



**FINANCIAL RESULTS Q4 & FY 2021**

FEBRUARY 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.

# Q4 2021 Company Highlights



## Financial highlights

### Record historical performance on a quarterly basis

- Net Income of \$300.2 million and Adjusted Net Income<sup>(1)</sup> of \$302.4, or \$2.96 per basic share
- Adjusted EBITDA<sup>(2)</sup> of \$355.1 million
- Declared dividend of \$2.00 per share payable on or about March 15, 2022
- Record Quarter on SBLK's history on Net Income and EBITDA figures

## Daily Figures

TCE per vessel<sup>(3)</sup> **\$37,406**

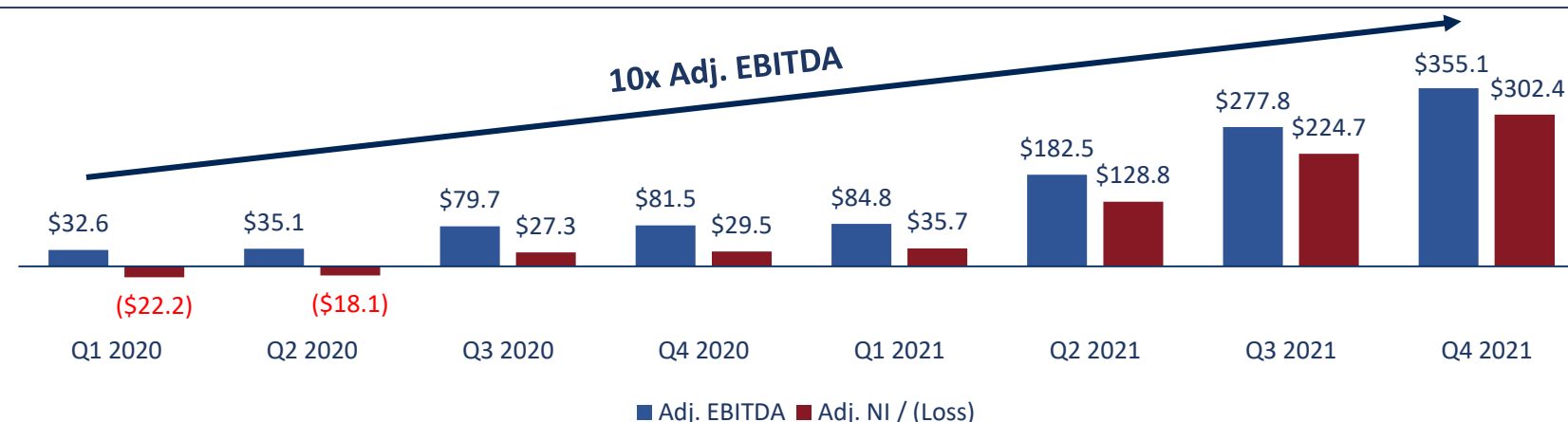
Avg. daily OPEX per vessel<sup>(4)</sup> **\$4,373**

Avg. daily net cash G&A expenses per vessel **\$1,042**

**TCE less OPEX less G&A expenses** **\$31,992**

**Booked 71% of available days for Q1 2022 at a daily rate of ~\$26,100**

## Adjusted Net Income & Adjusted EBITDA Performance



### Notes:

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

(2) Adjusted EBITDA excludes certain non-cash items

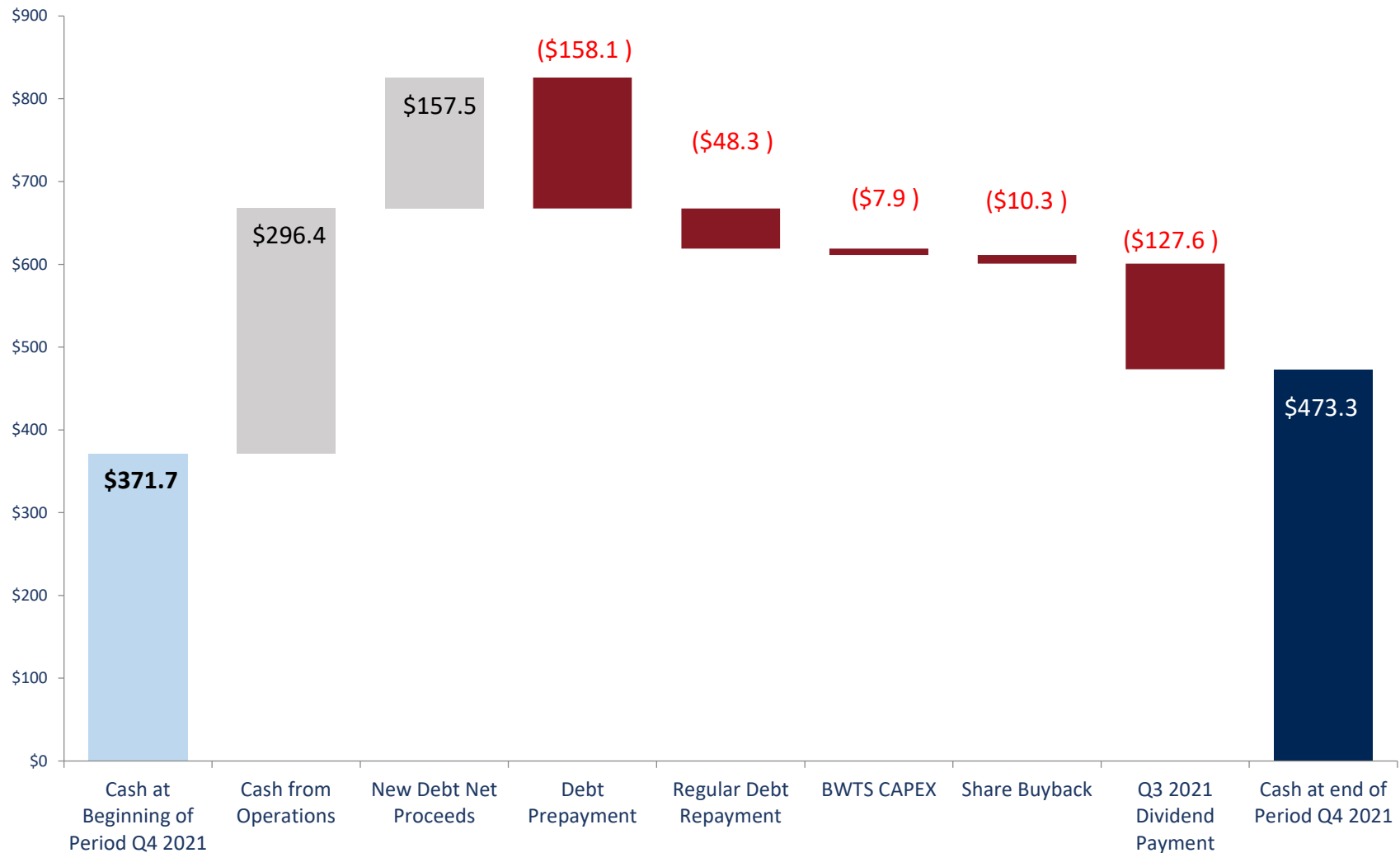
(3) TCE = (Total voyage revenues – Voyage expenses – Charter-in hire expenses+ Realized gain/(loss) from bunker and FFAs) /Available Days

(4) Excludes predelivery and one-off expenses

# Record Cash from Operations in Q4 2021



## Q4 2021 Cash Flow Bridge



# Simple, Transparent Dividend Policy: (A-B) / C



## Q4 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>\$473.3</b>
	Minimum Cash Balance Per Vessel	\$2.1
	Number of Owned Vessels	128
<b>(B)</b>	<b>Total Minimum Cash Threshold</b>	<b>\$68.8</b>
<b>(A - B)</b>	<b>Declared Dividend</b>	<b>\$204.5</b>
<b>(C)</b>	<b>Number of Shares</b>	<b>102.295</b>
<b>(A - B) (C)</b>	<b>Dividend per Share</b>	<b>\$2.00</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>(1)</sup>

*less*

**(B)** A Minimum Cash Balance equal to the Number of Vessels<sup>(2)</sup> multiplied by \$2.10 million

*divided by*

**(C)** Number of shares outstanding

(1) **"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.

(2) **"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.)

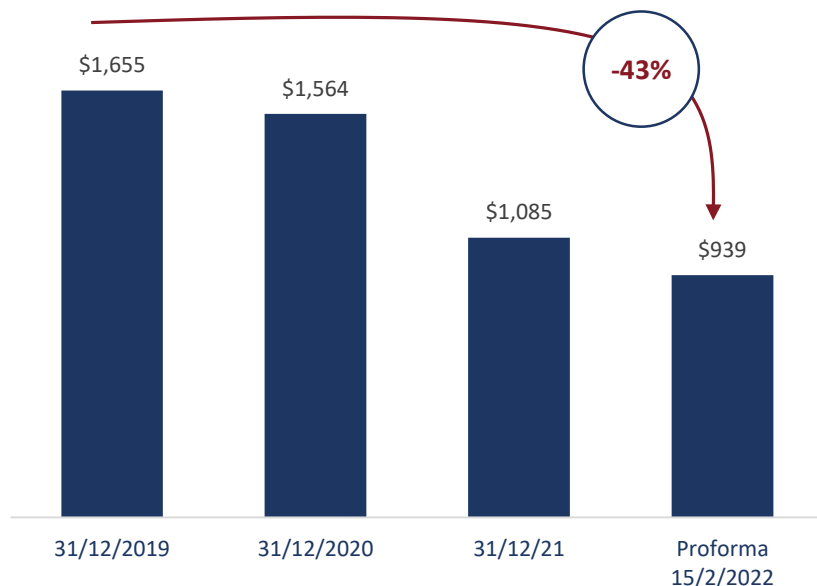
# Continued Improvement of Balance Sheet

## Balance Sheet Snapshot

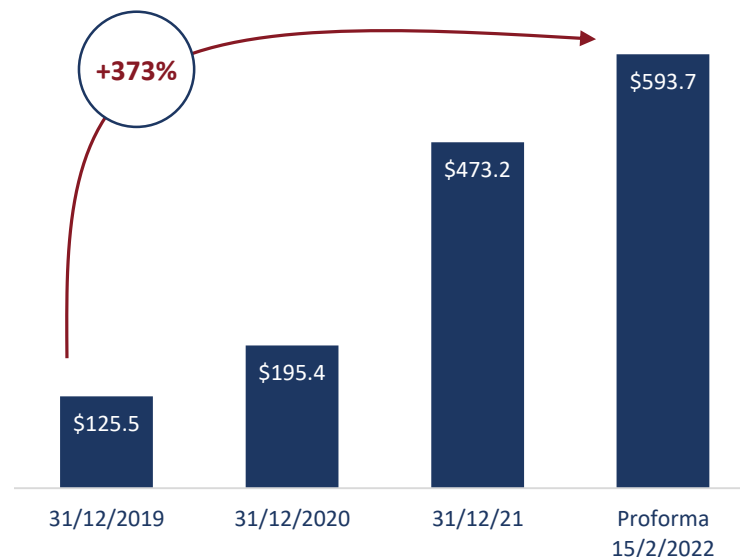
### Healthy liquidity and competitive financing

- Proforma total liquidity<sup>(1)</sup> of \$593.7 million
  - Total debt and lease obligations<sup>(1)</sup> of \$1,532.5 million
  - Working Capital of \$128.0 million as Q4 2021
  - FY 2022 amortization of \$207 million
- Five unlevered vessels and no debt maturities until Q3 2023
  - Year-to-date dividends per share of \$4.25
  - We have fixed ~55% of floating interest rate exposure to LIBOR at an average rate of 45bps.

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



## Cash & Liquidity

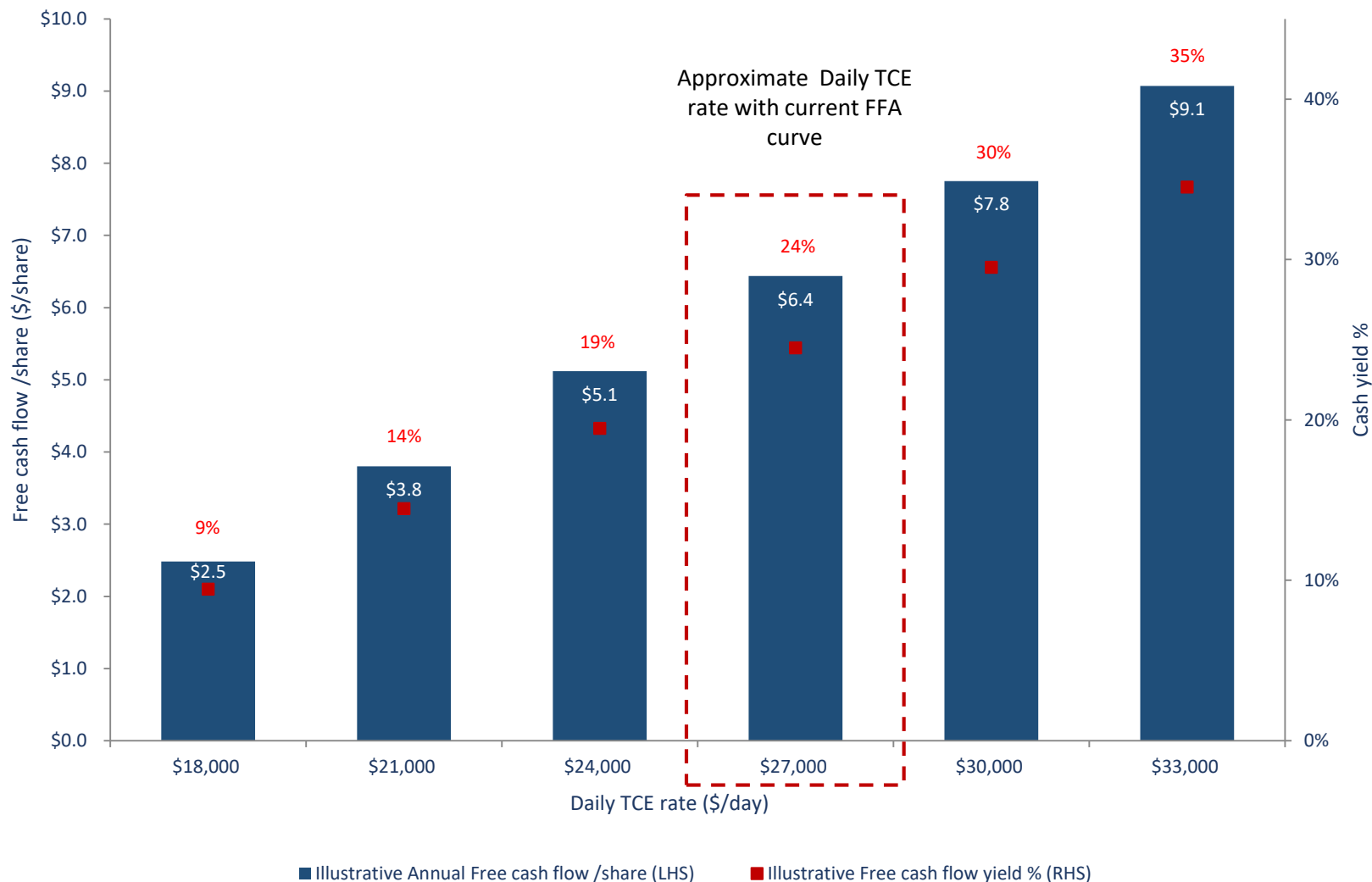


(1) As of February 15<sup>th</sup>, 2021

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

# Operating Leverage and Cash Flow potential

## Illustrative Annual 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, ESD and other CAPEX

(3) Based on (i) on FFA curve and VLSFO – HSFO spread forward curve as of February 14, 2021; (ii) 128 owned vessels; (iii) 102,292,758 fully diluted shares; and (iv) SBLK closing share price of \$26.3 as of February 14, 2021

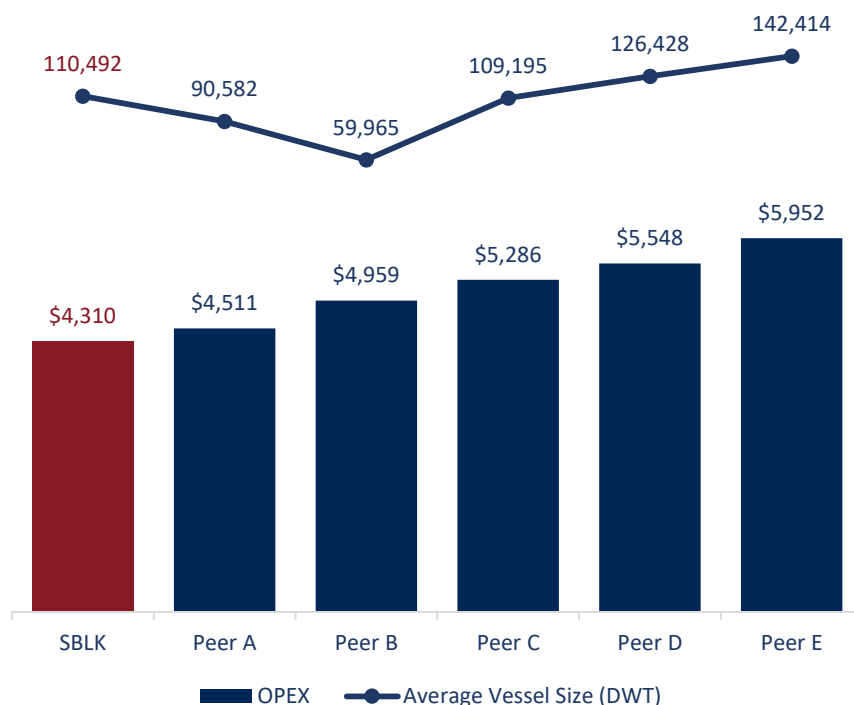
# Continued Operational Excellence



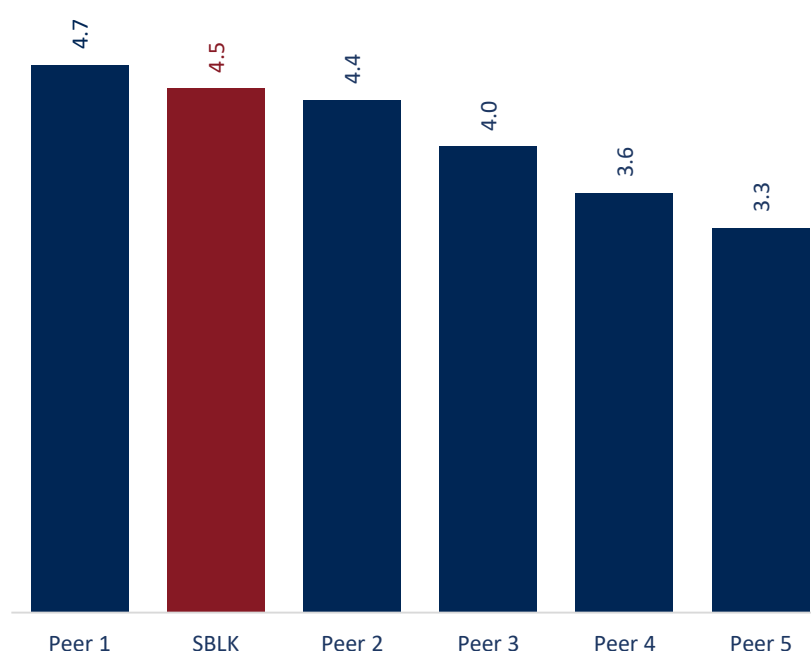
We operate a fleet with one of the lowest average daily OPEX among our peers without compromising quality

- For FY 2021 vessel OPEX<sup>(1)</sup> were \$4,310 per vessel per day
- Net cash G&A<sup>(2)</sup> expenses per vessel per day were \$1,050 for FY2021
- We are consistently in the top 5 dry bulk operators amongst our peer group in Rightship Ratings
- Star Bulk has participated in the Carbon Disclosure Project (CDP) for the 2021 disclosure cycle and has managed to achieve a “Management” level score (B-), the highest score achieved amongst US listed dry bulk companies

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



Average Rightship risk rating (December 2021)



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

(2) Excludes share incentive plans, includes management fees

Source: Company filings



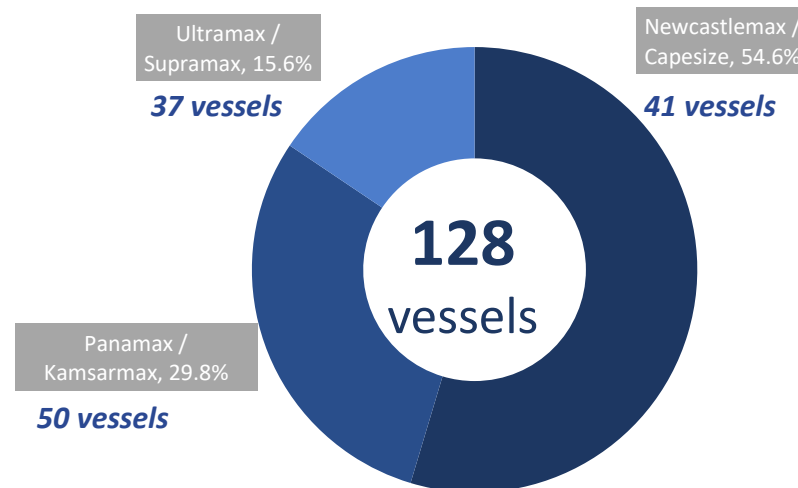
# Scaled Fleet with Significant Operating Leverage

## Fleet Snapshot

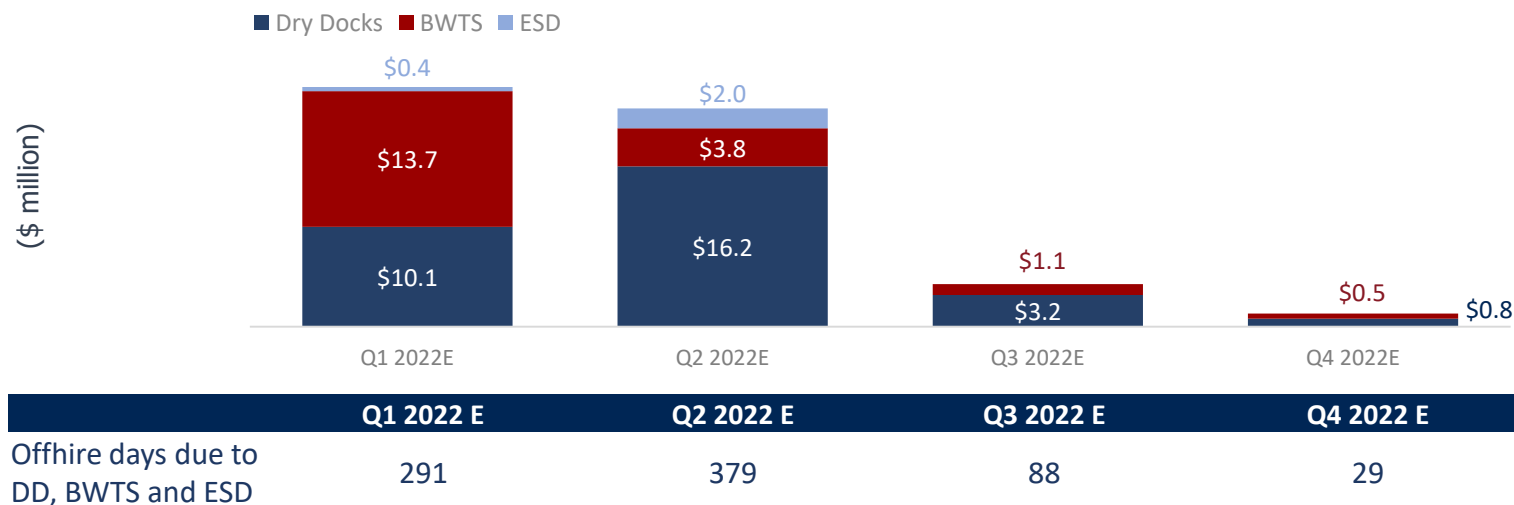
### Leverage to market strength and fuel spreads

- Largest dry bulk fleet among U.S. and European listed peers with 128 vessels with an average age of ~9.7 years
- Fleet geared towards larger vessel sizes (i.e. Newcastlemax and Capesize), which offer the best exposure to a strong market
- 94% of vessels are fitted with scrubbers, providing significant leverage to fuel price spreads
- 97% of the fleet will be fitted with BWTS by the end of 2022
- Operating leverage with ~46,700 ownership days in 2022

## Fleet Breakdown (by DWT)



## Upcoming Dry Docks and BWTS Installations

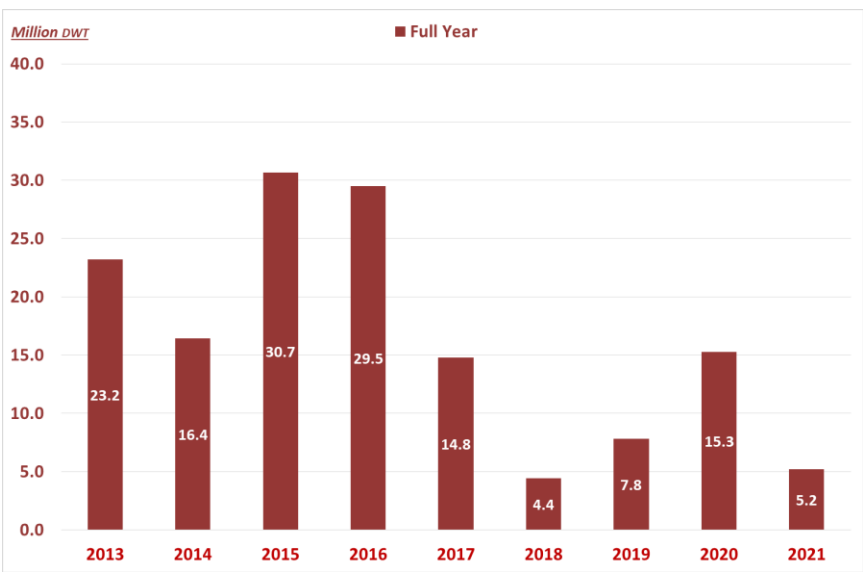


# Dry Bulk Supply Update

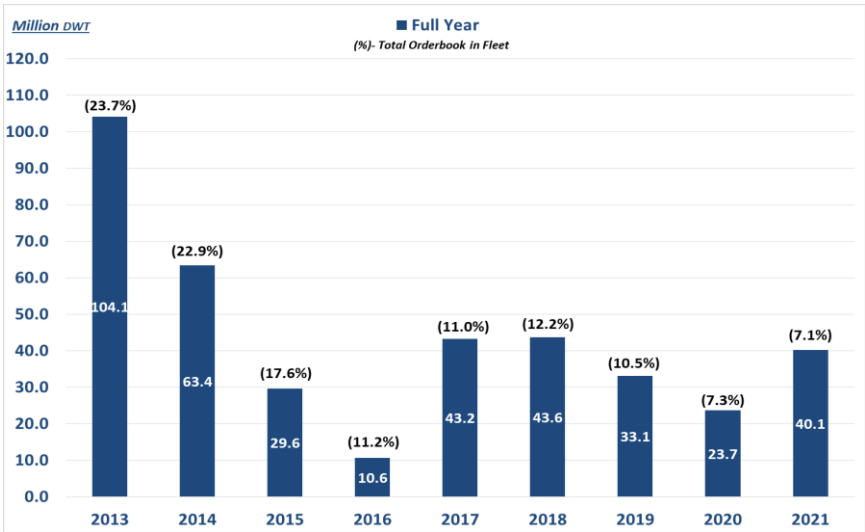


- **Best supply side dynamics in decades with slowing fleet growth and anticipated impacts of environmental regulations**
- **Dry bulk NET fleet growth +3.6% in 2021 vs +3.8 in 2020**
  - Full 2021 deliveries: 38.0 mil. dwt / Down from 48.9 mil. dwt
  - Full 2021 demolition: 5.2 mil. dwt / Down from 15.3 mil. dwt
- **Orderbook at a record low of ~6.8% of the fleet (~64.5 mil. dwt)**
  - Full 2021 contracting: 40.1 mil. dwt / Up from 23.7 mil. dwt
  - Environmental regulations, increased shipbuilding cost and limited shipyard capacity have kept new orders under control
- **Vessels above 15 years of age at ~17.2% of the fleet (~164 mil. dwt)**
- **Av. steaming speeds increased +2.1% to 11.7 knots during 2021** despite higher freight rates due to strong bunkers price recovery and inefficiencies
- **Congestion increased to record highs** due to bottlenecks and quarantines
- **NET fleet growth to decline below +2.5% in 2022 and +1.5% in 2023**

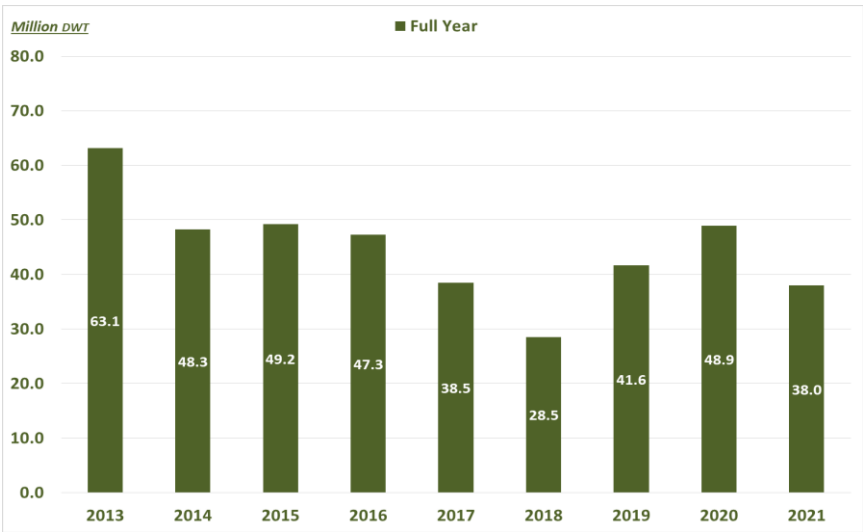
## Dry Bulk Demolition



## Dry Bulk New Orders



## Dry Bulk Deliveries



Source: Clarkson Research Services Ltd. (Shipping Intelligence Network, database)

# Dry Bulk Demand Update

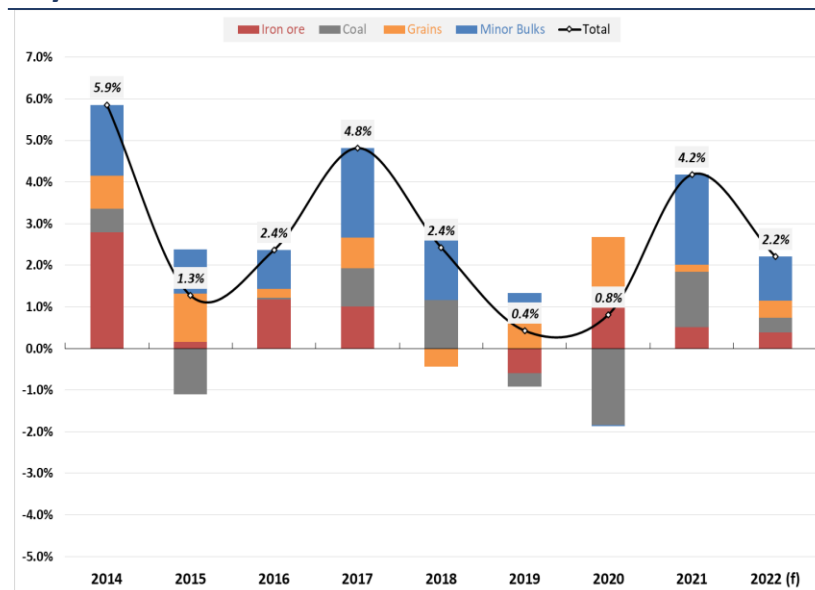
- **TOTAL dry bulk trade in 2021, estimated at +3.8% in tons / +4.2% in ton-miles**
  - Strong global economic recovery supported by vaccination programs against COVID19 and a synchronized global economic stimulus.
  - China slowdown during the second half due to stricter lending policy for the real estate sector and record high energy and raw material costs.
- **TOTAL dry bulk trade in 2022, projected at +1.7% in tons / +2.2% in ton-miles**
  - IMF global GDP growth projected at 4.4% for 2022 and 3.8% for 2023.
  - Record high commodity prices provide strong incentive to expand production and exports during the next two years. Still at early stages of global reopening.
  - Indonesia coal export ban in January, iron ore disruptions in Brazil and Winter Olympics in China have affected trade volumes during Q1. Strong recovery expected during the rest of the year supported by restocking needs.

## Key Dry bulk cargoes breakdown:

- **Iron ore ton-miles expanded +1.6% in 2021 and projected at +1.3% for 2022**
  - Steel production from China decreased 2.2%, while the rest of the world increased 13.5% in 2021. China steel production expected to recover after the Winter Olympics. Deadline for the Chinese steel sector to hit peak emissions has been delayed by five years to 2030.
- **Coal ton-miles expanded +7.9% in 2021 and projected at +2.0% for 2022**
  - Colder than average winter and record high natural gas prices supporting coal consumption and trade recovery. China and India increasing domestic output.
- **Grains (incl. soybeans) expanded +1.3% in 2021 and projected at +3.1% for 2022**
  - Brazil soybean & US corn exports experienced record high seasons during 2021. China five years plan focus on food security and inventory building.
- **Minor bulk ton-miles expanded +5.6% in 2021 and projected at +2.7% for 2022**
  - Minor bulk trade benefiting the most from synchronized global economic recovery. Container sector bottlenecks and record high freight costs providing additional support for smaller sizes through cascade. West Africa Bauxite exports to China inflating ton-miles for Capesize vessels.

Dry Bulk Trade (Million tons)	2016	2017	2018	2019	2020	2021	2022 (f)
Iron ore	1,418	1,472	1,475	1,455	1,502	1,517	1,531
Coal	1,141	1,203	1,264	1,284	1,165	1,239	1,257
Grains	450	475	474	478	512	523	536
Minor Bulks	1,880	1,936	2,012	2,036	1,990	2,089	2,137
<b>Total Dry</b>	<b>4,889</b>	<b>5,086</b>	<b>5,225</b>	<b>5,254</b>	<b>5,170</b>	<b>5,369</b>	<b>5,460</b>
Annual Growth (tons)	67	197	139	28	-84	199	92
Annual Growth (%)	1.4%	4.0%	2.7%	0.5%	-1.6%	3.8%	1.7%
Ton-miles growth	2.4%	4.8%	2.4%	0.4%	0.8%	4.2%	2.2%

## Dry Bulk Ton-miles Growth



Source: Clarkson Research Services Ltd. (Shipping Intelligence Network, database)



# THANK YOU

## **Contacts**

### **Company:**

Simos Spyrou, Christos Begleris  
Co - Chief Financial Officers  
Star Bulk Carriers Corp.  
c/o Star Bulk Management Inc.  
40 Ag. Konstantinou Av.  
Maroussi 15124  
Athens, Greece  
Tel. +30 (210) 617-8400  
Email: [info@starbulk.com](mailto:info@starbulk.com)  
[www.starbulk.com](http://www.starbulk.com)

### **Investor Relations / Financial Media:**

Nicolas Bornozi  
President  
Capital Link, Inc.  
230 Park Avenue, Suite 1536  
New York, NY 10169  
Tel. (212) 661-7566  
E-mail: [starbulk@capitallink.com](mailto:starbulk@capitallink.com)  
[www.capitallink.com](http://www.capitallink.com)

