



**STAR BULK**

**CORPORATE PRESENTATION**

JANUARY 2022

# Forward-Looking Statements

Except for the historical information contained herein, this presentation contains among other things, certain forward-looking statements that involve risks and uncertainties. Such statements may include, without limitation, statements with respect to the Company's plans, objectives, expectations and intentions and other statements identified by words such as "may", "could", "would", "should", "believes", "expects", "anticipates", "estimates", "intends", "plans" or similar expressions. These statements are based upon the current beliefs and expectations of the Company's management and are subject to significant risks and uncertainties, including those detailed in the Company's filings with the Securities and Exchange Commission. Actual results, including, without limitation, operating or financial results, if any, may differ from those set forth in the forward-looking statements. These forward-looking statements involve certain risks and uncertainties that are subject to change based on various factors (many of which are beyond the Company's control).

In addition to these important factors, other important factors that, in the Company's view, could cause actual results to differ materially from those discussed in the forward-looking statements include (i) general dry bulk shipping market conditions, including fluctuations in charterhire rates and vessel values (ii) the strength of world economies, the stability of Europe and the Euro, fluctuations in interest rates and foreign exchange rates (iii) changes in demand in the dry bulk shipping industry, including the market for our vessels (iv) changes in our operating expenses, including bunker prices, dry docking and insurance costs (v) changes in governmental rules and regulations or actions taken by regulatory authorities (vi) the impact of regulation and regulatory, investigative and legal proceedings and legal compliance risks, including the impact of IMO's MARPOL ANNEX VI and IMO 2020 regulations and any changes thereof (vii) potential liability from pending or future litigation (viii) general domestic and international political conditions and potential disruption of shipping routes due to accidents or political events (ix) the availability of financing and refinancing (x) potential conflicts of interest involving our Chief Executive Officer, his family and other members of our senior management, (xi) vessel breakdowns and instances of off-hire, risks associated with vessel construction and potential exposure or loss from investment in derivative instrument (xii) our ability to have scrubbers installed within the price range and time frame anticipated (xiii) our ability to obtain any additional financing we may seek for scrubbers on acceptable terms (xiv) the relative cost and availability of low sulfur and high sulfur fuel (xv) our ability to realize the economic benefits or recover the cost of the scrubbers we plan to install. Our ability to pay dividends in any period will depend upon various factors, including the limitations under any credit agreements to which we may be a party, applicable provisions of Marshall Islands law and the final determination by the Board of Directors each quarter after its review of our financial performance. The timing and amount of dividends, if any, could also be affected by factors affecting cash flows, results of operations, required capital expenditures, or reserves. As a result, the amount of dividends actually paid may vary.

Please see our filings with the Securities and Exchange Commission for a more complete discussion of these and other risks and uncertainties. The information set forth herein speaks only as of the date hereof, and the Company disclaims any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this communication.

Certain financial information and data contained in this presentation is unaudited and does not conform to generally accepted accounting principles ("GAAP") or to Securities and Exchange Commission Regulations. We may also from time to time make forward-looking statements in our periodic reports that we will furnish to or file with the Securities and Exchange Commission, in other information sent to our security holders, and in other written materials. We caution that assumptions, expectations, projections, intentions and beliefs about future events may and often do vary from actual results and the differences can be material. This presentation includes certain estimated financial information and forecasts that are not derived in accordance with GAAP. The Company believes that the presentation of these non-GAAP measures provides information that is useful to the Company's shareholders as they indicate the ability of Star Bulk, to meet capital expenditures, working capital requirements and other obligations. The estimations of daily TCE rates are provided using the discharge-to-discharge method of accounting, while as per US GAAP we recognize revenues in our books using the load-to-discharge method of accounting. Both methods recognize the same total TCE revenues over the completion of a voyage, however discharge-to-discharge method recognizes revenues over more days, resulting in lower daily TCE rates. Under the load-to discharge method of accounting, increased ballast days at the end of the quarter will reduce the revenues that can be booked, following the accounting cut-off, in the relevant quarter, resulting in reduced daily TCE rates for the respective period.

We undertake no obligation to publicly update or revise any forward-looking statement contained in this presentation, whether as a result of new information, future events or otherwise, except as required by law. In light of the risks, uncertainties and assumptions, the forward-looking events discussed in this presentation might not occur, and our actual results could differ materially from those anticipated in these forward-looking statements.

This presentation is strictly confidential. This presentation is not an offer to sell any securities and it is not soliciting an offer to buy any securities in any jurisdiction where the offer or sale is not permitted.

# KEY INVESTMENT HIGHLIGHTS

The largest, most liquid US-listed dry bulk company with significant operating leverage to a market with strong fundamentals

## The Largest US-Listed Dry Bulk Company

- Fleet of 128 high quality vessels on a fully delivered basis with an average age of ~9.9 years
- Significant leverage to strong dry bulk market fundamentals; enhanced by low overhead and operating expenses
- Largest market capitalization and greatest liquidity among US-listed peers

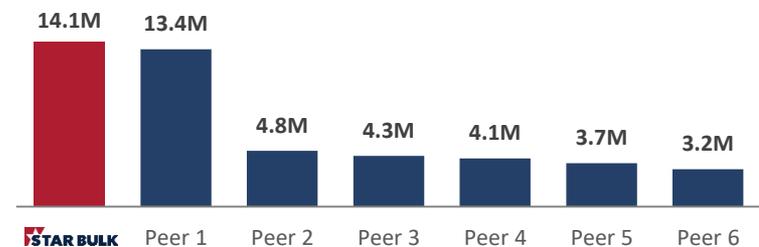
## Balance Sheet Supports Dividend Policy

- Total cash<sup>(1)</sup> of ~\$474 million and limited capex requirement
- ~35% reduction in net debt in the last two years
- \$2.25 per share paid out in dividends in the last 12 months through transparent dividend policy

## Highly Levered to Strong Market Tailwinds

- Best supply side dynamics in decades with slowing fleet growth and anticipated impacts of environmental regulations
- Current rate environment is underpinned by port congestion, fleet inefficiencies and recovering demand
- GDP forecasts imply continued healthy demand for seaborne dry bulk trade
- ~94% of Star Bulk's fleet is equipped with scrubbers, providing leverage to increasing fuel price spreads

## Fleet Size (DWT)



## Market Cap (\$ billions)



## Trading Liquidity (90-day average \$ millions)



# LARGEST FLEET WITH SIGNIFICANT OPERATING LEVERAGE

## Fleet Snapshot

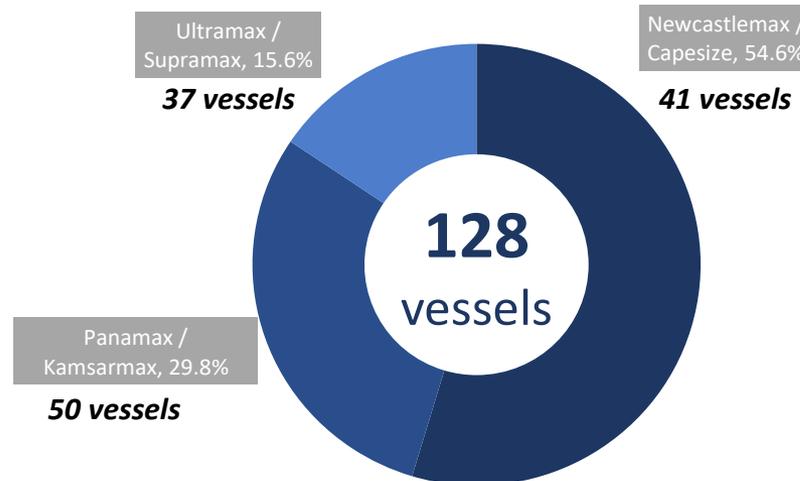
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### Leverage to market strength and fuel spreads

- Largest dry bulk fleet among U.S. and European listed peers with 128 vessels with an average age of ~9.9 years
- Diverse fleet provides exposure to all cargo types and trade routes
- ~94% of vessels are fitted with scrubbers, providing significant leverage to fuel price spreads
- Operating leverage with ~46,700 ownership days in 2022

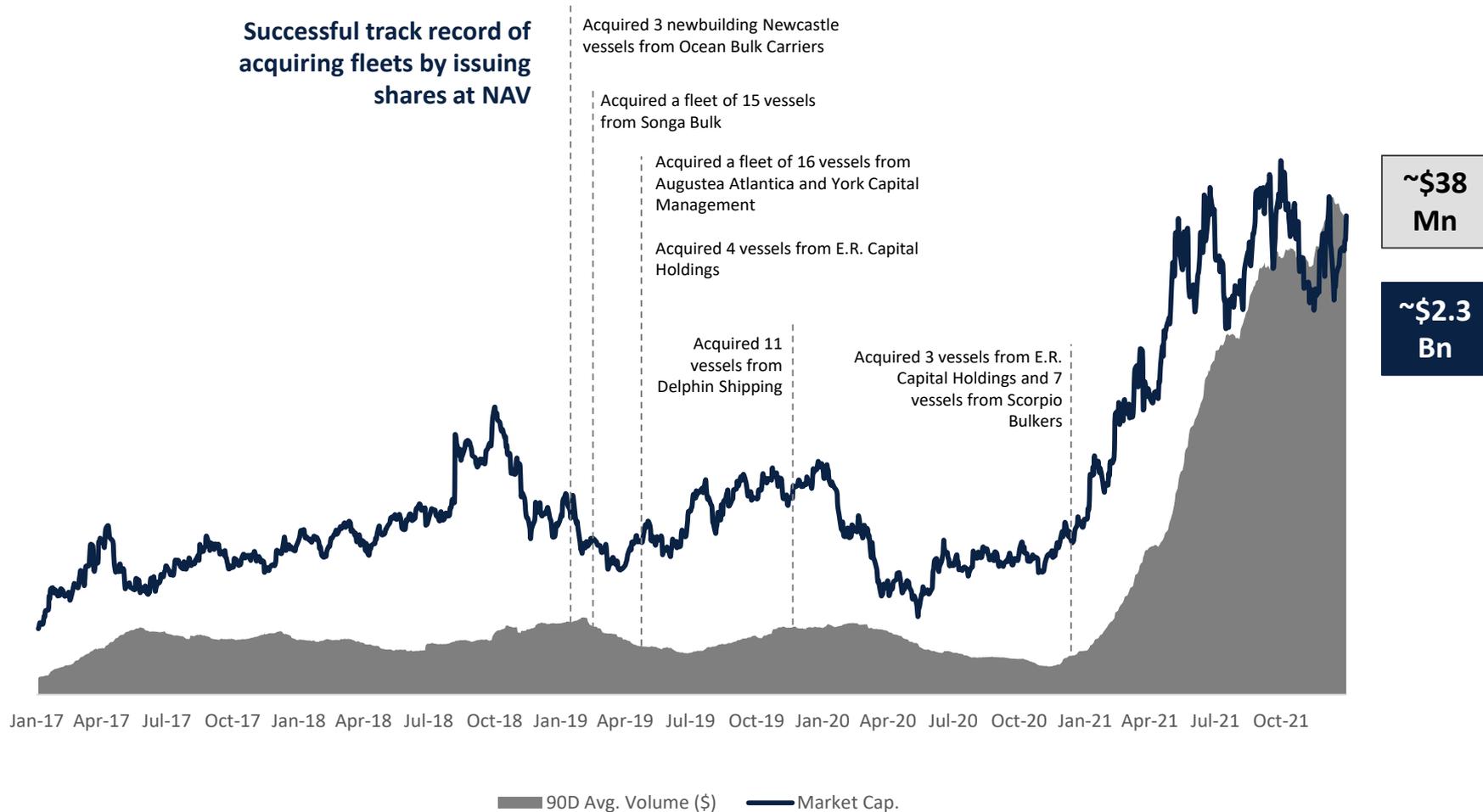
## Fleet Breakdown (by DWT)

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# BUILDING AN INSTITUTIONAL DRY BULK COMPANY

## Development of fleet, market cap. and trading volume

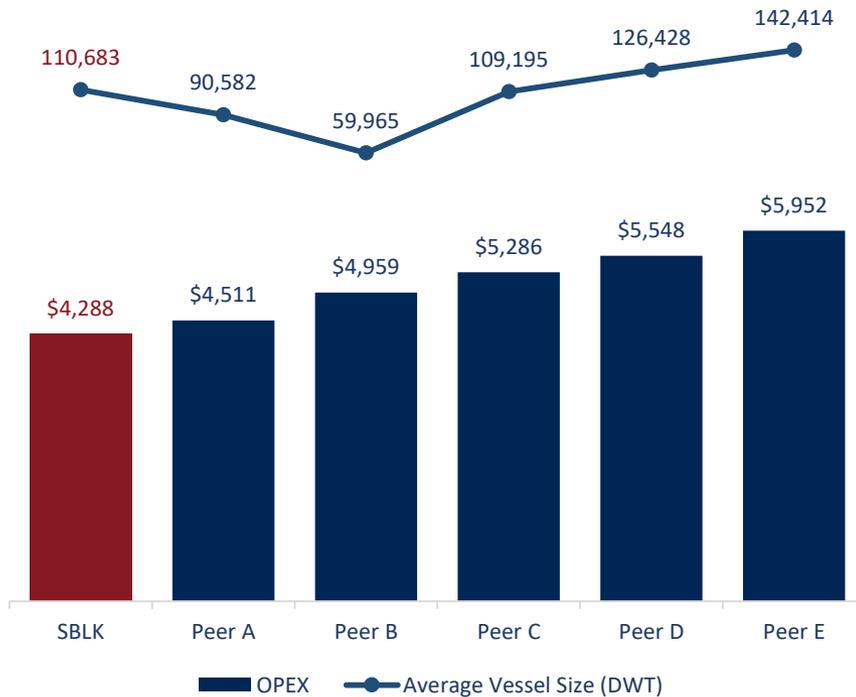


# FOCUSED ON OPERATIONAL EXCELLENCE

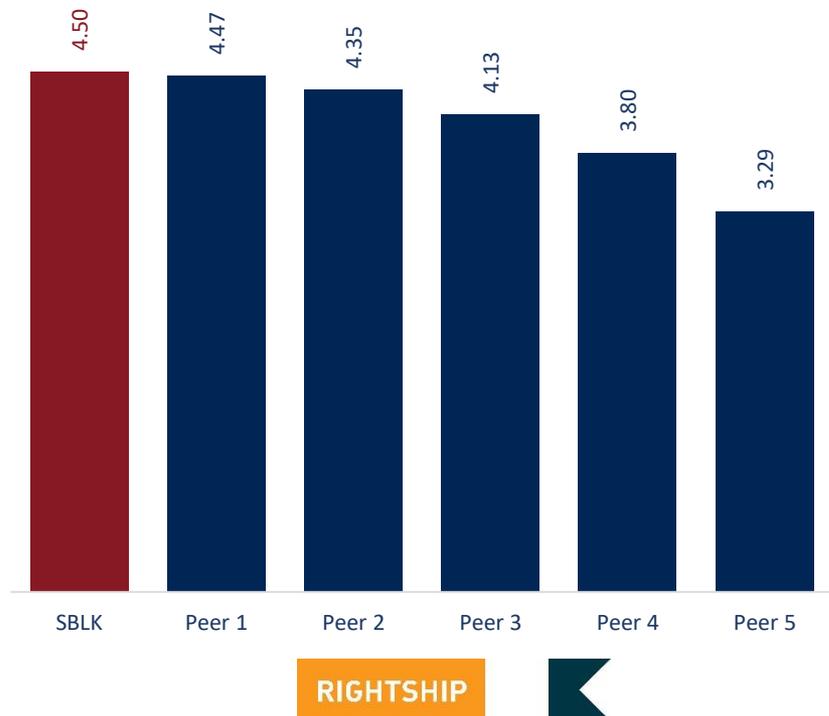
We operate a fleet with one of the lowest average daily OPEX among our peers without compromising quality

- For 9M 2021 vessel OPEX<sup>(1)</sup> were \$4,288 per vessel per day
- Net cash G&A<sup>(2)</sup> expenses per vessel per day were \$1,053 for 9M 2021
- We are consistently in the top 5 dry bulk operators amongst our peer group in Rightship Ratings

Average Daily OPEX<sup>(1)</sup>



Average Rightship risk rating (September 2021)



RIGHTSHIP



(1) Figures exclude pre-delivery and COVID -19 related expenses

(2) Excludes share incentive plans, includes management fees

Source: Company filings

# CONTINUED IMPROVEMENT OF BALANCE SHEET

## Balance Sheet Snapshot

### Healthy liquidity and competitive financing

- Cash balance of \$474 million as of December 31<sup>st</sup>, 2021<sup>(1)</sup>
- Total debt and lease obligations<sup>(1)</sup> of \$1,558 million
- Working Capital of \$80.0 million as Q3 2021
- Annual amortization of \$207 million
- Five unlevered vessels and no debt maturities until Q3 2023

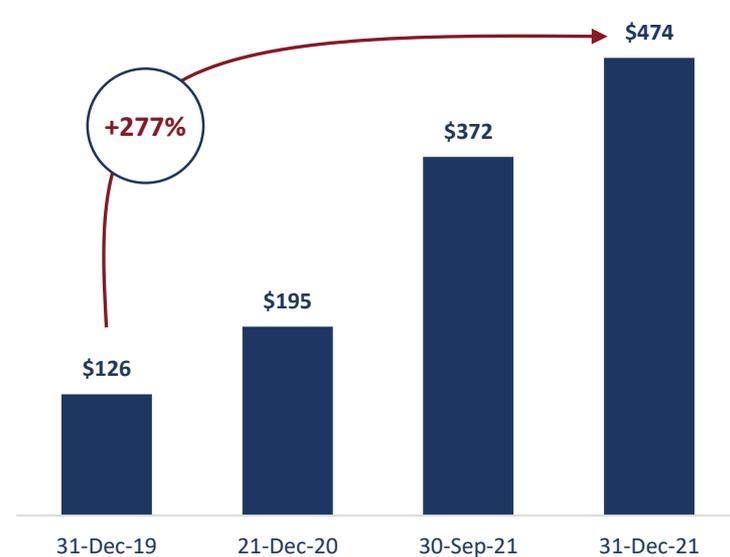
## Adjusted Net Debt<sup>(2)</sup>



## Recent Developments

- Paid \$2.25 per share in dividends over the last 12 months
- Completed four refinancings, which raised ~\$400 million in senior debt and resulted in interest savings of ~\$5 million per annum
- Pro forma average margin of ~2.4%

## Cash & Liquidity

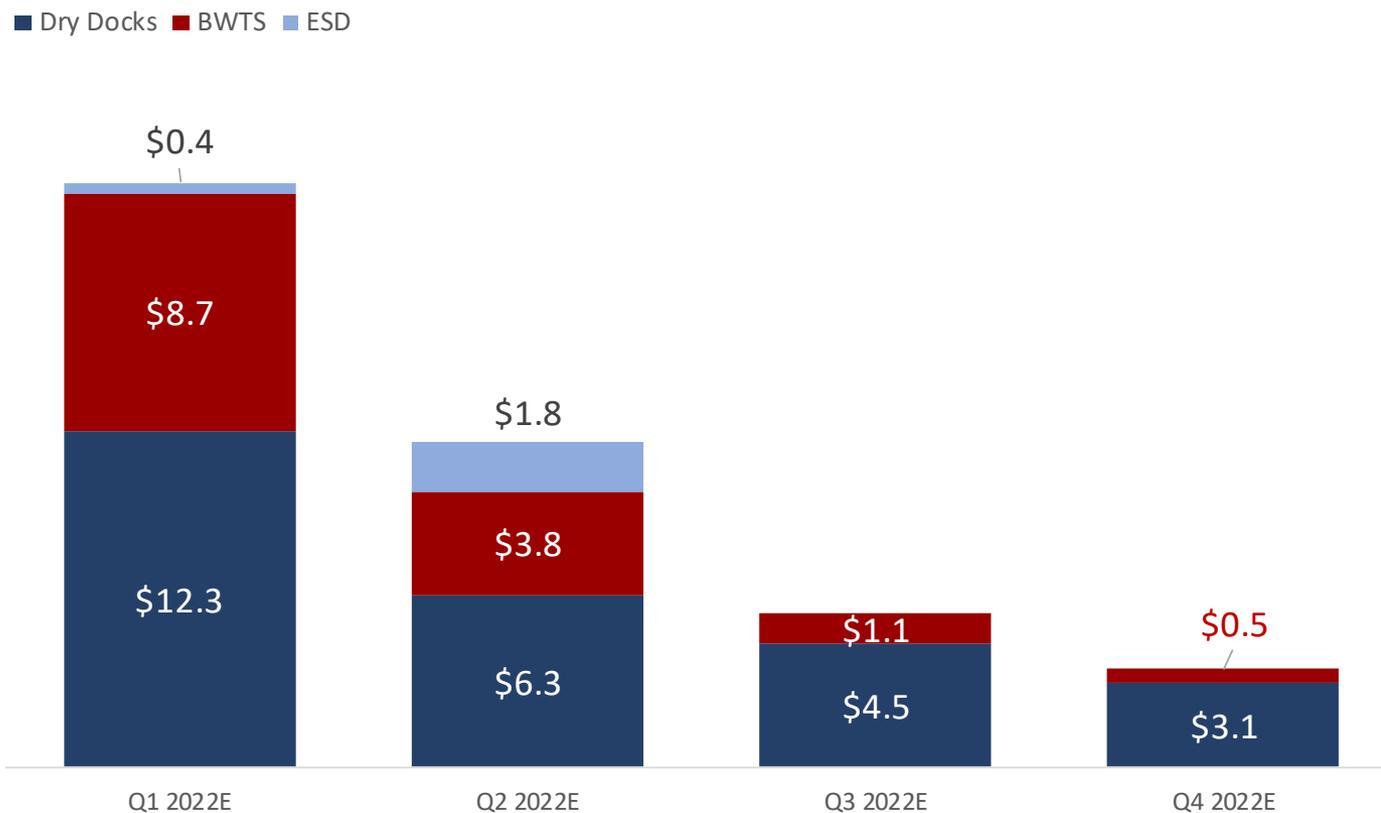


(1) As of December 31<sup>st</sup> 2021; unaudited

(2) Adjusted for the vessel acquisitions completed during the period

# MINIMAL CAPEX REQUIREMENT

Upcoming Dry Docks (“DD”), Ballast Water Treatment System Installations (“BWTS”) and Energy Saving Devices (“ESD”) (\$ millions)



	Q1 2022E	Q2 2022E	Q3 2022E	Q4 2022E
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Offhire days due to DD, BWTS and ESD

342

176

129

97

# SIMPLE, TRANSPARENT DIVIDEND POLICY: (A-B) / C

## Q3 2021 Dividend Calculation

All figures in \$ millions except for Number of Owned Vessels and per share figures

<b>(A)</b>	<b>Total Cash Balance (\$ millions)</b>	<b>\$371.7</b>
	Minimum Cash Balance Per Vessel	\$1.9 <sup>(1)</sup>
	Number of Owned Vessels	128
<b>(B)</b>	<b>Total Minimum Cash Threshold</b>	<b>\$243.2</b>
<b>(A - B)</b>	<b>Declared Dividend</b>	<b>\$128.5</b>
<b>(C)</b>	Number of Shares	102.288
<b>(A - B)</b> <b>(C)</b>	<b>Dividend per Share</b>	<b>\$1.25</b>

## Summary Dividend Policy

### Dividend Policy

On November 20, 2019, the Company's Board of Directors authorized a dividend policy whereby each quarter, an aggregate dividend will be declared equal to:

#### **(A) The Total Cash Balance<sup>(2)</sup>**

*less*

**(B)** A Minimum Cash Balance equal to the Number of Vessels<sup>(3)</sup> multiplied by

- i. \$1.40 million for Q1 2021;
- ii. \$1.65 million for Q2 2021;
- iii. \$1.90 million for Q3, 2021; or
- iv. **\$2.10 million for Q4 2021 and thereafter**

*divided by*

**(C) Number of shares outstanding**

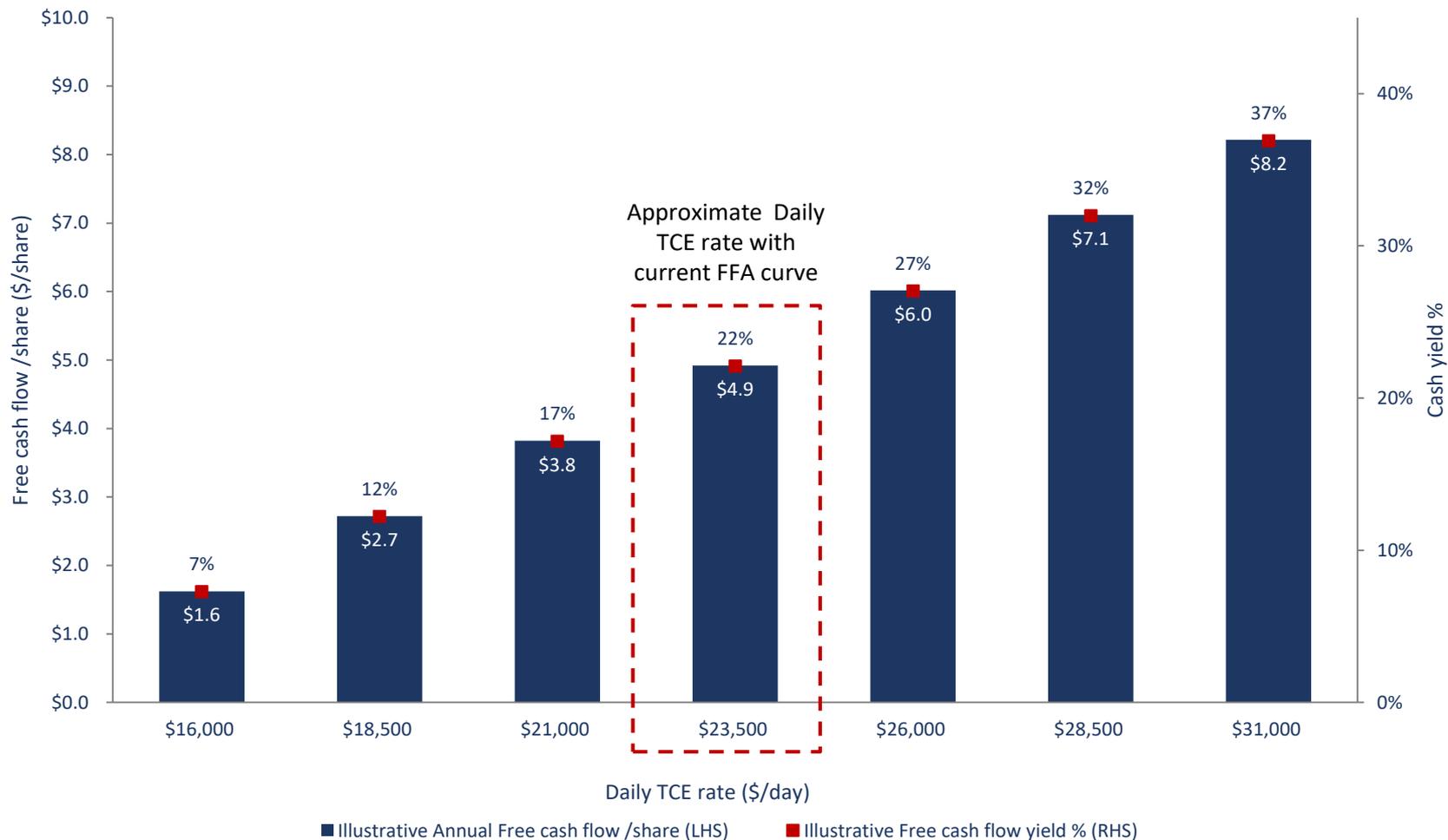
(1) Minimum Cash Balance Per Vessel in Q4 2021 and thereafter will be \$2.10 million

(2) "**Total Cash Balance**" means (a) the aggregate amount of cash on Star Bulk's balance sheet as of the last day of the quarter preceding the relevant dividend declaration date minus (b) any proceeds received by Star Bulk, including its subsidiaries, from vessel sales, or additional proceeds from vessel refinancings, or securities offerings in the last 12 months that have been earmarked for share repurchases, debt prepayment, vessel acquisitions and general corporate purposes.

(3) "**Number of Vessels**" means the total number of vessels owned by the Company, including its subsidiaries, or that are subject to sale and leaseback transactions and finance leases, as of the last day of the quarter preceding the relevant dividend declaration date.)

# OPERATING LEVERAGE AND CASH FLOW POTENTIAL

## Illustrative 2022 Free Cash Flow Yield at Various Daily TCE Levels<sup>(1), (2), (3)</sup>



(1) Please refer to our Financial Statements for a reconciliation regarding Daily TCE rate and Adjusted EBITDA to the closest comparable GAAP metric  
 (2) Free cash flow is defined as : Adjusted EBITDA less the aggregate of a) cash interest expense, b) scheduled debt amortization and c) BWTS and ESD CAPEX  
 (3) Based on (i) on FFA curve and VLSFO – HSFO spread forward curve as of January 10<sup>th</sup>, 2022; (ii) 128 owned vessels; (iii) 102.288 fully diluted shares; and (iv) SBLK closing share price of January 10<sup>th</sup>, 2022

# AN ACTIVE LEADER SETTING STANDARDS IN THE INDUSTRY



**MACN**  
Maritime Anti-Corruption Network

Joined the **Maritime Anti-Corruption Network (MACN)**, a global business network with more than 160 companies globally which works with governments, NGOs and civil society to eliminate maritime corruption.

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**POSEIDON  
PRINCIPLES**

Participated in the drafting of the **Poseidon Principles for Marine Insurance**, an initiative by the Global Maritime Forum which serve as a framework to better align Hull & Machinery portfolios with responsible environmental impacts.

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## Getting to Zero Coalition

Became a signatory to the **Call to Action for Shipping Decarbonization**, an initiative by the Getting to Zero Coalition which publicly calls on governments and international regulators to take decisive action in support of shipping decarbonization.

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Actively participated actively in and sponsored the **Next Wave: Green Corridors report**, a project which analyzes the feasibility of specific trade routes between major port hubs where zero-emission solutions could be demonstrated and supported.

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# FOCUSED ON TRANSPARENCY AND COLLABORATION

## International collaboration on GHG

- Publish annual **ESG Report** – disclose carbon footprint and carbon intensity of our fleet.
- Share the carbon intensity data of our vessels with our stakeholders through the **Poseidon Principles** and the **Sea Cargo Charter**.

## Other GHG emissions transparency actions

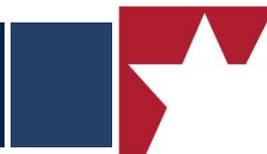
- Participate in the **Carbon Disclosure Project**.
- Engage in **sustainability linked loan facilities** with our banks with the commitment to comply with specific carbon intensity targets.
- Employ **telemetry** across our fleet to monitor accurately and real-time the energy efficiency and CO2 emissions of our vessels.

## Pilot and demonstration projects (R&D)

- Employ a dedicated **in-house R&D team** to examine new technologies on energy efficiency and green fuels.
- Participate in **R&D consortiums** to pilot new technical approaches to energy efficiency and zero-emission fuels.
- Pilot and invest in **new software technologies** on voyage optimization.
- Participate in **industry Alliances** to help develop strategies that drive the take-off of alternative fuels.

[Download](#) our third annual **Environmental, Social and Governance (ESG) Report**, assured by EY's Climate Change and Sustainability Services

# MARKET UPDATE



# MARKET OVERVIEW

Fleet growth set to decrease significantly while demand for dry bulk commodities is expected to continue to grow at a healthy pace

## Demand Outlook

### Demand expected to continue to be healthy

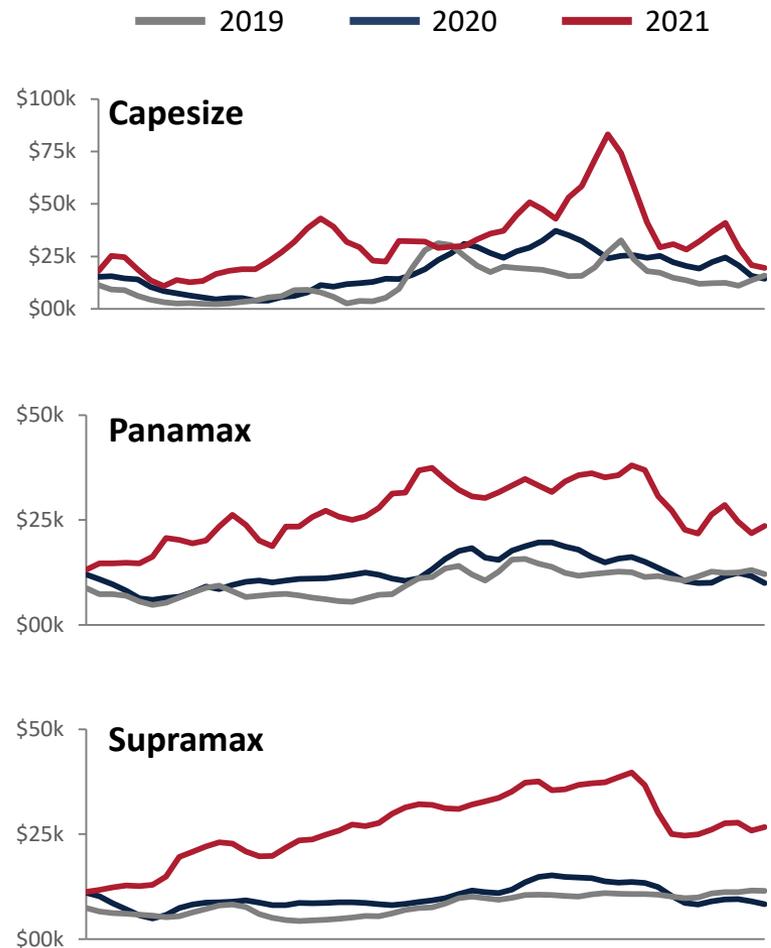
- IMF forecasts global GDP to grow by 4.9% in 2022, led by 5.1% growth in emerging economies
- Healthy demand across all commodity groups, resulting in forecast 2.2% growth in dry bulk shipping demand after factoring in longer trade routes
- Continued potential for spillover cargoes due to supply constraints in container market

## Supply Outlook

### Most favorable supply dynamic in three decades

- New emissions regulations and lack of standards around future vessel propulsion technology have dissuaded new ordering despite market strength
- The global orderbook is at 25+ year lows as a percentage of the global fleet
- Fleet growth in 2023 fleet growth is expected to be at its lowest level since 2000
- Port congestion and inefficiencies, among other factors, are reducing effective fleet capacity further

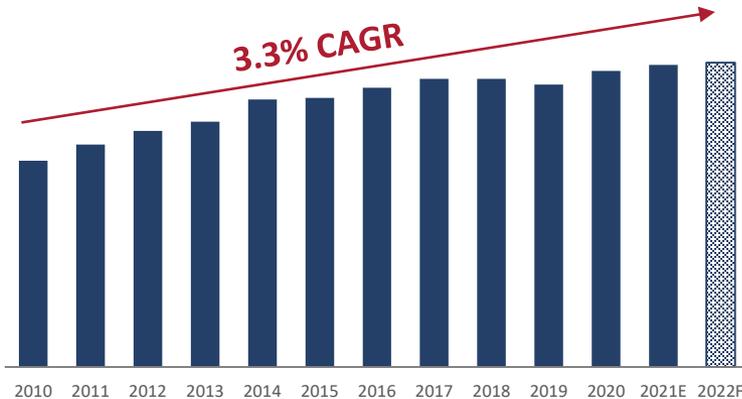
## Weekly Rates by Segments



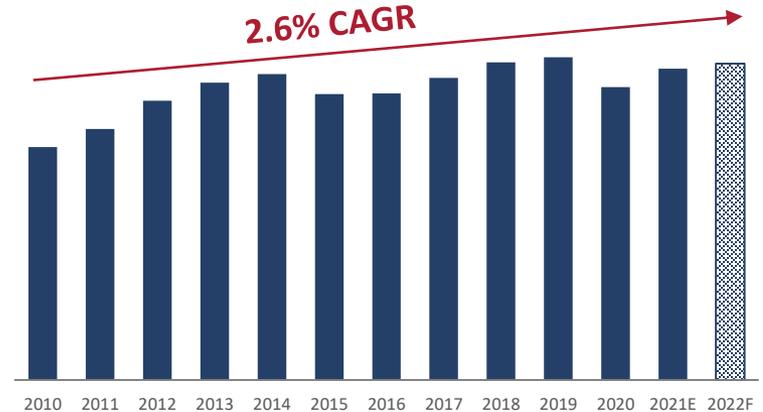
# DEMAND IS HEALTHY ACROSS ALL COMMODITY GROUPS

Healthy demand growth is forecast across all commodity groups despite impact of new COVID-19 variants and repeated downward revisions of GDP growth forecasts

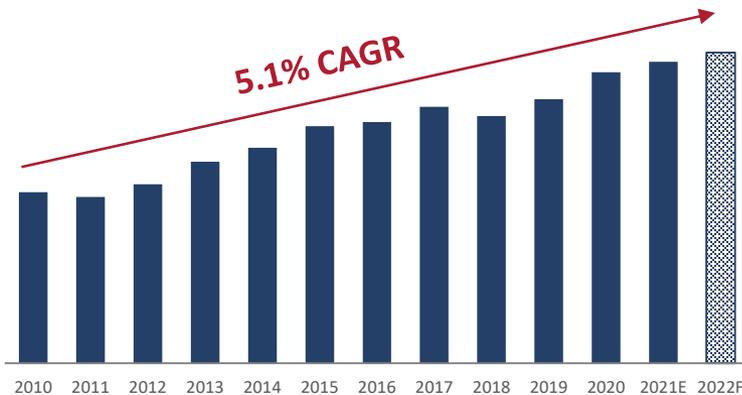
### Iron Ore Trade (bn ton miles)



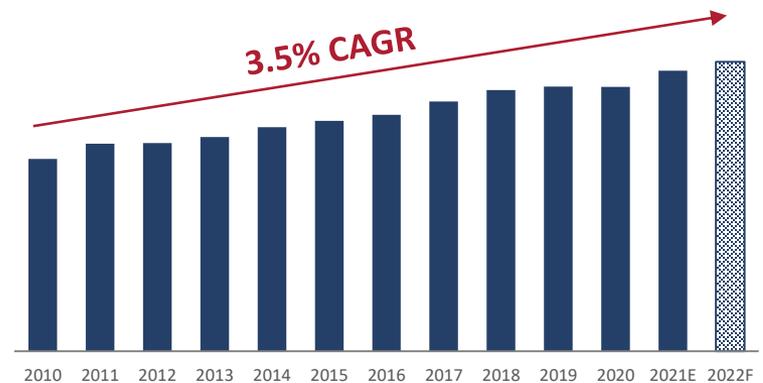
### Coal Trade (bn ton miles)



### Grain Trade (bn ton miles)



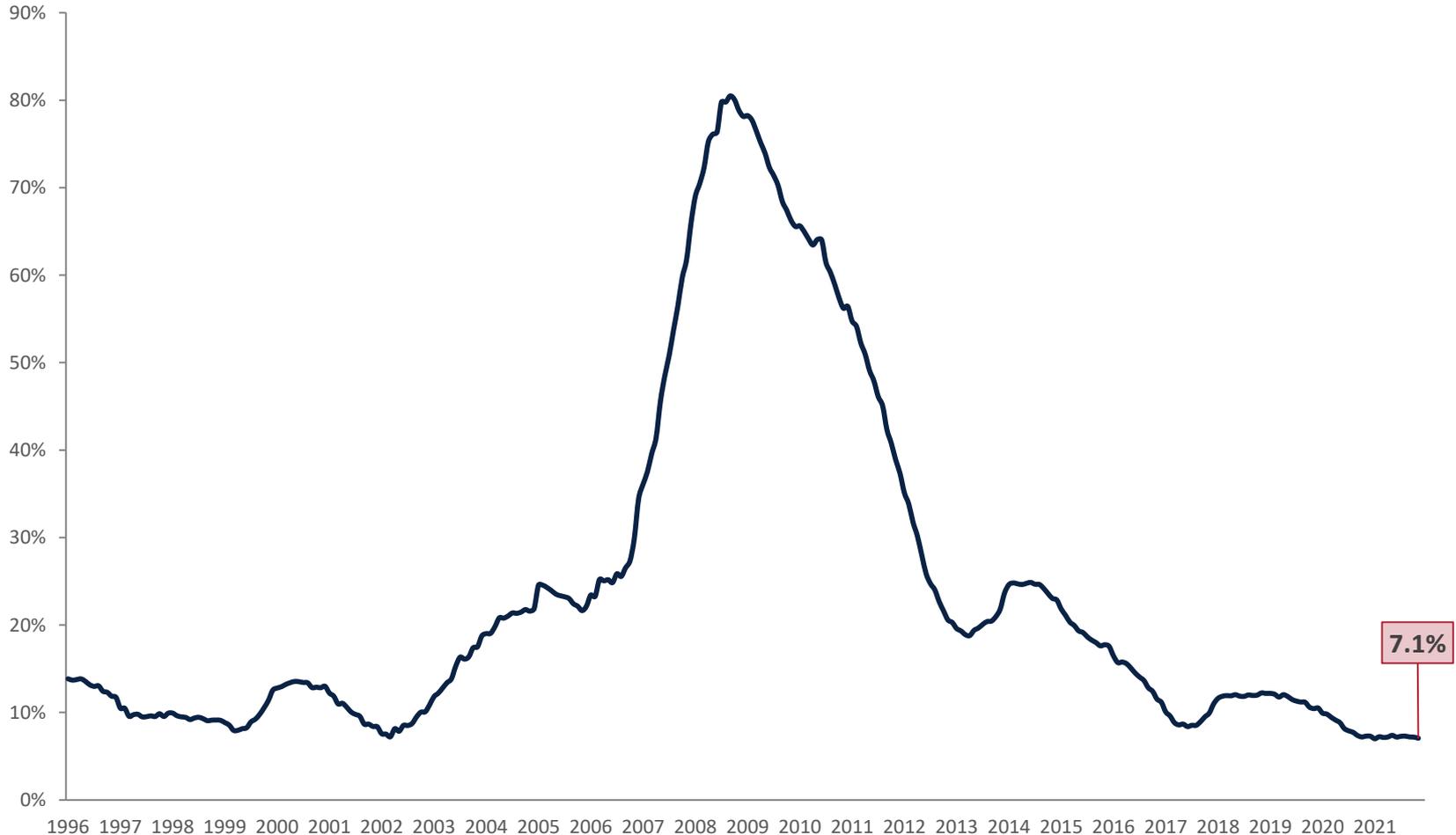
### Minor Bulks Trade (bn ton miles)



# THE ORDERBOOK IS AT 25+ YEAR LOWS

The orderbook offers good visibility into fleet supply growth over the next several years

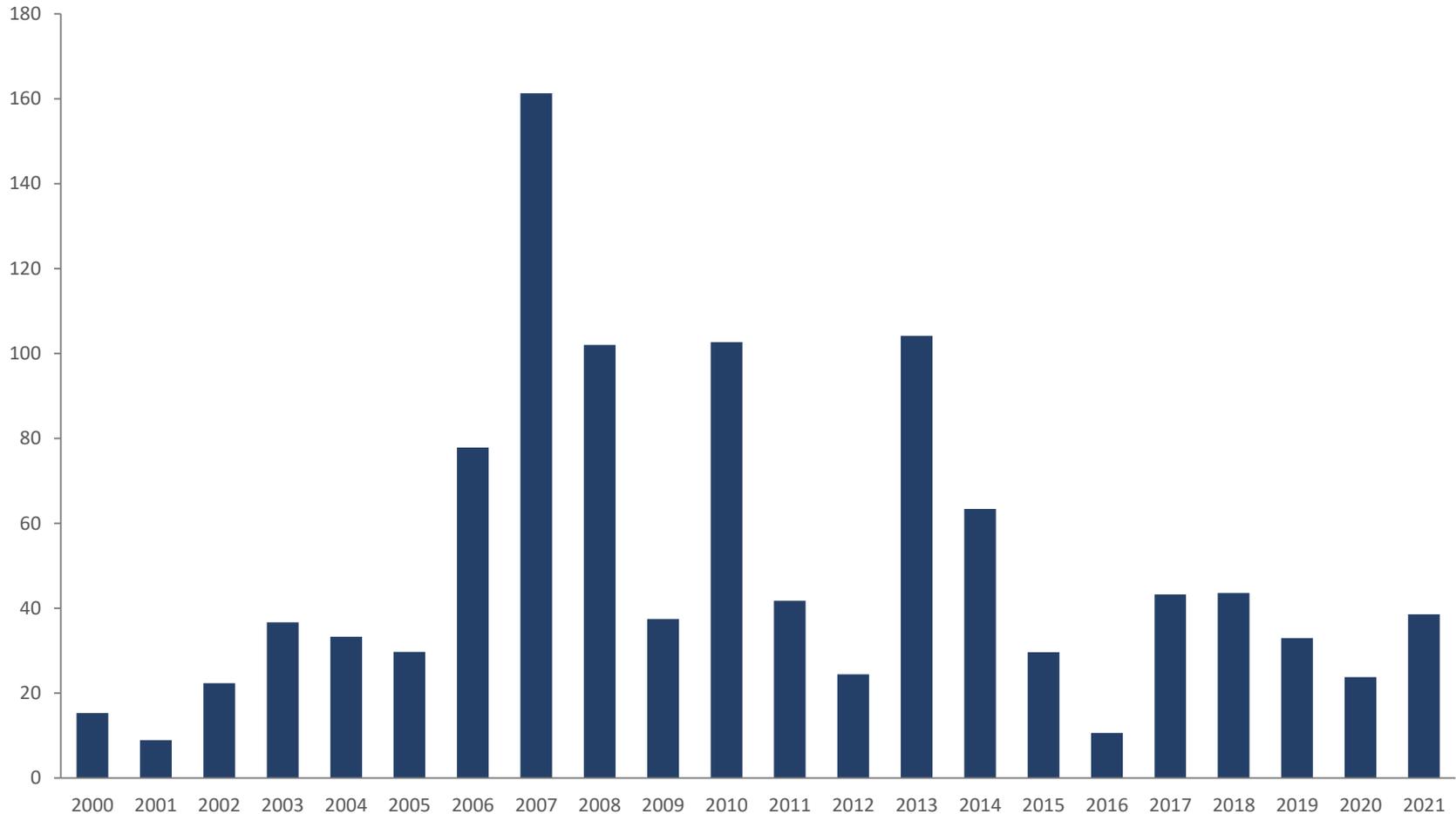
## Orderbook as % of Existing Fleet



# THE PACE OF NEW ORDERING HAS BEEN MANAGEABLE

Defying historical trends, market strength has not been accompanied by a high level of new ordering due to several factors, including the absence of propulsion standards to meet upcoming emissions regulations

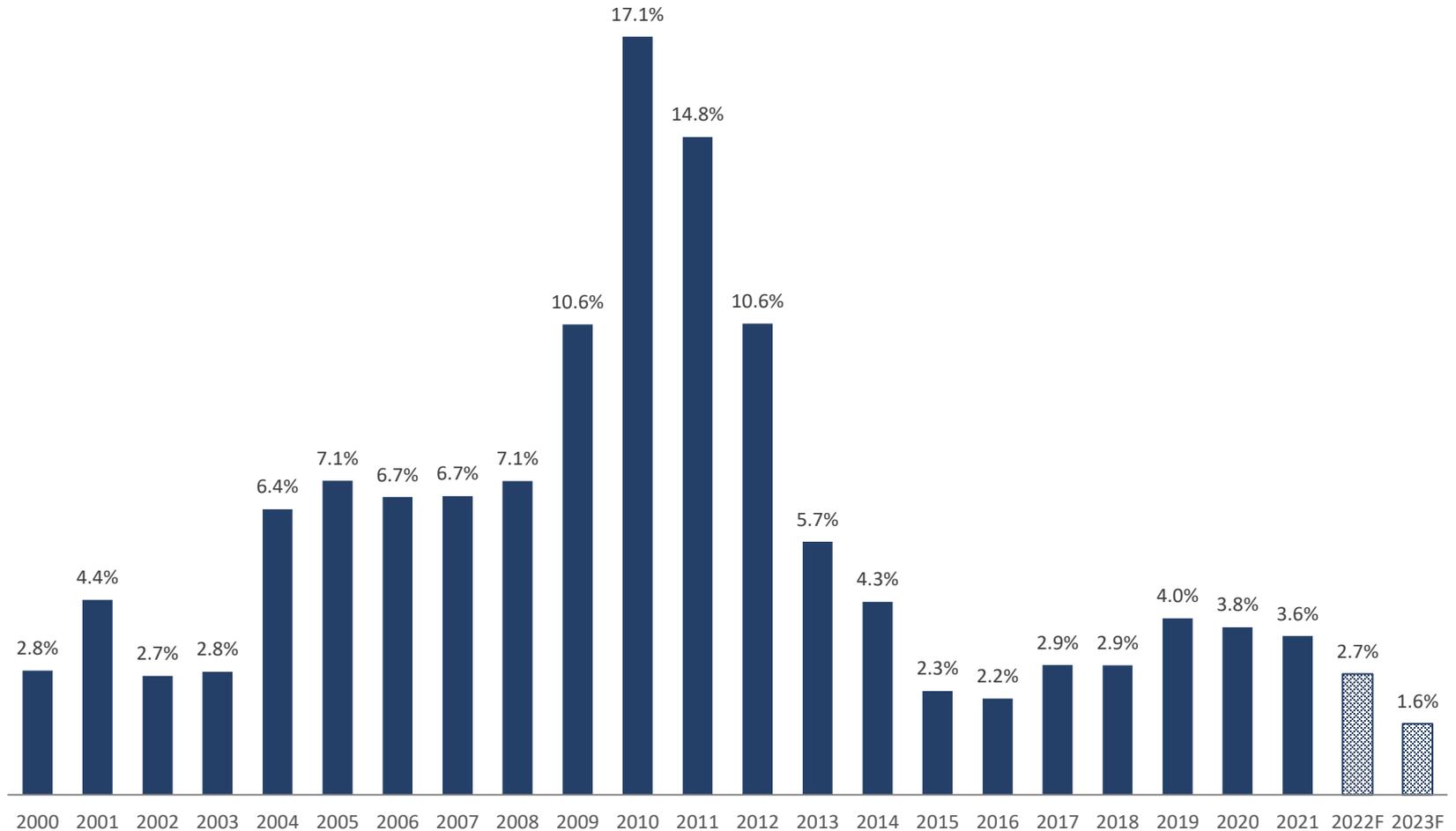
## Dry Bulk New Orders (DWT millions)



# FLEET GROWTH TO DECLINE SHARPLY IN 2023

Fleet growth is expected to decline significantly between now and the end of 2023, which is expected to support a tight market and elevated freight rates

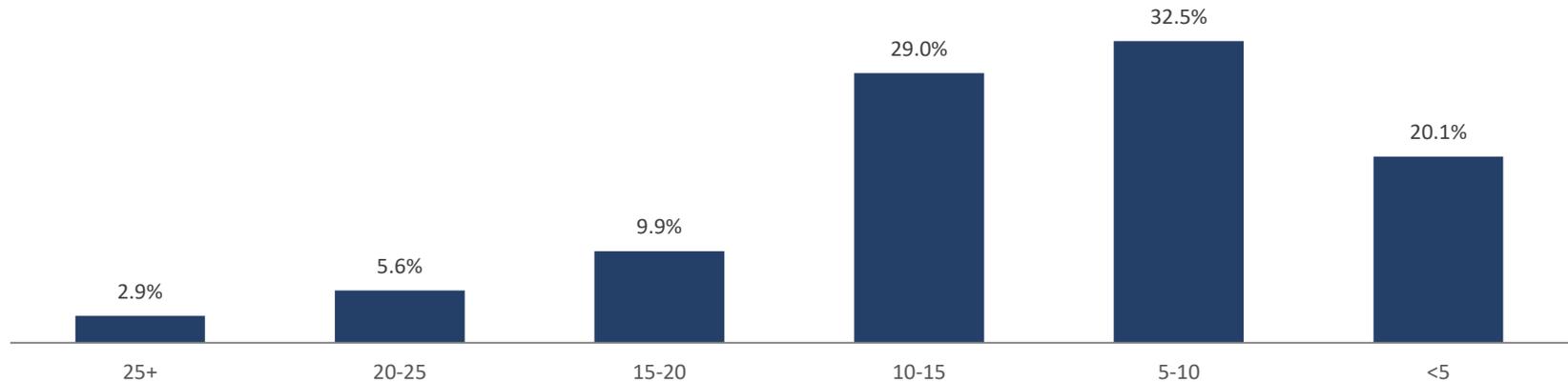
## Annual Fleet Growth as % of Existing Fleet



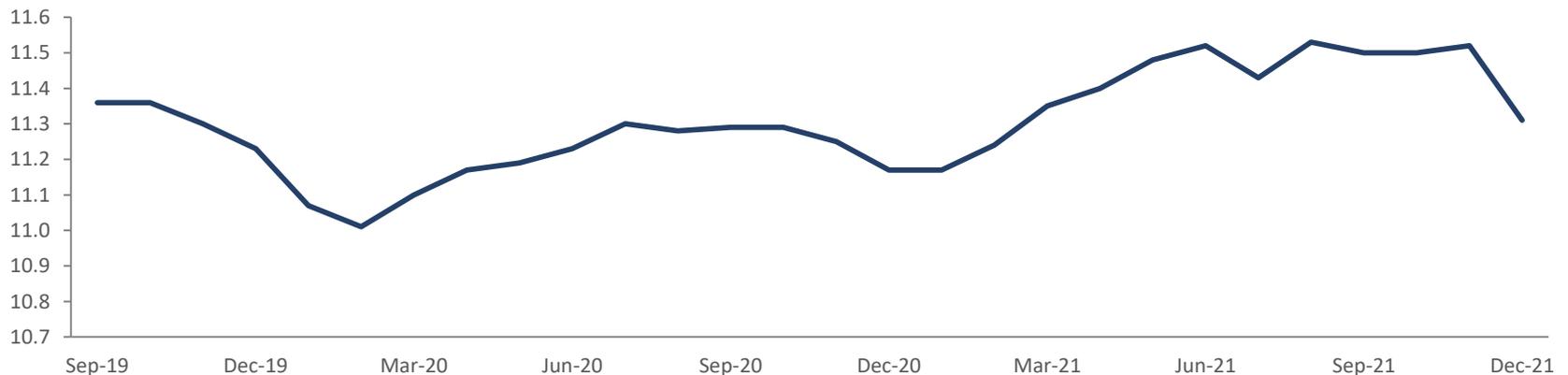
# EFFECTIVE FLEET CAPACITY MAY BE FURTHER REDUCED

A large portion of the dry bulk fleet is not fuel efficient, and the only way to decrease fuel consumption and emissions without incurring Capex is to reduce sailing speeds

## Dry Bulk Fleet Age Distribution (DWT)



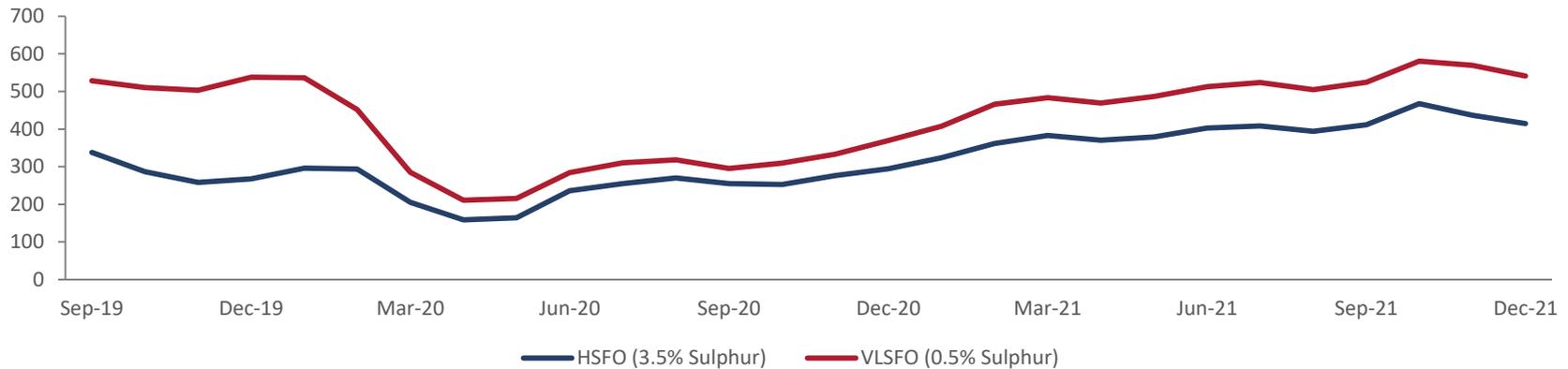
## Avg. Dry Bulker Sailing Speed (knots)



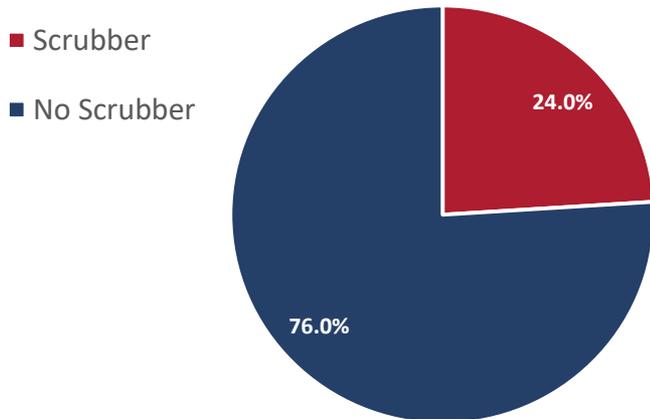
# INCREASING FUEL SPREADS FAVOR FUEL-EFFICIENT VESSELS

As fuel spreads increase, owners of inefficient vessels will be compelled to decrease sailing speeds, and vessels equipped with scrubbers will deliver superior economic performance

## Bunker Price Differential (\$ / ton)



## Percent of Fleet Equipped with Scrubber (DWT)



## Illustrative Scrubber Economics

- To date we have generated ~\$200 million of scrubber savings
- On the basis of our estimated annual consumption of bunker fuel and the current HSFO - VLSFO spread, we will generate \$94 million of scrubber savings per year
- Every \$20 / ton increase in the HSFO – VLSFO spread generates an additional savings of \$14 million per year



**APPENDIX**



# Q3 2021 COMPANY HIGHLIGHTS

## Financial highlights

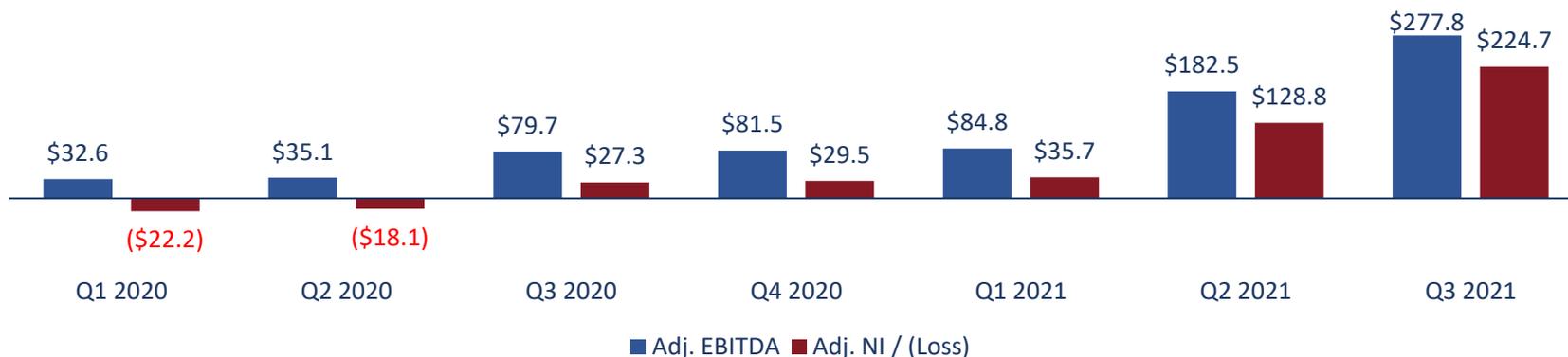
### Record historical performance on a quarterly basis

- Net Income of \$220.4 million and Adjusted Net Income<sup>(1)</sup> of \$224.7, or \$2.20 per basic share
- Adjusted EBITDA<sup>(2)</sup> of \$277.8 million
- Declared dividend of \$1.25 per share payable on or about December 22, 2021

### Significant developments

- Prepaid 8.3% Senior Notes of \$50 million due in 2022
- Repurchased 466,268 common shares at an average price of \$22.01, total shares outstanding in December 102,288,448
- Hedged 75,000 tons for Q1 2022 of the VLSFO -HSFO spread at an average price of \$134.8 per ton
- Released our third consecutive ESG report for 2020

## Adjusted Net Income & Adjusted EBITDA Performance



## Daily Figures

TCE per vessel<sup>(3)</sup> **\$30,626**

Avg. daily OPEX per vessel<sup>(4)</sup> **\$4,304**

Avg. daily net cash G&A expenses per vessel **\$987**

TCE less OPEX less G&A expenses **\$25,335**

**Booked 71% of available days for Q4 2021 at a daily rate of \$38,250**

(1) Adjusted Net Income excludes certain non-cash items

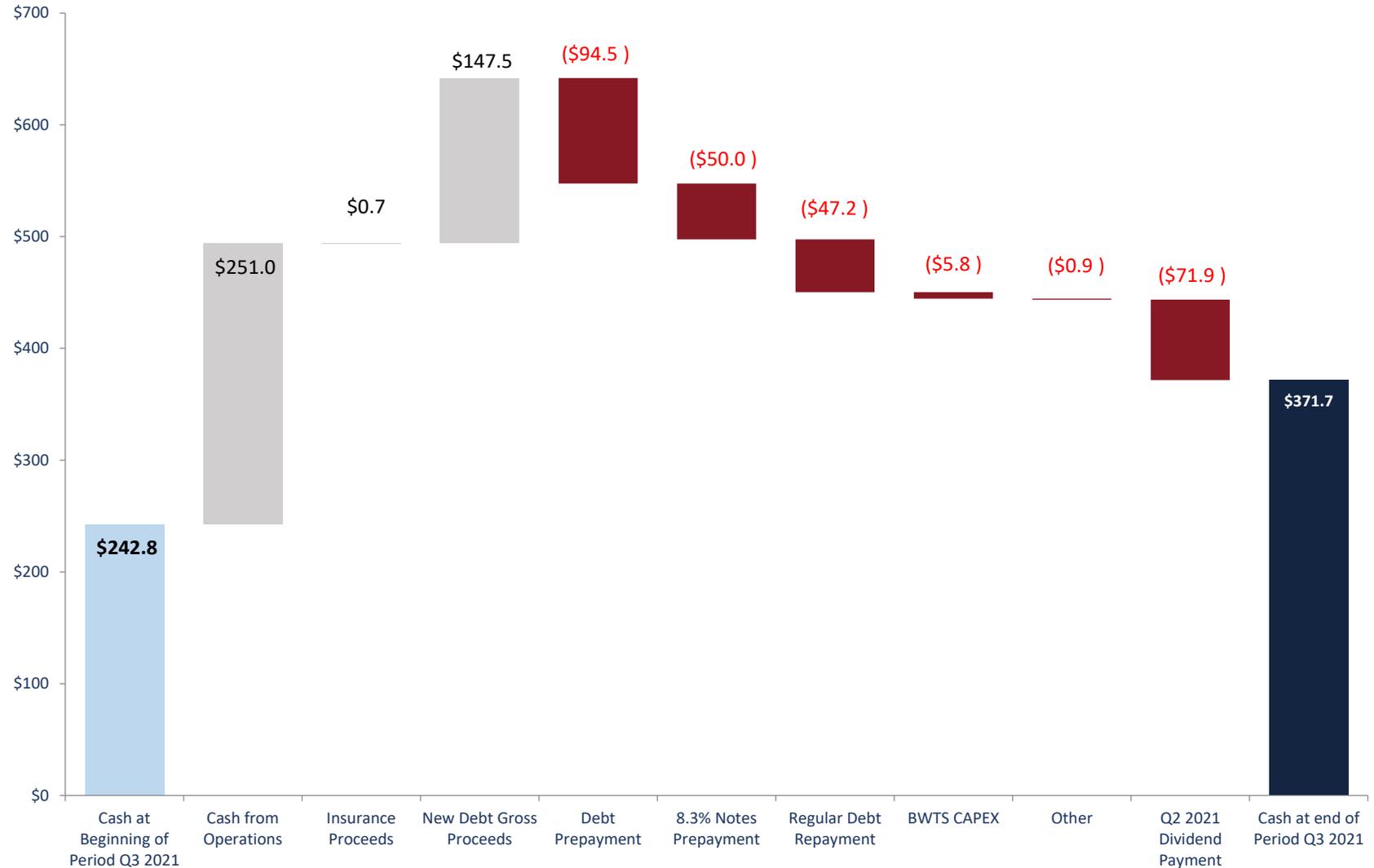
(2) Adjusted EBITDA excludes certain non-cash items

(3) TCE = (Total voyage revenues – Voyage expenses – Charter-in hire expenses+ Realized gain/(loss) from bunker and FFAs) /Available Days

(4) Excludes pre-delivery and one-off expenses

# SIGNIFICANT CASH FROM OPERATIONS IN Q3 2021

## Q3 2021 Cash Flow Bridge



# THANK YOU

## Contacts

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