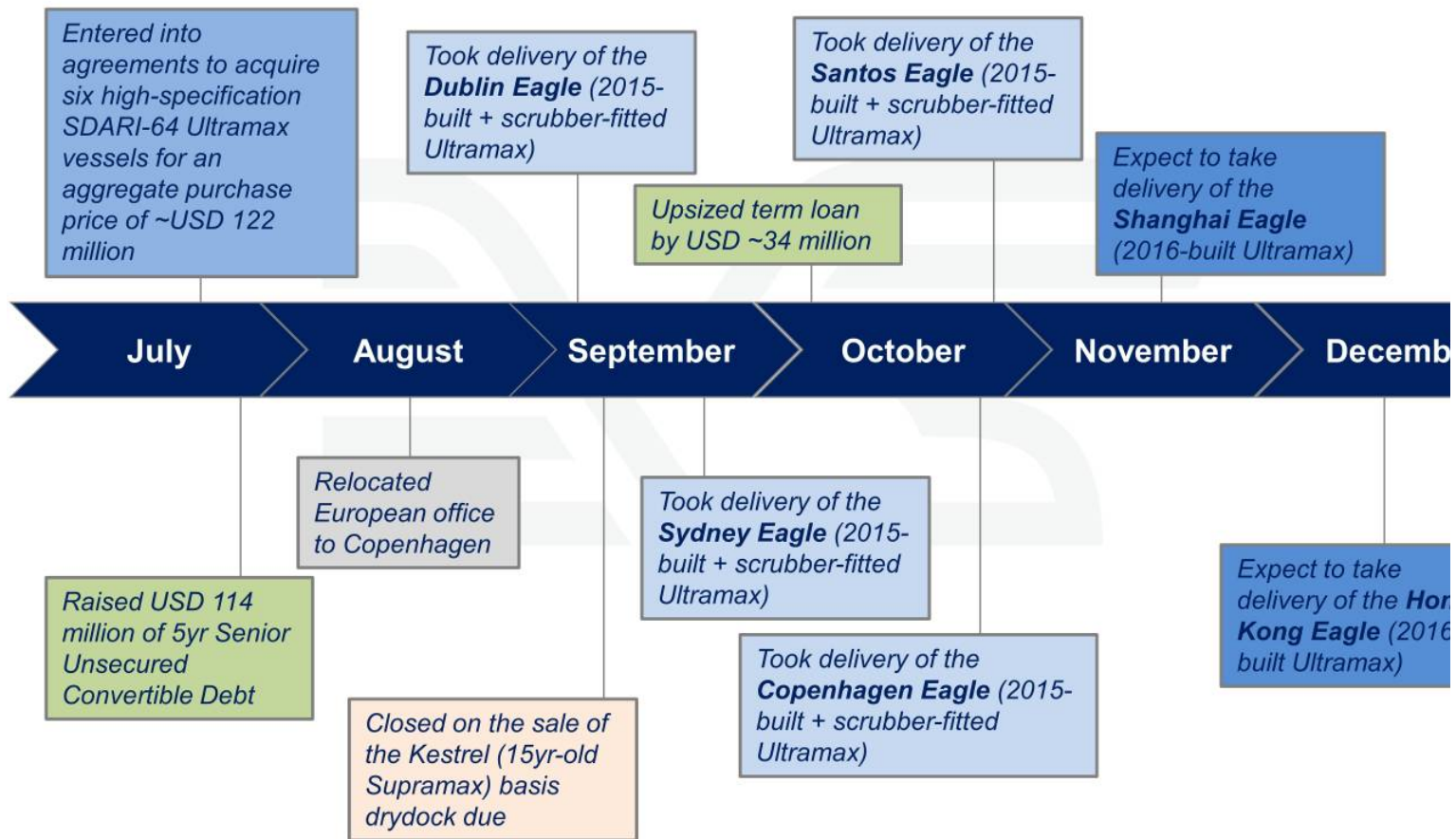


# Highlights



# Actively Growing and Renewing the Fleet

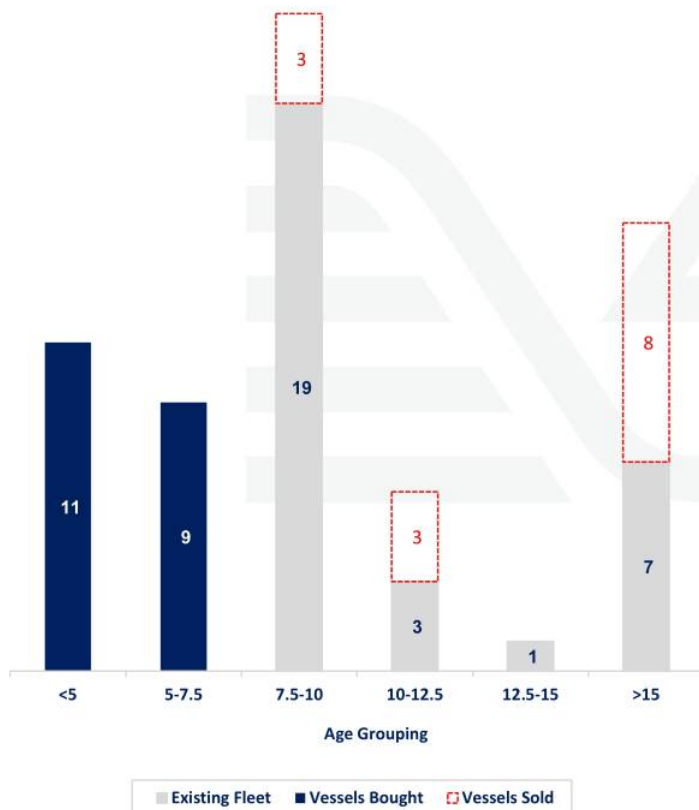
## 2h19 Milestones



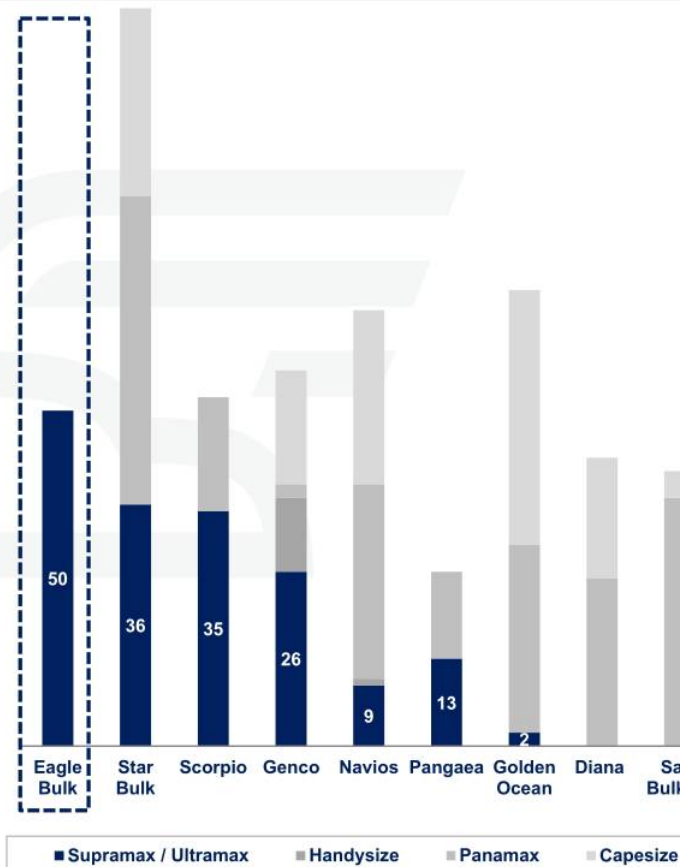
# Leader in the Supramax/Ultramax Segment

## Eagle Fleet by Age Grouping

Proforma Fleet = 50 Vessels | ~8.5 yrs



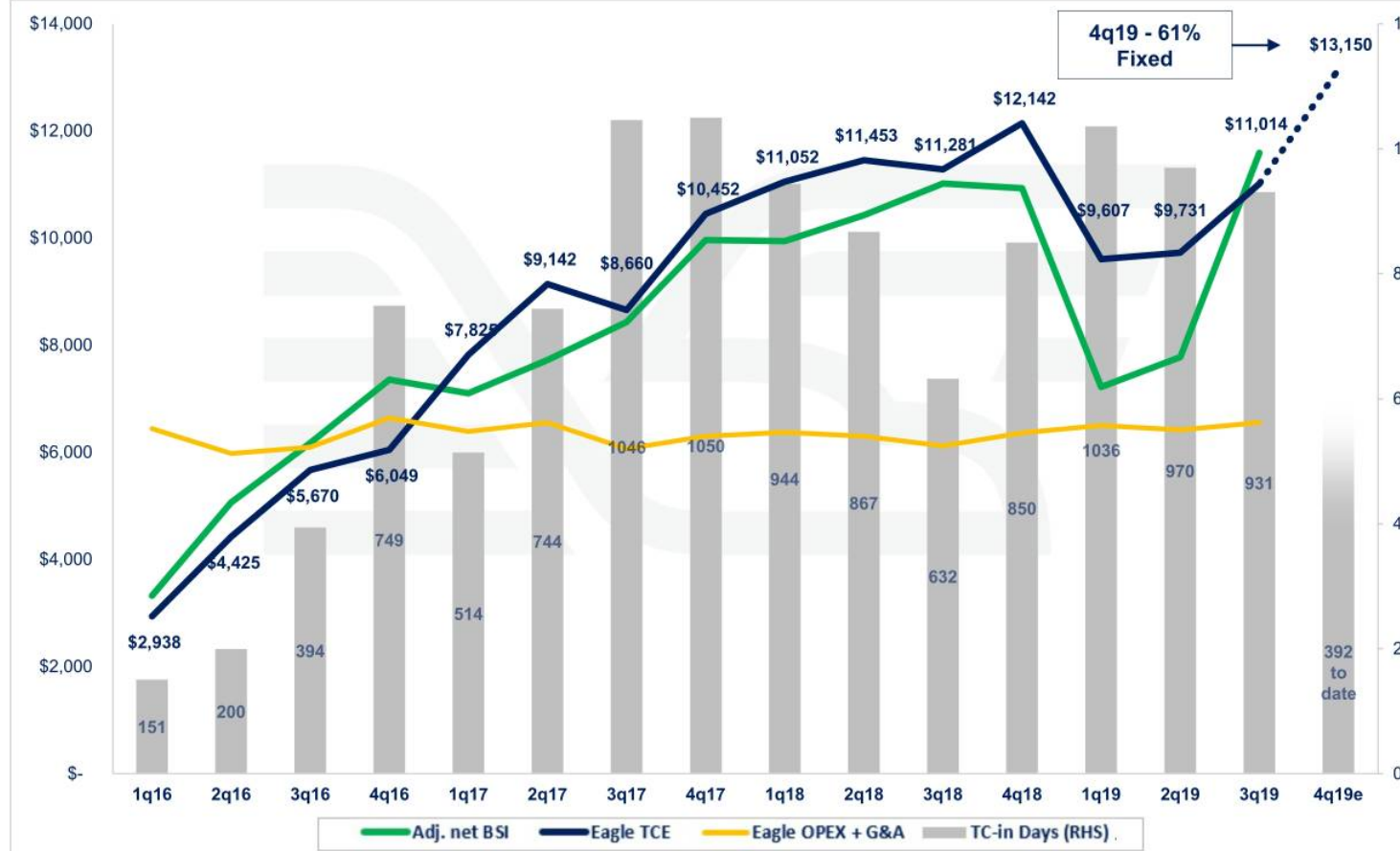
## Peer Group Supramax/Ultramax Fleets



- Eagle fleet count as of October 2019, proforma for the 2 remaining Ultramax vessels expected to deliver in 4q19. Average age of vessels sold at time of sale was ~13yrs- the chart depicts the age of these ships as of September 30, 2019. Fleet renewal/growth commenced in April 2016. Peer Group basis U.S.-listed companies only | Source(s): Company filings, VesselsValue.

# LTM TCE Outperformance of USD 1,266 per Day

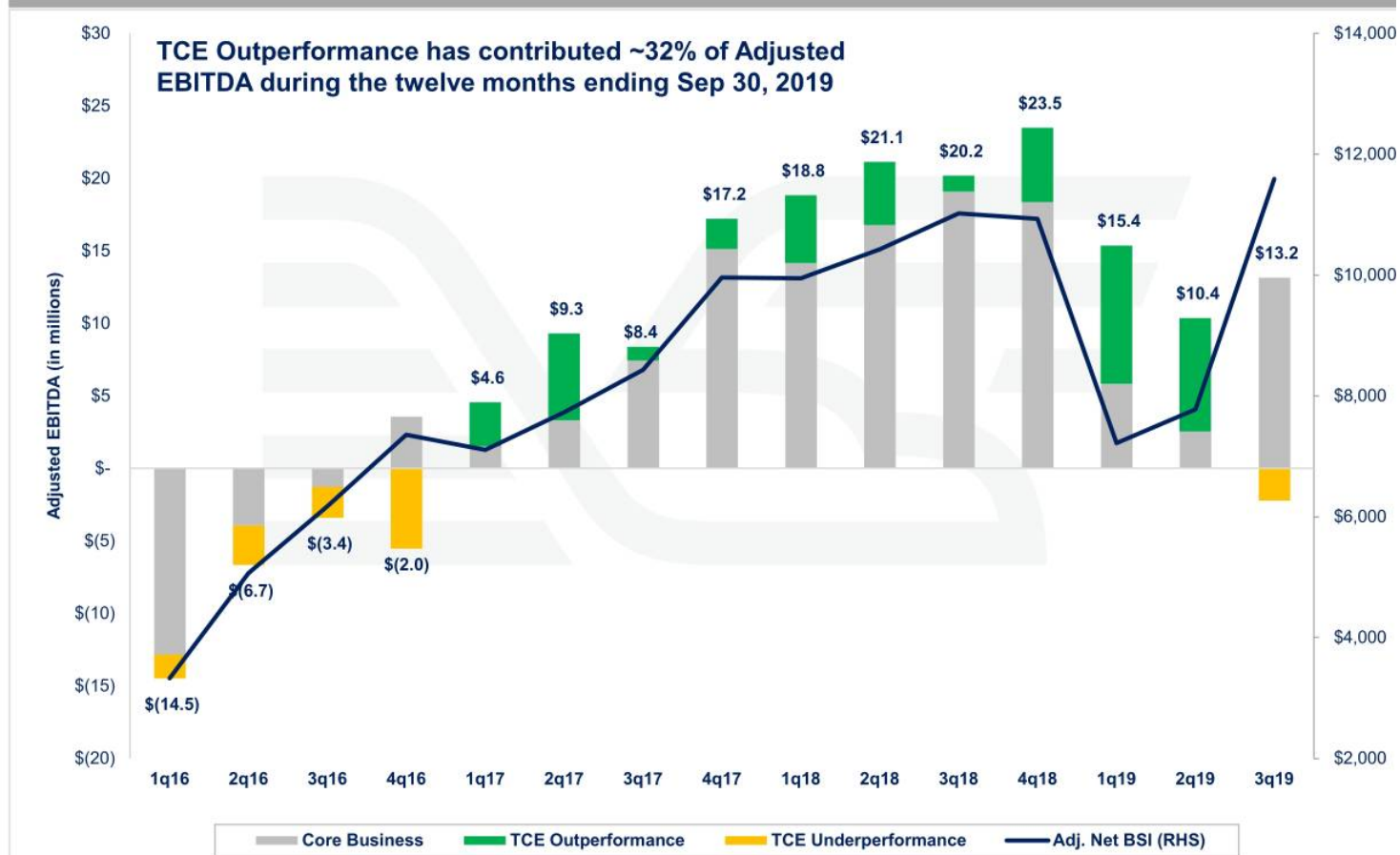
## Eagle Revenue + Cost Performance



TCE relative performance is benchmarked against Adj. net BSI = gross BSI net of commission, adjusted for owned-fleet makeup. BSI-52 index used up through 4q18, and BSI-58 index used as from 1q19. 4q19 EGLE TCE and TC-in days fixed to date as of November 5, 2019. G&A excludes stock-based compensation. Please refer to Appendix for TCE definition and reconciliation.


# Historical EBITDA

## Adjusted EBITDA



- Please refer to Appendix for definition of Adjusted EBITDA and reconciliation
- Core Business reflects EBITDA based on index commercial performance (i.e. no out/under-performance) less OPEX and cash G&A

# Scrubber Program Overview

Installation Update		Drydock, BWTS, Scrubber Capex History	
Progress To Date			
Scrubbers manufactured	41		
Scrubbers installed	29		
Scrubbers commissioned	7		
Ships currently at yard for full installation work	8		
Ships still to arrive at yard in 4q19 for full installation	6		
Outlook for Scrubbers Operational by:			
Dec 31, 2019	35		
Jan 31, 2020	38		
Mar 31, 2020	41		

Year	Capex (\$ millions)
2017	\$2.6
2018	\$20.7
2019	\$90.3
2020	\$25.4
2021	\$14.5

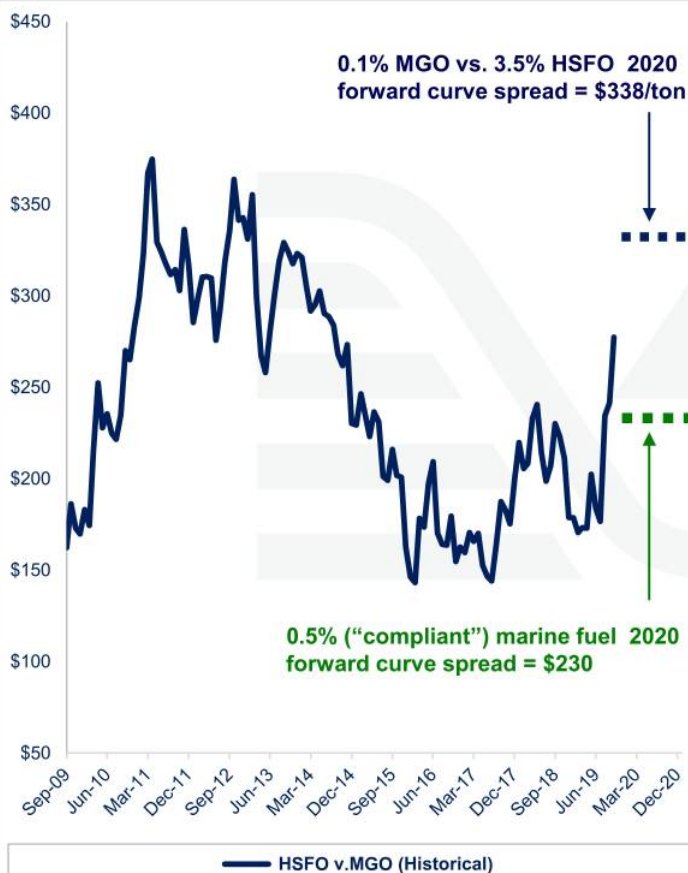


- At-sea commissioning estimates as of October 28. Scrubber count figures include the 4 ships acquired with scrubbers in addition to scrubbers installed by Eagle. Capex history includes 2017-2018 cash paid for drydock, scrubbers, and BWTS. 2019 includes cash paid through September 30 and forecast payments for 4q19.

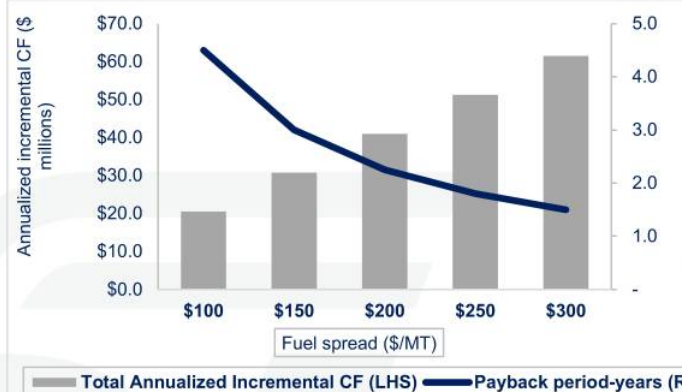


# Scrubber Economics Basis Fuel Spreads

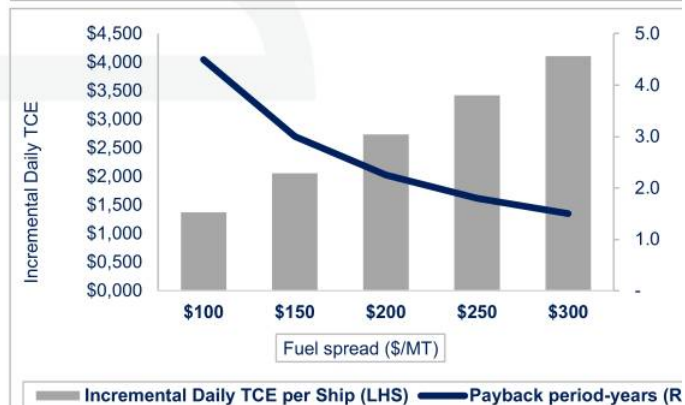
## Fuel Spreads



## Scrubber Cash Flow Effect



## Scrubber TCE Benefit



- Source: Clarksons. Forward curve data as of November 1, 2019
- Scrubber Cash Flow Effect and TCE Benefit based on fleet of 41 scrubber-fitted vessels and assume average of 200 annual sailing days per ship for Supramax/Ultramax vessels with daily consumption of 25 MT/day



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# Financial Summary

# Earnings

USD in Thousands except EPS	3q19	2q19	3q18	2019 YTD	2018 YTD
<b>Revenues, net of commissions</b>	\$ 74,110	\$ 69,391	\$ 69,093	\$ 220,891	\$ 223,4
<b>Operating expenses</b>					
Voyage expenses	19,446	20,907	15,126	66,260	54,8
Charter hire expenses	11,346	11,179	7,460	34,017	27,8
Vessel expenses	19,954	19,958	19,569	60,006	61,2
Depreciation and amortization	10,056	9,761	9,460	29,224	28,0
General and administrative expenses	8,451	8,041	8,883	24,902	27,6
Gain on sale of vessels	(971)	(967)	(236)	(6,044)	(3
Total operating expenses	68,281	68,880	60,262	208,364	199,2
<b>Operating income</b>	<b>5,829</b>	<b>511</b>	<b>8,830</b>	<b>12,527</b>	<b>24,1</b>
<b>Other expenses</b>					
Interest expense, net - cash	6,341	5,715	5,981	17,879	17,4
Interest expense - debt discount & deferred financing <sup>1</sup>	1,136	625	464	2,265	1,4
Loss/(Gain) on derivatives	2,915	163	(199)	640	(8
Loss on debt extinguishment	-	-	-	2,268	
Total other expenses, net	10,392	6,503	6,245	23,052	18,0
<b>Net income / (loss)</b>	<b>\$ (4,563)</b>	<b>\$ (5,992)</b>	<b>\$ 2,585</b>	<b>\$ (10,525)</b>	<b>\$ 6,0</b>
Weighted average shares outstanding (Basic)	71,350	71,349	70,650	71,327	70,5
<b>EPS (Basic)</b>	<b>\$ (0.06)</b>	<b>\$ (0.08)</b>	<b>\$ 0.04</b>	<b>\$ (0.15)</b>	<b>\$ 0.</b>
<b>Adjusted EBITDA<sup>2</sup></b>	<b>\$ 13,154</b>	<b>\$ 10,370</b>	<b>\$ 20,184</b>	<b>\$ 38,895</b>	<b>\$ 60,1</b>



1 – Includes non-cash interest expense of \$0.6 million related to the amortization of the equity component of the convertible bond for three and nine months ended September 30, 2019.

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

# Balance Sheet + Liquidity

## Liquidity Position (USD thousands)

Cash <sup>1</sup>	101,123
Undrawn availability	70,000
<b>Total Liquidity</b>	<b>171,123</b>

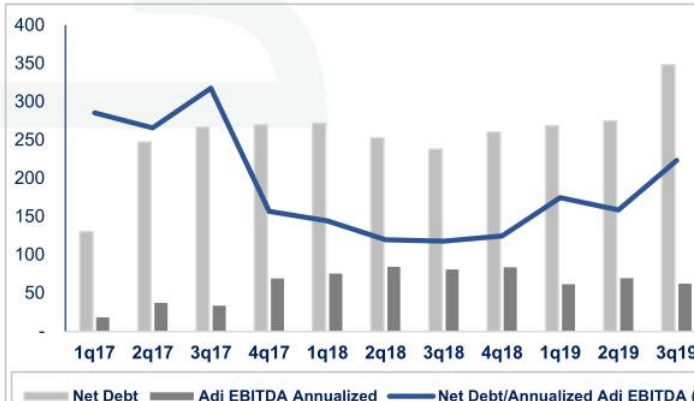
## Balance Sheet (USD thousands)

Cash <sup>1</sup>	101,123
Accounts receivable	19,948
Inventory	14,284
Other current assets	6,407
Vessels, net	732,845
Right of use assets - lease	19,225
Other assets	76,591
<b>Total assets</b>	<b>970,422</b>
Accounts payable	9,159
Current liabilities	29,120
Debt (including \$31.2M current) <sup>2</sup>	419,827
Lease liability (\$11.0M current)	20,540
<b>Total Liabilities</b>	<b>478,645</b>
Stockholder's Equity	491,777
<b>Total Liabilities and Stockholder's Equity</b>	<b>970,422</b>

## Liquidity Trend (USD millions)



## Net Debt/Adjusted EBITDA<sup>3</sup> (USD millions)



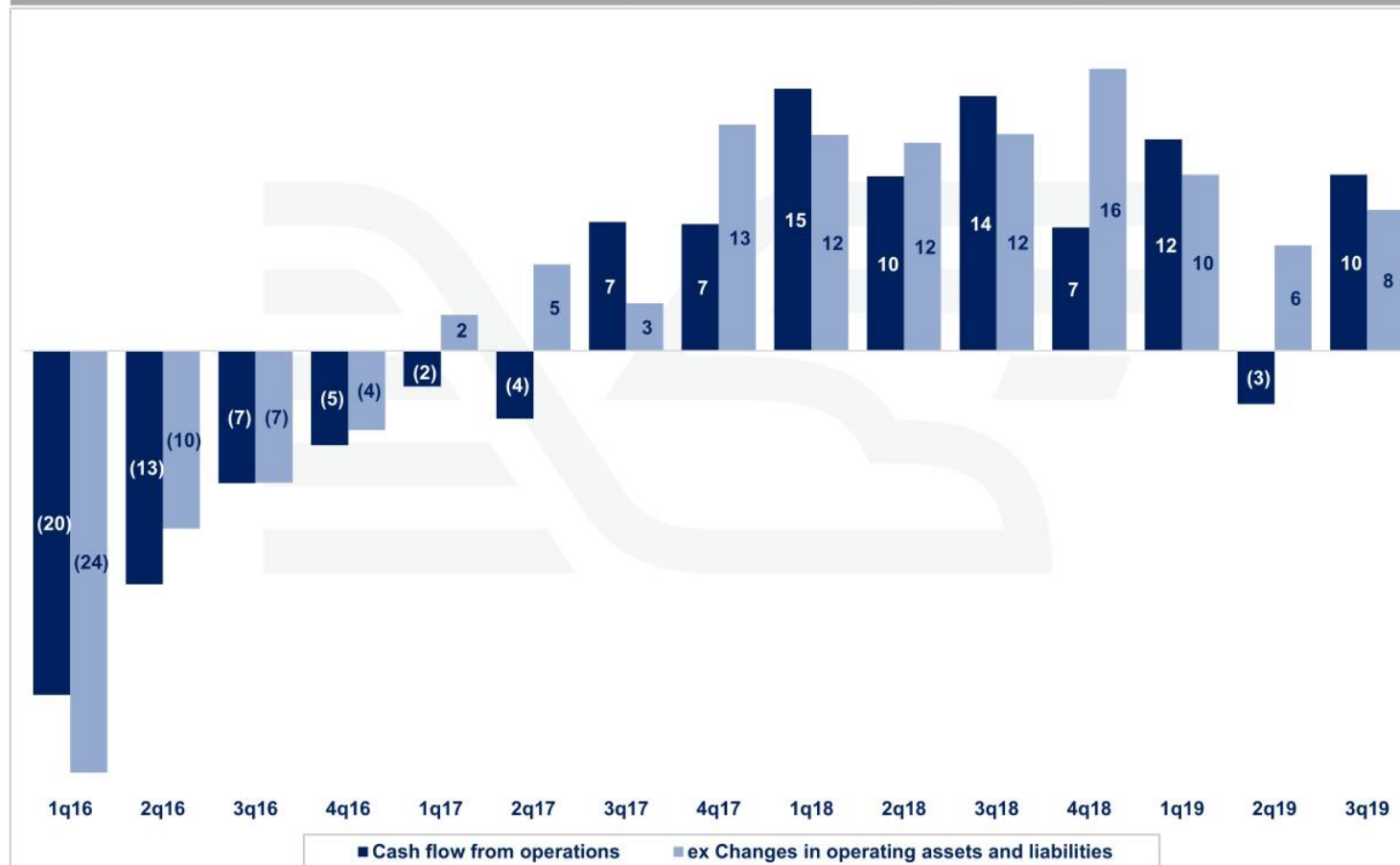
1 – Cash balance includes cash, cash equivalents and restricted cash

2 – Debt is net of \$29.6m of debt discount and deferred financing costs

3 – Adj EBITDA Annualized is basis quarterly figure \* 4 for 2q17-3q18, and basis trailing four quarters (TFQ) starting 4q18. Please see the Definitions slide in the Appendix for an explanation of Adjusted EBITDA and further information relating to the use of TFQ for Adj. EBITDA versus annualized Adj. EBITDA

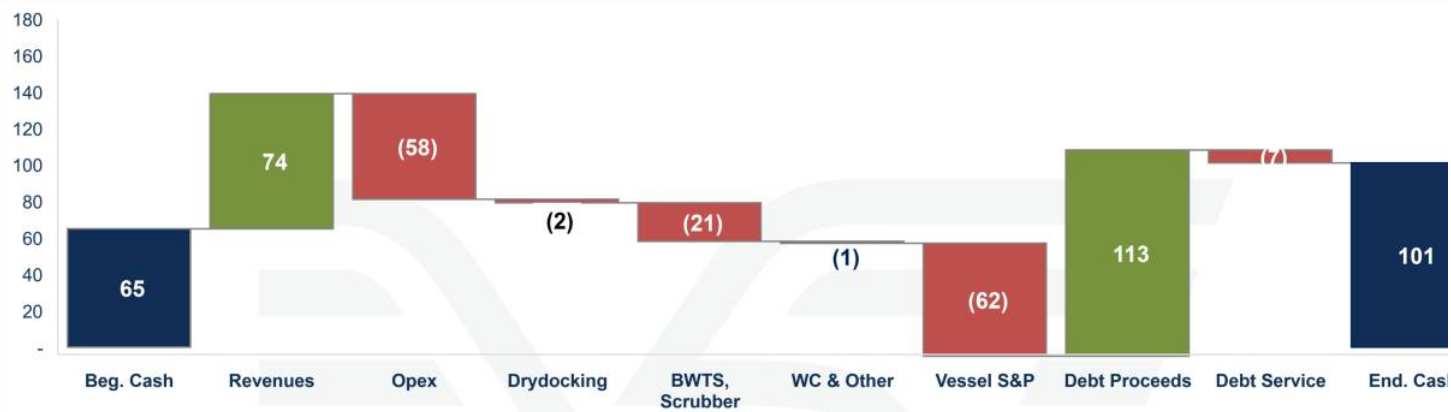
# Cash Flow

Cash Flow from Operations - Quarterly (\$ Millions)

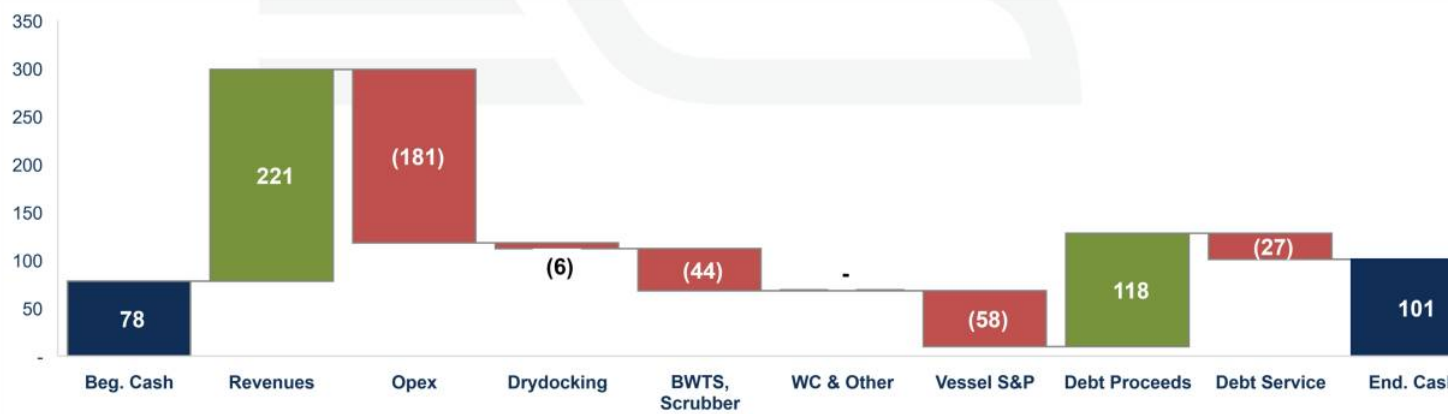


# Cash Walk

## 3q19 Cash Flows (\$ Millions)



## YTD 2019 Cash Flows (\$ Millions)

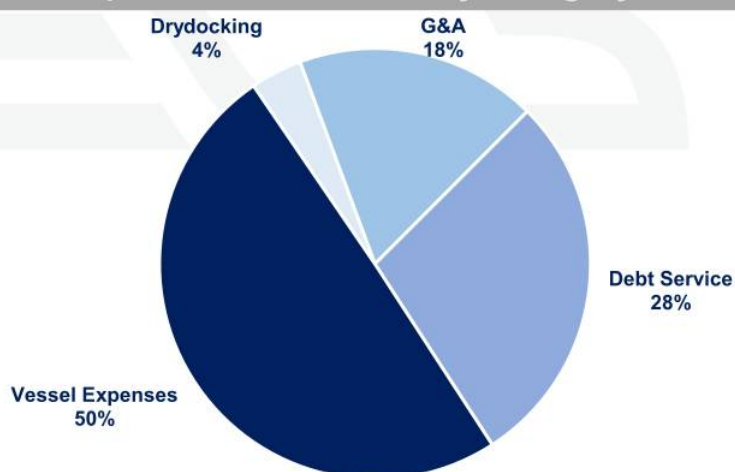


▪ Beginning and ending cash balances include 1) cash, 2) cash equivalents, and 3) restricted cash

# Cash Breakeven per Vessel per Day

	3q19 YTD	3q19	2q19	FY 2018
<b>OPERATING</b>				
Vessel Expenses	\$ 4,806	\$ 4,801	\$ 4,787	\$ 4,725
Drydocking	486	374	475	484
G&A	1,688	1,755	1,634	1,566
<b>Total Operating</b>	<b>6,980</b>	<b>6,930</b>	<b>6,896</b>	<b>6,775</b>
<b>DEBT SERVICE</b>				
Interest Expense	1,432	1,526	1,371	1,351
Debt Principal Repayment	1,468	1,215	2,170	232
<b>TOTAL CASH BREAKEVEN</b>	<b>\$ 9,880</b>	<b>\$ 9,671</b>	<b>\$ 10,437</b>	<b>\$ 8,358</b>

3q19 Cash Breakeven by Category



▪ G&A excludes stock-based compensation.

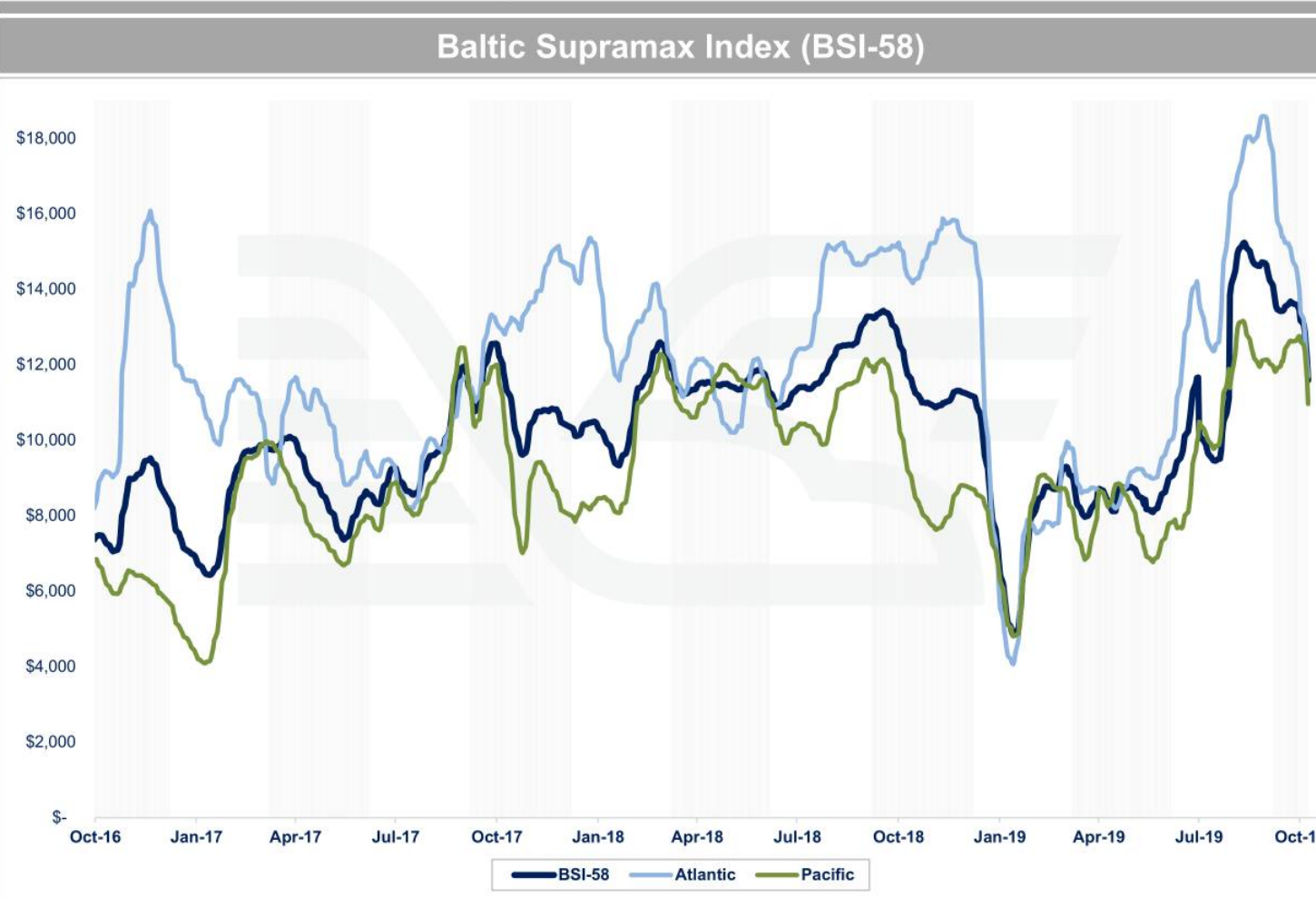


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# Industry Review

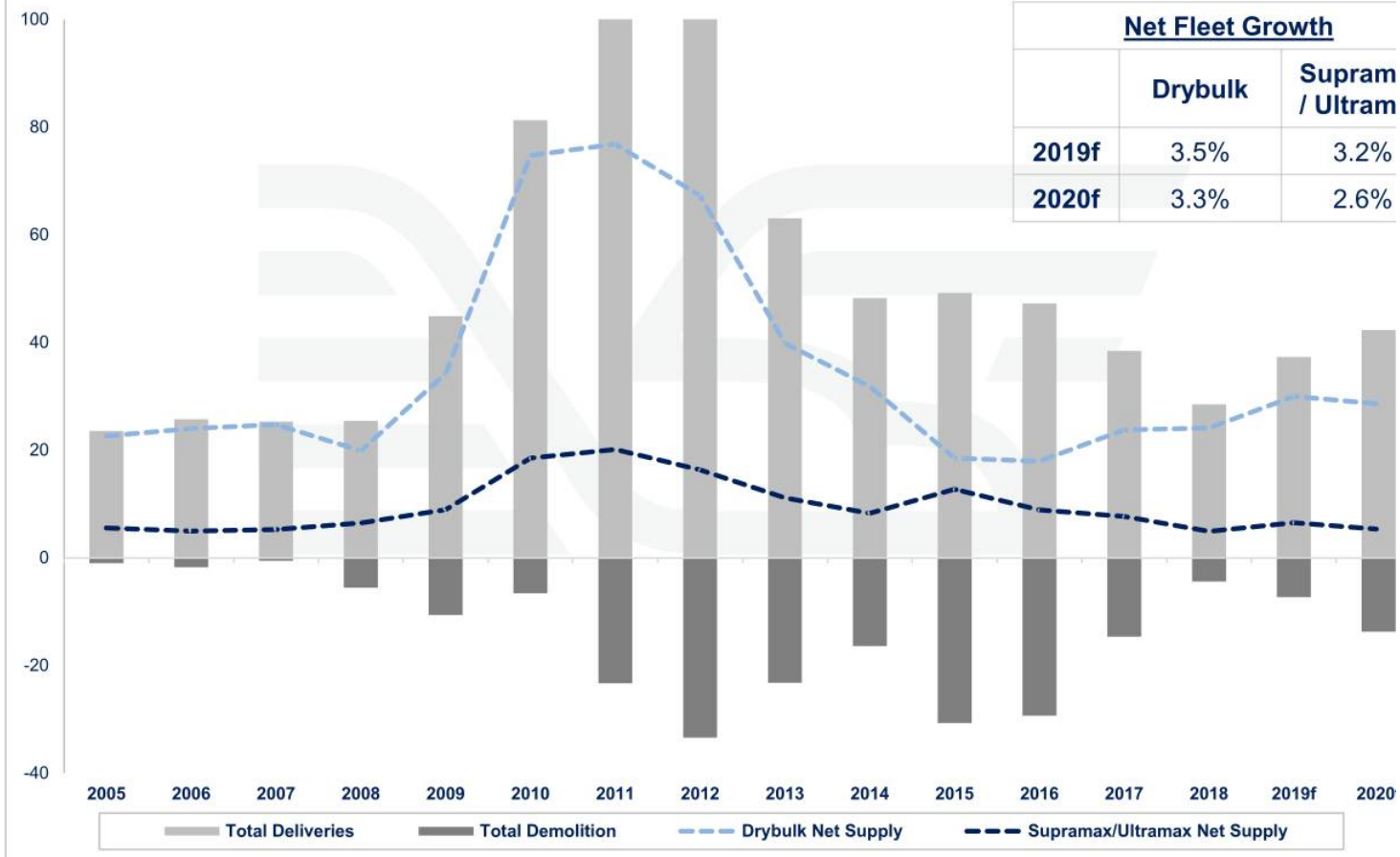
# Historical Spot Freight Rates



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

# Supramax/Ultramax 2019f Net Fleet Growth ~3.2%

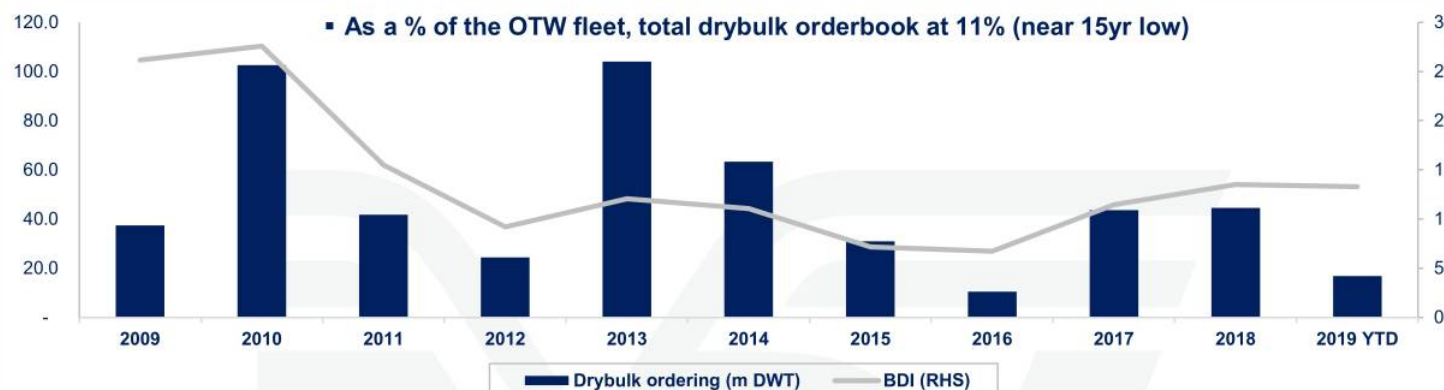
## Drybulk Deliveries + Scrapping (DWT)



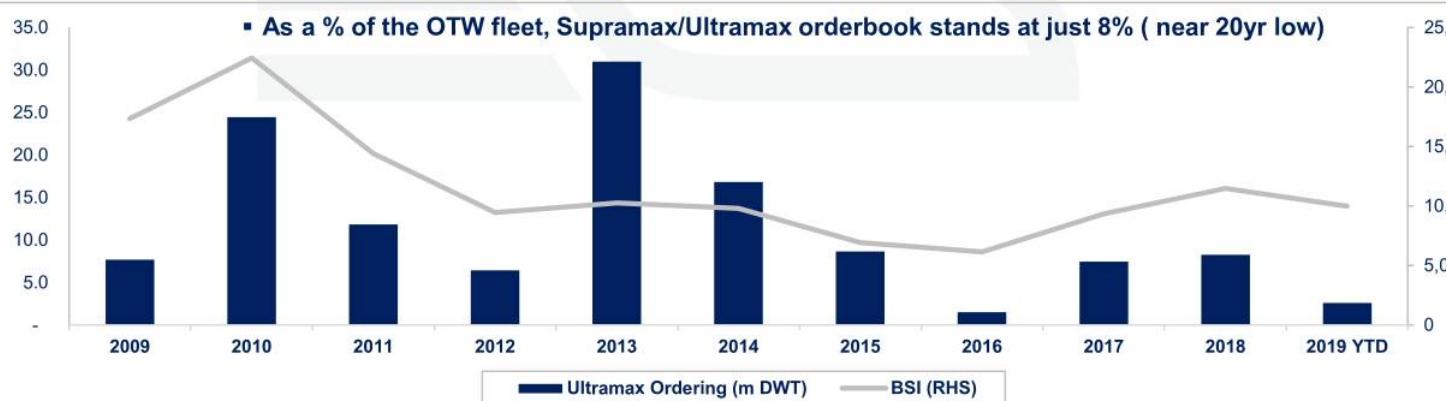
• Figures are in million DWT  
 • Source(s): Clarksons October 2019

# Drybulk Orderbook ~11% of Fleet / Ultramax ~8%

## Drybulk Contracting (in DWT) vs BDI



## Ultramax Contracting (in DWT) vs BSI



- Contracting figures are in million DWT
- BSI history is basis BSI-58 from 2015-present and BSI-52 for 2009-2014
- Source: Clarksons

# Minor Bulk Demand Leading Drybulk Growth

## Drybulk Trade (DT) vs. Global GDP



## Annualized Growth Rates

	3-yr avg	Last	Current	Next
	2015-17	2018	2019f	2020f
<b>Global GDP</b>	<b>3.6%</b>	<b>3.6%</b>	<b>3.0%</b>	<b>3.4%</b>
China	6.8%	6.6%	6.1%	5.8%
India	7.8%	6.8%	6.1%	7.0%
<b>Dry Bulk Trade</b>	<b>1.9%</b>	<b>2.4%</b>	<b>1.5%</b>	<b>2.0%</b>
Iron Ore	3.2%	0.2%	-1.3%	2.1%
Coal	-0.3%	5.1%	1.2%	1.2%
Grains	5.4%	-0.6%	1.5%	2.1%
<b>Minor Bulk</b>	<b>1.6%</b>	<b>3.8%</b>	<b>3.6%</b>	<b>2.5%</b>



- Source(s): Clarksons (October 2019), IMF (October 2019)
- Drybulk Trade growth in top chart adjusted for ton miles
- Drybulk Trade / Global GDP ratio for 2009 excluded from historical average calculation

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# APPENDIX

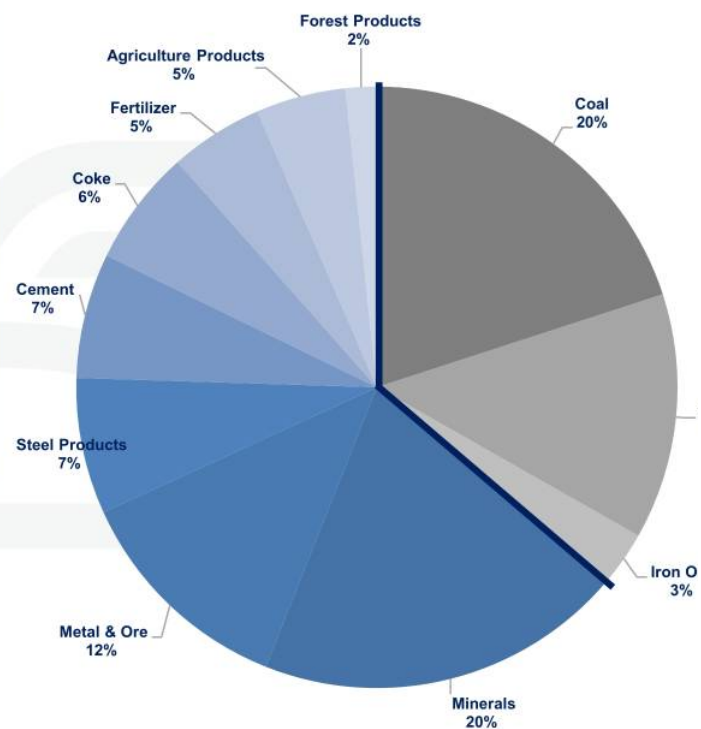


# Eagle 2019 Cargo Mix

Cargo Mix by Quarter

	4q18	1q19	2q19	3q19	LTM
Coal	18%	14%	26%	21%	20%
Grain	13%	11%	13%	17%	13%
Iron Ore	1%	4%	2%	5%	3%
<b>Total Major Bulk</b>	<b>32%</b>	<b>28%</b>	<b>41%</b>	<b>43%</b>	<b>36%</b>
Minerals	17%	24%	19%	21%	20%
Metal & Ore	12%	15%	11%	11%	12%
Steel Products	11%	5%	7%	5%	7%
Cement	5%	6%	9%	6%	7%
Coke	8%	6%	4%	8%	6%
Fertilizer	6%	10%	2%	2%	5%
Agriculture Products	8%	4%	4%	3%	5%
Forest Products	1%	2%	3%	1%	2%
Other	0%	0%	0%	0%	0%
<b>Total Minor Bulk</b>	<b>68%</b>	<b>72%</b>	<b>59%</b>	<b>57%</b>	<b>64%</b>

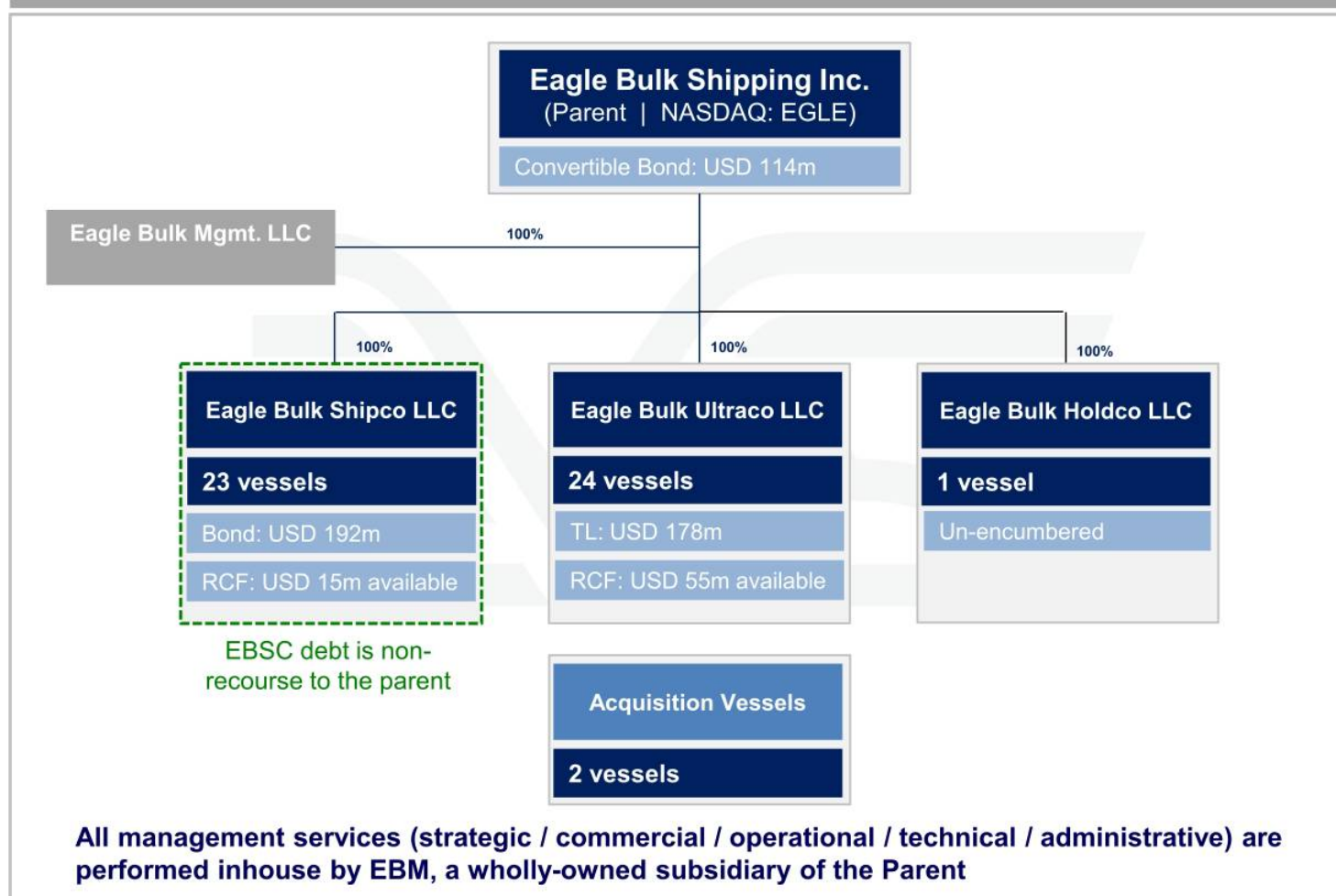
Cargo Mix (LTM)



Minor Bulks ~64%

Major Bulks ~36%

# Corporate Structure



- Bond, RCF, and Convertible Bond figures as of September 30, 2019. Ultraco Term loan increased by USD 34.32m on October 1
- Vessel counts as of October 2019, proforma for the final two Acquisition Vessels expected to be delivered in 4q19

# 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 188m	USD 55m
OUTSTANDING	USD 114m	USD 192m	-	USD 178m	-
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	23 vessels + USD 29.6m restricted cash		24 vessels	
INTEREST RATE	5.0% fixed	8.25% fixed	L+200bps	L+250bps	
DATE CLOSED	July 2019	November 2017		January 2019	
TENOR	5 years	5 years		5 years	
MATURITY	2024	2022		2024	
AMORTIZATION	N/A	USD 8m/year	N/A	USD 21.0m - 1st yr (starting Apr 2019) USD 29.2m/year thereafter	
CONVERSION	178.1737 shares common stock per USD 1,000 principal (approx. share price of USD 5.61)	N/A		N/A	



- Bond, RCF, and Restricted Cash amounts outstanding as of September 30, 2019. Collateral vessel count as of October 2, 2019
- Ultraco Term loan was increased by USD 34.32m on October 1, 2019

# Owned Fleet

Total Fleet: 50 Vessels		2946 DWT (MT, thousands)		8.5 Yrs Old	
Eagle Bulk Shipco LLC		Eagle Bulk Ultraco LLC		Eagle Bulk Holdco LLC	
Vessel	DWT	Vessel	DWT	Vessel	DWT
1 Singapore Eagle	63.4	1 New London Eagle	63.1	1 Santos Eagle	63.5
2 Stamford Eagle	61.5	2 Cape Town Eagle	63.7		
3 Sandpiper Bulker	57.8	3 Westport Eagle	63.3	1 Vessel	63.5
4 Roadrunner Bulker	57.8	4 Hamburg Eagle	63.3		
5 Puffin Bulker	57.8	5 Madison Eagle	63.3		
6 Petrel Bulker	57.8	6 Greenwich Eagle	63.3		
7 Owl	57.8	7 Groton Eagle	63.3		
8 Oriole	57.8	8 Fairfield Eagle	63.3		
9 Egret Bulker	57.8	9 Southport Eagle	63.3		
10 Crane	57.8	10 Rowayton Eagle	63.3		
11 Canary	57.8	11 Mystic Eagle	63.3		
12 Bittern	57.8	12 Stonington Eagle	63.3		
13 Stellar Eagle	56.0	13 Nighthawk	57.8	Acquisition Vessels	
14 Crested Eagle	56.0	14 Martin	57.8	1 Hong Kong Eagle	63.5
15 Crowned Eagle	55.9	15 Kingfisher	57.8	2 Shanghai Eagle	63.4
16 Jaeger	52.5	16 Jay	57.8		
17 Cardinal	55.4	17 Ibis Bulker	57.8		
18 Skua	53.4	18 Grebe Bulker	57.8		
19 Shrike	53.3	19 Gannet Bulker	57.8		
20 Tern	50.2	20 Imperial Eagle	56.0		
21 Osprey I	50.2	21 Golden Eagle	56.0		
22 Goldeneye	52.4	22 Copenhagen Eagle	63.5		
23 Hawk I	50.3	23 Sydney Eagle	63.5		
		24 Dublin Eagle	63.5		
23 Vessels	1,288.6	24 Vessels	1,467.1	2 Vessels	126.9



- Eagle fleet count as of October 2019, proforma for the remaining four Acquisition Vessels which are expected to be delivered to the Company during 3q-4q19.



# EBITDA Reconciliation

USD in Thousands	1q16	2q16	3q16	4q16	1q17	2q17	3q17	4q17
<b>Net Income / (Loss)</b>	<b>\$(39,279)</b>	<b>\$(22,496)</b>	<b>\$(19,359)</b>	<b>\$(142,389)</b>	<b>\$(11,068)</b>	<b>\$(5,888)</b>	<b>\$(10,255)</b>	<b>\$(16,551)</b>
Less adjustments to reconcile:								
Interest expense	2,818	4,903	7,434	6,644	6,445	6,859	7,837	8,117
Interest income	(3)	-	(88)	(124)	(190)	(186)	(143)	(143)
<b>EBIT</b>	<b>(36,464)</b>	<b>(17,593)</b>	<b>(12,013)</b>	<b>(135,868)</b>	<b>(4,813)</b>	<b>785</b>	<b>(2,561)</b>	<b>(8,443)</b>
Depreciation and amortization	9,397	9,654	9,854	9,979	7,493	8,021	8,981	9,443
<b>EBITDA</b>	<b>(27,068)</b>	<b>(7,939)</b>	<b>(2,159)</b>	<b>(125,889)</b>	<b>2,680</b>	<b>8,805</b>	<b>6,420</b>	<b>(1,000)</b>
Less adjustments to reconcile:								
Stock-based compensation	827	842	(735)	1,273	2,171	2,478	2,350	1,155
One-time and non-cash adjustments	11,756	436	(509)	122,656	(297)	(1,977)	(373)	14,443
<b>Adjusted EBITDA*</b>	<b>\$(14,486)</b>	<b>\$ (6,661)</b>	<b>\$ (3,403)</b>	<b>\$ (1,961)</b>	<b>\$ 4,553</b>	<b>\$ 9,307</b>	<b>\$ 8,397</b>	<b>\$ 17,598</b>

USD in Thousands	1q18	2q18	3q18	4q18	1q19	2q19	3q19
<b>Net Income / (Loss)</b>	<b>\$ 53</b>	<b>\$ 3,451</b>	<b>\$ 2,585</b>	<b>\$ 6,486</b>	<b>\$ 29</b>	<b>\$(5,992)</b>	<b>\$(4,563)</b>
Less adjustments to reconcile:							
Interest expense	6,261	6,387	6,574	6,521	6,762	6,733	8,117
Interest income	(95)	(112)	(129)	(248)	(434)	(393)	(640)
<b>EBIT</b>	<b>6,219</b>	<b>9,726</b>	<b>9,030</b>	<b>12,759</b>	<b>6,357</b>	<b>348</b>	<b>2,914</b>
Depreciation and amortization	9,276	9,272	9,460	9,708	9,407	9,761	10,056
<b>EBITDA</b>	<b>15,495</b>	<b>18,998</b>	<b>18,490</b>	<b>22,467</b>	<b>15,764</b>	<b>10,109</b>	<b>12,970</b>
Less adjustments to reconcile:							
Stock-based compensation	3,511	2,410	2,100	1,187	1,445	1,227	1,155
One-time and non-cash adjustments	(170)	(276)	(406)	(165)	(1,838)	(967)	(971)
<b>Adjusted EBITDA*</b>	<b>\$ 18,835</b>	<b>\$ 21,132</b>	<b>\$ 20,184</b>	<b>\$ 23,489</b>	<b>\$ 15,372</b>	<b>\$10,370</b>	<b>\$ 13,154</b>



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

# TCE Reconciliation

\$ Thousands except TCE and days	1q16	2q16	3q16	4q16	1q17	2q17	3q17	4q17
<b>Revenues, net</b>	\$ 21,278	\$ 25,590	\$ 35,788	\$ 41,836	\$ 45,855	\$ 53,631	\$ 62,711	\$ 74,511
<b>Less:</b>								
Voyage expenses	(9,244)	(7,450)	(11,208)	(14,192)	(13,353)	(13,380)	(17,463)	(18,511)
Charter hire expenses	(1,489)	(1,668)	(3,822)	(5,866)	(3,873)	(6,446)	(9,652)	(11,346)
Reversal of one legacy time charter	1,045	793	670	432	(302)	584	329	4,000
Realized gain/(loss) - Derivatives	-	-	(449)	(113)	-	83	248	(1,000)
TCE revenue	\$ 11,590	\$ 17,265	\$ 20,979	\$ 22,097	\$ 28,326	\$ 34,473	\$ 36,173	\$ 45,511
<b>Owned available days *</b>	3,945	3,902	3,700	3,653	3,620	3,771	4,177	4,177
<b>TCE</b>	<b>\$ 2,938</b>	<b>\$ 4,425</b>	<b>\$ 5,670</b>	<b>\$ 6,049</b>	<b>\$ 7,825</b>	<b>\$ 9,142</b>	<b>\$ 8,660</b>	<b>\$ 10,400</b>

\$ Thousands except TCE and days	1q18	2q18	3q18	4q18	1q19	2q19	3q19
<b>Revenues, net</b>	\$ 79,371	\$ 74,939	\$ 69,093	\$ 86,692	\$ 77,390	\$ 69,391	\$ 74,110
<b>Less:</b>							
Voyage expenses	(22,515)	(17,205)	(15,126)	(24,721)	(25,906)	(20,907)	(19,446)
Charter hire expenses	(10,268)	(10,108)	(7,460)	(10,209)	(11,492)	(11,179)	(11,346)
Reversal of one legacy time charter	(86)	(404)	497	(226)	(414)	767	(120)
Realized gain/(loss) - Derivatives	117	345	284	(211)	(475)	861	(806)
TCE revenue	\$ 46,619	\$ 47,567	\$ 47,288	\$ 51,326	\$ 39,102	\$ 38,933	\$ 42,393
<b>Owned available days *</b>	4,218	4,153	4,192	4,227	4,070	4,001	3,849
<b>TCE</b>	<b>\$ 11,052</b>	<b>\$ 11,453</b>	<b>\$ 11,281</b>	<b>\$ 12,142</b>	<b>\$ 9,607</b>	<b>\$ 9,731</b>	<b>\$ 11,014</b>

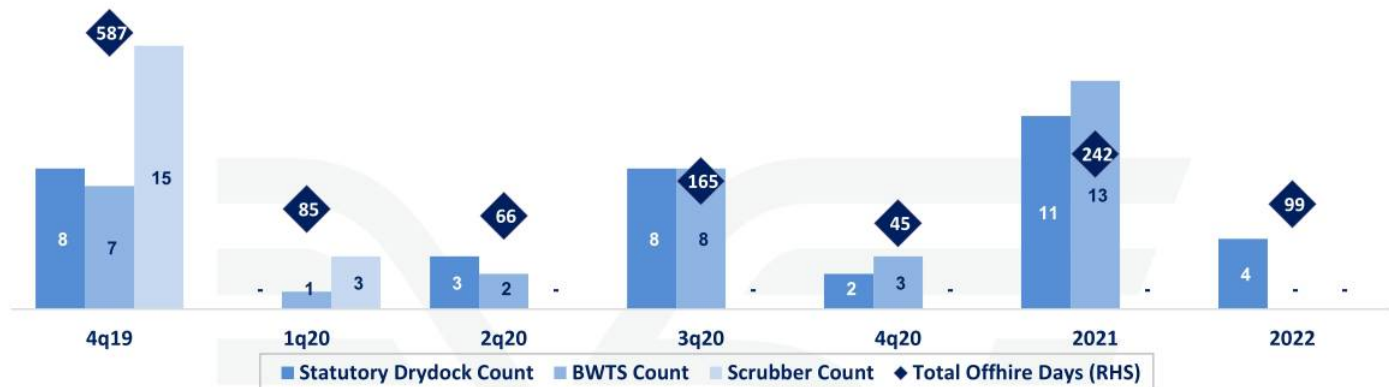


▪ Please see the Definitions slide in the Appendix for an explanation of Owned Available Days



# 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.

# Evaluating TCE Relative Performance

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

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

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

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

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

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

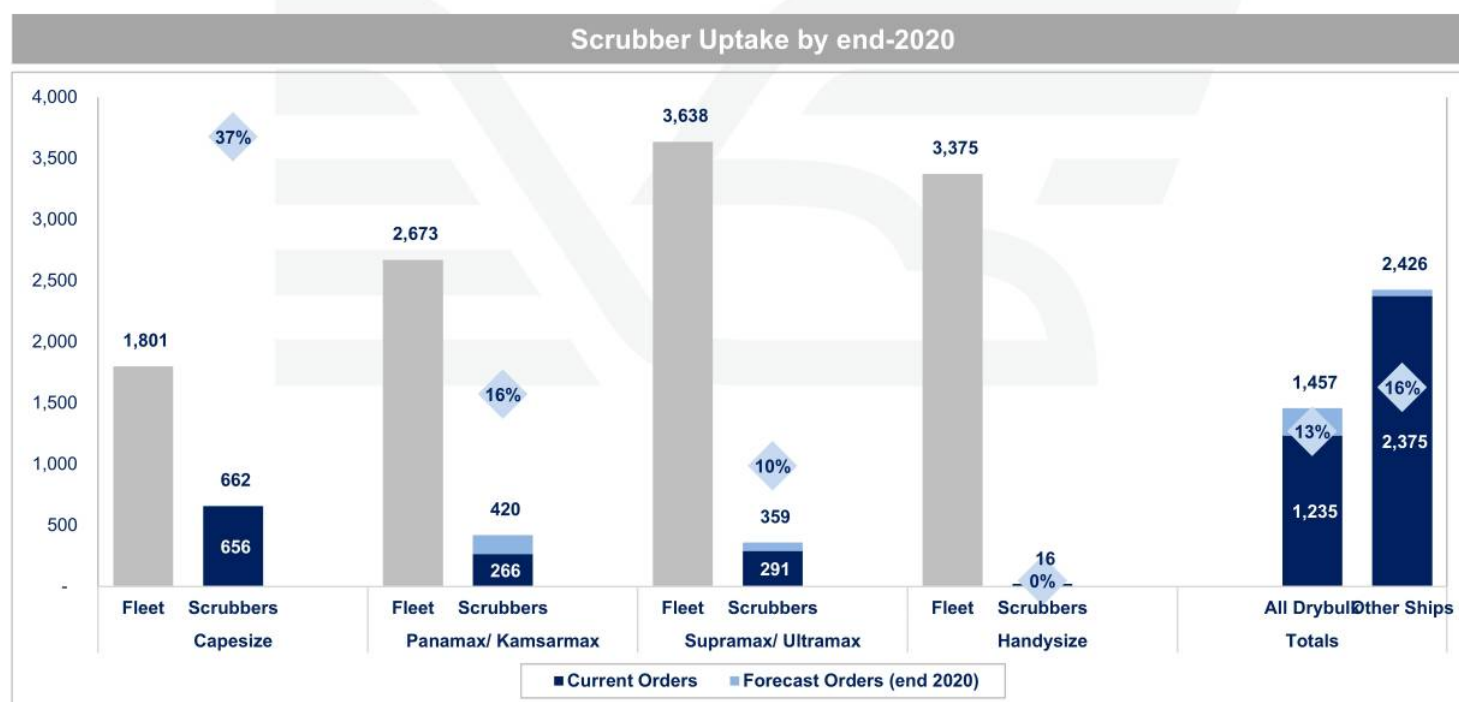
## For Illustrative Purposes Only



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

# Update on Scrubber Orderbook

- DNB's October update reflects 9 fewer scrubbers ordered for drybulk for installation by end-2019 (vs June update), likely due to installation slippage.
- Additional ~ 25 installs by end-2020 and end-2021
- Supramax / Ultramax current order estimate down by 5



▪ Scrubber uptake source: DNB Markets (October 2019)



# Definitions

## **Adjusted EBITDA**

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

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

## **TCE**

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

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



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