# GENCO SHIPPING & TRADING LIMITED




## Q4 2023 Earnings Presentation

February 22nd, 2024

# 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 release are the following: (i) declines or sustained weakness in demand in the drybulk shipping industry; (ii) 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, including without limitation the ongoing war in Ukraine, the Israel-Hamas war, and attacks on vessels in the Red Sea; (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 are 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, worldwide compliance with sulfur emissions regulations that took effect on January 1, 2020 and our ability to realize the economic benefits or recover the cost of the scrubbers we have installed; (xix) our financial results for the year ending December 31, 2023 and other factors relating to determination of the tax treatment of dividends we have declared; (xx) the financial results we achieve for each quarter that apply to the formula under our new dividend policy, including without limitation the actual amounts earned by our vessels and the amounts of various expenses we incur, as a significant decrease in such earnings or a significant increase in such expenses may affect our ability to carry out our new value strategy; (xxi) the exercise of the discretion of our Board regarding the declaration of dividends, including without limitation the amount that our Board determines to set aside for reserves under our dividend policy; (xxii) outbreaks of disease such as the COVID-19 pandemic;; 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, 2022 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, market developments, and the best interests of the Company and its shareholders. 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

Q4 2023 + YTD Highlights

Financial Overview

Industry Overview

# Fourth Quarter 2023 and Year-to-Date Highlights

# Fourth quarter 2023 and year-to-date overview



Enhanced ability to succeed through all industry cycles

Executed across our three strategy pillars



Dividends



Deleveraging



Growth

**#1** rated ESG shipping company for 3rd straight year

## Remain committed to strong corporate governance

and are focused on enhancing the Company's potential to deliver returns to shareholders, reducing the Company's financial risks and maximizing the Company's ability to pursue accretive growth opportunities

# Q4 2023 highlights + financial performance

## Value Strategy

| | |
|---|---|
| **Dividends** | Q4 2023 dividend: $0.41/sh, 18th consecutive quarterly dividend totaling 29% of the current share price |
| **Deleveraging** | 10% net loan-to-value* + closed $500m revolver |
| **Growth** | Purchased 2 x 2016-built scrubber-fitted Capesize vessels that delivered in Nov 2023 |

Increased earnings capacity, by acquiring
2 x high specification scrubber fitted Capes
+ divesting older tonnage

## Financial Performance

| | |
|---|---|
| **$4.9m** | Q4 2023 net income or $0.11/sh (diluted)<br>Adjusted net income of $18.6m or $0.43/sh ex-non-cash vessel impairment charge |
| **$17,373** | Q4 2023 fleet-wide TCE** |
| **$18,724** | Estimated Q1 2024 TCE for 81% of Q1 owned available days** |

Continued to outperform our internal benchmarks

Full year adjusted EBITDA of $101.5m**



*Represents the principal amount of our credit facility debt outstanding less our cash and cash equivalents as of December 31, 2023 divided by estimates of the market value of our fleet as of February 20, 2024 from VesselsValue.com, pro forma for announced vessel sales to occur in Q1 2024. The actual market value of our vessels may vary.
**We believe the non-GAAP measure presented provides investors with a means of better evaluating and understanding the Company's operating performance. Please see the appendix for a reconciliation. Estimated Q1 2024 TCE is based on both period and current spot fixtures, actual results will vary from current estimates.

# Continued progress in 2023 regarding our value strategy

## What we said April 2021…

**Transform**
Genco into a low leverage, high dividend yield company

**Maintain**
significant flexibility to grow the fleet

**Target**
paying a quarterly dividend based on cash flows less a voluntary reserve quarterly

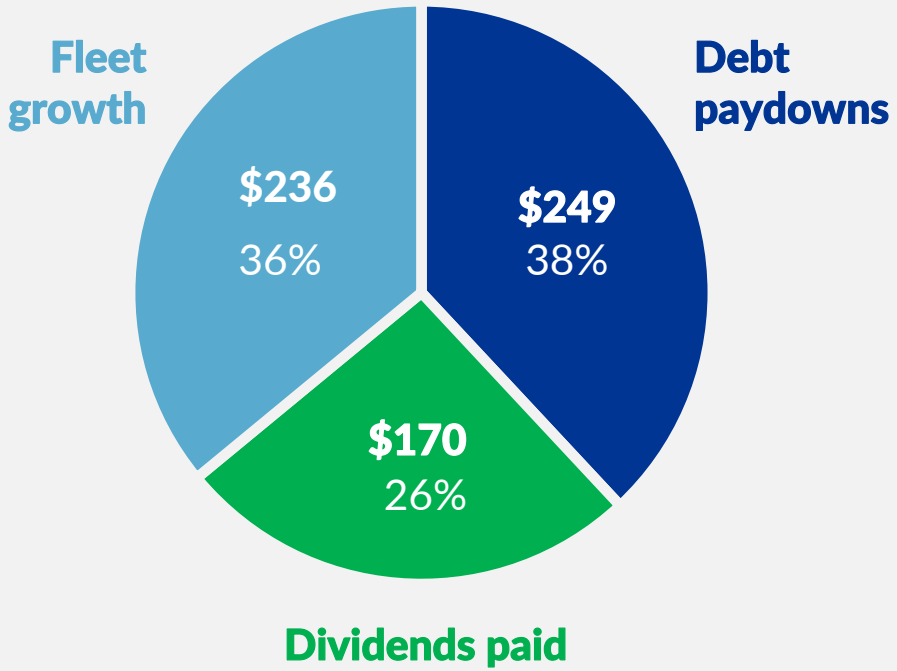
## What we did ~3 years later…

**Paid down**
$249m of debt

**Invested**
$236m in high specification vessels

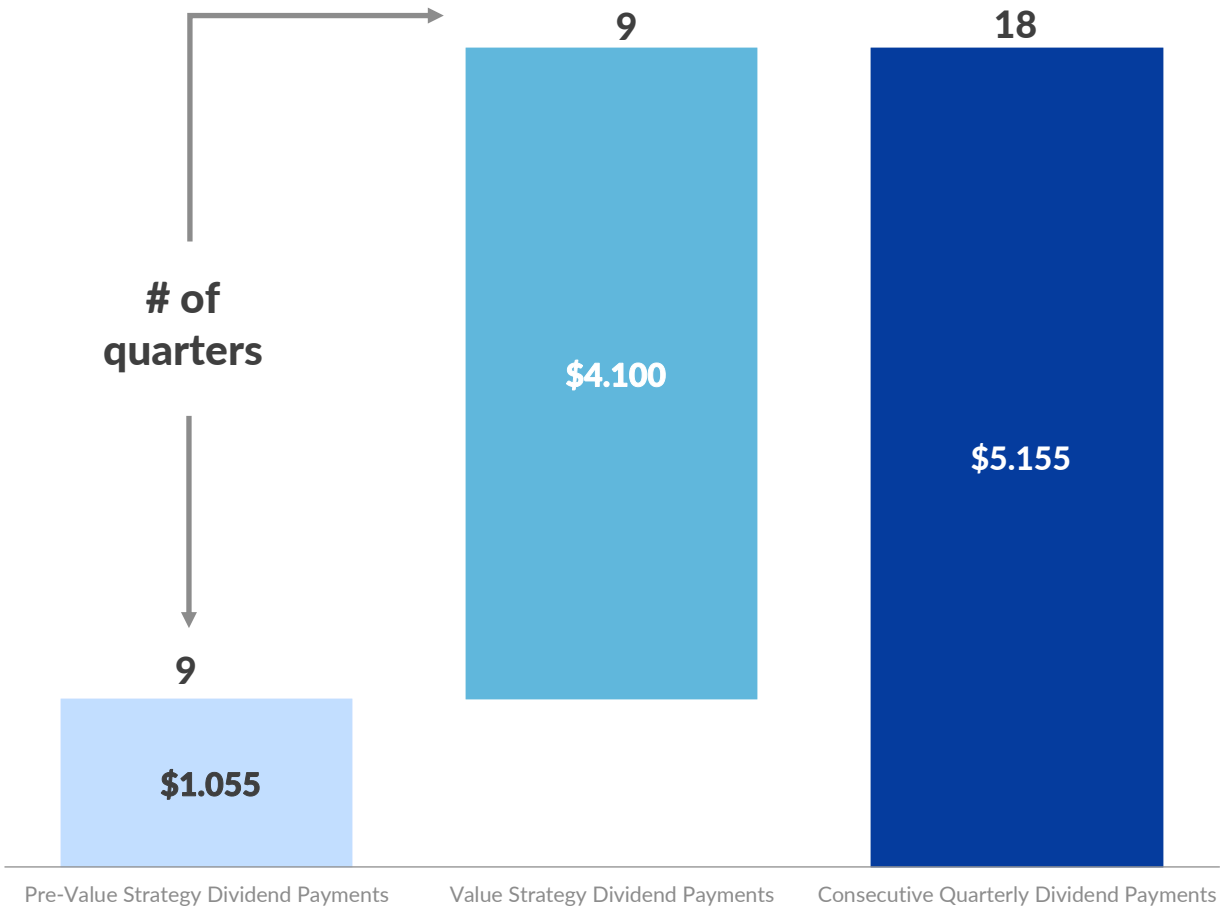
**Paid**
$170m in dividend since 2021

**Well-balanced capital allocation across 3 pillars of dividends, deleveraging and growth**



# Compelling quarterly dividends over the last 4.5 years

## Significant increase in dividends since value strategy inception




## Sustained dividends across diverse market environments

**18 quarters** — Consecutive quarterly dividends since Q3 2019

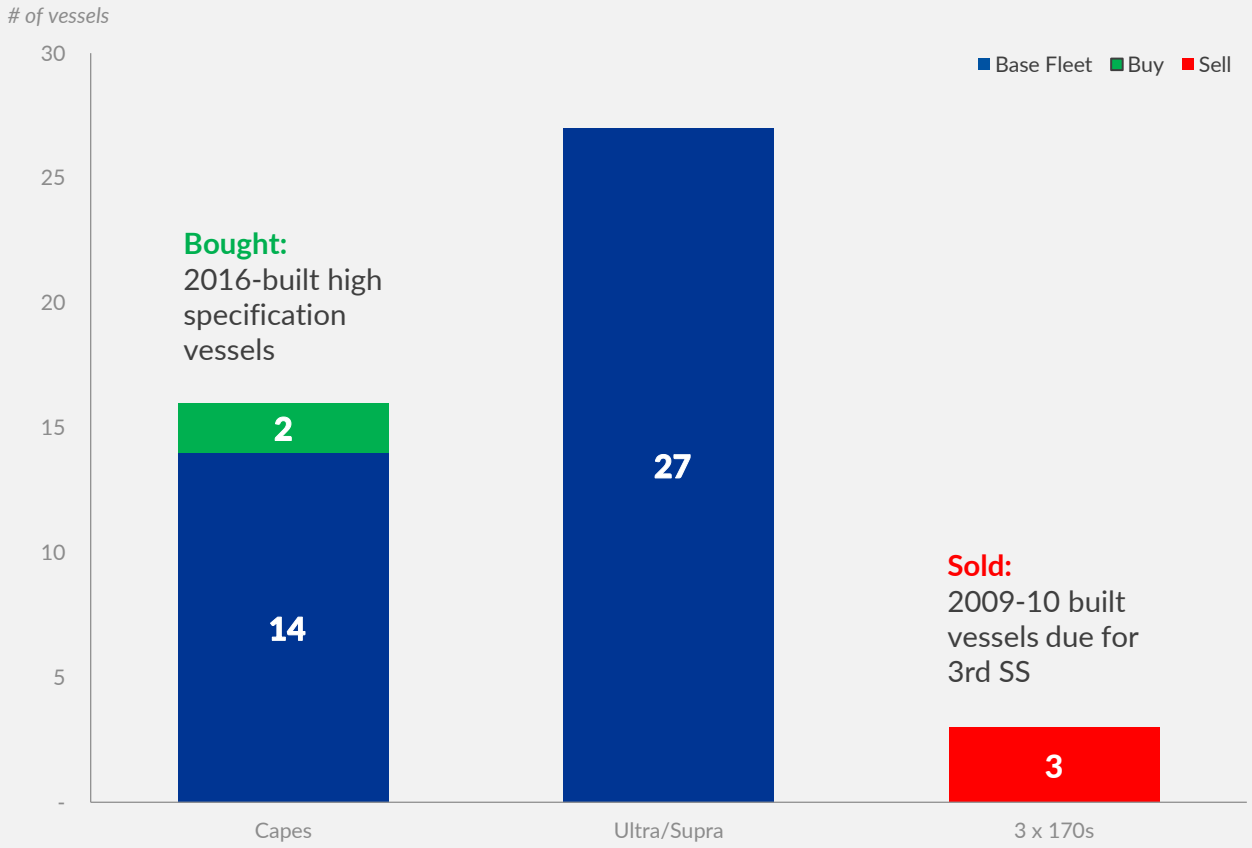
**$5.155/ share** — Dividends in aggregate since Q3 2019

**29%** — Percentage of share price paid in dividends since Q3 2019*

*Closing share price as of February 20, 2024.

# Executed the next leg of our fleet renewal strategy

## High-grading the fleet with modern Cape purchases




**Cape sale & purchase activity:**
Modernizing the fleet + increasing earnings capacity

**~$10m,** or
**~$0.24/sh**

Drydocking capex savings due to well-timed fleet renewal

# Genco's "barbell" approach to fleet composition

...combines upside potential of Capesize vessels with the more stable earnings stream of minor bulk vessels

**Major bulk Capesize**

**16**

Vessels



Higher industry beta leading to greater upside potential

Focused on iron ore trade

Driven by world-wide steel production

## These two sectors provide complementary characteristics for Genco's value strategy...

- Direct exposure to all drybulk commodities
- Scalable fleet
- Active approach to revenue generation
- High operating leverage
- Focused fleet on 2 main sectors




**Minor bulk Ultra/Supra**

**27**

Vessels

More stable earnings

Diverse trade routes

Linked to global GDP

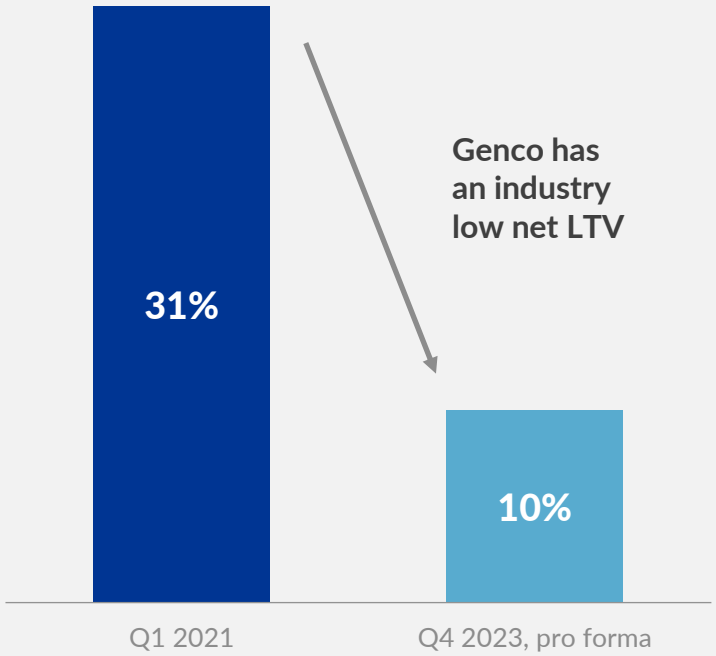
Cargo arbitrage opportunities

Note: reflects pro forma fleet based on the agreed sales of the Genco Commodus, Genco Claudius and Genco Maximus

# Genco is in an advantageous position…

…due to its fully considered strategic capital allocation priorities

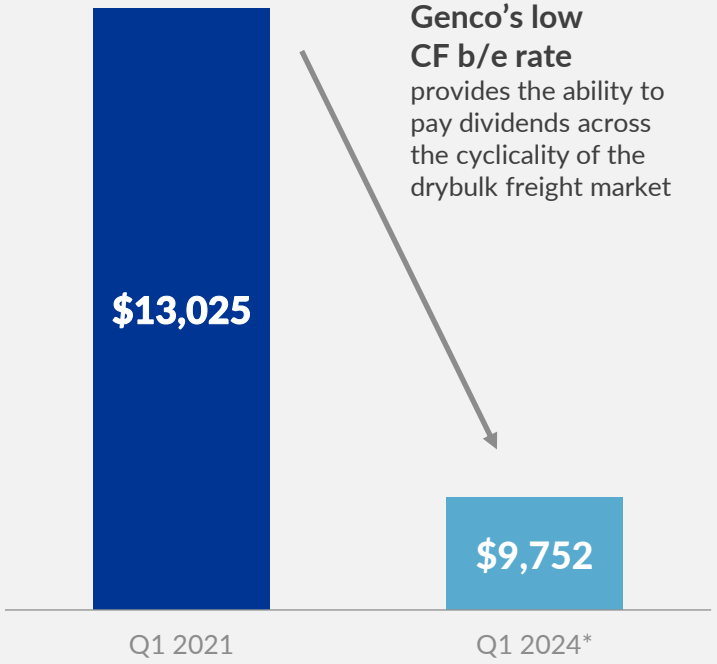
## Industry low financial leverage…




**No mandatory debt repayments thru 2028**

+

## Industry low cash flow breakeven rate

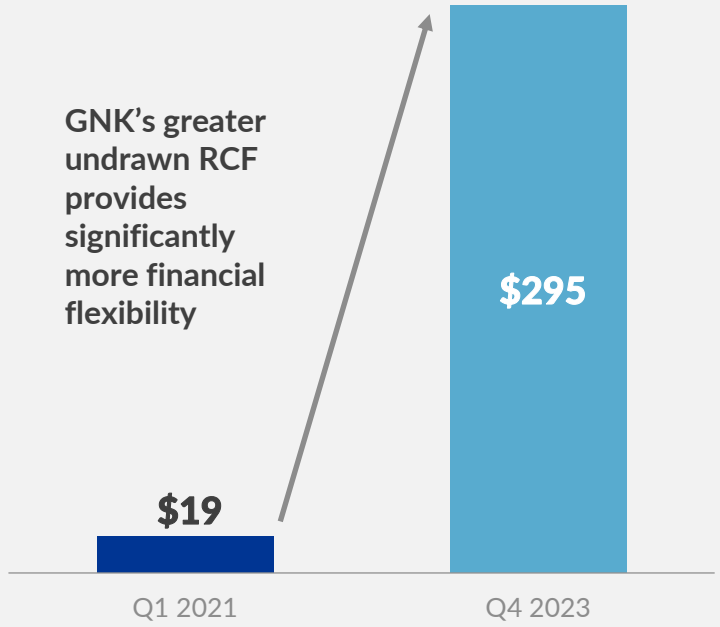



**Enables dividends thru diverse freight rate environments**

*Excludes extraordinary annual meeting related expenses

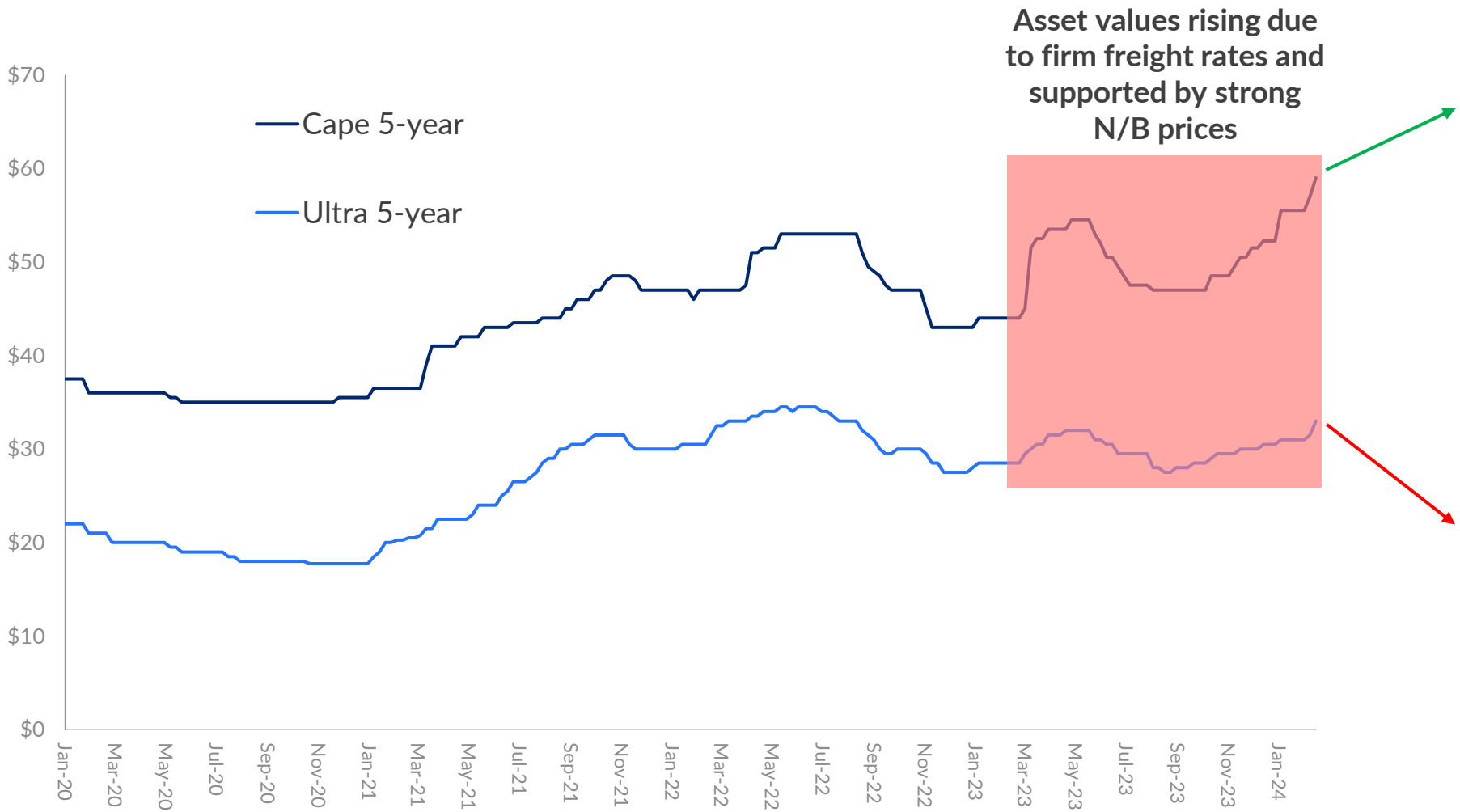
+

## …together with $295m of undrawn revolver availability




**Enhanced flexibility for opportunistic growth**

# Financial flexibility in various freight market conditions




**Significant** operating leverage

**Well-positioned** in up or down markets

**Countercyclical opportunities** to buy vessels advantageously

Source: Clarksons Research Services Limited 2024

# Allocating capital to enable Genco to create value through cycles

## 1 Low financial leverage

Results in low cash flow breakeven rate – medium term goal of zero net debt

## 2 Compelling quarterly dividends

Returned 29% of the current share price in dividends over 18 consecutive quarters of dividend distributions

## 3 Growth of the asset base

Focus on acquiring modern, high quality Capesize, Ultramax and Supramax vessels

## 4 Barbell approach to fleet composition

Upside potential from Capes + relative stability from Ultra/Supras

## 5 Optimal risk/reward model

Given the volatility and cyclicality of drybulk shipping (together with financial leverage), the challenge for shipping companies to sustain dividends over various freight rate environments results in starts and stops of dividend policies + vessel sales / capital raises at inopportune times of the cycle. We believe Genco's capital allocation strategy solves for these challenges and creates a better risk/reward balance

# Financial Overview

# Fourth quarter earnings

| | Three Months Ended December 31, 2023 | Three Months Ended December 31, 2022 | Twelve Months Ended December 31, 2023 | Twelve Months Ended December 31, 2022 |
|---|---|---|---|---|
| | (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 | $ 115,516 | $ 126,973 | $ 383,825 | $ 536,934 |
| Total revenues | 115,516 | 126,973 | 383,825 | 536,934 |
| Operating expenses: | | | | |
| Voyage expenses | 42,450 | 43,470 | 142,971 | 153,889 |
| Vessel operating expenses | 25,368 | 20,902 | 97,093 | 99,469 |
| Charter hire expenses | 2,404 | 7,497 | 9,135 | 27,130 |
| General and administrative expenses (inclusive of nonvested stock amortization expense of $1.4 million, $0.9 million, $5.5 million and $3.2 million, respectively) | 7,001 | 7,372 | 28,268 | 25,708 |
| Technical management fees | 937 | 932 | 4,021 | 3,310 |
| Depreciation and amortization | 16,703 | 16,028 | 66,465 | 60,190 |
| Impairment of vessel assets | 13,617 | - | 41,719 | - |
| Total operating expenses | 108,480 | 96,201 | 389,672 | 369,696 |
| Operating income (loss) | 7,036 | 30,772 | (5,847) | 167,238 |
| Other (expense) income: | | | | |
| Other (expense) income | (98) | (439) | (396) | 178 |
| Interest income | 790 | 666 | 2,667 | 1,042 |
| Interest expense | (2,622) | (2,171) | (8,780) | (9,094) |
| Other expense, net | (1,930) | (1,944) | (6,509) | (7,874) |
| Net income (loss) | $ 5,106 | $ 28,828 | $ (12,356) | $ 159,364 |
| Less: Net income attributable to noncontrolling interest | 169 | 149 | 514 | 788 |
| Net income (loss) attributable to Genco Shipping & Trading Limited | $ 4,937 | $ 28,679 | $ (12,870) | $ 158,576 |
| Net earnings (loss) per share - basic | $ 0.12 | $ 0.67 | $ (0.30) | $ 3.74 |
| Net earnings (loss) per share - diluted | $ 0.11 | $ 0.67 | $ (0.30) | $ 3.70 |
| Weighted average common shares outstanding - basic | 42,827,334 | 42,563,836 | 42,766,262 | 42,412,722 |
| Weighted average common shares outstanding - diluted | 43,290,851 | 42,916,252 | 42,766,262 | 42,915,496 |

# December 31, 2023 balance sheet

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| | (Dollars in thousands) | |
| | (unaudited) | |
| **BALANCE SHEET DATA:** | | |
| Cash (including restricted cash) | $ 46,857 | $ 64,100 |
| Current assets | 157,272 | 125,430 |
| Total assets | 1,141,902 | 1,173,866 |
| Current liabilities (excluding current portion of long-term debt) | 35,286 | 36,540 |
| Current portion of long-term debt | - | - |
| Long-term debt (net of $9.8 million and $6.1 million of unamortized debt issuance costs at December 31, 2023 and December 31, 2022, respectively) | 190,169 | 164,921 |
| Shareholders' equity | 914,646 | 968,309 |



| | Three Months Ended | | Twelve Months Ended | |
|---|---|---|---|---|
| | December 31, 2023 | December 31, 2022 | December 31, 2023 | December 31, 2022 |
| | (Dollars in thousands) (unaudited) | | (Dollars in thousands) (unaudited) | |
| **OTHER FINANCIAL DATA:** | | | | |
| Net cash provided by operating activities | N/A | | $ 91,784 | $ 189,323 |
| Net cash used in investing activities | | | (91,624) | (55,015) |
| Net cash used in financing activities | | | (17,403) | (190,739) |
| | (unaudited) | | (unaudited) | |
| **EBITDA Reconciliation:** | | | | |
| **Net income (loss) attributable to Genco Shipping & Trading Limited** | $ 4,937 | $ 28,679 | $ (12,870) | $ 158,576 |
| + Net interest expense | 1,832 | 1,505 | 6,113 | 8,052 |
| + Depreciation and amortization | 16,703 | 16,028 | 66,465 | 60,190 |
| **EBITDA**[1] | $ 23,472 | $ 46,212 | $ 59,708 | $ 226,818 |
| + Impairment of vessel assets | 13,617 | - | 41,719 | - |
| + Unrealized loss (gain) on fuel hedges | 1 | (115) | 96 | (4) |
| **Adjusted EBITDA** | $ 37,090 | $ 46,097 | $ 101,523 | $ 226,814 |

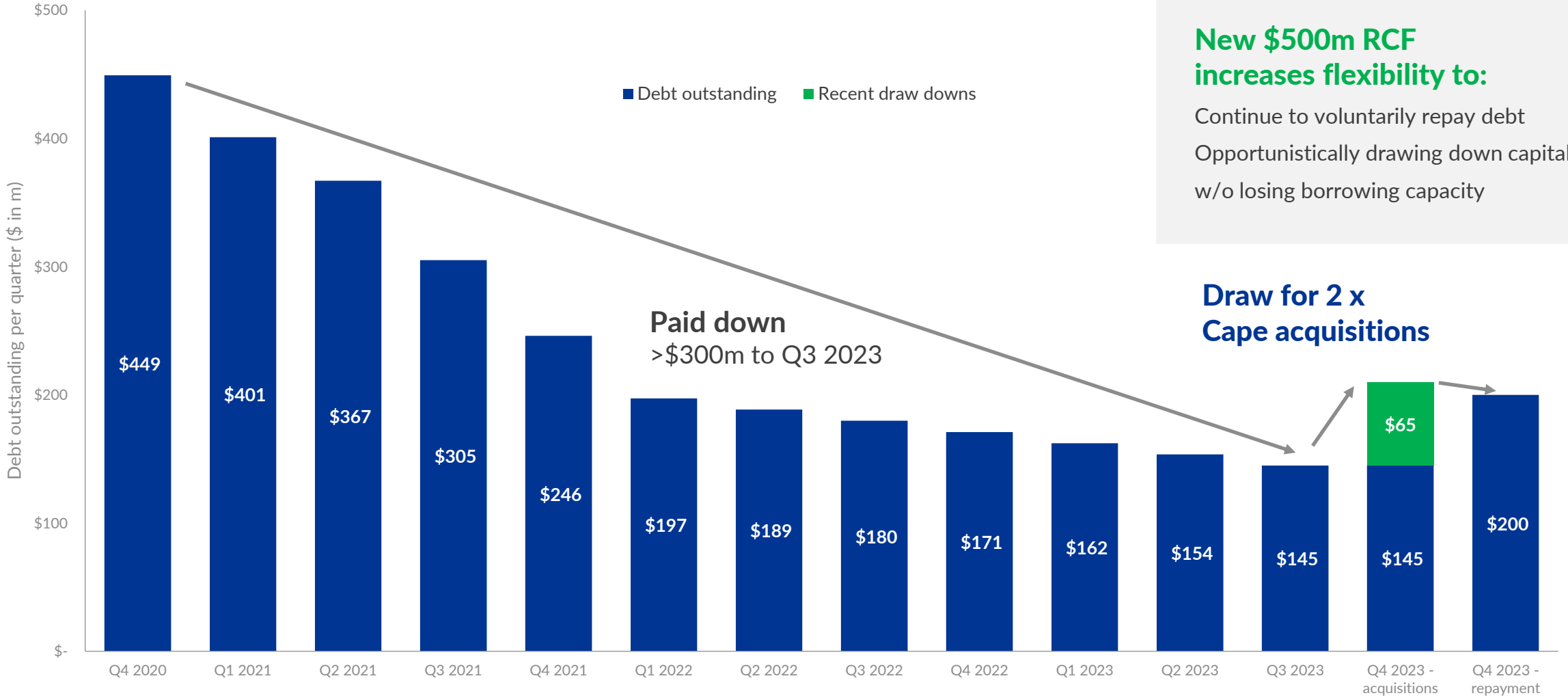
1. EBITDA represents net income (loss) attributable to Genco Shipping & Trading Limited plus net interest expense, taxes, and depreciation and amortization. EBITDA is included because it is used by management and certain investors as a measure of operating performance. EBITDA is used by analysts in the 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.

# Fourth quarter highlights

| | Three Months Ended | | Twelve Months Ended | |
|---|---|---|---|---|
| | December 31, 2023 | December 31, 2022 | December 31, 2023 | December 31, 2022 |
| | (unaudited) | | (unaudited) | |
| **FLEET DATA:** | | | | |
| Total number of vessels at end of period | 46 | 44 | 46 | 44 |
| Average number of vessels (1) | 44.8 | 44.0 | 44.2 | 44.0 |
| Total ownership days for fleet (2) | 4,123 | 4,048 | 16,135 | 16,050 |
| Total chartered-in days (3) | 105 | 303 | 556 | 1,062 |
| Total available days (4) | 4,169 | 4,235 | 16,263 | 16,070 |
| Total available days for owned fleet (5) | 4,065 | 3,932 | 15,706 | 15,008 |
| Total operating days for fleet (6) | 4,108 | 4,139 | 16,001 | 15,741 |
| Fleet utilization (7) | 97.2% | 97.3% | 97.3% | 96.5% |
| **AVERAGE DAILY RESULTS:** | | | | |
| Time charter equivalent (8) | $ 17,373 | $ 19,330 | $ 14,766 | $ 23,824 |
| Daily vessel operating expenses per vessel (9) | 6,153 | 5,164 | 6,017 | 6,197 |

(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, charter-hire expenses, and realized gains or losses on fuel hedges, 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.

# Low financial leverage through voluntary debt repayments




**Paid down**
>$300m to Q3 2023

**Draw for 2 x Cape acquisitions**

**New $500m RCF increases flexibility to:**

Continue to voluntarily repay debt

Opportunistically drawing down capital w/o losing borrowing capacity

# Transparent dividend policy

Target: 100% of excess quarterly cash flow ex-maintenance and withholding for future investment

Operating cash flow

| Dividend calculation (numbers in m except per share amounts) | Q4 2023 actual | Q1 2024 estimates |
|---|---|---|
| Net revenue | $ 70.62 | Fixtures to date + market |
| Operating expenses | $ (33.33) | $ (35.05) |
| Less: drydocking/BWTS/ESD upgrades | $ - | $ (4.76) |
| **Operating cash flow less DD capex** | **$ 37.29** | **Sum of the above output** |
| Voluntary quarterly reserve | $ (19.50) | $ (19.50) |
| **Cash flow distributable as dividends** | **$ 17.79** | **Sum of the above output** |
| Number of shares to be paid dividends | 43.2 | 43.2 |
| **Dividend per share** | **$ 0.41** | **A ÷ B** |

**$18,724** Q1 2024 to date estimate based on 81% of owned available days fixed

**$9,752** Q1 2024 est cash flow breakeven rate *(excluding extraordinary annual meeting related expenses)*

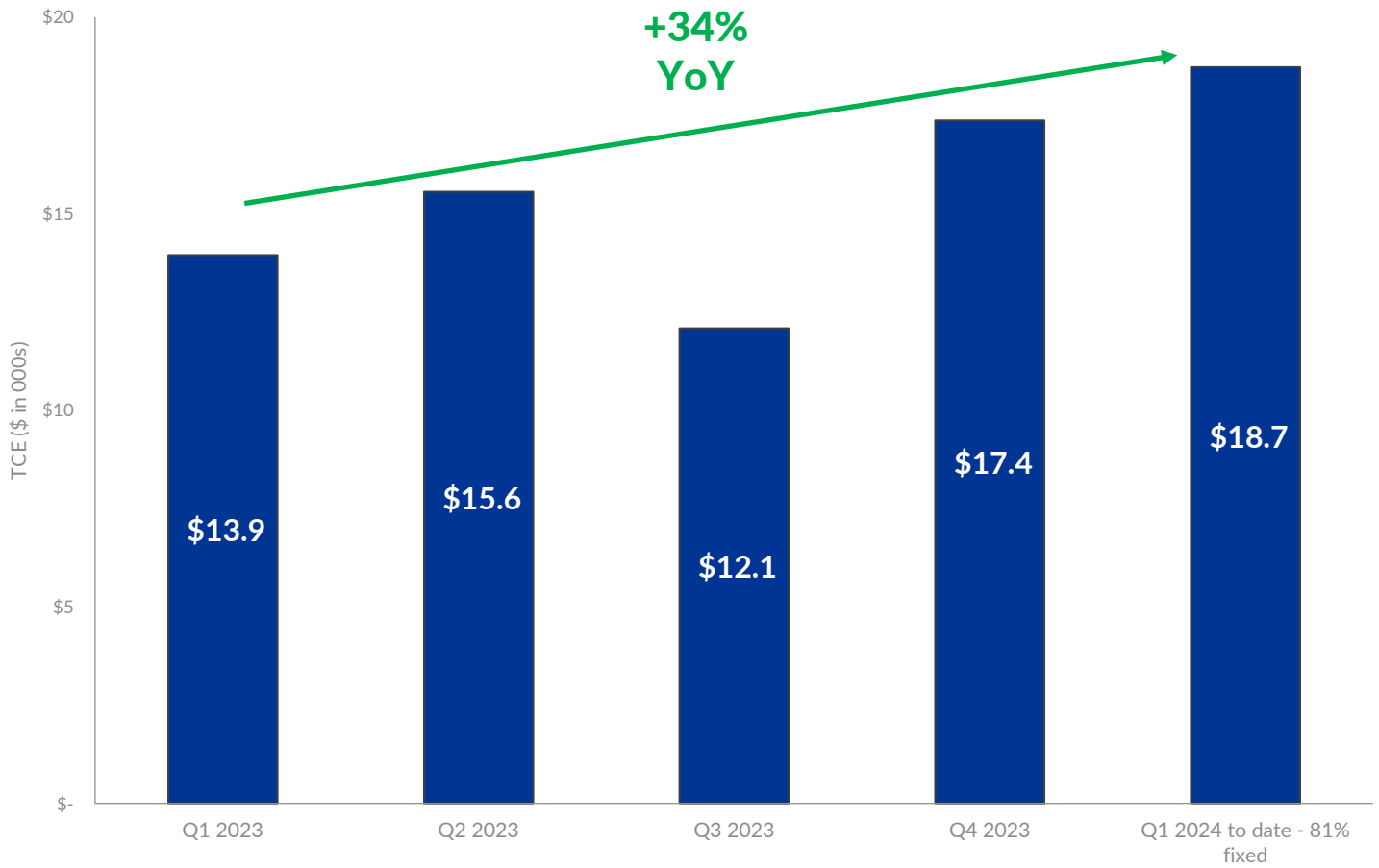
**Voluntary quarterly reserve**

Note: Operating expenses, debt repayments, and drydocking/BWTS/ESD upgrades for Q1 2024 are estimates presented for illustrative purposes. The amounts shown will vary based on actual results. Determinations of whether to pay a dividend, the amount of any dividend, and the amount of reserves used in any dividend calculation will remain in our board of directors' discretion. Please see the Appendix for a reconciliation of the above figures. The voluntary reserve in Q4 2023 is $19.5m for the purposes of the dividend calculation. The voluntary quarterly reserve for Q1 2024 is expected to be $19.5m. For Q1 2024, operating expenses are expected to exclude extraordinary annual meeting related expenses. As we take into account the development of freight rates for the remainder of the first quarter, and our assessment of our liquidity, forward outlook and other factors, we maintain flexibility to reduce the quarterly reserve to pay dividends or increase the amount of dividends otherwise payable under our formula. Refer to slide 17 for a description of owned available days.

# Continued strong TCE performance…

…with fleetwide rates well in excess of our cash flow breakeven rate

## Fleet-wide TCE rate




**$18.7k** Q1 2024 TCE estimate to date based on fixtures for ~81% of the quarter's available days

**81%** ~81% of the Q1's available days fixed

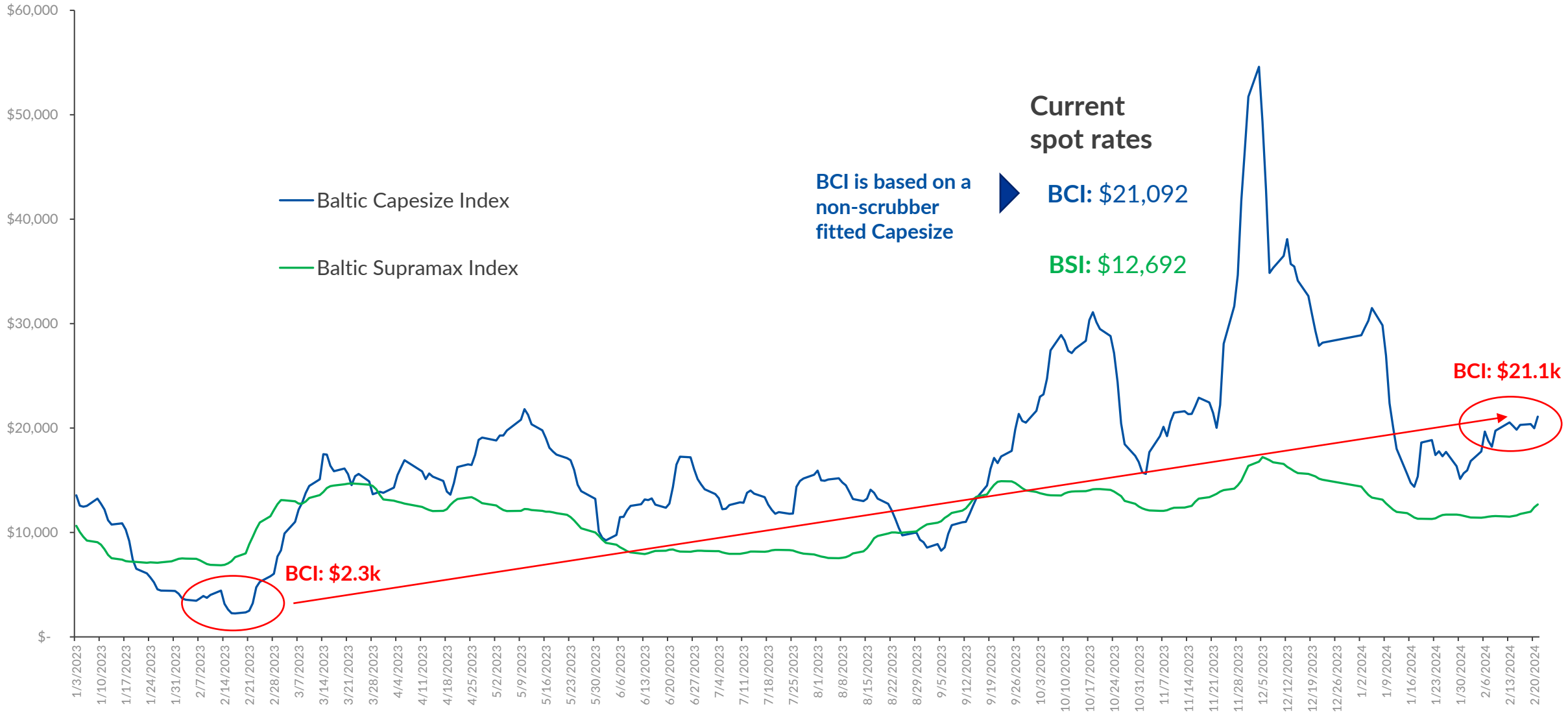
**$9.8k** Q1 2024 cash flow breakeven rate



Note: cash flow breakeven figure shown is based on estimates that are subject to change for Q4 2023. Please refer to the appendix for further details. Q1 2024 cash flow breakeven rate excludes extraordinary annual meeting related expenses.

# Industry Overview

# Freight rate development

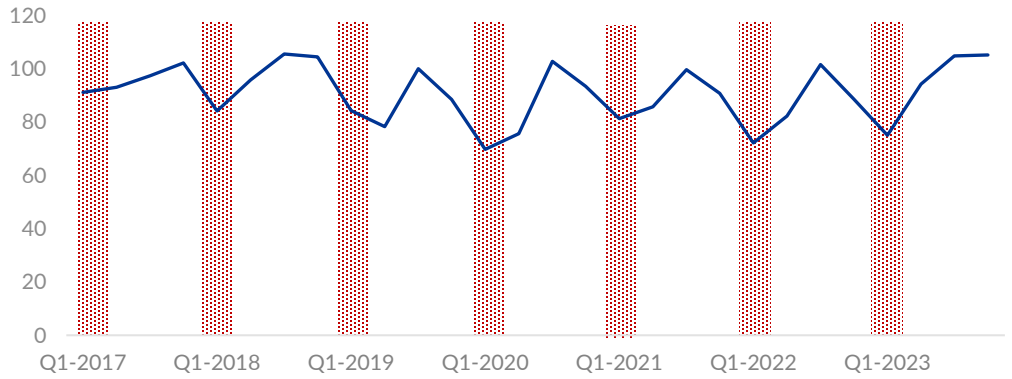




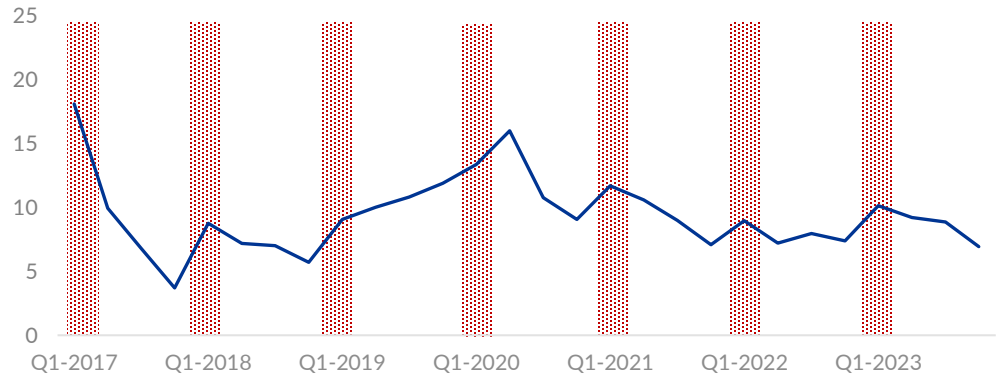

Source: Clarksons Research Services Limited 2024

# Drybulk freight rate seasonality

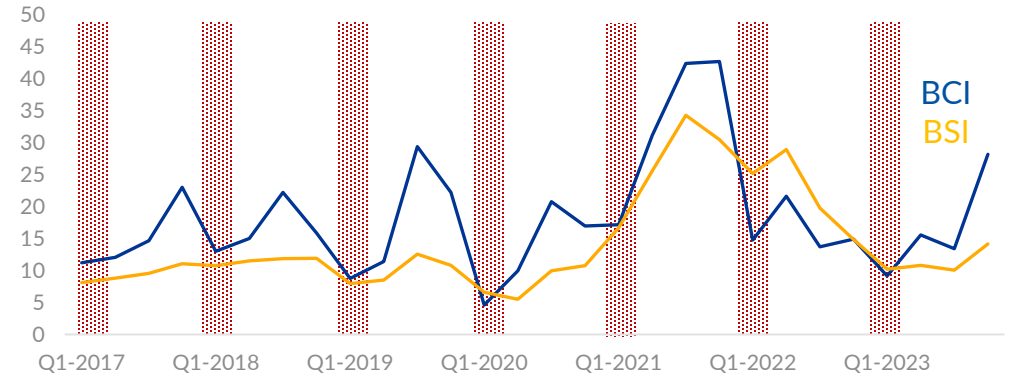
## 1 Brazilian iron ore exports historically decline in Q1 due to poor weather + scheduled maintenance…




## 2 …while newbuilding deliveries rises in the beginning of the year due to the frontloaded nature of the orderbook…




## 3 …temporarily impacting the freight rate supply and demand balance before the seasonal risen in the quarters to follow




### Drybulk freight rate seasonality takeaways

- Q1 has historically been the softest quarter for drybulk freight rates, due to:
  - Decline in cargo export volumes
  - Timing of newbuilding vessel deliveries
  - Timing of Chinese New Year
- These are temporary factors, which tend to reverse leading to stronger spot freight rates, particularly in 2H

# BSI seasonality around the CNY (2016 to date)

| Chinese New Year & BSI Low | | |
|---|---|---|
| Year | CNY | BSI Low |
| 2016 | Feb 8 | Feb 12 |
| 2017 | Jan 28 | Feb 6 |
| 2018 | Feb 16 | Feb 13 |
| 2019 | Feb 5 | Feb 6 |
| 2020 | Jan 25 | Apr 23 |
| 2021 | Feb 12 | Jan 5 |
| 2022 | Feb 1 | Dec 23 |
| 2023 | Jan 22 | Feb 13 |
| 2024 | Feb 10 | |

| BSI Rates | | |
|---|---|---|
| Avg | Low | High |
| $ 6,164 | $ 2,330 | $ 9,525 |
| 9,345 | 6,432 | 12,564 |
| 11,487 | 9,333 | 13,431 |
| 9,948 | 4,837 | 15,233 |
| 8,189 | 4,208 | 11,631 |
| 26,770 | 11,242 | 39,860 |
| 22,152 | 11,685 | 33,366 |
| 11,240 | 6,874 | 17,213 |




- BSI has historically bottomed within ~1 to 2 weeks of the Chinese New Year
- This time is also in between North and South American grain seasons
- South American grain season tends to ramp up end Feb / early Mar
- Increased Brazilian cargoes flows at that time is supportive for the market

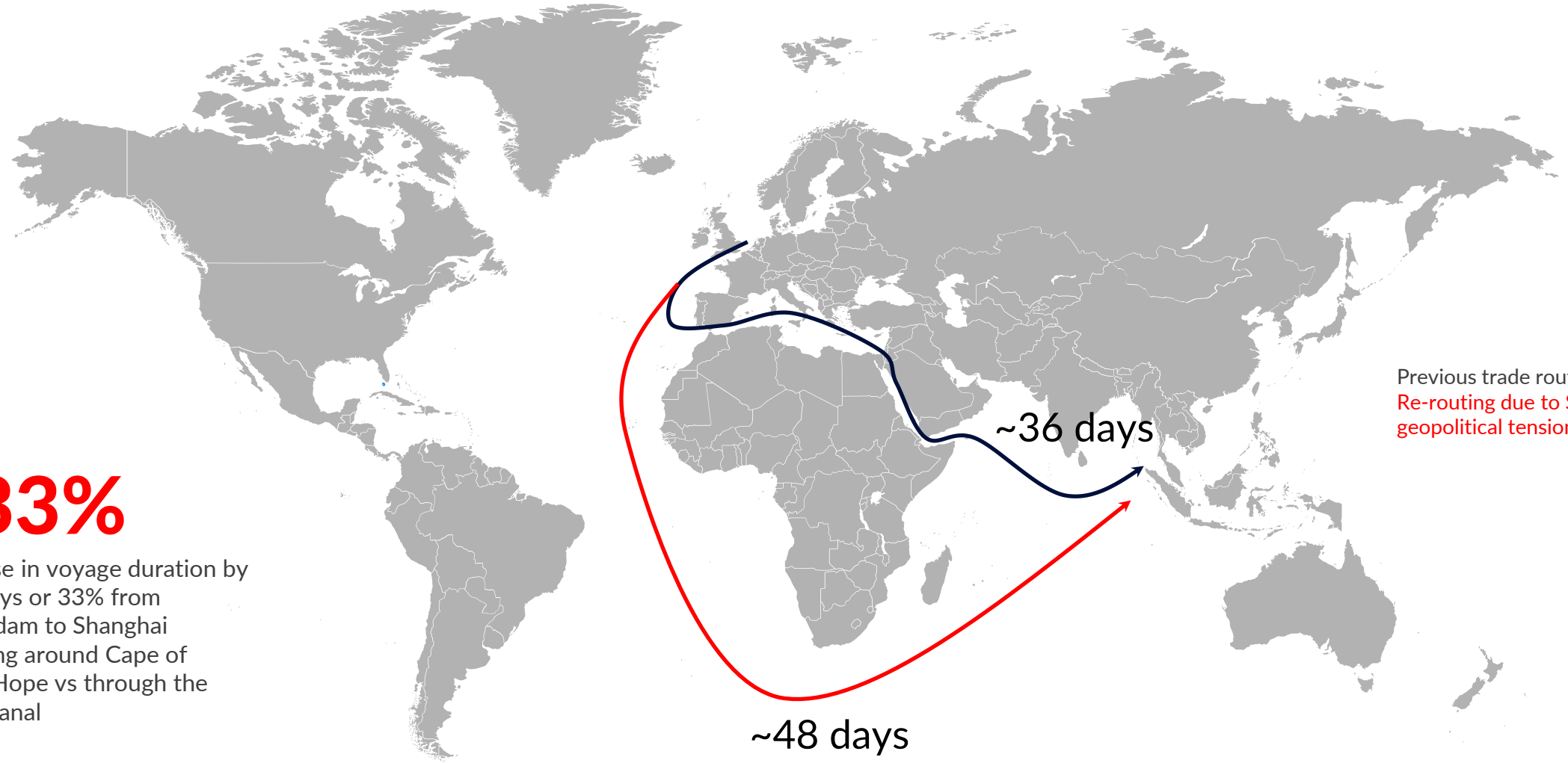


Source: Clarksons Research Services Limited 2024

# Panama Canal re-routing due to low water levels



# Suez Canal re-routing due to geopolitical tensions



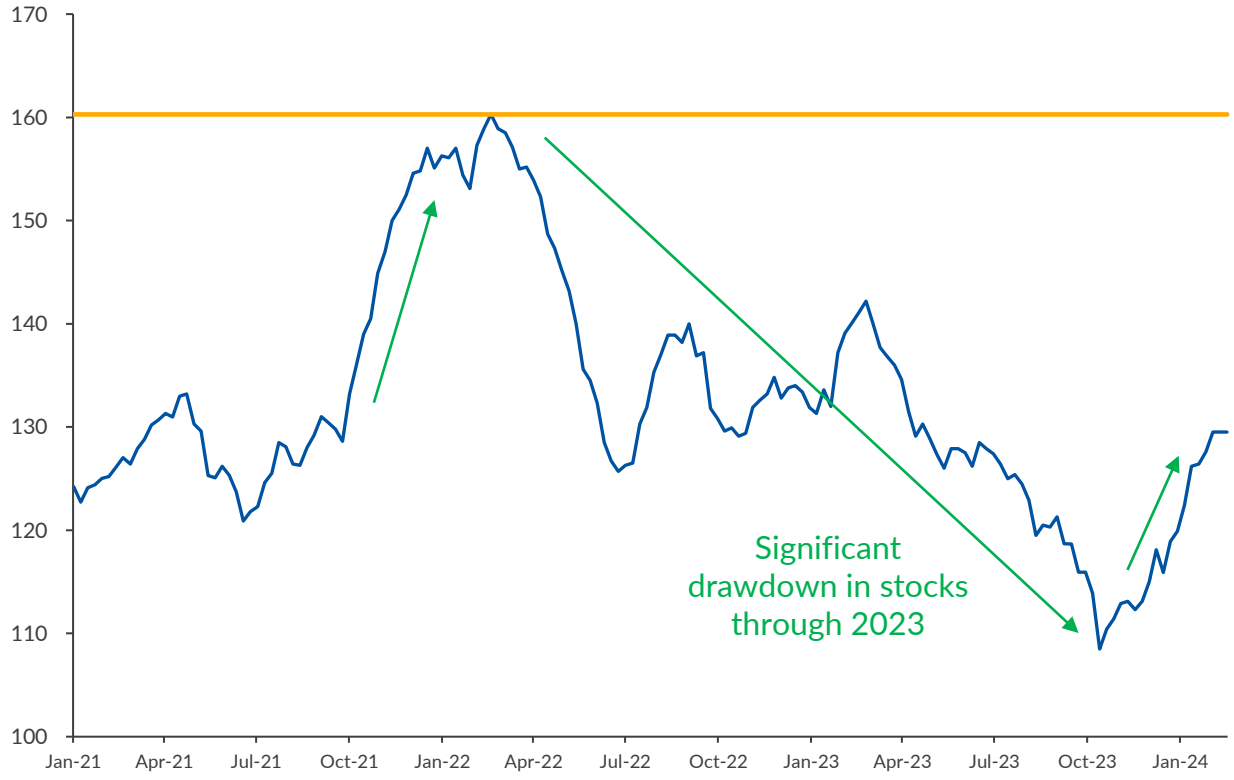

**+33%**

Increase in voyage duration by ~12 days or 33% from Rotterdam to Shanghai traveling around Cape of Good Hope vs through the Suez Canal

# China’s iron ore and steel complex

Potential iron ore port inventory restocking + increase in seaborne iron ore availability

## China’s iron ore inventories are at multi-year lows




**84%** China steel mill utilization

**+0%** China steel production was flat YoY in 2023

**+7%** Iron ore imports increased by 7% YOY in 2023

**~$120** Iron ore price remains firm

**34MT+ per month** Brazilian iron ore exports have averaged 34MT over past 9 months

**+62%** China’s coal imported record volumes in 2023

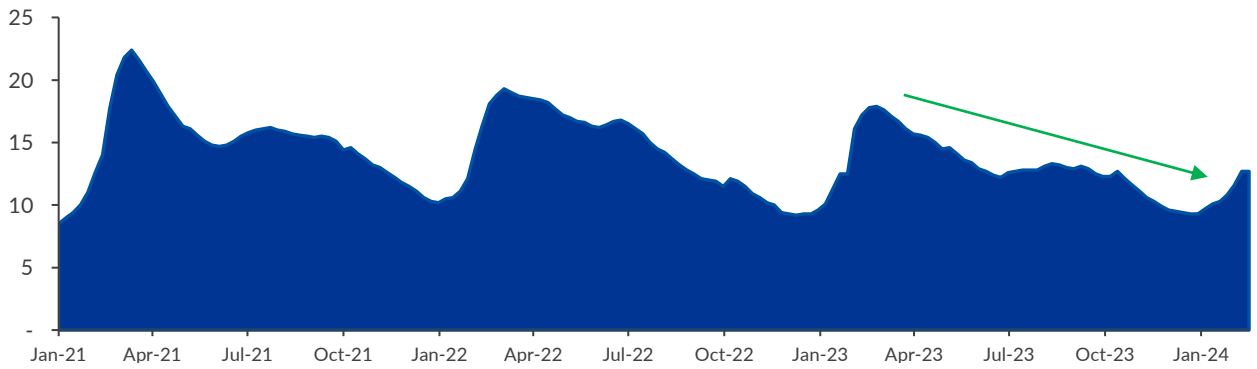
Sources: Clarksons Research Services Limited 2024, Mysteel

# Global steel production rebounding

**Global steel production (MT)**

| | Dec 2023 | Dec 2022 | % Variance | FY 2023 | FY 2022 | % Variance |
|---|---|---|---|---|---|---|
| **China** | 67.4 | 79.2 | -14.9% | 1,019.1 | 1,019.1 | 0.0% |
| **European Union** | 9.1 | 8.8 | 2.7% | 126.3 | 136.4 | -7.4% |
| **Japan** | 7.0 | 6.9 | 1.1% | 87.0 | 89.2 | -2.5% |
| **India** | 12.1 | 11.1 | 9.5% | 140.2 | 125.4 | 11.8% |
| **South Korea** | 5.4 | 5.2 | 2.7% | 66.7 | 65.8 | 1.3% |
| **Global Production** | **135.7** | **143.3** | **-5.3%** | **1,849.7** | **1,851.2** | **-0.1%** |
| **Ex-China** | **68.2** | **64.1** | **6.5%** | **830.7** | **832.1** | **-0.2%** |
| **Ex-China/India** | **56.1** | **53.0** | **5.9%** | **690.5** | **706.7** | **-2.3%** |

## China steel stockpiles remain low YoY



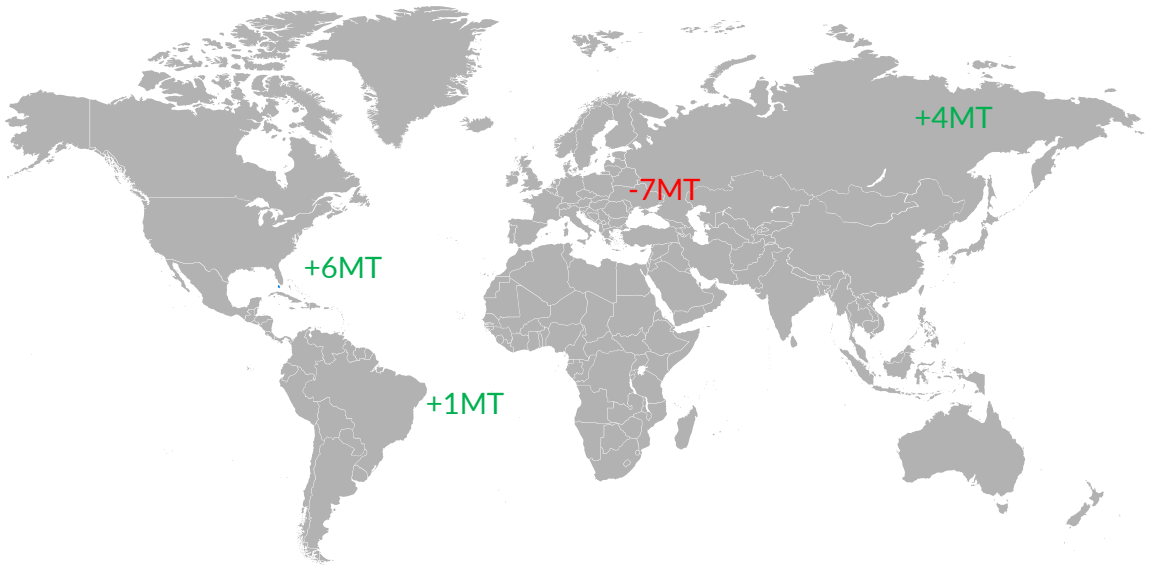

- China produced 55% of global steel output in 2023
- While India's production grew meaningfully in 2023, the country's share of global output is only 8%
- EU production fell 7% in 2023, highlighting the region's softer commodity demand
- China's steel stockpiles have picked up since December, as is seasonally the case
  - But still well below levels at this point last year



Sources: World Steel, Commodore Research

# Grain trade impacted by macro environment

Entering South American grain season




| Wheat | 2023/24p | 2022/23e | Variance | % Variance |
|---|---|---|---|---|
| World | 210.69 | 220.17 | (9.48) | -4% |
| US | 19.73 | 20.65 | (0.92) | -4% |
| Russia | 51.00 | 47.50 | 3.50 | 7% |
| Ukraine | 15.00 | 17.12 | (2.12) | -12% |
| Aust | 19.50 | 31.82 | (12.32) | -39% |
| Canada | 24.00 | 25.59 | (1.59) | -6% |
| EU | 36.50 | 35.08 | 1.42 | 4% |
| Arg | 10.50 | 3.66 | 6.84 | 187% |

| Coarse grain | 2023/24p | 2022/23e | Variance | % Variance |
|---|---|---|---|---|
| World | 240.92 | 221.05 | 19.87 | 9% |
| US | 59.54 | 45.04 | 14.50 | 32% |
| Arg | 45.50 | 27.51 | 17.99 | 65% |
| Aust | 7.66 | 10.93 | (3.27) | -30% |
| Brazil | 52.06 | 56.02 | (3.96) | -7% |
| Canada | 5.93 | 7.95 | (2.02) | -25% |
| Russia | 11.39 | 10.62 | 0.77 | 7% |
| Ukraine | 25.37 | 29.92 | (4.55) | -15% |

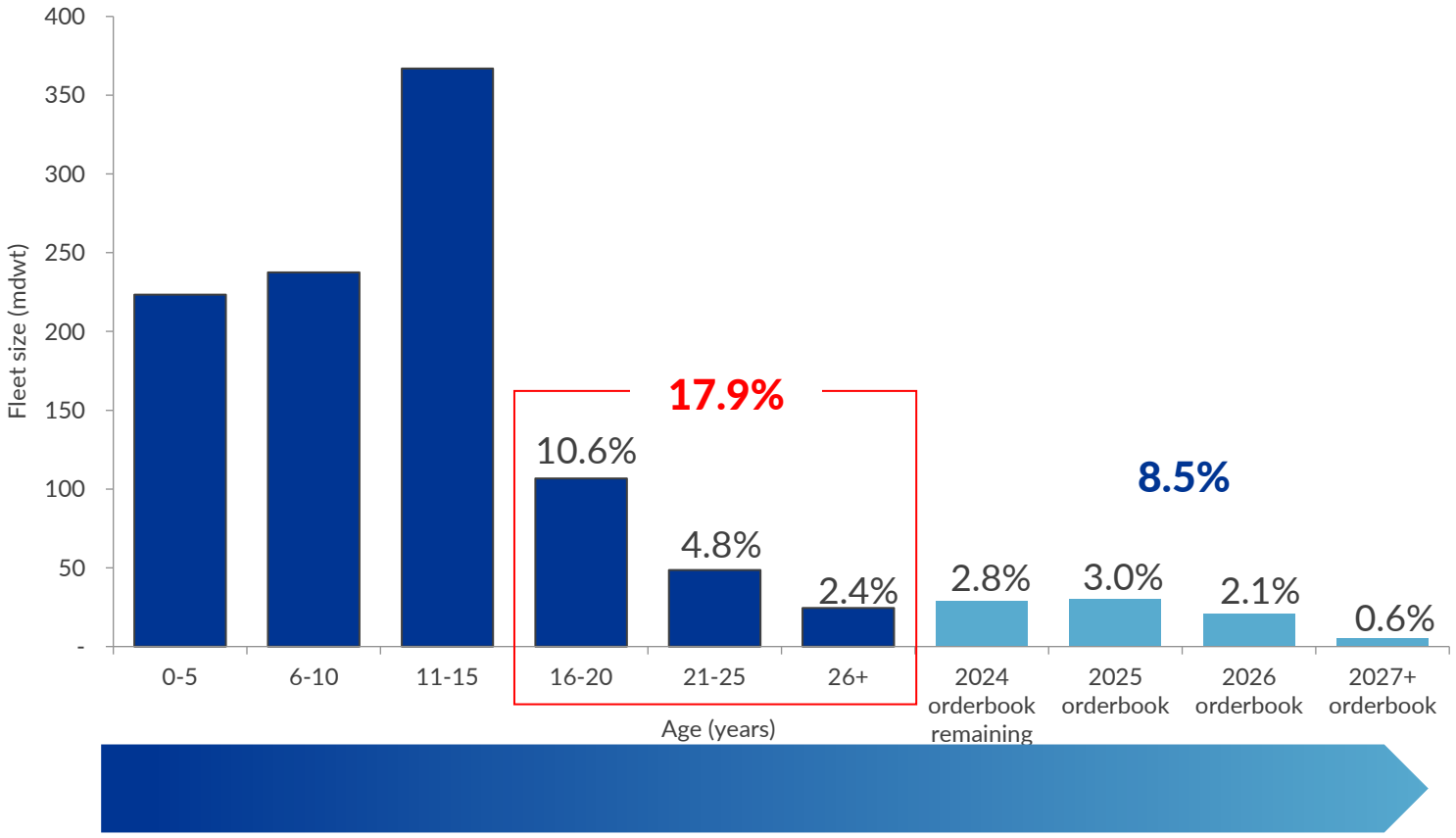
| Soybean | 2023/24p | 2022/23e | Variance | % Variance |
|---|---|---|---|---|
| World | 170.57 | 171.96 | (1.39) | -1% |
| US | 46.81 | 54.21 | (7.40) | -14% |
| Arg | 4.60 | 4.19 | 0.41 | 10% |
| Brazil | 100.00 | 95.51 | 4.49 | 5% |
| Paraguay | 6.30 | 6.50 | (0.20) | -3% |

- USDA grain export forecast presented is as of February 2024
- The above represents cumulative grain exports from the US, Brazil, Ukraine and Russia as forecasted by the USDA
- Strong start to Brazilian soybean season – despite reported cuts to production
- Russia exited the Black Sea Grain Initiative in July 2023

Sources: USDA, Commodore Research

# Intense period of global fleet replacement is scheduled to occur…

## Age profile of the global drybulk fleet vs newbuilding orderbook




**~35%** In 2030, ~35% of the current drybulk fleet will be 20 years or older or ~5,000 ships

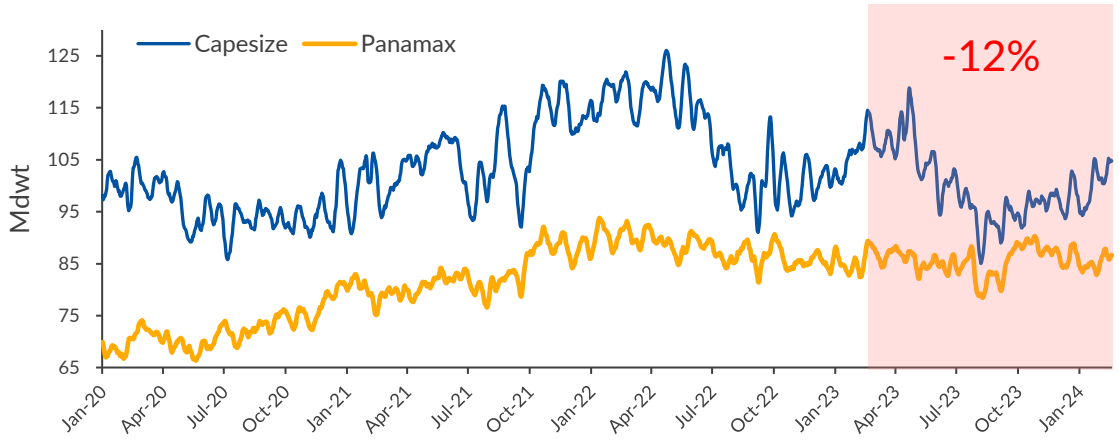
**8%** >8% of the fleet is currently 20 years or older

**60%** Yard capacity is down ~60% vs 2008 at a time when all sectors will be focused on fleet renewal / alternative fuels

Source: Clarksons Research Services Limited 2024

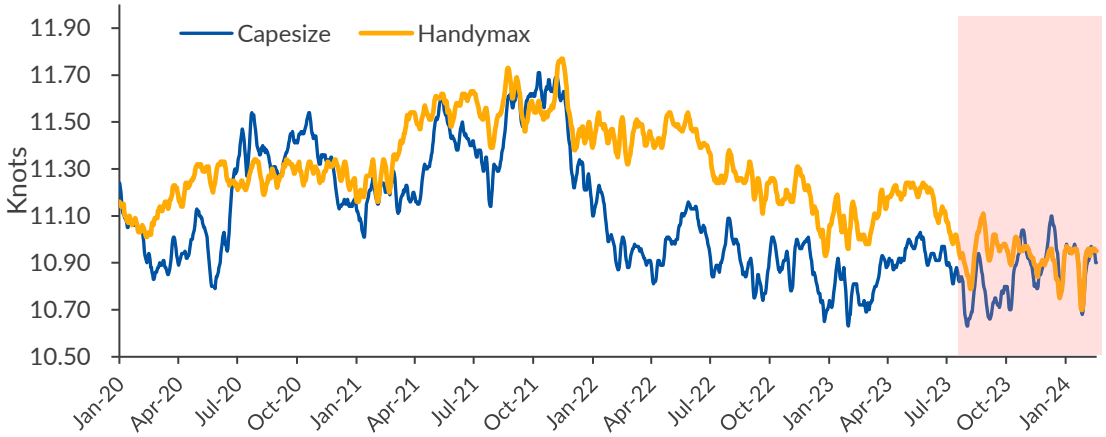
# Supply side remains favorable, despite easing congestion

## Global port congestion has eased since April of 2023…




- Meaningful reduction in global port congestion in 2023
- Upside risk to congestion given the recent unwinding which has brought levels to below historical averages

## …while the global fleet has further slowed down




- Max speeds likely capped given environmental regulations
- Cape speeds have risen recently due to rate increases



Source: Clarksons Research Services Limited 2024

# Freight rate catalysts and drybulk outlook

## Marsoft 2024 to 2025 S&D growth estimates

| | Vessel* | 2024 | 2025 |
|---|---|---|---|
| Iron Ore  | Capesize | +4.0% | +1.7% |
| Coal  | Capesize Panamax | +0.1% | +0.1% |
| Grain  | Panamax Supramax Handysize | +1.9% | +2.9% |
| Minor Bulk  | Supramax Handysize | +4.0% | +3.0% |
| **Total Demand** | | **+2.8%** | **+1.9%** |
| **Net Fleet Growth** | | **+2.0%** | **+1.6%** ← |

Excludes fluctuation in port congestion – upside risk given low levels currently

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

## Drybulk market catalysts

1. Record low orderbook as a percentage of the fleet expected to limit net fleet growth
2. China stimulus
3. Environmental regulations
4. India's continued growth trajectory
5. Continued bauxite trade growth

Sources: Marsoft, IMF

# Making demonstratable progress executing comprehensive value strategy



# Q&A



# Thank You

# Appendix

# #1 rated ESG shipping company for 3rd straight year

## Environmental

**Short to medium term focus**

Technological advancement

Fleet renewal – buying more fuel efficient ships

ESDs + paints + props

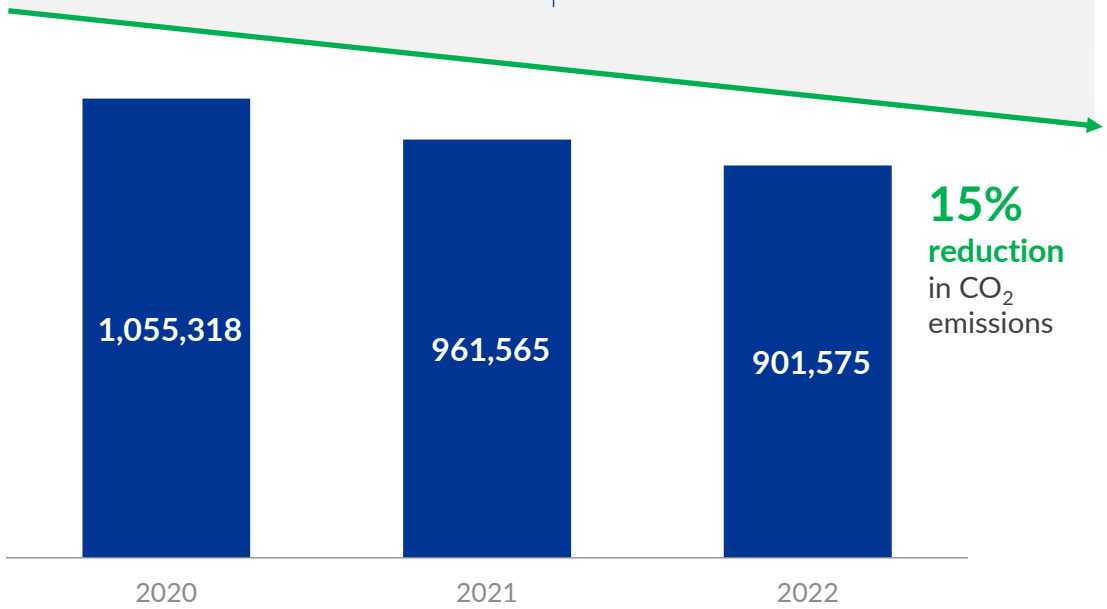
Voyage optimization + flow meters + Smartship

Carbon capture

**Longer term plan**

Transition to alt fuels

- Ammonia
- Methanol
- Biofuels




**15%** **reduction** in $CO_2$ emissions

## Social + Governance

**ESG committee** of our board of directors established

**Joined the International Seafarers' Welfare and Assistance Network (ISWAN)** focused on crew health and safety

**Helping local community:**
Annual beach clean + Children of Bellevue

**#1 shipping company for ESG**
in Webber Research ESG scorecard for the 3rd year in a row

**High transparency**
US filer, No related party transactions

# Genco's pro-forma fleet list

| Major Bulk | | | Minor Bulk | | | | | |
|---|---|---|---|---|---|---|---|---|
| Vessel Name | Year Built | Dwt | Vessel Name | Year Built | Dwt | Vessel Name | Year Built | Dwt |
| **Capesize** | | | **Ultramax** | | | **Supramax** | | |
| Genco Reliance | 2016 | 181,146 | Genco Freedom | 2015 | 63,671 | Genco Hunter | 2007 | 58,729 |
| Genco Resolute | 2015 | 181,060 | Baltic Hornet | 2014 | 63,574 | Genco Auvergne | 2009 | 58,020 |
| Genco Endeavour | 2015 | 181,060 | Genco Vigilant | 2015 | 63,498 | Genco Ardennes | 2009 | 58,018 |
| Genco Ranger | 2016 | 180,882 | Genco Enterprise | 2016 | 63,473 | Genco Bourgogne | 2010 | 58,018 |
| Genco Constantine | 2008 | 180,183 | Baltic Mantis | 2015 | 63,470 | Genco Brittany | 2010 | 58,018 |
| Genco Augustus | 2007 | 180,151 | Baltic Scorpion | 2015 | 63,462 | Genco Languedoc | 2010 | 58,018 |
| Genco Liberty | 2016 | 180,032 | Genco Magic | 2014 | 63,446 | Genco Pyrenees | 2010 | 58,018 |
| Genco Defender | 2016 | 180,021 | Baltic Wasp | 2015 | 63,389 | Genco Rhone | 2011 | 58,018 |
| Genco Tiger | 2011 | 179,185 | Genco Mayflower | 2017 | 63,304 | Genco Aquitaine | 2009 | 57,981 |
| Genco Lion | 2012 | 179,185 | Genco Constellation | 2017 | 63,304 | Genco Warrior | 2005 | 55,435 |
| Genco London | 2007 | 177,833 | Genco Madeleine | 2014 | 63,166 | Genco Predator | 2005 | 55,407 |
| Baltic Wolf | 2010 | 177,752 | Genco Weatherly | 2014 | 61,556 | Genco Picardy | 2005 | 55,257 |
| Genco Titus | 2007 | 177,729 | Genco Mary | 2022 | 61,085 | | | |
| Baltic Bear | 2010 | 177,717 | Genco Laddey | 2022 | 61,085 | | | |
| Genco Tiberius | 2007 | 175,874 | Genco Columbia | 2016 | 60,294 | | | |
| Genco Hadrian | 2008 | 169,025 | | | | | | |

**16**
Capesize



**27**
Ultra/Supra





Note: reflects pro forma fleet based on the agreed sales of the Genco Commodus, Genco Claudius and Genco Maximus

# Longer term time charter activity

| Vessel | Type | Rate | Duration | Min Expiry |
|---|---|---|---|---|
| Genco Endeavour | Capesize | BCI + 27% + scrubber | 11-14 months | Apr-24 |
| Genco Resolute | Capesize | BCI + 27% + scrubber | 11-14 months | Apr-24 |
| Genco Defender | Capesize | BCI + 25% + scrubber | 11-14 months | Apr-24 |
| Genco Reliance | Capesize | BCI + 28% + scrubber | 10-12 months | Jan-25 |
| Genco Ranger | Capesize | BCI + 28% + scrubber | 11-14 months | Feb-25 |
| Genco Madeleine | Ultramax | $ 16,000 | 5-7 months | Mar-24 |
| Genco Constellation | Ultramax | $ 16,000 | 5-7 months | Mar-24 |
| Genco Languedoc | Supramax | $ 18,250 | 3-5 months | Mar-24 |
| Genco Bourgogne | Supramax | $ 15,000 | 4-6 months | Mar-24 |
| Baltic Wasp | Ultramax | $ 16,500 | 5-7 months | Apr-24 |

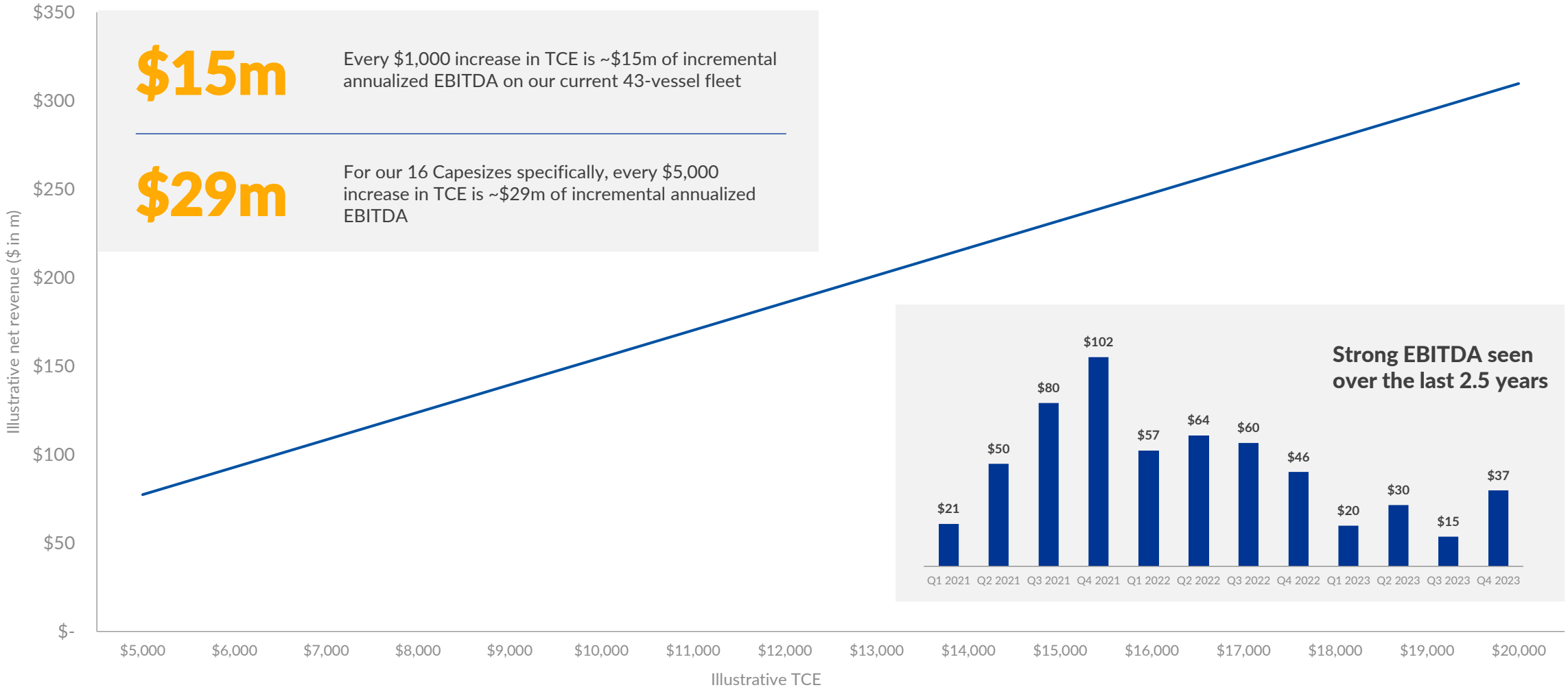
- We continue to utilize a fleet-wide portfolio approach to fixture activity
- We continue to evaluate a variety of fixture options fleet-wide to optimize revenue generation including further longer term coverage on an opportunistic basis
- Genco Ranger and Genco Reliance index-related TCs to commence following completion of current employment in March

# Significant fleet-wide operating leverage

Highlights the improved risk / reward profile of our new value strategy

**$15m** Every $1,000 increase in TCE is ~$15m of incremental annualized EBITDA on our current 43-vessel fleet

**$29m** For our 16 Capesizes specifically, every $5,000 increase in TCE is ~$29m of incremental annualized EBITDA









Note: based on a fleet of 43 ships, for illustrative purposes only. We believe the non-GAAP measure presented provides investors with a means of better evaluating and understanding the Company's operating performance

# EBITDA reconciliation[1]

| Adjusted EBITDA Q1 2021-Q4 2023 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 |
| Net income | $ 1,985 | $ 32,037 | $ 57,132 | $ 90,852 | $ 41,689 | $ 47,382 | $ 40,828 | $ 28,679 | $ 2,634 | $ 11,562 | $ (32,004) | $ 4,937 |
| Net interest expense | 4,470 | 4,422 | 3,918 | 2,392 | 2,225 | 2,337 | 1,984 | 1,505 | 1,259 | 1,611 | 1,411 | 1,832 |
| Income tax expense | - | - | - | - | - | - | - | - | - | - | - | - |
| Depreciation/amortization | 13,441 | 13,769 | 14,200 | 14,822 | 14,059 | 14,521 | 15,582 | 16,028 | 15,944 | 16,791 | 17,026 | 16,703 |
| **EBITDA** | **$ 19,896** | **$ 50,228** | **$ 75,250** | **$ 108,066** | **$ 57,973** | **$ 64,240** | **$ 58,394** | **$ 46,212** | **$ 19,837** | **$ 29,964** | **$ (13,567)** | **$ 23,472** |
| Impairment of vessel assets | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 28,102 | $ 13,617 |
| Loss (gain) on vessel sales | 720 | 15 | 159 | (5,818) | - | - | - | - | - | - | - | - |
| Loss on debt extinguishment | - | - | 4,408 | - | - | - | - | - | - | - | - | - |
| Unrealized loss (gain) on fuel hedges | 116 | (168) | (30) | 47 | (1,439) | (321) | 1,871 | (115) | 42 | 38 | 15 | 1 |
| **Adjusted EBITDA** | **$ 20,732** | **$ 50,075** | **$ 79,787** | **$ 102,295** | **$ 56,534** | **$ 63,919** | **$ 60,265** | **$ 46,097** | **$ 19,879** | **$ 30,002** | **$ 14,550** | **$ 37,090** |

1. EBITDA represents net income attributable to Genco Shipping & Trading Limited 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.

# Time charter equivalent reconciliation[1]

| | Three Months Ended | | Twelve Months Ended | |
|---|---|---|---|---|
| | December 31, 2023 | December 31, 2022 | December 31, 2023 | December 31, 2022 |
| | (unaudited) | | (unaudited) | |
| **Total Fleet** | | | | |
| Voyage revenues (in thousands) | $ 115,516 | $ 126,973 | $ 383,825 | $ 536,934 |
| Voyage expenses (in thousands) | 42,450 | 43,470 | 142,971 | 153,889 |
| Charter hire expenses (in thousands) | 2,404 | 7,497 | 9,135 | 27,130 |
| Realized (loss) gain on fuel hedges (in thousands) | (43) | 9 | 202 | 1,631 |
| | 70,619 | 76,015 | 231,921 | 357,546 |
| Total available days for owned fleet | 4,065 | 3,932 | 15,706 | 15,008 |
| Total TCE rate | $ 17,373 | $ 19,330 | $ 14,766 | $ 23,824 |

1 We define TCE rates as our voyage revenues less voyage expenses, charter-hire expenses, and realized gains or losses on fuel hedges 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.

# Net income reconciliation

| | Three Months Ended December 31, 2023 |
|---|---|
| | (unaudited) |
| **Net Income Reconciliation** | |
| Net income attributable to Genco Shipping & Trading Limited | $ 4,937 |
| + Impairment of vessel assets | 13,617 |
| + Unrealized loss on fuel hedges | 1 |
| **Net income** | $ 18,555 |
| | |
| Adjusted earnings per share - basic | $ 0.43 |
| Adjusted earnings per share - diluted | $ 0.43 |
| | |
| Weighted average common shares outstanding - basic | 42,827,334 |
| Weighted average common shares outstanding - diluted | 43,290,851 |
| | |
| Weighted average common shares outstanding - basic as per financial statements | 42,827,334 |
| Dilutive effect of stock options | 166,289 |
| Dilutive effect of performance based restricted stock units | 55,353 |
| Dilutive effect of restricted stock units | 241,876 |
| Weighted average common shares outstanding - diluted as adjusted | 43,290,851 |

# Portfolio approach to scrubber installation

Genco continues to capture wide fuel spreads through scrubbers installed on 16 Capesize vessels

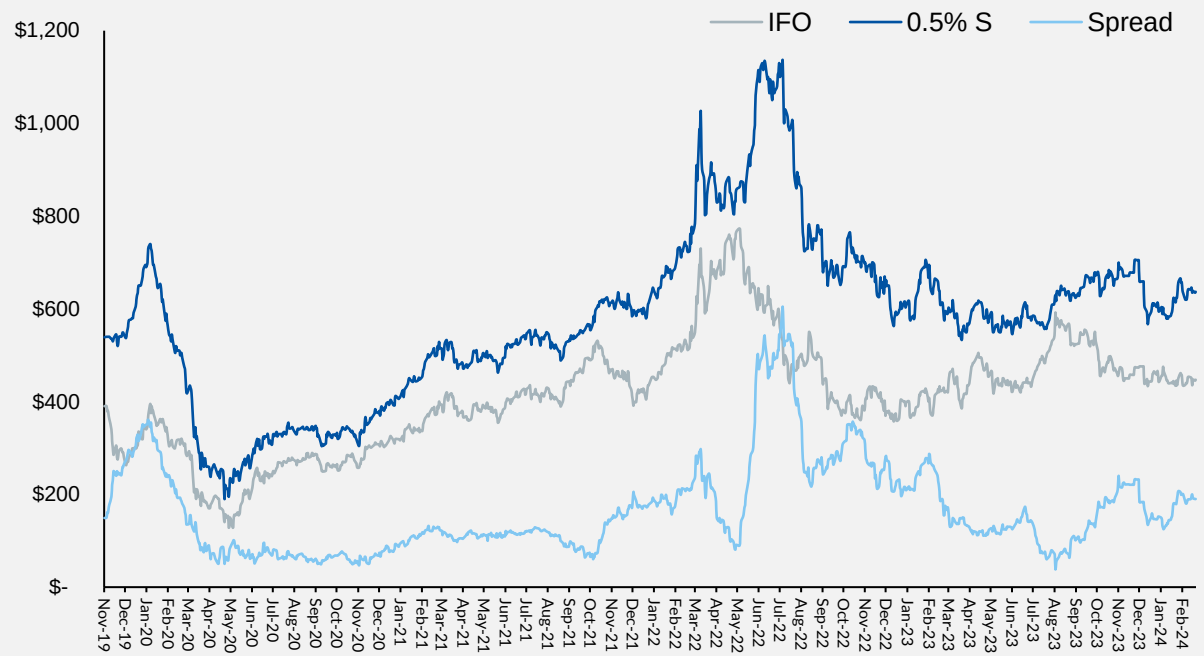
- Portfolio approach: installed scrubbers on Capesize vessels + consuming VLSFO on our minor bulk vessels
- All-in cost of our scrubbers has been fully paid off
- Scrubbers on Capesize vessels are a lower risk, higher return investment as these vessels:

**1** Consume the most fuel

**2** Spend the most time at sea

**3** Bunker at main ports

**Singapore Fuel Spread Developments**



# Q1 2024 estimated fleet-wide expenses[1]

| Daily Expenses by Category | Net Income | Free Cash Flow[2] |
|---|---|---|
| Vessel Operating Expenses[3] | $6,150 | $6,150 |
| G&A Expenses[4] | 1,589 | 1,370 |
| Technical Management Fees[5] | 234 | 234 |
| Drydocking[6] | - | 870 |
| Fuel efficiency upgrade investment / BWTS[7] | - | 295 |
| Interest Expense[8] | 955 | 833 |
| Mandatory debt repayments[9] | - | - |
| Depreciation and amortization[10] | 4,163 | - |
| **Total** *(excluding extraordinary annual meeting related expenses)* | **$13,091** | **$9,752** |
| Extraordinary annual meeting related expenses | 540 | 540 |
| **Total** | **$13,631** | **$10,292** |
| Number of Vessels[11] | 44.86 | 44.86 |

## Est Ownership / Owned Available Days – Q1 2024

| Vessel Type | Own. Days | DD Days | Owned Avail Days |
|---|---|---|---|
| Capsize | 1,625 | - | 1,625 |
| Ultramax | 1,365 | 30 | 1,335 |
| Supramax | 1,092 | 30 | 1,062 |
| **Total** | **4,082** | **60** | **4,022** |

- **Our medium term objective is to reduce net debt to zero** in order to enhance our ability to pay meaningful dividends and take advantage of strategic opportunities throughout drybulk market cycles



Note: please refer to the next slide for further details and footnotes.

# Footnotes to Q1 2024 estimated fleet-wide expenses & operating expense reconciliation

(1) Estimated expenses are presented for illustrative purposes. The amounts shown will vary based on actual results.

(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) Vessel Operating Expenses are based on management's estimates and budgets submitted by our technical managers. We believe Vessel Operating Expenses 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. Management Fees are based on the contracted monthly rate per vessel for the technical management of our fleet.

(5) Drydocking expenses represent estimated drydocking expenditures for Q1 2024 and include costs relating to energy saving devices and ballast water treatment systems.

(6) Represents costs associated with fuel efficiency upgrades on select vessels together with regulatory costs related to the installation of ballast water treatment systems.

(7) Interest expense is based on our debt level as of December 31, 2023, less anticipated voluntary debt repayments in Q1 2024. Deferred financing costs are included in calculating net income interest expense. Interest expense is calculated based on an assumed SOFR rate and margin under our credit facility.

(8) In Q1 2024, Genco has no mandatory debt repayments scheduled.

(9) Depreciation is based on cost less estimated residual value and amortization of drydocking costs. Depreciation and amortization expense utilizes a residual scrap rate of $400 per LWT.

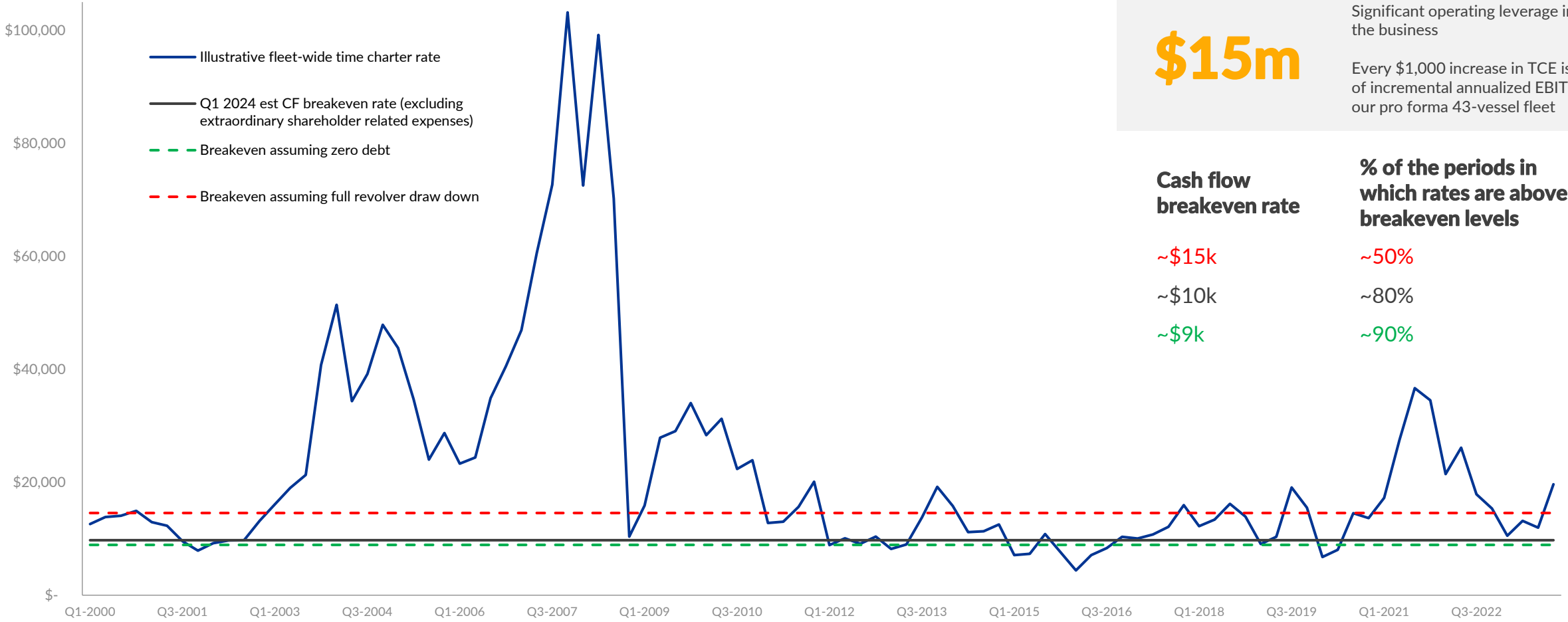
(10) Based on a weighted average fleet of 44.86 vessels assuming the sales of the Genco Commodus, Genco Claudius and Genco Maximus in Q1 2024.

**Q1 2024 operating expense reconciliation**

| Operating expenses ($ in m) | Q1 2024 Net income estimate | Adj from GAAP measure | Q1 2024 free cash flow estimate |
|---|---|---|---|
| Vessel operating expenses | $ (25.10) | $ - | $ (25.10) |
| General & administrative expenses | $ (6.49) | $ 0.89 | $ (5.59) |
| Technical management fees | $ (0.95) | $ - | $ (0.95) |
| Interest expense | $ (3.90) | $ 0.50 | $ (3.40) |
| **Operating expenses** *(excluding extraordinary annual meeting related expenses)* | **$ (36.44)** | **$ 1.39** | **$ (35.05)** |
| Extraordinary annual meeting related expenses | $ (2.21) | $ - | $ (2.21) |
| **Total operating expenses** | **$ (38.65)** | **$ 1.39** | **$ (37.26)** |

# Volatility and cyclicality of drybulk shipping highlights the importance of low financial leverage + low breakeven rate

…cash flow breakeven rate is covered in nearly every rate environment over the last 2 decades




**$15m**

Significant operating leverage inherent in the business

Every $1,000 increase in TCE is ~$15m of incremental annualized EBITDA on our pro forma 43-vessel fleet

| Cash flow breakeven rate | % of the periods in which rates are above breakeven levels |
|---|---|
| ~$15k | ~50% |
| ~$10k | ~80% |
| ~$9k | ~90% |



Assumptions: Illustrative fleet-wide time charter rate is based on the quarterly averages of the Baltic Capesize Index and Baltic Supramax Index since 2000 weighted based on Genco's pro forma fleet composition of 43 vessels. An assumed scrubber premium is included together with a target minor bulk outperformance figure. Cash flow breakeven rate is based on our Q1 2024 expense budget. Under its existing credit facility, Genco has no mandatory debt amortization until 2028, when this credit facility matures.