Genco Shipping & Trading Limited



Q2 2019 Earnings Call

August 8th, 2019

Forward Looking Statements

"Safe Harbor" Statement Under the Private Securities Litigation Reform Act of 1995

This presentation contains forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements use words such as “anticipate,” “budget,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” and other words and terms of similar meaning in connection with a discussion of potential future events, circumstances or future operating or financial performance. These forward-looking statements are based on management’s current expectations and observations. Included among the factors that, in our view, could cause actual results to differ materially from the forward looking statements contained in this report are the following: (i) declines or sustained weakness in demand in the drybulk shipping industry; (ii) continuation of weakness or declines in drybulk shipping rates; (iii) changes in the supply of or demand for drybulk products, generally or in particular regions; (iv) changes in the supply of drybulk carriers including newbuilding of vessels or lower than anticipated scrapping of older vessels; (v) changes in rules and regulations applicable to the cargo industry, including, without limitation, legislation adopted by international organizations or by individual countries and actions taken by regulatory authorities; (vi) increases in costs and expenses including but not limited to: crew wages, insurance, provisions, lube, oil, bunkers, repairs, maintenance and general, administrative, and management fee expenses; (vii) whether our insurance arrangements are adequate; (viii) changes in general domestic and international political conditions; (ix) acts of war, terrorism, or piracy; (x) changes in the condition of the Company’s vessels or applicable maintenance or regulatory standards (which may affect, among other things, our anticipated drydocking or maintenance and repair costs) and unanticipated drydock expenditures; (xi) the Company’s acquisition or disposition of vessels; (xii) the amount of offhire time needed to complete repairs on vessels and the timing and amount of any reimbursement by our insurance carriers for insurance claims, including offhire days; (xiii) the completion of definitive documentation with respect to charters; (xiv) charterers’ compliance with the terms of their charters in the current market environment; (xv) the extent to which our operating results continue to be affected by weakness in market conditions and charter rates; (xvi) our ability to maintain contracts that are critical to our operation, to obtain and maintain acceptable terms with our vendors, customers and service providers and to retain key executives, managers and employees; (xvii) the completion of documentation for vessel transactions and the performance of the terms thereof by buyers or sellers of vessels and us; (xviii) the terms of definitive documentation for the purchase and installation of scrubbers and our ability to have scrubbers installed within the price range and time frame anticipated; (xix) our ability to obtain any additional financing we may seek for scrubbers on acceptable terms; (xx) the relative cost and availability of low sulfur and high sulfur fuel or any additional scrubbers we may seek to install; (xxi) our ability to realize the economic benefits or recover the cost of the scrubbers we plan to install; (xxii) worldwide compliance with IMO 2020 regulations and other factors listed from time to time in our public filings with the Securities and Exchange Commission including, without limitation, the Company’s Annual Report on Form 10-K for the year ended December 31, 2018 and our subsequent reports on Form 10-Q and Form 8-K. 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. We do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Agenda

- Second Quarter 2019 and Year-to-Date Highlights
- Financial Overview
- Industry Overview





Second Quarter 2019 and Year-to-Date Highlights

Second Quarter 2019 and YTD Update

Q2 2019 Financials

- Net loss: $34.5 million
  - Basic and diluted loss per share: $0.83
- Adjusted net loss: $20.4 million
  - Adjusted basic and diluted loss per share: $0.49 (excluding $13.9 million in non-cash vessel impairment charges as well as a $0.2 million non-cash impairment of the operating lease right-of-use asset)
- EBITDA: ($9.2 million)
  - Adjusted EBITDA: $5.0 million excluding non-cash impairments mentioned above
- Cash position as of June 30, 2019: $165.4 million
  - Paid down $21.2 million of debt during Q2 2019
  - Have paid $10.4 million towards our scrubber installation program through June 30, 2019
- In August, we agreed to sell the Genco Challenger, a 2003-built Handysize vessel, for $5.3 million





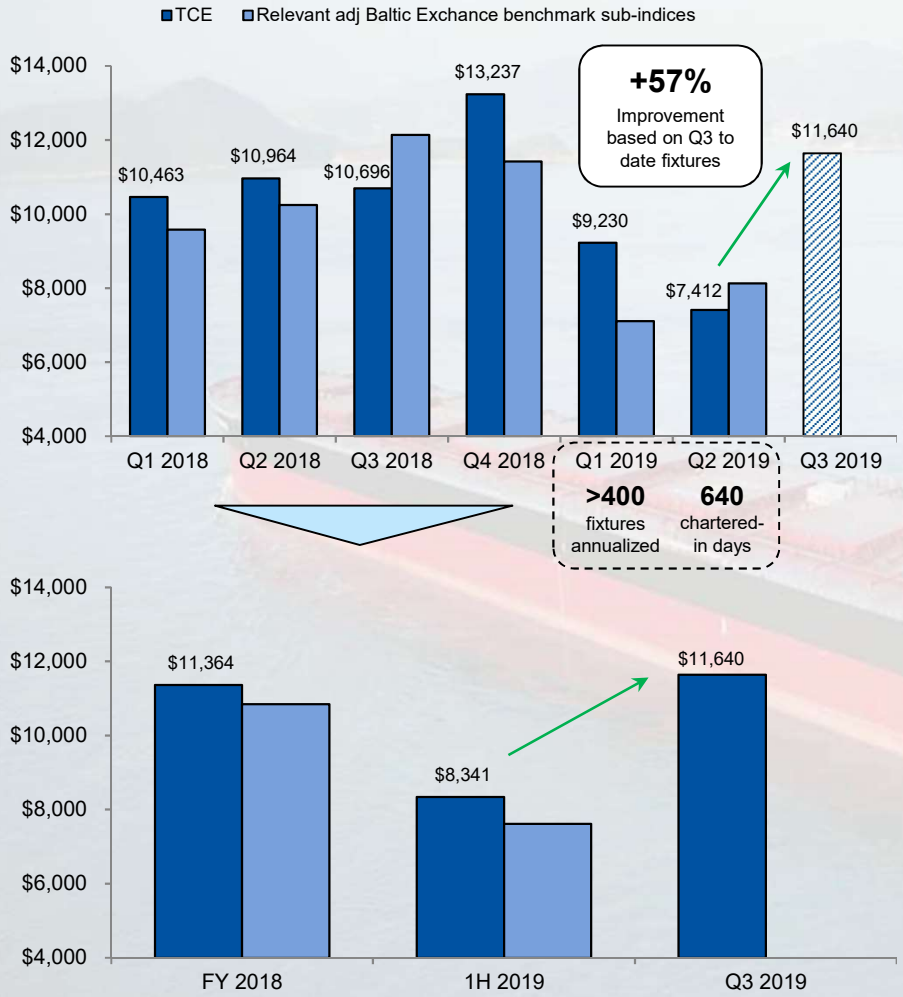
IMO 2020

- We have completed the installation of scrubbers on four of our Capesize vessels to date
  - Nine more vessels scheduled to have scrubbers installed in the third quarter



Genco's Leading Commercial Operating Platform

TCE performance of our active commercial strategy



1H 2019 Outperformance

~$700

per vessel per day vs. relevant adjusted Baltic Exchange benchmark sub-indices

~$7 million

of additional net income due to outperformance

Q3 2019 to date

TCE: $11,640, for ~64%

of Q3 2019 days, as of August 7, 2019

- **Our significant operating leverage** is highlighted by the large improvement in TCE in Q3 to date
- **Capesize rate upside has materialized so far in Q3,** while fleet positioning on select vessels is helping to support minor bulk fleet earnings

Note: TCE relative performance is benchmarked against the weighted average of the relevant sub-indices of the Baltic Dry Index as published by the Baltic Exchange (BCI 5TC, BPI, BSI 58 and BHSI) net of 5% for commissions, adjusted for our owned-fleet composition as well as the characteristics of our vessels. Please see the appendix for our definition of TCE as well as further detail regarding TCE calculations. Actual results for Q3 2019 TCE will vary.

2H 2019 & 2020 Drybulk Outlook

2H 2019 fundamentals are improving off of the 1H lows – a further uplift is forecast in 2020

Drybulk Market Catalysts

1 Iron Ore Trade Growth

- Focus remains on high quality seaborne iron ore from Brazil and Australia
- Restart of Vale operations and recovery of Australian volumes
- Potential iron ore restock

2 Coal Trade Linked to Developing Economies

- India continued to drive seaborne coal trade
- Growth expecting from smaller developing Asian nations
- China remains x-factor

3 Soybean Trade

- Strong Brazilian crop expected
- African swine flu and US-China trade dispute remain as key factors

4 Low Fleet Growth

- 2% to 3% net fleet growth anticipated
- Supply side disruption ahead of IMO 2020

2H 2019 & 2020 Supply & Demand Estimates

	Vessel*	2H 2019	2020
Iron Ore 	Capesize	+5.5%	+3.3%
Coal 	Capesize Panamax	+1.6%	+1.5%
Grain 	Panamax Supramax Handysize	-2.2%	+4.0%
Minor Bulk 	Supramax Handysize	+1.7%	+4.2%
Total Demand		+2.4%	+3.3%
Fleet Growth		+1.1%	+2.1%

2H vs 1H 2019

*Indicates the primary vessel type that carries the respective commodities. Supply and demand forecasts are based on Marsoft's base case as of June 2019.

Sources: Marsoft, Clarksons

2019 is our heaviest operational year to date…

…with 35 vessels or 60% of the fleet entering a shipyard at some point during the year

25 **Special surveys scheduled**

- 10 completed to date
- Vessels consist of 4 x Capes, 4 x Supras, 2 x Handies
- 9 additional special surveys expected to begin in Q3



20 **Ballast water treatment systems to be installed**

- 10 completed to date, on the same ships detailed above
- Of the 9 vessels scheduled for special surveys in Q3, 6 are to have BWTS installed
- BWTS for the completed vessels have been tested and are currently operating as planned



17 **Scrubbers to be installed on our Capesize vessels**

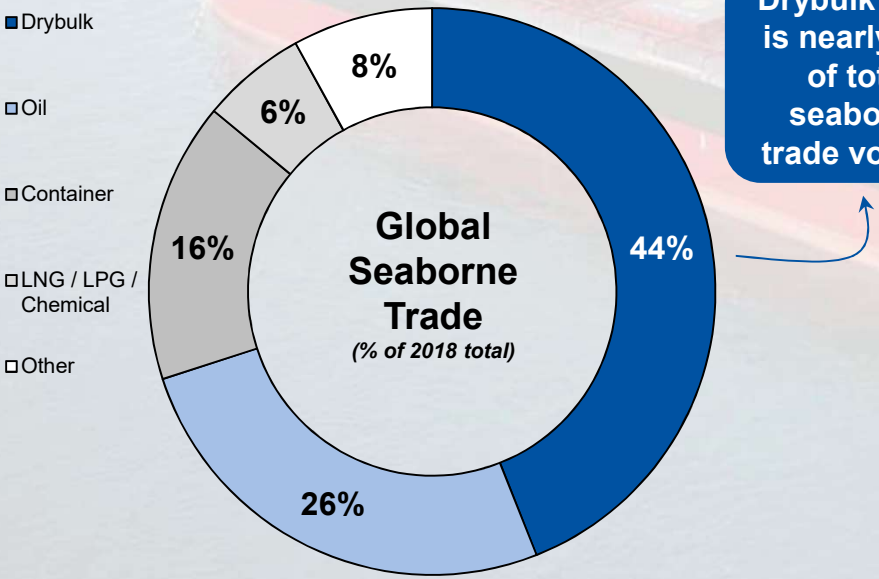
- 4 completed to date
- $10.4 million of scrubber capex paid through June 30, 2019
- Budget of $2.25 million per Capesize vessel for scrubber equipment and installation



Shipping plays an essential role in global development

~90% of global trade is carried by the international shipping industry

- Shipping is a **fundamental pillar** of the global economy
- Transportation by sea is the most **cost-effective and fuel-efficient** way to move goods and raw materials in large scale around the world
- Maritime activity plays a key role in **alleviating extreme poverty and hunger** – also provides a large source of income and employment for many developing countries creating jobs globally
- Raw materials, such as iron ore which (integral in the steelmaking process), are **building blocks for daily life**



Drybulk trade is nearly half of total seaborne trade volume



Sources: IMO, World Steel Association, Clarksons Research Services Limited 2019

As one of the largest drybulk shipping companies in the world…

…Genco recognizes the need to run a safe, responsible and sustainable business built for the long-term

Environmental

- Invest in our fleet to reduce GHG emissions
- Purchase world class vessels
- Divest older, less efficient tonnage
- Install equipment designed to reduce fuel consumption

Social

- Employ a gender and culturally diverse team
- Focus on crew wellness on board our vessels
- Building relationships with clients
- Helping our local communities

Governance

- U.S. filer committed to transparency
- Committed to accountability in the public markets
- Independent and professional board of directors
- Public disclosure of executive compensation

100% Compliance with the 2020 Global Sulfur Cap targeted

95% of our fleet has an A through E GHG rating

93% of our fleet is rated >=4 by RIGHTSHIP

We strive to make a difference through our active participation in …

MARAD Maritime Administration; IMO International Maritime Organization; NAMEPA; New York Harbor School; Children of Bellevue; Real Time Graduates

0 Related party transactions

KPI structure — To determine executive and employee compensation

TRACE Anti-Bribery Compliance Solutions — certified – a leading anti-bribery standard setting organization



Financial Overview

Second Quarter Earnings

	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
	(Dollars in thousands, except share and per share data) (unaudited)		(Dollars in thousands, except share and per share data) (unaudited)	
INCOME STATEMENT DATA:				
Revenues:				
Voyage revenues	$ 83,550	$ 86,157	$ 177,014	$ 163,073
Total revenues	83,550	86,157	177,014	163,073
Operating expenses:				
Voyage expenses	41,800	25,983	84,822	47,075
Vessel operating expenses	24,358	23,720	47,549	47,487
Charter hire expenses	4,849	509	7,267	509
General and administrative expenses (inclusive of nonvested stock amortization expense of $0.6 million, $0.6 million, $1.0 million and $1.1 million, respectively)	5,799	6,510	12,109	11,727
Technical management fees	1,885	1,950	3,825	3,898
Depreciation and amortization	18,271	16,450	36,348	33,336
Impairment of vessel assets	13,897	184	13,897	56,586
Gain on sale of vessels	-	-	(611)	-
Total operating expenses	110,859	75,306	205,206	200,618
Operating (loss) income	(27,309)	10,851	(28,192)	(37,545)
Other (expense) income:				
Other income	107	144	437	59
Interest income	1,073	887	2,400	1,681
Interest expense	(8,124)	(8,469)	(16,699)	(16,593)
Impairment of right-of-use asset	(223)	-	(223)	-
Loss on debt extinguishment	-	(4,533)	-	(4,533)
Other expense	(7,167)	(11,971)	(14,085)	(19,386)
Net loss	$ (34,476)	$ (1,120)	$ (42,277)	$ (56,931)
Net loss per share - basic	$ (0.83)	$ (0.03)	$ (1.01)	$ (1.62)
Net loss per share - diluted	$ (0.83)	$ (0.03)	$ (1.01)	$ (1.62)
Weighted average common shares outstanding - basic	41,742,301	35,516,058	41,734,248	35,049,615
Weighted average common shares outstanding - diluted	41,742,301	35,516,058	41,734,248	35,049,615

June 30, 2019 Balance Sheet

BALANCE SHEET DATA:	June 30, 2019 (unaudited)	December 31, 2018
	(Dollars in thousands)	
Cash (including restricted cash)	$ 165,436	$ 202,761
Current assets	219,364	270,451
Total assets	1,564,444	1,627,470
Current liabilities (excluding current portion of long-term debt)	43,048	35,547
Current portion of long-term debt	65,640	66,320
Long-term debt (net of $15.0 million and $16.3 million of unamortized debt issuance costs at June 30, 2019 and December 31, 2018, respectively)	433,030	468,828
Shareholders' equity	1,012,051	1,053,307

OTHER FINANCIAL DATA:	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
	(Dollars in thousands) (unaudited)		(Dollars in thousands) (unaudited)	
Net cash provided by operating activities	N/A		$ 14,823	$ 25,019
Net cash (used in) provided by investing activities			(13,697)	1,869
Net cash (used in) provided by financing activities			(38,451)	38,477
	(unaudited)		(unaudited)	
EBITDA Reconciliation:				
Net loss	$ (34,476)	$ (1,120)	$ (42,277)	$ (56,931)
+ Net interest expense	7,051	7,582	14,299	14,912
+ Depreciation and amortization	18,271	16,450	36,348	33,336
EBITDA[(1)]	$ (9,154)	$ 22,912	$ 8,370	$ (8,683)
+ Impairment of vessel assets	13,897	184	13,897	56,586
+ Impairment of right-of-use asset	223	-	223	-
- Gain on sale of vessels	-	-	(611)	-
+ Loss on debt extinguishment	-	4,533	-	4,533
Adjusted EBITDA	$ 4,966	$ 27,629	$ 21,879	$ 52,436

(1) EBITDA represents net loss plus net interest expense, taxes, and depreciation and amortization. EBITDA is included because it is used by management and certain investors as a measure of operating performance. EBITDA is used by analysts in the shipping industry as a common performance measure to compare results across peers. Our management uses EBITDA as a performance measure in consolidating internal financial statements and it is presented for review at our board meetings. We believe that EBITDA is useful to investors as the shipping industry is capital intensive which often results in significant depreciation and cost of financing. EBITDA presents investors with a measure in addition to net income to evaluate our performance prior to these costs. EBITDA is not an item recognized by U.S. GAAP (i.e. non-GAAP measure) and should not be considered as an alternative to net income, operating income or any other indicator of a company's operating performance required by U.S. GAAP. EBITDA is not a measure of liquidity or cash flows as shown in our consolidated statement of cash flows. The definition of EBITDA used here may not be comparable to that used by other companies.

Second Quarter Highlights

	Three Months Ended		Six Months Ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	(unaudited)		(unaudited)	
FLEET DATA:				
Total number of vessels at end of period	58	60	58	60
Average number of vessels (1)	58.0	60.0	58.2	60.0
Total ownership days for fleet (2)	5,278	5,460	10,525	10,860
Total chartered-in days (3)	347	49	640	49
Total available days (4)	5,326	5,492	10,822	10,826
Total available days for owned fleet (5)	4,978	5,442	10,181	10,777
Total operating days for fleet (6)	5,237	5,422	10,612	10,699
Fleet utilization (7)	97.7%	98.4%	97.5%	98.5%
AVERAGE DAILY RESULTS:				
Time charter equivalent (8)	$ 7,412	$ 10,964	$ 8,341	$ 10,716
Daily vessel operating expenses per vessel (9)	4,615	4,344	4,518	4,373

(1) Average number of vessels is the number of vessels that constituted our fleet for the relevant period, as a measured by the sum of the number of days each vessel was part of our fleet during the period divided by the number of calendar days in that period.

(2) We define ownership days as the aggregate number of days in a period during which each vessel in our fleet has been owned by us. Ownership days are an indicator of the size of our fleet over a period and affect both the amount of revenues and the amount of expenses that we record during a period.

(3) We define chartered-in days as the aggregate number of days in a period during which we chartered-in third-party vessels.

(4) We define available days as the number of our ownership days and chartered-in days less the aggregate number of days that our vessels are off-hire due to familiarization upon acquisition, repairs or repairs under guarantee, vessel upgrades or special surveys. Companies in the shipping industry generally use available days to measure the number of days in a period during which vessels should be capable of generating revenues.

(5) We define available days for the owned fleet as available days less chartered-in days.

(6) We define operating days as the number of our total available days in a period less the aggregate number of days that the vessels are off-hire due to unforeseen circumstances. The shipping industry uses operating days to measure the aggregate number of days in a period during which vessels actually generate revenues.

(7) We calculate fleet utilization as the number of our operating days during a period divided by the number of ownership days plus time charter-in days less days our vessels spend in drydocking.

(8) We define TCE rates as our voyage revenues less voyage expenses and charter-hire expenses, divided by the number of the available days of our owned fleet during the period, which is consistent with industry standards. TCE rate is a common shipping industry performance measure used primarily to compare daily earnings generated by vessels on time charters with daily earnings generated by vessels on voyage charters, because charterhire rates for vessels on voyage charters are generally not expressed in per-day amounts while charterhire rates for vessels on time charters generally are expressed in such amounts.

(9) We define daily vessel operating expenses to include crew wages and related costs, the cost of insurance, expenses relating to repairs and maintenance (excluding drydocking), the costs of spares and consumable stores, tonnage taxes and other miscellaneous expenses. Daily vessel operating expenses are calculated by dividing vessel operating expenses by ownership days for the relevant period.

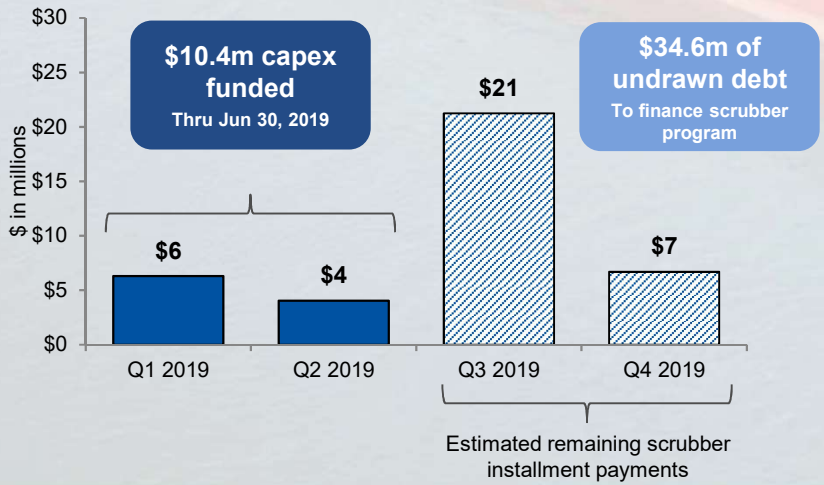
Key Balance Sheet Items and Capital Structure ($ in millions)

Simplified and efficient debt structure offers more flexibility and visibility into Genco's capital structure – Highlights Genco's access to high quality commercial bank financing

Select Financial Information – Jun 30, 2019

Key balance sheet items	
Cash	$165.4
Debt[1]	$513.7
Shareholders' Equity	$1,012.1

Scrubber capex payments



Simplified Debt Structure – Jun 30, 2019

$495m Credit Facility	$108m Credit Facility
Debt Outstanding $410.4m	**Debt Outstanding** $103.3m
Quarterly Amortization $14.9m	**Quarterly Amortization** $1.6m

Within the $495m Credit Facility is a $35m tranche - commitment is based on the lesser of $35m or 90%

Key terms include

- LTV: 90%
- Pricing: L + 2.50% thru Sep 30, 2019
  - L + 2.25% to 2.75% thereafter
- Covenants substantially the same as the original $460m credit facility

(1) Gross of $15.0 million of deferred financing costs

Estimated Q3 2019 Cash Breakeven Rates(1)

Fleet Breakeven Rates – Estimated Q3 2019

(Detailed Q3 2019 Estimated B/E Rates in Appendix)



In Q3, we plan to incur one-time costs for BWTS installation of ~$3.2m or $606 per vessel per day

Estimated Drydocking Days	
Vessel Type	**Q3 2019**
Capesize	369
Panamax	-
Ultramax	20
Supramax	105
Handysize	3
Total	**497**

We anticipate 20 of our vessels to spend time in the shipyard during Q3 2019

Note: Free cash flow breakeven rates consist of direct vessel operating expenses, general and administrative expenses, technical management fees, drydocking, interest expenses and fixed debt repayments.

For a complete reconciliation of non-GAAP financial measures and detailed estimated breakeven rates for Q3 2019, please refer to the appendix.

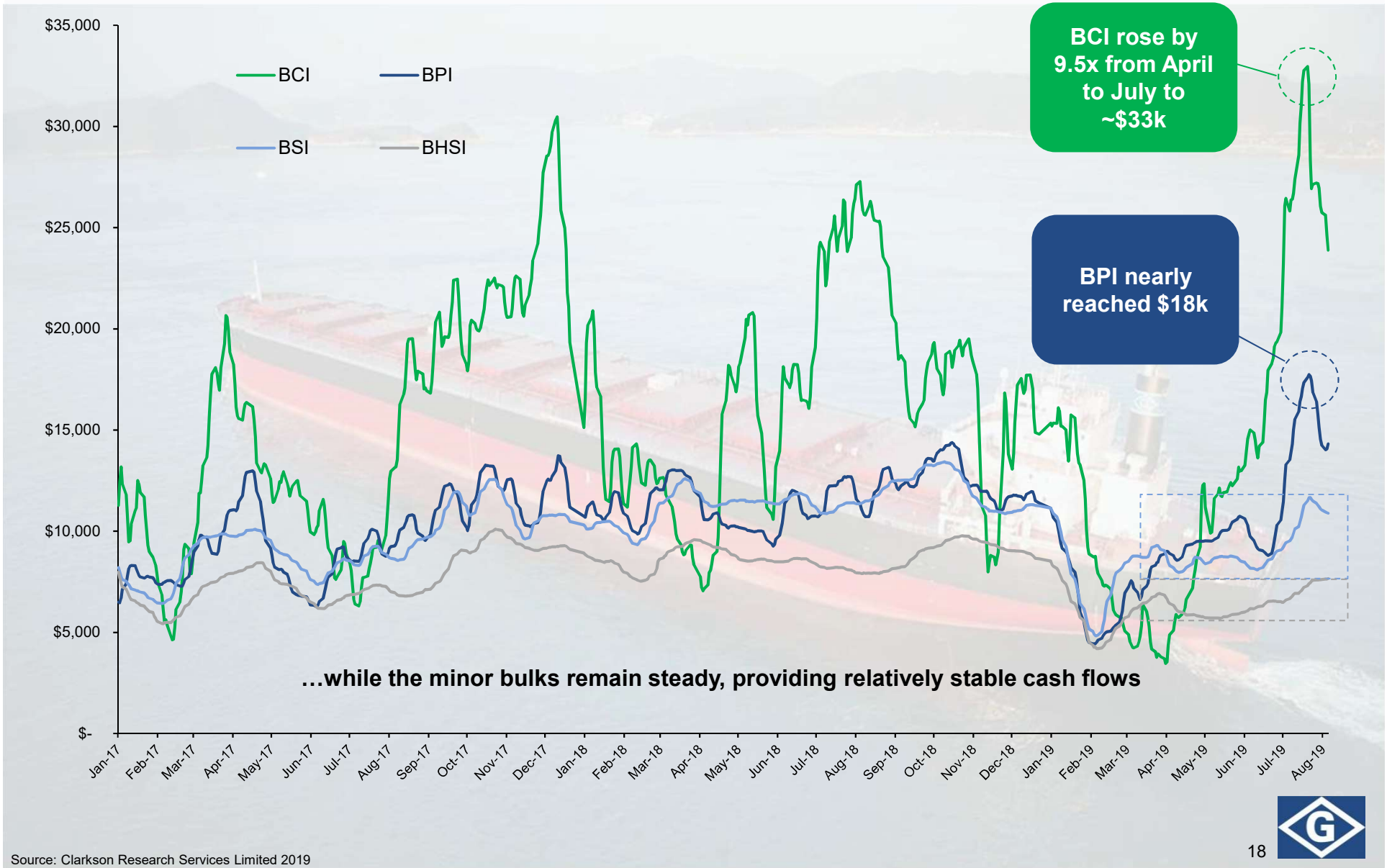
(1) Breakeven rate is based on the 2019 budget, which is subject to change. Based on a fleet of 58 vessels; presented for illustrative purposes only. Actual breakeven rates will vary.



Industry Overview

Capesize rates recently hit multi-year highs

Highlights the importance of Capesize exposure as the sector has led the market move…

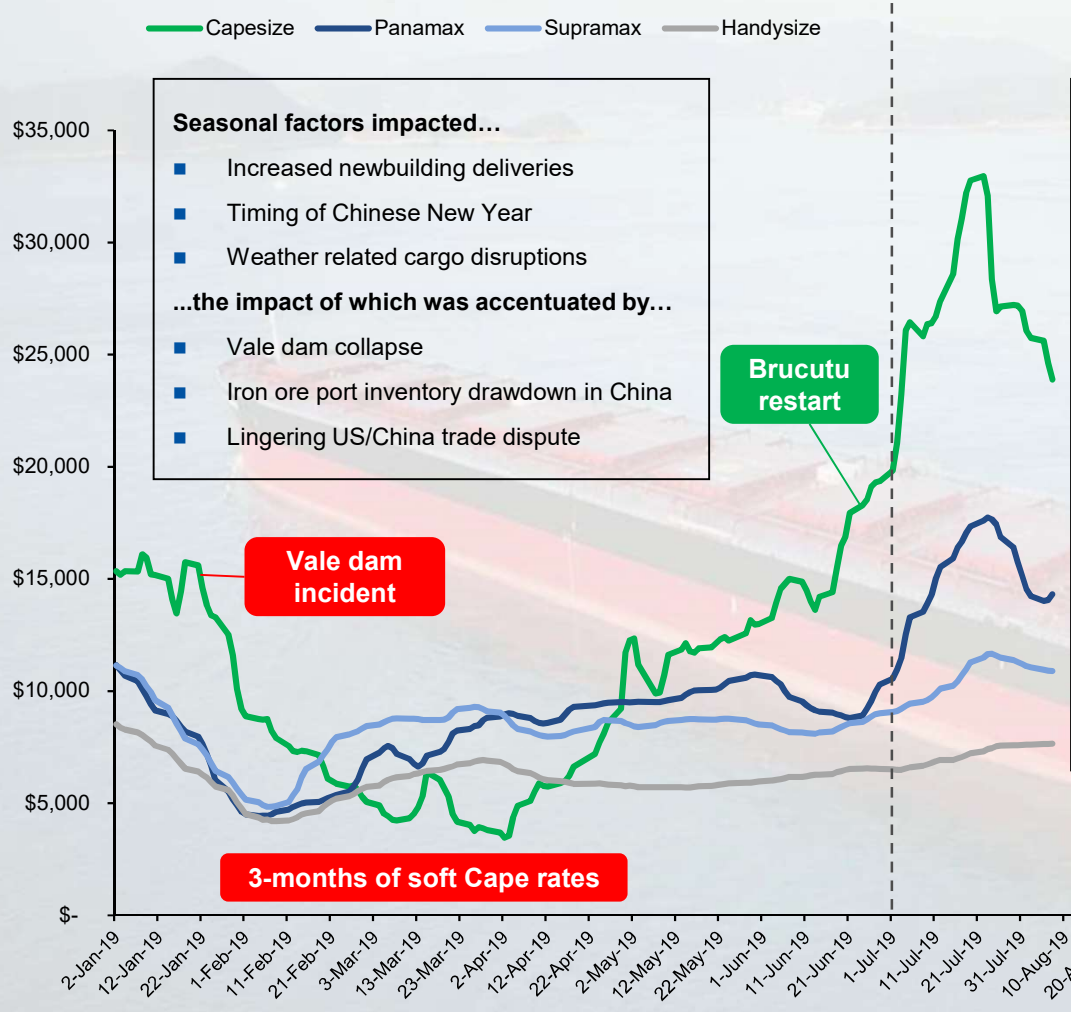


Source: Clarkson Research Services Limited 2019

Splitting the 2019 drybulk market into two halves…

1H 2019: seasonality + Vale incident + iron ore inventory drawdowns in China

2H 2019: recovery in iron ore volumes + vessel supply-side disruption



Seasonal factors impacted…

- Increased newbuilding deliveries
- Timing of Chinese New Year
- Weather related cargo disruptions

...the impact of which was accentuated by…

- Vale dam collapse
- Iron ore port inventory drawdown in China
- Lingering US/China trade dispute

Freight market is being driven by…

- More iron ore out of Brazil / Australia
- Strong iron ore prices incentivizing shipments
- Record steel output in China
- Tightness of vessel supply in the Atlantic
- Peak scrubber installation

...additional catalysts are…

- Potential restock of iron ore inventory
- Increased vessel demolitions

…however, risks include…

- Global macro slowdown
- Trade dispute escalation
- Coal import restrictions in China

+12%
iron ore exports from Brazil / Aust in 2H vs 1H since 2010

-24%
Decline in N/B deliveries in 2H vs 1H since 2010

~1%
Of fleet impacted by scrubber installs

45MT
Draw of China iron ore port inventories since 2018 peak

Source: Clarkson Research Services Limited 2019

Major Bulks – China's Steel Production Growth Remains Strong

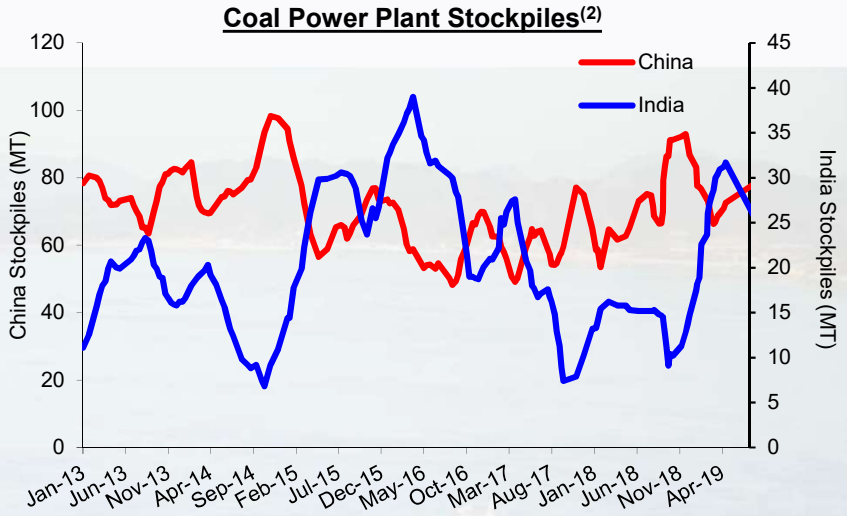
Global Steel Production (million tons)[1]			
	6 Mos 2019	6 Mos 2018	% Variance
China	492.2	447.8	9.9%
European Union	84.7	86.9	-2.5%
Japan	51.1	53.0	-3.6%
India	57.0	54.2	5.0%
South Korea	36.4	36.1	1.1%
Global Production	925.1	882.0	4.9%
Ex-China	432.9	434.2	-0.3%

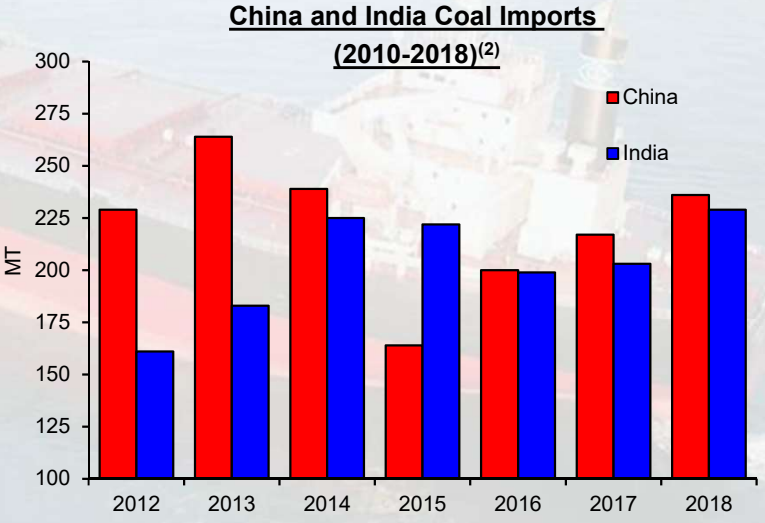
Steel Production

- Chinese steel production increased by 10% during 1H 2019 YOY[1]
- China's iron ore imports declined by approximately 6% through June YOY, which can be partially attributed to a drawdown of inventories within the supply chain[2]

Coal

- India's coal power plant stockpiles have now fallen for 14 consecutive weeks[3]
  - Stockpiles currently stand at 24.3MT

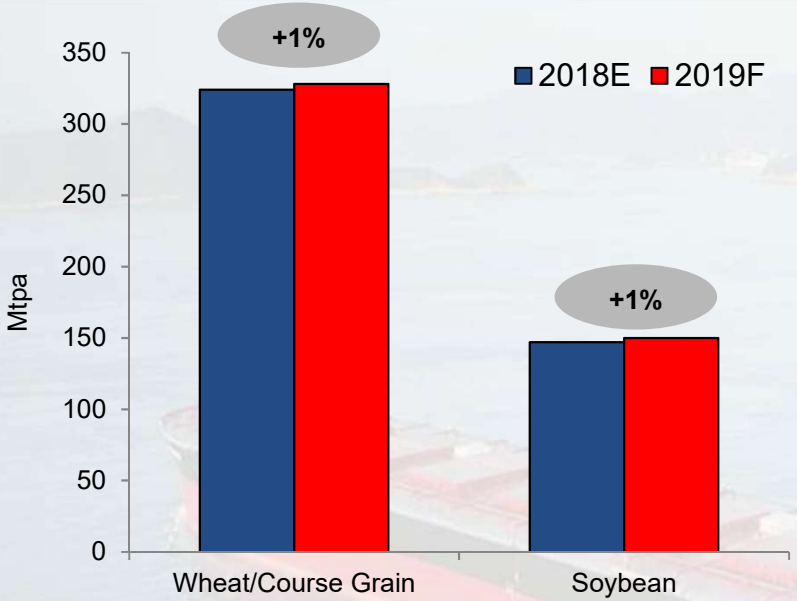




1) Source: World Steel Association
2) Source: Clarkson Research Services Limited 2019
3) Source: Commodore Research

Minor Bulks – Steady Grain Trade with Seasonal Impact

Clarksons Global Grain Trade Estimates



Seaborne Wheat / Course Grain Trade (MT)			
Exporter	**2018 (e)**	**2019 (f)**	**% Variance**
Argentina	37	39	5%
Australia	19	18	-5%
Canada	24	25	4%
EU	33	34	3%
US	83	82	-1%
Others	128	130	2%
Total	**324**	**328**	**1%**

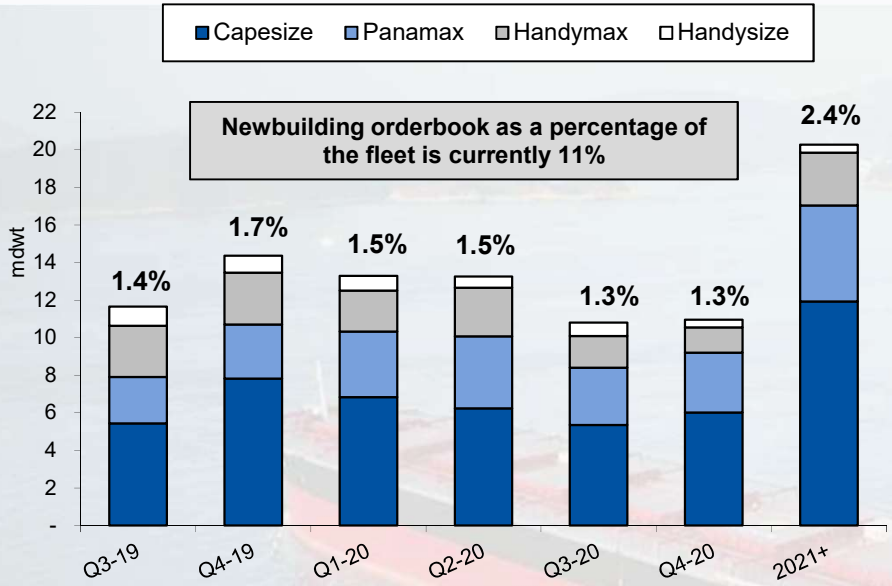
Seaborne Soybean Trade (MT)			
Exporter	**2018 (e)**	**2019 (f)**	**% Variance**
United States	43	44	2%
Brazil	84	80	-5%
Argentina	4	8	100%
Paraguay	6	6	0%
Canada	5	5	0%
Uruguay	1	2	100%
Others	4	4	0%
Total	**147**	**149**	**1%**

- Currently in peak South American grain season, with Brazil experiencing another strong year
  - Argentina is expected to double its soybean exports YOY
- China has significantly increased imports of bauxite and nickel ore through June
  - Imports of the two commodities have increased by 33% and 14% YOY, respectively

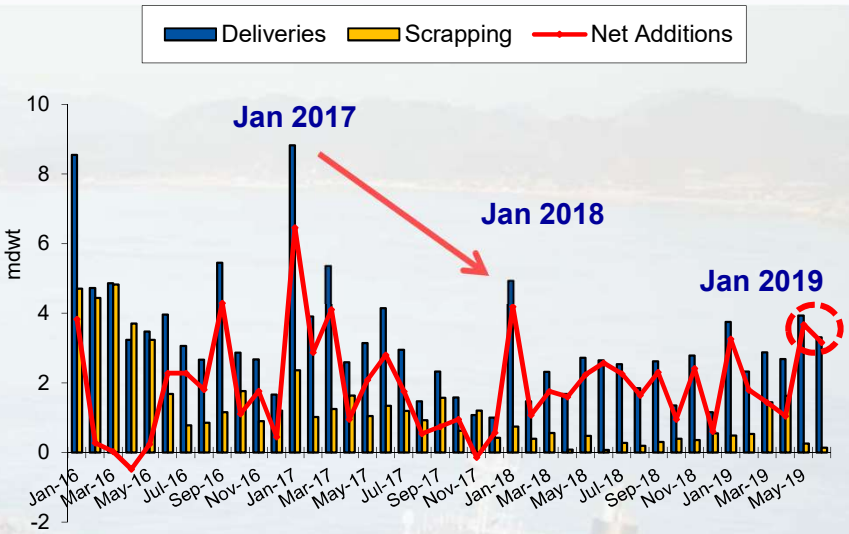
Source: Clarkson Research Services Limited 2019

Supply Side Fundamentals

Current Drybulk Vessel Orderbook by Type

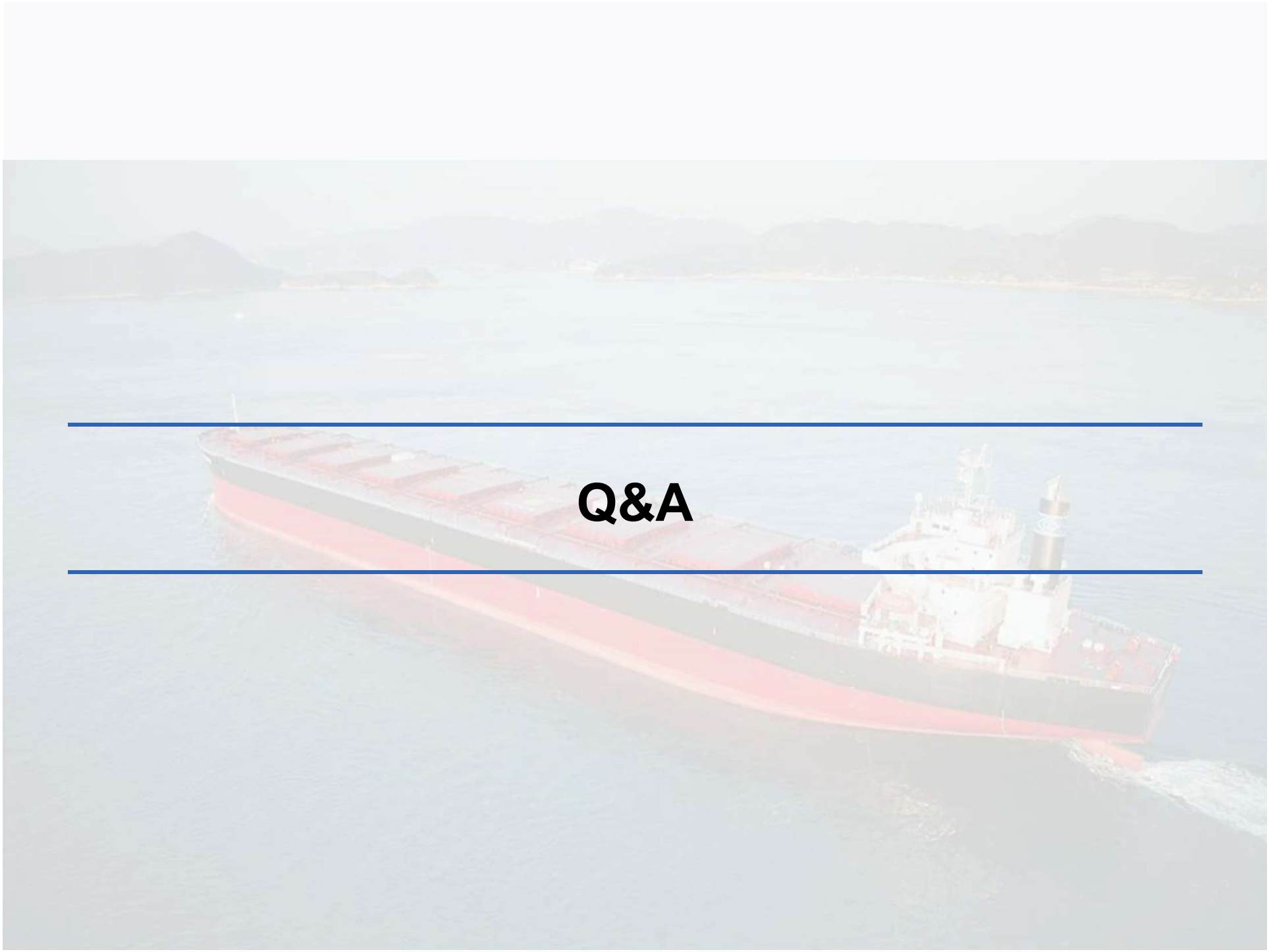


Drybulk Vessel Deliveries vs. Scrapping



- Drybulk fleet has grown by approximately 1.7% through June 2019 from the end of last year
- Scrapping so far in 2019 has already exceeded last year's levels as 5.0mdwt has been removed from the fleet to date
- Orderbook as a percentage of the fleet is currently at approximately 11%
- On the water tonnage greater than or equal to 20 years old totals 7% of the fleet on a dwt basis

Source: Clarkson Research Services Limited 2019



Q&A



Appendix

Genco Fleet List

Major Bulk		
Vessel Name	**Year Built**	**Dwt**
Capesize		
Genco Resolute	2015	181,060
Genco Endeavour	2015	181,060
Genco Constantine	2008	180,183
Genco Augustus	2007	180,151
Genco Liberty	2016	180,032
Genco Defender	2016	180,021
Genco Tiger	2011	179,185
Baltic Lion	2012	179,185
Genco London	2007	177,833
Baltic Wolf	2010	177,752
Genco Titus	2007	177,729
Baltic Bear	2010	177,717
Genco Tiberius	2007	175,874
Genco Commodus	2009	169,098
Genco Hadrian	2008	169,025
Genco Maximus	2009	169,025
Genco Claudius	2010	169,001
Panamax		
Genco Thunder	2007	76,588
Genco Raptor	2007	76,499

Minor Bulk		
Vessel Name	**Year Built**	**Dwt**
Ultramax		
Baltic Hornet	2014	63,574
Baltic Mantis	2015	63,470
Baltic Scorpion	2015	63,462
Baltic Wasp	2015	63,389
Genco Weatherly	2014	61,556
Genco Columbia	2016	60,294
Supramax		
Genco Hunter	2007	58,729
Genco Auvergne	2009	58,020
Genco Ardennes	2009	58,018
Genco Bourgogne	2010	58,018
Genco Brittany	2010	58,018
Genco Languedoc	2010	58,018
Genco Pyrenees	2010	58,018
Genco Rhone	2011	58,018
Genco Aquitaine	2009	57,981
Genco Warrior	2005	55,435
Genco Predator	2005	55,407
Genco Provence	2004	55,317
Genco Picardy	2005	55,257
Genco Normandy	2007	53,596
Baltic Jaguar	2009	53,473
Baltic Leopard	2009	53,446

Minor Bulk		
Vessel Name	**Year Built**	**Dwt**
Baltic Cougar	2009	53,432
Genco Loire	2009	53,430
Genco Lorraine	2009	53,417
Baltic Panther	2009	53,350
Handysize		
Genco Spirit	2011	34,432
Genco Mare	2011	34,428
Genco Ocean	2010	34,409
Baltic Wind	2009	34,408
Baltic Cove	2010	34,403
Genco Avra	2011	34,391
Baltic Breeze	2010	34,386
Genco Bay	2010	34,296
Baltic Hare	2009	31,887
Baltic Fox	2010	31,883
Genco Champion	2006	28,445
Genco Challenger	2003	28,428
Genco Charger	2005	28,398

Modern, diversified fleet

17 Capesize

2 Panamax

6 Ultramax

20 Supramax

13 Handysize

Capesize



17

Panamax



2

Ultramax/Supramax



26

Handysize



13

Sales candidates

Time Charter Equivalent Reconciliation(1)

	Three Months Ended		Six Months Ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	(unaudited)		(unaudited)	
Total Fleet				
Voyage revenues (in thousands)	$ 83,550	$ 86,157	$ 177,014	$ 163,073
Voyage expenses (in thousands)	41,800	25,983	84,822	47,075
Charter hire expenses (in thousands)	4,849	509	7,267	509
	36,901	59,665	84,925	115,489
Total available days for owned fleet	4,978	5,442	10,181	10,777
Total TCE rate	$ 7,412	$ 10,964	$ 8,341	$ 10,716

	Three Months Ended					Twelve Months Ended
	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018	March 31, 2019	December 31, 2018
	(unaudited)					(unaudited)
Total Fleet						
Voyage revenues (in thousands)	$ 76,916	$ 86,157	$ 92,263	$ 112,185	$ 93,464	$ 367,522
Voyage expenses (in thousands)	21,093	25,983	31,475	36,305	43,022	114,855
Charter hire expenses (in thousands)	-	509	723	302	2,419	1,534
	55,823	59,665	60,065	75,578	48,023	251,133
Total available days for owned fleet	5,335	5,442	5,615	5,710	5,203	22,099
Total TCE rate	$ 10,463	$ 10,964	$ 10,696	$ 13,237	$ 9,230	$ 11,364

(1) We define TCE rates as our voyage revenues less voyage expenses and charter-hire expenses, divided by the number of the available days of our owned fleet during the period, which is consistent with industry standards. TCE rate is a common shipping industry performance measure used primarily to compare daily earnings generated by vessels on time charters with daily earnings generated by vessels on voyage charters, because charterhire rates for vessels on voyage charters are generally not expressed in per-day amounts, while charterhire rates for vessels on time charters generally are expressed in such amounts.

Adjusted Net Loss Reconciliation

	Three Months Ended June 30, 2019
	(unaudited)
Adjusted Net Loss Reconciliation	
Net loss	$ (34,476)
+ Impairment of vessel assets	13,897
+ Impairment of right-of-use asset	223
Adjusted net loss	$ (20,356)
Adjusted net loss per share - basic	$ (0.49)
Adjusted net loss per share - diluted	$ (0.49)
Weighted average common shares outstanding - basic	41,742,301
Weighted average common shares outstanding - diluted	41,742,301
Weighted average common shares outstanding - basic as per financial statements	41,742,301
Dilutive effect of stock options	-
Dilutive effect of restricted stock awards	-
Weighted average common shares outstanding - diluted as adjusted	41,742,301

Q3 2019 Genco Estimated Breakeven Rates (1)

Daily Expenses by Category	Free Cash Flow(2)	Net Income
Direct Vessel Operating(3)	$4,615	$4,615
General and Administrative Expenses(4)	1,136	1,257
Technical Management Fees(5)	353	353
Drydocking(6)	2,066	-
Interest Expense(7)	1,326	1,506
Fixed Debt Repayments(8)	3,107	-
Depreciation(9)	-	3,493
Daily Expense(10)	**$12,603**	**$11,224**
Number of Vessels(11)	58.00	58.00

The above figures are estimates and are subject to change

(1) Estimated pro-forma daily expenses are presented for illustrative purposes.

(2) Free Cash Flow is defined as net income plus depreciation less capital expenditures, primarily vessel drydockings, plus other non-cash items, namely nonvested stock amortization and deferred financing costs, less fixed debt repayments. However, this does not include any adjustment for accounts payable and accrued expenses incurred in the ordinary course of business. We consider Free Cash Flow to be an important indicator of our ability to service debt.

(3) Direct Vessel Operating Expenses are based on management's estimates and budgets submitted by our technical managers. We believe DVOE are best measured for comparative purposes over a 12-month period.

(4) General & Administrative Expenses are based on a budget set forth at the beginning of the year. Actual results may vary.

(5) Management Fees are based on the contracted monthly rate per vessel for the technical management of our fleet.

(6) Drydocking expenses represent estimated drydocking expenditures for Q3 2019.

(7) Interest expense is based on our debt level as of June 30, 2019 less scheduled fixed debt repayments in Q3 2019 as well as commitment fees and expected drawdowns under our scrubber facility of up to $35 million. Deferred financing costs are included in calculating net income interest expense. Interest expense is calculated based on an assumed LIBOR rate under our credit facilities plus the facilities' respective margins.

(8) Genco's fixed debt repayments for Q3 2019 aggregate to $16.6 million under our outstanding credit facilities.

(9) Depreciation is based on cost less estimated residual value and amortization of drydocking costs. Depreciation expense utilizes a residual scrap rate of $310 per LWT.

(10) The amounts shown will vary based on actual results.

(11) Based on a weighted average fleet of 58.00 vessels.


Thank you