Genco Shipping & Trading Limited



Q2 2020 Earnings Presentation

August 6th, 2020

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 our 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, general and administrative expenses, 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 maintenance, repairs, and installation of equipment to comply with applicable regulations 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 freight 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) completion of documentation for vessel transactions and the performance of the terms thereof by buyers or sellers of vessels and us; (xviii) the relative cost and availability of low sulfur and high sulfur fuel or any additional scrubbers we may seek to install; (xix) our ability to realize the economic benefits or recover the cost of the scrubbers we have installed; (xx) worldwide compliance with sulfur emissions regulations that took effect on January 1, 2020; (xxi) our financial results for the year ending December 31, 2020 and other factors relating to determination of the tax treatment of dividends we have declared; (xxii) the duration and impact of the COVID-19 novel coronavirus epidemic, which may negatively affect general global and regional economic conditions; our ability to charter our vessels at all and the rates at which are able to do so; our ability to call on or depart from ports on a timely basis or at all; our ability to crew, maintain, and repair our vessels, including without limitation the impact diversion of our vessels to perform crew rotations may have on our revenues, expenses, and ability to consummate vessel sales, expense and disruption to our operations that may arise from the inability to rotate crews on schedule, and delay and added expense we may incur in rotating crews in the current environment; our ability to staff and maintain our headquarters and administrative operations; sources of cash and liquidity; our ability to sell vessels in the secondary market, including without limitation the compliance of purchasers and us with the terms of vessel sale contracts, and the prices at which vessels are sold; and other factors relevant to our business described from time to time in our filings with the Securities and Exchange Commission; and (xxiii) other factors listed from time to time in our filings with the Securities and Exchange Commission, including, without limitation, our Annual Report on Form 10-K for the year ended December 31, 2019 and subsequent reports on Form 8-K and Form 10-Q. 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

- Update on Business Continuity Plans + Protocols
- Second Quarter 2020 and Year-to-Date Highlights
- Financial Overview
- Industry Overview

Update on Business Continuity Plans + Protocols

Business continuity during the COVID-19 pandemic

As our priority is the health and safety of our crew members, we have been focused on completing crew rotations in a safe and timely fashion utilizing industry leading protocols

Managing crew rotations

- Industry leading protocols regarding crew rotations include…
  - PCR testing
  - 14-day quarantine period prior to boarding a vessel
- We have completed crew rotations for approximately 70% of our fleet in recent months
- Challenges continue for crew rotations due to port restrictions and difficulty arranging travel for on and off signing crew





Steps taken to safeguard our crew members

- Crew members have received gloves, face masks, hand sanitizer, goggles and hand held thermometers
- We limit access of shore personnel boarding vessels
- Precautionary materials are posted in common areas to supplement safety training



Second Quarter 2020 and Year-to-Date Highlights

Second Quarter 2020 and YTD Update

Q2 2020 financial performance

- Cash position: $142.9 million, including $14.9 million of restricted cash related to vessel sales
- EBITDA: $2.9 million
- Net loss: $18.2 million, basic and diluted loss per share: $0.43



Commercial operating platform

- Q2 TCE: $6,693 per day
- Q3 TCE to date: $11,617 per day for 62% of our owned fleet's available days
- Q2 DVOE: $4,366 per vessel per day



Capital allocation strategy

- Declared a regular quarterly divided of $0.02 per share for Q2 2020
  - Payable on or about August 25, 2020 to all shareholders as of August 17, 2020
- Cumulative dividends paid and declared of $0.715 per share over the past four quarters

Fleet renewal update

- Delivered the Baltic Wind, a 2009-built Handysize vessel, and the Baltic Breeze, a 2010-built Handysize vessel, to buyers in July 2020
- Entered into a memorandum of agreement to sell the Genco Bay, a 2010-built Handysize, which is expected to deliver to buyers in Q3

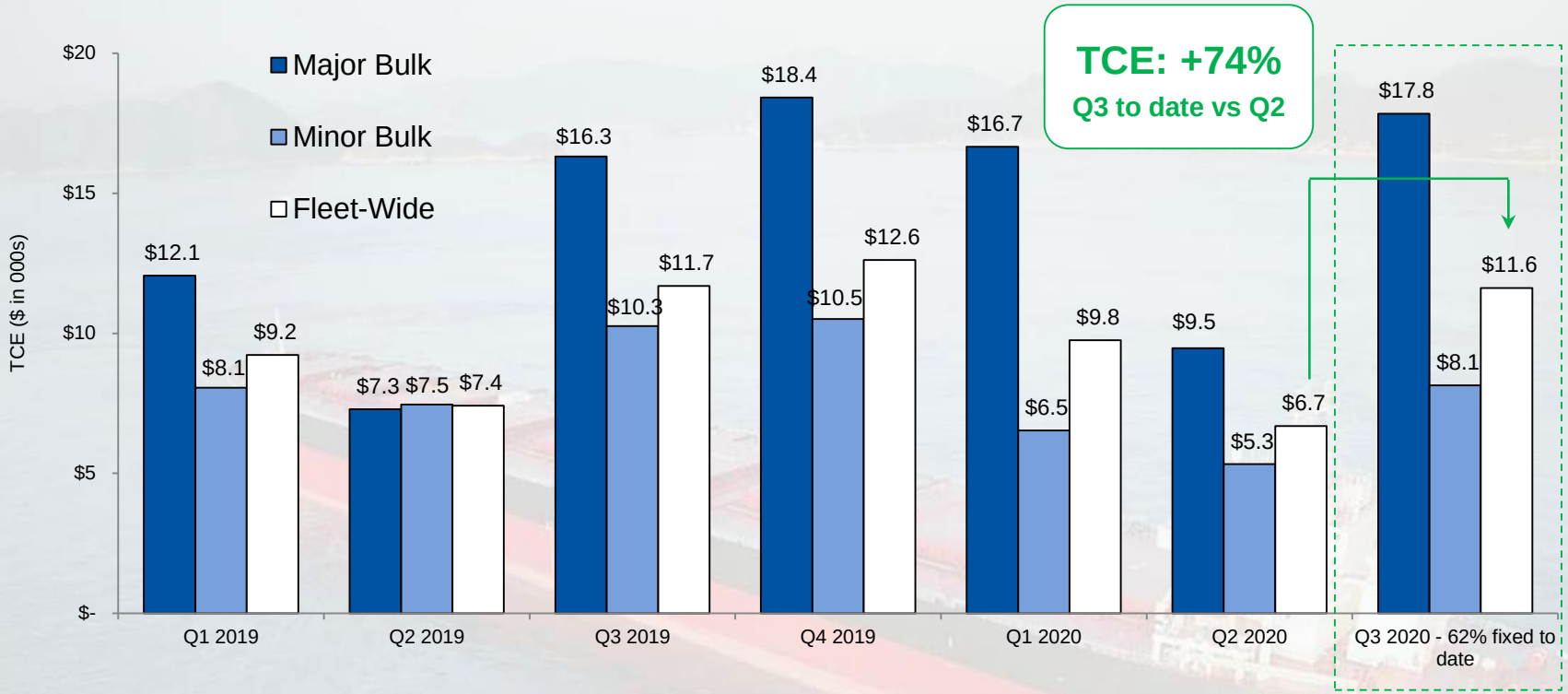


Credit facility update

- Closed on a $25 million revolving credit facility and subsequently drew down $24 million in Q2 2020

Q3 to date TCE estimates led by our Capesize fleet

Our vessel deployment strategy remains weighted towards short-term fixtures which provides us with optionality on our sizeable fleet



- Our sizeable fleet provides us with significant operating leverage in what has been a recovering freight market since June
- Improving freight rates towards the end of Q2 and into Q3 are beginning to flow through as reflected in our Q3 2020 estimates to date

Financial Overview

Second Quarter Earnings

	Three Months Ended June 30, 2020	Three Months Ended June 30, 2019	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019
	(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	$ 74,206	$ 83,550	$ 172,542	$ 177,014
Total revenues	74,206	83,550	172,542	177,014
Operating expenses:				
Voyage expenses	41,695	41,800	90,063	84,822
Vessel operating expenses	21,058	24,358	42,871	47,549
Charter hire expenses	1,432	4,849	4,507	7,267
General and administrative expenses (inclusive of nonvested stock amortization expense of $0.5 million, $0.6 million, $1.0 million and $1.0 million, respectively)	5,471	5,799	11,238	12,109
Technical management fees	1,724	1,885	3,578	3,825
Depreciation and amortization	15,930	18,271	33,504	36,348
Impairment of vessel assets	-	13,897	112,814	13,897
Loss (gain) on sale of vessels	-	-	486	(611)
Total operating expenses	87,310	110,859	299,061	205,206
Operating loss	(13,104)	(27,309)	(126,519)	(28,192)
Other (expense) income:				
Other income (expense)	120	107	(464)	437
Interest income	253	1,073	847	2,400
Interest expense	(5,473)	(8,124)	(12,418)	(16,699)
Impairment of right-of-use asset	-	(223)	-	(223)
Other expense	(5,100)	(7,167)	(12,035)	(14,085)
Net loss	$ (18,204)	$ (34,476)	$ (138,554)	$ (42,277)
Net loss per share - basic	$ (0.43)	$ (0.83)	$ (3.31)	$ (1.01)
Net loss per share - diluted	$ (0.43)	$ (0.83)	$ (3.31)	$ (1.01)
Weighted average common shares outstanding - basic	41,900,901	41,742,301	41,883,629	41,734,248
Weighted average common shares outstanding - diluted	41,900,901	41,742,301	41,883,629	41,734,248

June 30, 2020 Balance Sheet

BALANCE SHEET DATA:	June 30, 2020 (unaudited)	December 31, 2019
	(Dollars in thousands)	
Cash (including restricted cash)	$ 142,892	$ 162,249
Current assets	210,938	223,195
Total assets	1,354,566	1,528,892
Current liabilities (excluding current portion of long-term debt)	30,159	57,908
Current portion of long-term debt	79,522	69,747
Long-term debt (net of $11.6 million and $13.1 million of unamortized debt issuance costs at June 30, 2020 and December 31, 2019, respectively)	403,304	412,983
Shareholders' equity	832,626	978,428

OTHER FINANCIAL DATA:	Three Months Ended June 30, 2020	Three Months Ended June 30, 2019	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019
	(Dollars in thousands) (unaudited)		(Dollars in thousands) (unaudited)	
Net cash (used in) provided by operating activities	N/A		$ (8,977)	$ 14,823
Net cash used in investing activities			(620)	(13,697)
Net cash used in financing activities			(9,760)	(38,451)
	(unaudited)		(unaudited)	
EBITDA Reconciliation:				
Net loss	$ (18,204)	$ (34,476)	$ (138,554)	$ (42,277)
+ Net interest expense	5,220	7,051	11,571	14,299
+ Depreciation and amortization	15,930	18,271	33,504	36,348
EBITDA[(1)]	$ 2,946	$ (9,154)	$ (93,479)	$ 8,370
+ Impairment of vessel assets	-	13,897	112,814	13,897
+ Impairment of right-of-use asset	-	223	-	223
+ Loss (gain) on sale of vessels	-	-	486	(611)
Adjusted EBITDA	$ 2,946	$ 4,966	$ 19,821	$ 21,879

(1) EBITDA represents net (loss) income 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, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	(unaudited)		(unaudited)	
FLEET DATA:				
Total number of vessels at end of period	53	58	53	58
Average number of vessels (1)	53.0	58.0	53.7	58.2
Total ownership days for fleet (2)	4,823	5,278	9,765	10,525
Total chartered-in days (3)	248	347	670	640
Total available days (4)	4,892	5,326	10,121	10,822
Total available days for owned fleet (5)	4,643	4,978	9,450	10,181
Total operating days for fleet (6)	4,827	5,237	9,951	10,612
Fleet utilization (7)	97.8%	97.7%	97.8%	97.5%
AVERAGE DAILY RESULTS:				
Time charter equivalent (8)	$ 6,693	$ 7,412	$ 8,251	$ 8,341
Daily vessel operating expenses per vessel (9)	4,366	4,615	4,390	4,518

(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. 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.

Genco's industry leading balance sheet

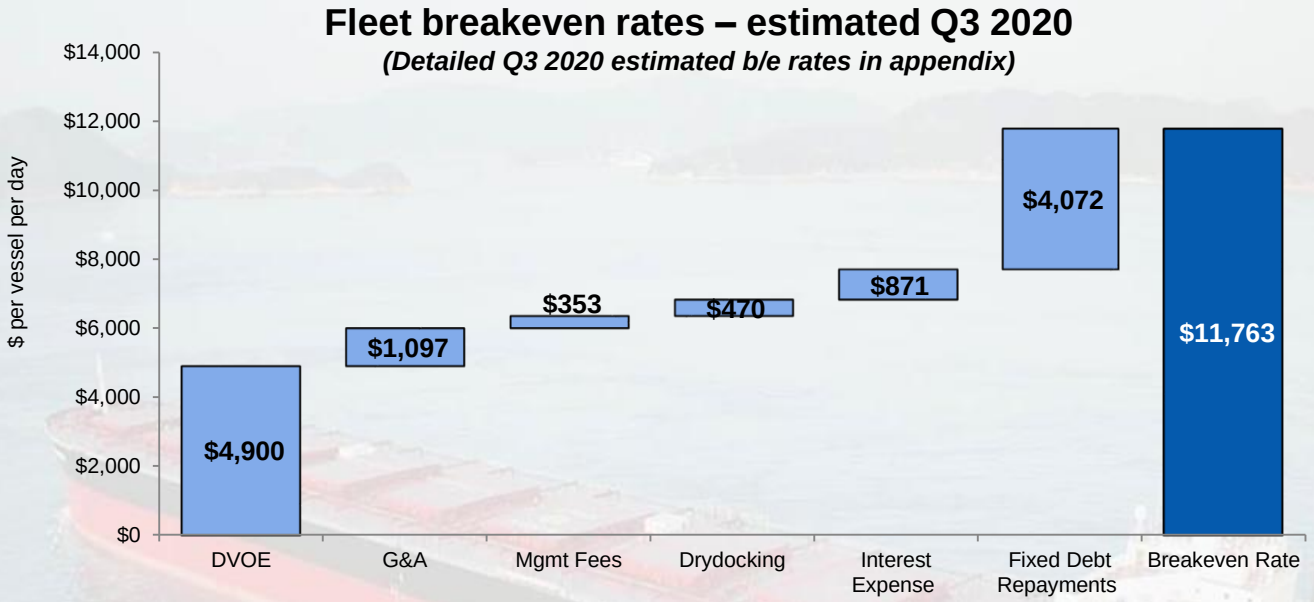
Key balance sheet items as of June 30, 2020

Cash[1]	Debt[2]	Net Debt[3]
$142.9 million	$494.5 million	$351.6 million

- **Strong financial position:** Genco continues to maintain one of the highest liquidity positions and lowest leverage profiles among our drybulk peer group
- **Revolving credit facility:** bolstered our liquidity position during Q2 2020 by closing on a $25 million revolving credit facility – we subsequently drew down $24 million in June 2020
- **Interest rate hedging:** have hedged $150 million of debt via purchases of interest rate caps to date – entered into a $100 million notional 75bps strike interest rate cap during July 2020

1) Cash balance as of June 30, 2020 includes $15.2 million of restricted cash.
2) The debt balance presented is gross of $11.6 million of unamortized debt issuance costs.
3) Net debt is equal to debt minus cash

Estimated Q3 2020 Cash Breakeven Rates(1)



Genco's Estimated Ownership and Owned Available Days - Q3 2020			
Vessel Type	**Ownership Days**	**Drydocking Days**	**Owned Avail Days**
Capesize	1,564	-	1,564
Ultramax	552	-	552
Supramax	1,840	40	1,800
Handysize	720	20	700
Total	**4,676**	**60**	**4,616**

We anticipate 3 of our vessels will drydock during Q3 2020

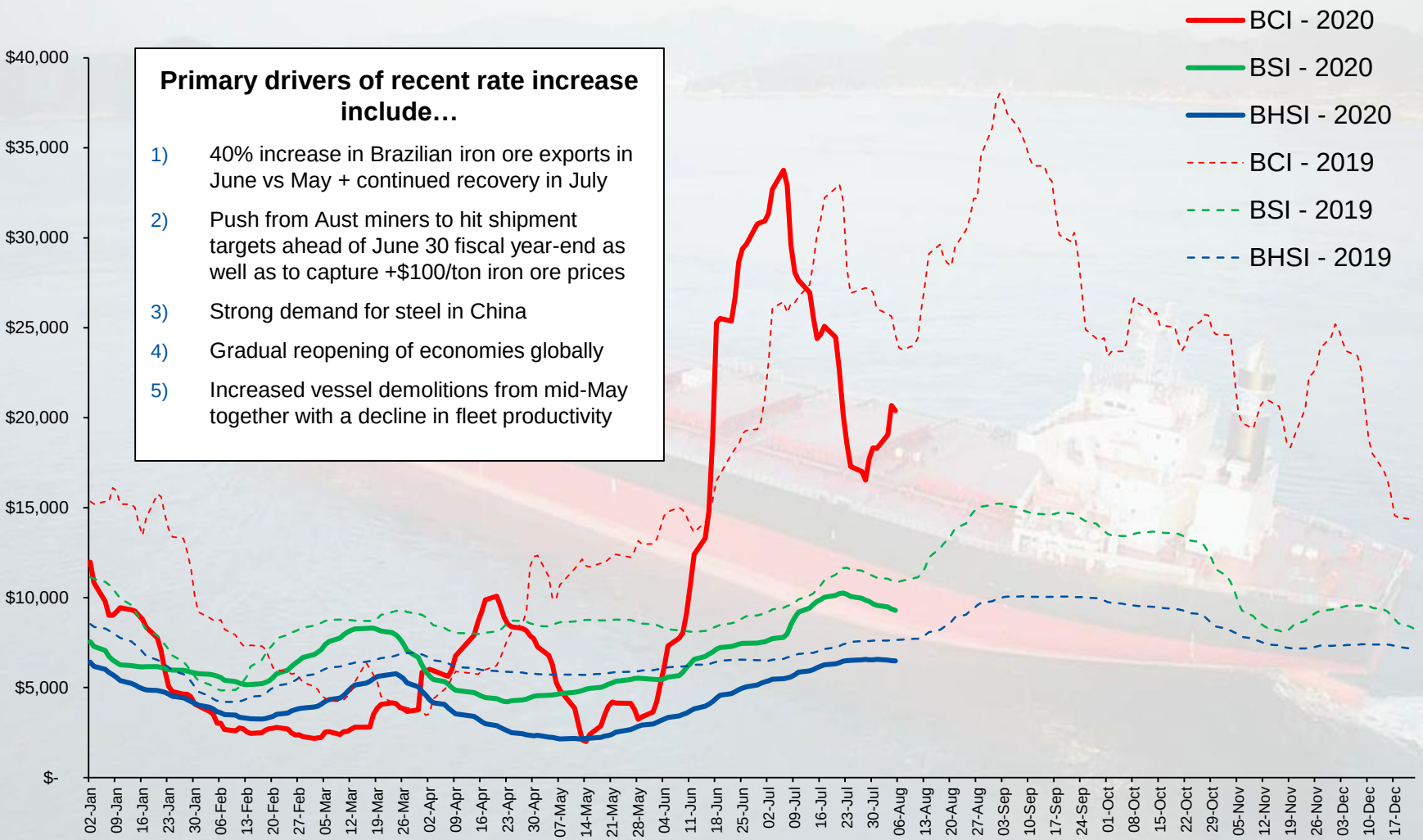
Note: Free cash flow breakeven rates consist of direct vessel operating expenses, general and administrative expenses, technical management fees, drydocking, interest expenses and fixed debt repayments. One-time costs associated with ballast water treatment system installation expected to be incurred during Q3 2020 of $1.1 million or ~$245 per vessel per day are not included in the above. For a complete reconciliation of non-GAAP financial measures and detailed estimated breakeven rates for Q3 2020, please refer to the appendix.

(1) Breakeven rate is based on the 2020 budget, which is subject to change. Based on a fleet of 50.83 vessels; presented for illustrative purposes only. Actual breakeven rates will vary.

Industry Overview

Freight rate developments in the YTD

The below highlights spot market rates as published by the Baltic Exchange for Capesize, Supramax and Handysize vessels – 2020 YTD rates are compared to the trajectory of 2019



Primary drivers of recent rate increase include…

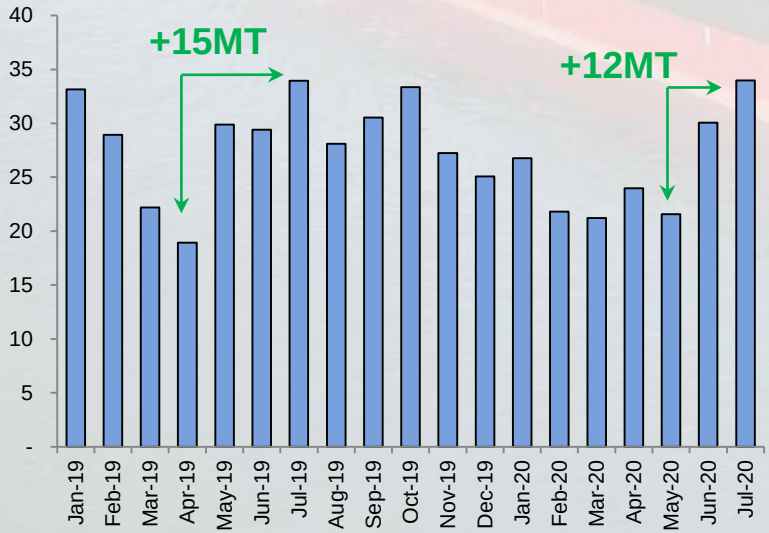
1) 40% increase in Brazilian iron ore exports in June vs May + continued recovery in July
2) Push from Aust miners to hit shipment targets ahead of June 30 fiscal year-end as well as to capture +$100/ton iron ore prices
3) Strong demand for steel in China
4) Gradual reopening of economies globally
5) Increased vessel demolitions from mid-May together with a decline in fleet productivity

Brazilian iron ore exports have been recovering since May

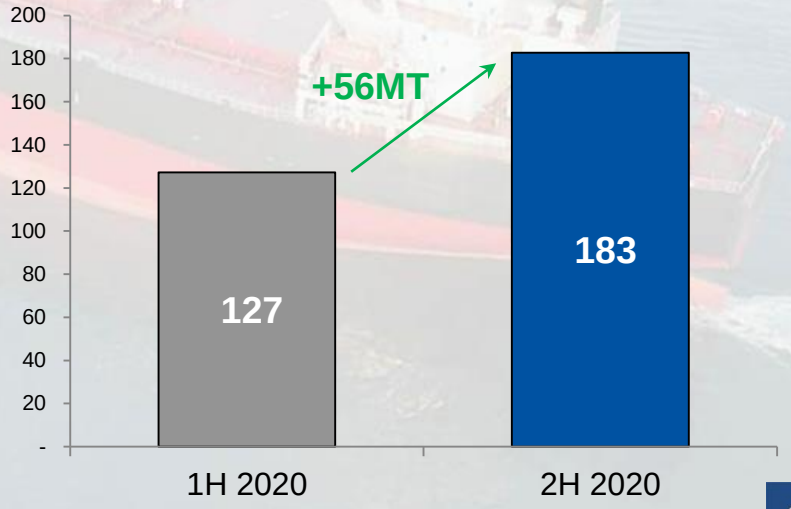
Heavy rains and operational challenges disrupted production and shipments during most of 1H

- Brazilian iron ore exports declined by 9% YOY through July
  - July shipments increased by 13% vs June, and marked first consecutive months of over 30MT since Sep/Oct 2019
- Vale's Q2 production increased 13% vs Q1 – output ramped up in June as it entered a strong period with lower rainfall
  - June production at 25MT is 23% greater than the previous 5-month average
  - Vale's production guidance remained unchanged at 310 to 330MT – views the low end as more likely
- Vale's lost iron ore production due to COVID-19: 9.8 Mt (3.5MT in Q2 and 6.3MT expected in 2H)

Brazilian iron ore exports rebounded in June/July but have fallen 9% in the YTD…



…despite a poor 1H 2020, Vale's production guidance implies a significant recovery in 2H



Sources: Clarksons Research Services Limited 2020, Vale

Data highlights continued improvement in China

…while economic activity in India, Japan, EU and the US is beginning to gradually recover

China's Q2 2020 GDP growth rebounded to +3.2% YOY vs. -6.8% in Q1

- Strong recovery in Q2 as China's economy has already exceeded the pre-COVID-19 level
- Highly accommodative monetary policy as credit growth jumped 13% YOY in 1H 2020

China stimulus

- $500 billion of stimulus announced through a combination of local and sovereign special bonds as well as an increase in the budget deficit
- A meaningful portion of this stimulus is expected to be applied towards infrastructure spending

Global Steel Production (MT)			
	Jun 2020	Jun 2019	% Variance
China	91.6	87.7	4.5%
European Union	10.2	13.5	-24.6%
Japan	5.6	8.8	-36.3%
India	6.9	9.4	-26.3%
South Korea	5.1	5.9	-14.3%
Global Production	148.3	159.5	-7.0%
Ex-China	56.7	71.9	-21.1%

	1H 2020	1H 2019	% Variance
China	499.0	492.0	1.4%
European Union	68.3	83.9	-18.7%
Japan	42.2	51.1	-17.4%
India	43.1	56.9	-24.2%
South Korea	32.6	36.0	-9.5%
Global Production	873.1	928.4	-6.0%
Ex-China	374.1	436.5	-14.3%

+4% **China's fixed asset investment** YOY in Q2 2020
(up from -16% in Q1 2020)

+8% **China's infrastructure investment** YOY in Q2 2020
(up from -16% in Q1 2020)

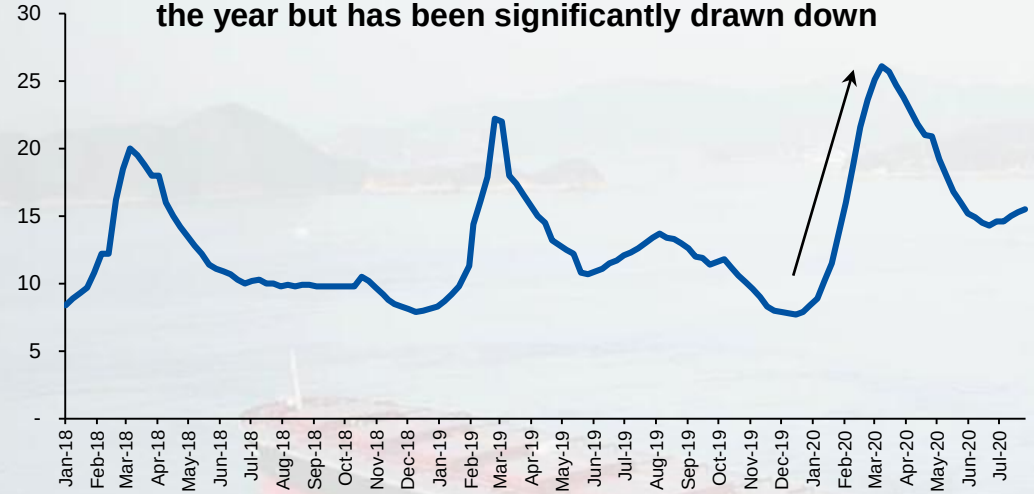
+5% **China's industrial production** YOY in June 2020
(up from +4% in May, compares to -14% in Jan/Feb)

50.9 **China's manufacturing PMI** in June 2020
(up from 50.6 in May, compares to 35.7 in the Feb low)

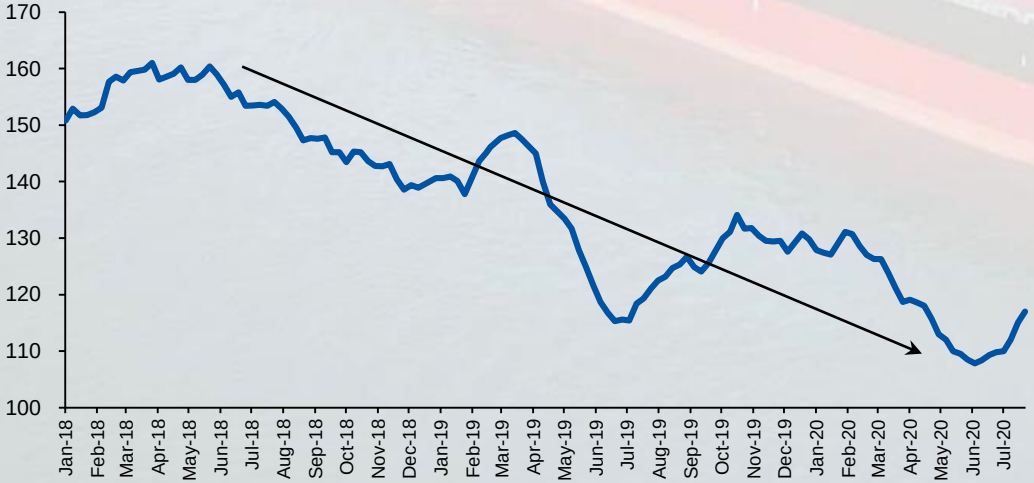
Sources: Clarksons, Macquarie, Bloomberg, WorldSteel

Inventory levels of major bulk drivers steel + iron ore

China's steel inventory more than tripled early in the year but has been significantly drawn down



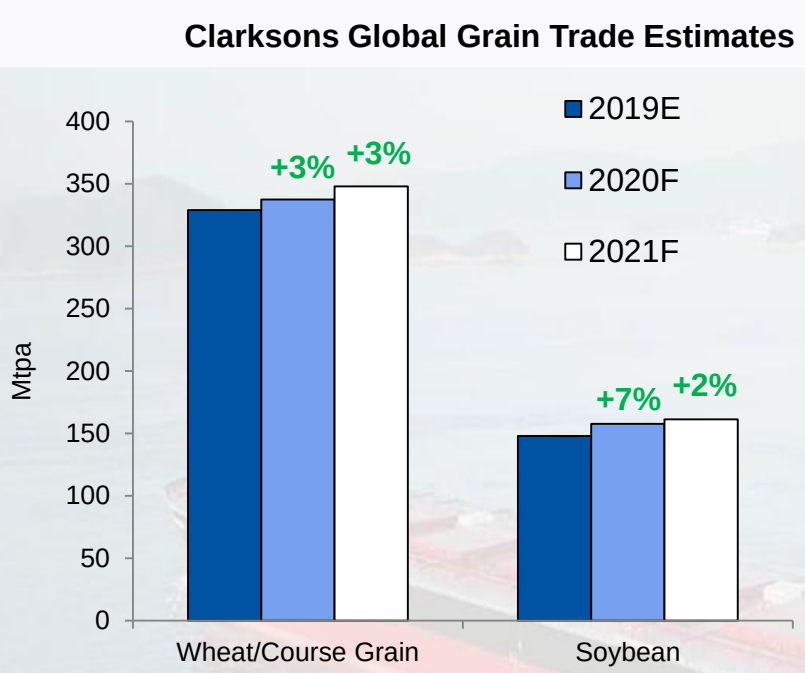
Iron ore port inventory has been drawn down recently and is ~45MT off of 2018 highs



- In June, China's steel exports reached an 8-year low while imports reached a 10-year high
  - Together with record production and declining stockpiles, this implies strong domestic steel demand
- In June, China imported over 100MT of iron ore for only the 4th time on record and 2nd most all-time
- Iron ore port inventories fell to as low as 108MT
  - Currently stand at 117MT after 7 consecutive weeks of increases
  - Despite the recent restocking, inventory levels are still meaningfully below the June 2018 high of 160MT

Source: Commodore Research

Strong grain trade + improvement in other minor bulk trades



Seaborne Wheat / Course Grain Trade (MT)			
Exporter	**2019 (e)**	**2020 (f)**	**2021 (f)**
Argentina	51	53	54
Australia	13	15	17
Canada	25	24	25
EU+UK	39	47	45
US	57	74	79
Others	145	125	128
Total	**329**	**338**	**348**

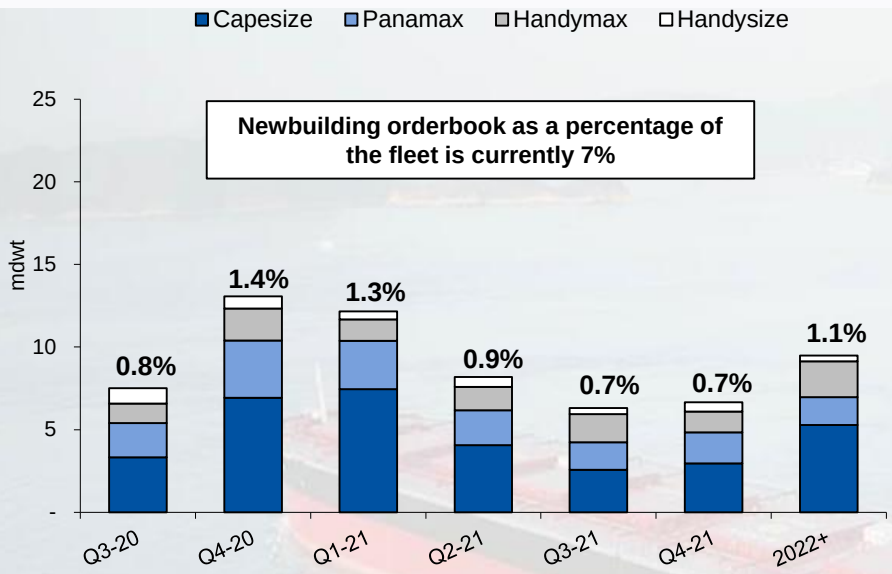
Seaborne Soybean Trade (MT)			
Exporter	**2019 (e)**	**2020 (f)**	**2021 (f)**
United States	48	42	49
Brazil	74	90	87
Argentina	10	11	10
Paraguay	5	5	5
Canada	4	3	3
Uruguay	3	3	3
Others	4	4	4
Total	**148**	**158**	**161**

- **South America:** ramp up of corn exports in July to offset seasonal decline in soybean shipments
- **Black Sea:** peak export season expected in August
- **US Gulf:** Q4 is typical peak N. American grain export season, however, the last two years this has not materialized due to the US-China trade dispute – demand for US soybeans this Q4 remains highly dependent on US-China trade relations
- **China:** imported a record 11MT of soybeans in June primarily from Brazil, soybean demand has recovered post African Swine Fever
- **Minor bulk earnings are more closely aligned with global economic activity** and have increased in recent weeks as lockdown measures have gradually eased – primary risk factor remains a resurgence of COVID-19 and further lockdown measures

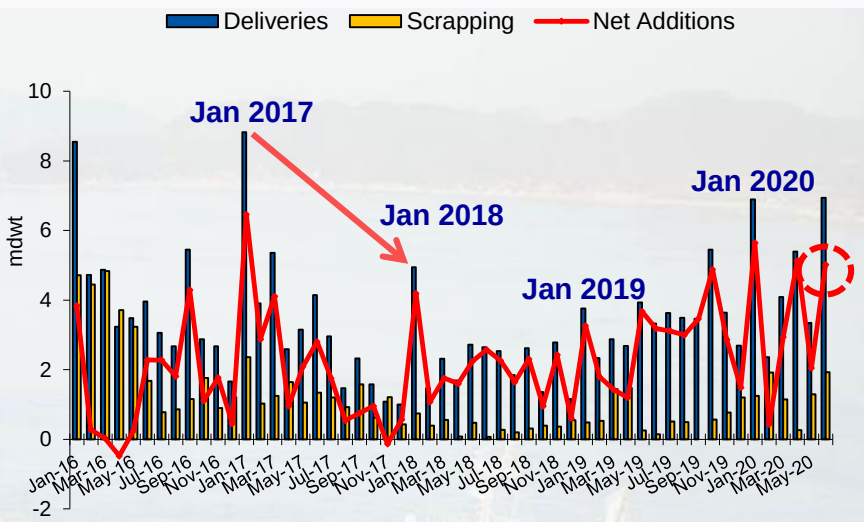
Source: Clarksons Research Services Limited 2020

Supply side fundamentals

Current Drybulk Vessel Orderbook by Type



Drybulk Vessel Deliveries vs. Scrapping



- Lowest orderbook on record at 7% of the fleet
- On the water tonnage greater than or equal to 20 years old totals 7% of the fleet on a dwt basis
- 32 reported Capesize demolitions (including 14 VLOCs) in the YTD, already eclipsing the 29 reported in all of 2019
- 2020 VLOC newbuilding deliveries have been nearly fully offset by VLOC scrapping to date
- Older VLOCs are expected to continue to come under further scrutiny – Vale announced the phasing out of 25 VLOCs
- Plenty of Capesize scrap potential remains on the water with approximately 85 Capesizes >= 18 years old

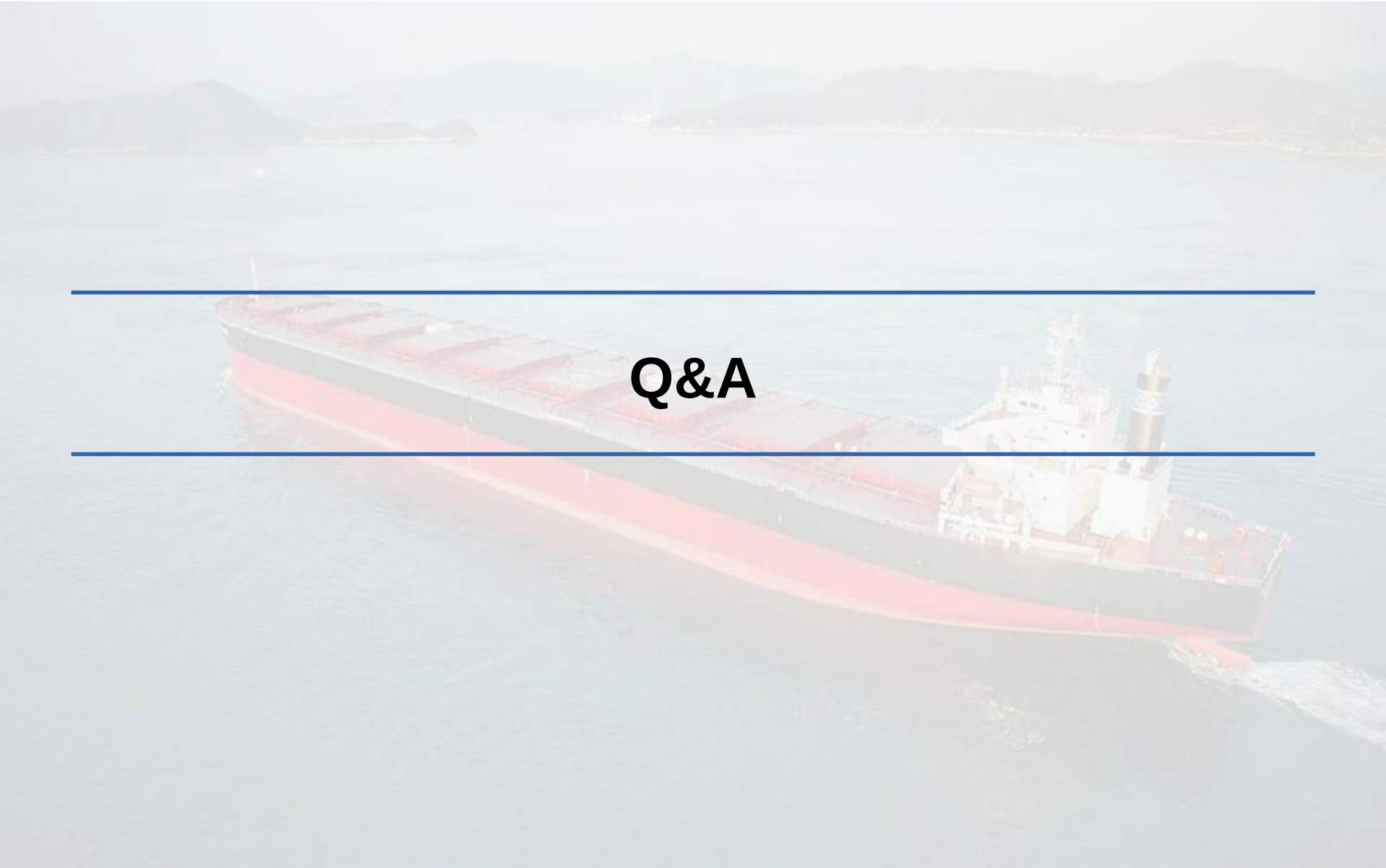
Source: Clarkson Research Services Limited 2020

Freight rate catalysts for 2H 2020

We expect a stronger freight rate environment in 2H 2020 relative to what was experienced earlier in the year, due to the following factors…

1. Gradual recommencement of global economic activity
2. Continued recovery in Brazilian iron ore exports
3. Improvement in minor bulk earnings as global GDP starts to grow again
4. Global stimulus measures begin to take effect
5. Lower fleet growth: increased scrapping + delayed N/B deliveries + declining fleet productivity

Primary risk factor remains a resurgence of COVID-19 together with further lockdown measures



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

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

Minor Bulk		
Vessel Name	**Year Built**	**Dwt**
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
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 Cove	2010	34,403
Genco Avra	2011	34,391
Genco Bay	2010	34,296
Baltic Hare	2009	31,887
Baltic Fox	2010	31,883

17 *Capesize*

26 *Ultra/Supra*

8 *Handysize*







Note: We have entered into a memorandum of agreement to sell the Genco Bay

Time Charter Equivalent Reconciliation(1)

	Three Months Ended		Six Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	(unaudited)		(unaudited)	
Total Fleet				
Voyage revenues (in thousands)	$ 74,206	$ 83,550	$ 172,542	$ 177,014
Voyage expenses (in thousands)	41,695	41,800	90,063	84,822
Charter hire expenses (in thousands)	1,432	4,849	4,507	7,267
	31,079	36,901	77,972	84,925
Total available days for owned fleet	4,643	4,978	9,450	10,181
Total TCE rate	$ 6,693	$ 7,412	$ 8,251	$ 8,341

	Three Months Ended				
	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020
	(unaudited)				
Total Fleet					
Voyage revenues (in thousands)	$ 93,464	$ 83,550	$ 103,776	$ 108,705	$ 98,336
Voyage expenses (in thousands)	43,022	41,800	42,967	45,254	48,368
Charter hire expenses (in thousands)	2,419	4,849	5,475	3,436	3,075
	48,023	36,901	55,334	60,015	46,893
Total available days for owned fleet	5,203	4,978	4,735	4,756	4,807
Total TCE rate	$ 9,230	$ 7,412	$ 11,687	$ 12,619	$ 9,755

(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. 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.

Q3 2020 Genco Estimated Breakeven Rates[1]

Daily Expenses by Category	Free Cash Flow[2]	Net Income
Direct Vessel Operating[3]	$4,900	$4,900
General and Administrative Expenses[4]	1,097	1,192
Technical Management Fees[5]	353	353
Drydocking[6]	470	-
Interest Expense[7]	871	1,084
Fixed Debt Repayments[8]	4,072	-
Depreciation[9]	-	3,464
Daily Expense[10]	**$11,763**	**$10,994**
Number of Vessels[11]	50.83	50.83

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 2020.

(7) Interest expense is based on our debt level as of June 30, 2020 less scheduled fixed debt repayments in Q3 2020. 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 2020 aggregate to $19.0 million under our outstanding credit facilities. Repayment of debt due to vessel sales is excluded from this calculation.

(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 50.83 vessels.


Thank you