Genco Shipping & Trading Limited



Noble Capital Markets'
14th Annual Investor Conference

January 2018

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) further declines or sustained weakness in demand in the drybulk shipping industry; (ii) continuation of weakness or further 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; 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, 2016 and its 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.



Overview of Genco & Drybulk Market Dynamics

Executive Overview

We believe that drybulk shipping is in the early stages of a market recovery offering attractive upside potential

Favorable market fundamentals

- Commodity demand growth is forecast to outpace vessel supply growth
- Strengthening global economic landscape
- Increased demand from emerging market economies
- Historically low net fleet growth



Genco is well positioned for the market recovery

- Spot exposure to improving freight rate environment
- Well capitalized balance sheet with attractive debt facilities

Largest US based drybulk ship owner

- Drybulk company focused on major and minor bulk commodities
- Headquartered in the US

Founded in December 2004 (NYSE:GNK)

- Full service operating platform with a diverse fleet of 60 vessels

Shifted business model from tonnage provided to active owner/operator to improve margins

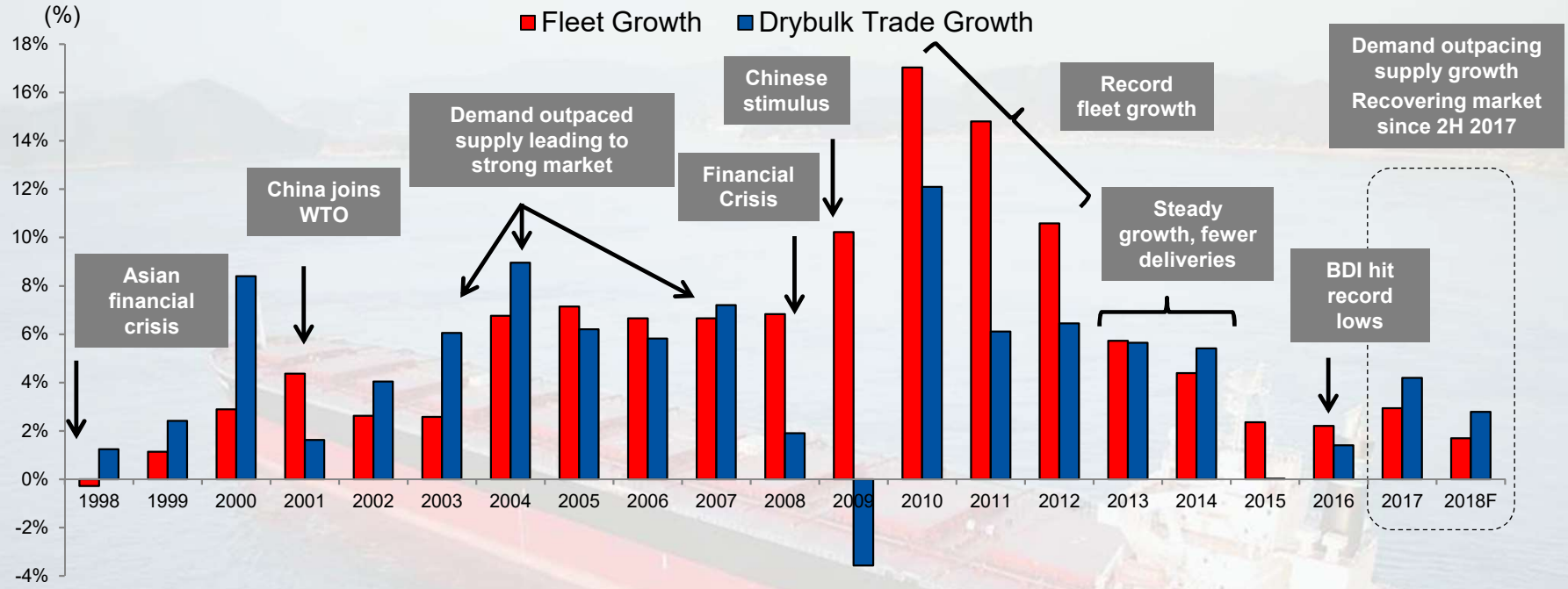
- Providing logistics solution to major cargo owners

Strong corporate governance

- Transparent, US filer, independent board

Supply & Demand Development – Last 20 Years

Drybulk Supply & Demand Growth



- Demand growth outpaced supply growth during various points in the 2000s
- A strong freight rate environment ensued leading to increased ordering of newbuilding vessels
- Robust ordering during boom years led to fleet growth outpacing demand growth for several years thereafter
- Recently, supply growth has eased to levels not seen since the late 1990s / early 2000s
- This led to demand growth exceeding supply growth in 2017 resulting in a stronger drybulk market environment

Source: Clarksons Research Services Limited 2018

2018 Drybulk Outlook

Freight rate environment strengthened in 2017
Supply and demand fundamentals are expected to further improve in 2018

Expected 2018 Demand Fundamentals

- Projected demand growth: 3%-4%
- Iron ore trade expected to drive overall drybulk trade growth
- Vale expected to increase iron ore output by +25MT
- Steel mill margins anticipated to incentivize production and use of high quality seaborne iron ore
- Coal trade remains x-factor for market, could be boosted by inventory restock in India
- Steady growth anticipated in minor bulks led by grain and bauxite trades

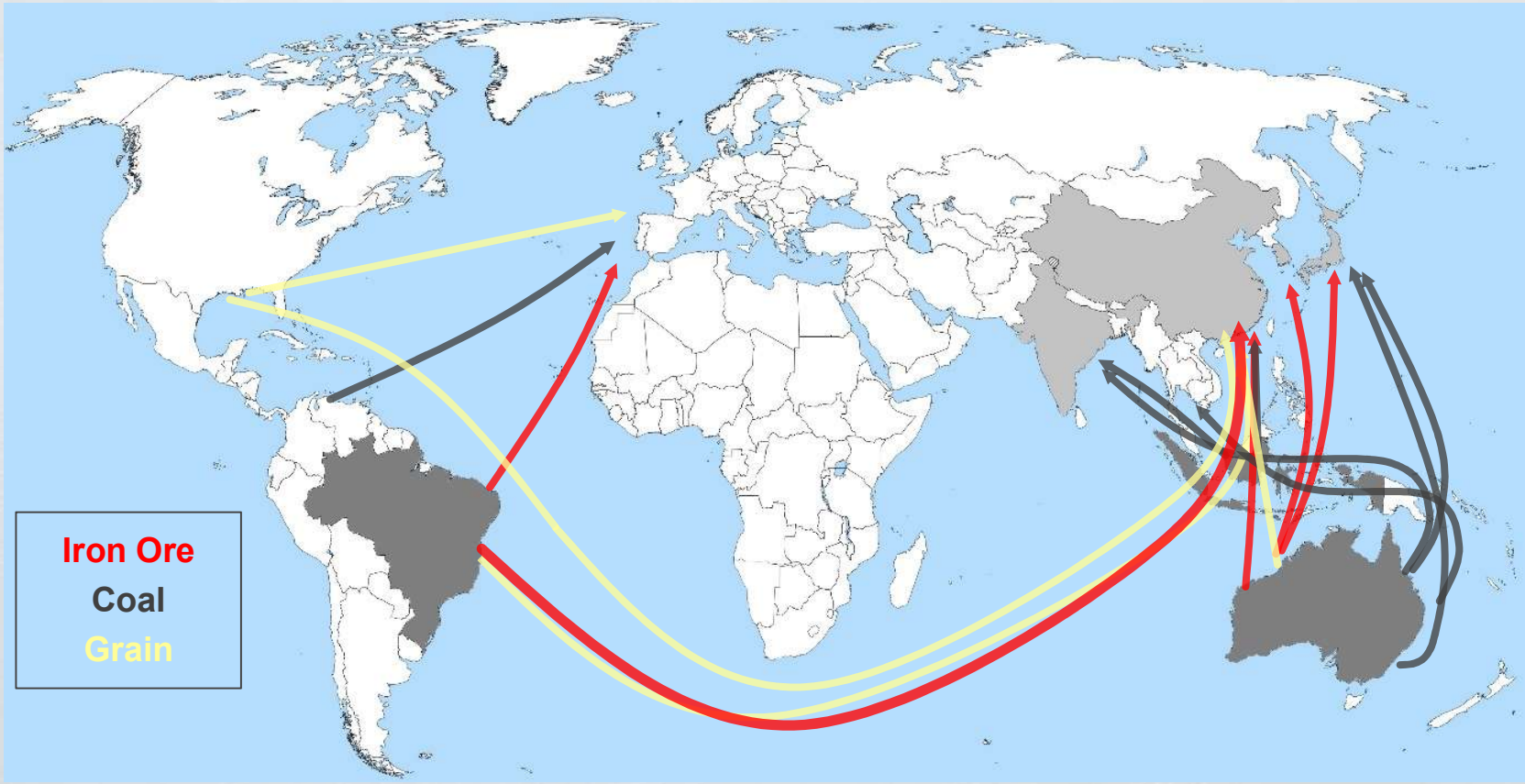
Expected 2018 Supply Fundamentals

- Projected supply growth: 1%-2%
- Orderbook as a percentage of the fleet is near 15 year low
- 56.6mdwt is >= 20 years old
- 45 VLOCs >= 250,000 dwt with an average age of 24 years could augment Capesize scrapping
- Expecting seasonal rise in newbuilding deliveries in Q1
- Marginal net fleet growth forecast for 2H 2018
- Expecting ordering activity similar to what has been seen from Q2 2017 onwards

Sources: Clarksons Research Services Limited 2018, Marsoft Incorporated

Key Drybulk Trading Lanes

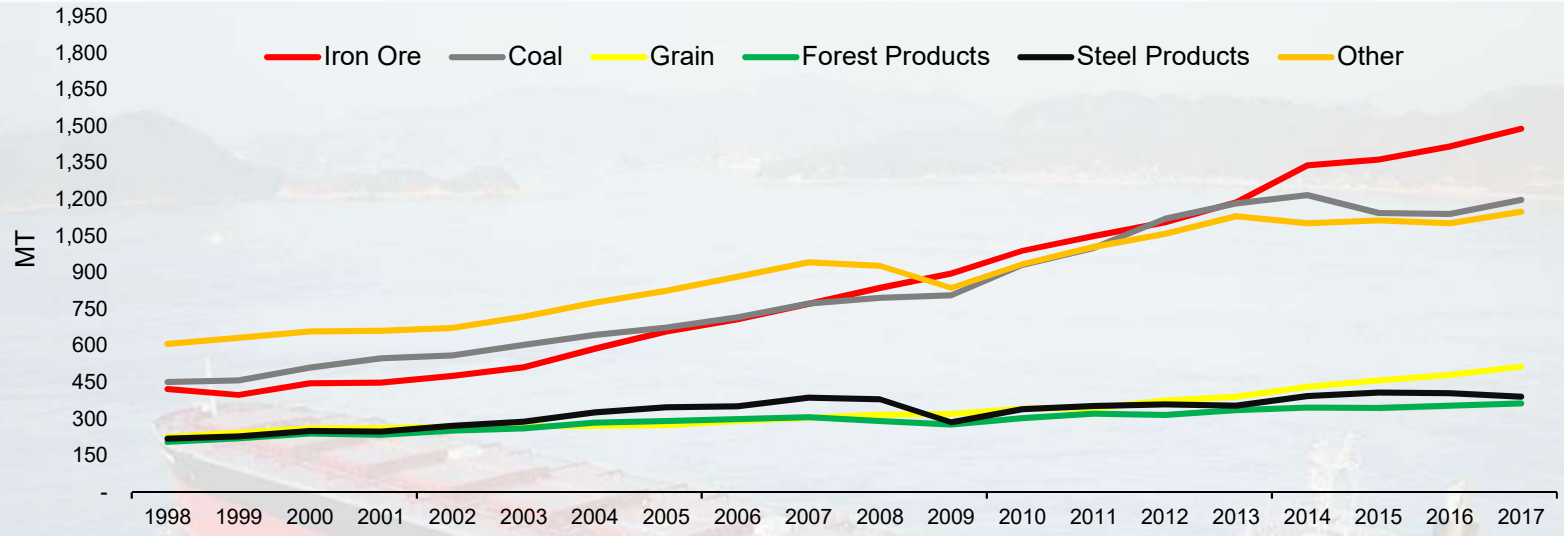
Drybulk shipping is a global business linking trade partners from around the world



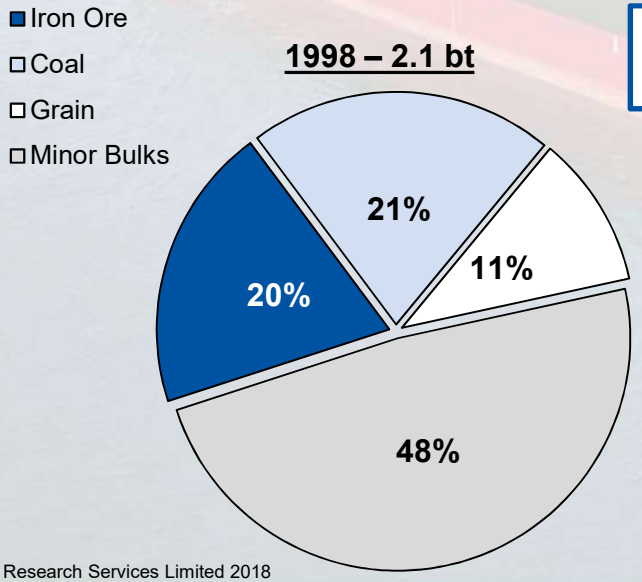
Source: Braemar

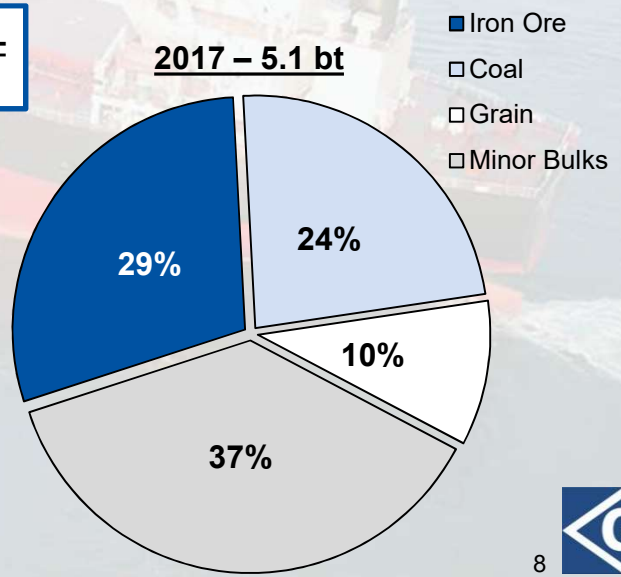
Seaborne Drybulk Trade Increasing Further

Seaborne Drybulk Trade by Commodity – Last 20 Years



Percentage of Global Trade – Last 20 Years

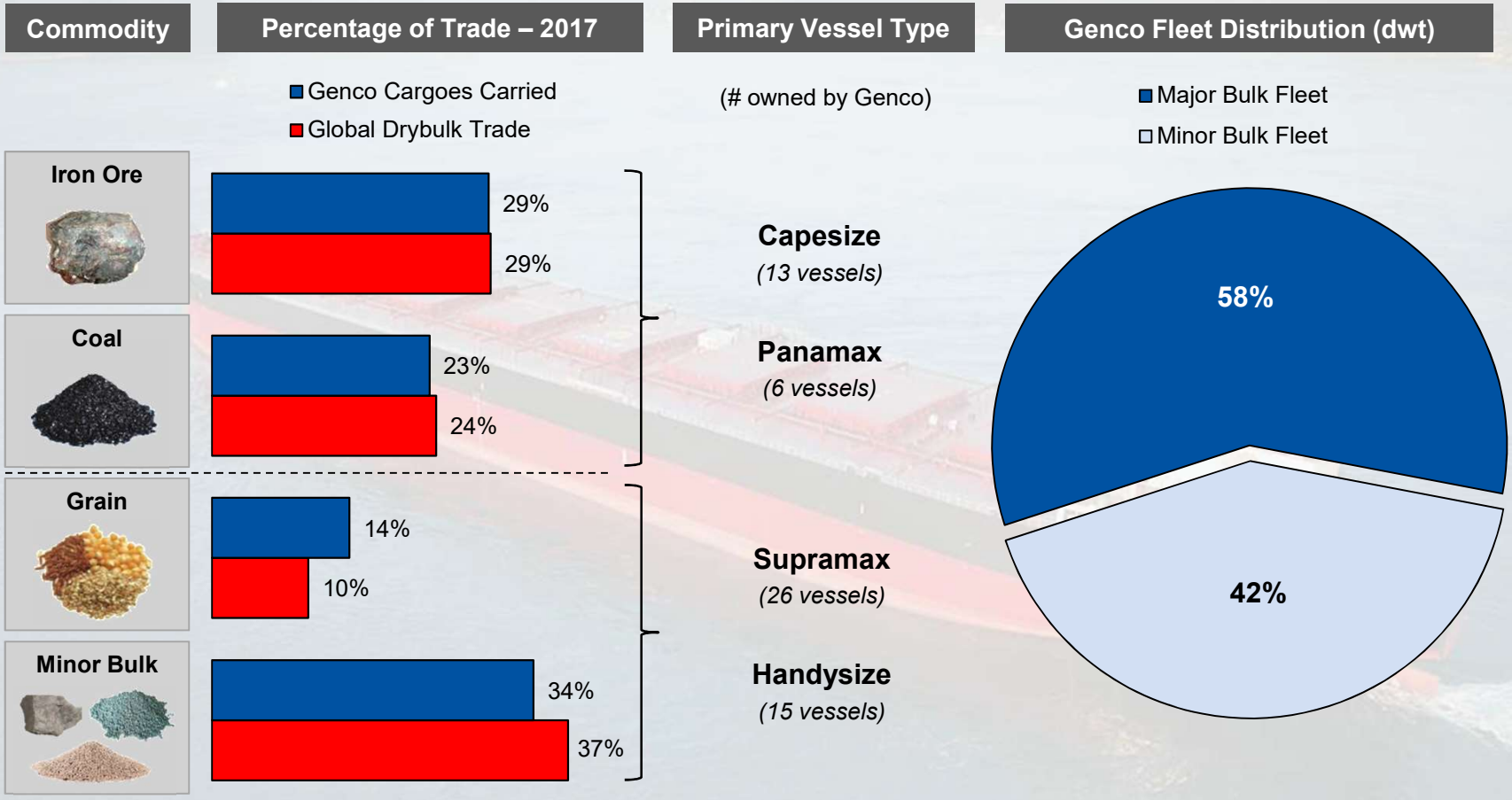




Source: Clarksons Research Services Limited 2018

Genco's Fleet Strongly Aligns With Global Trade Dynamics

Genco's fleet of major and minor bulk vessels largely mirrors global trade flows, enabling the Company to capitalize on key trade routes



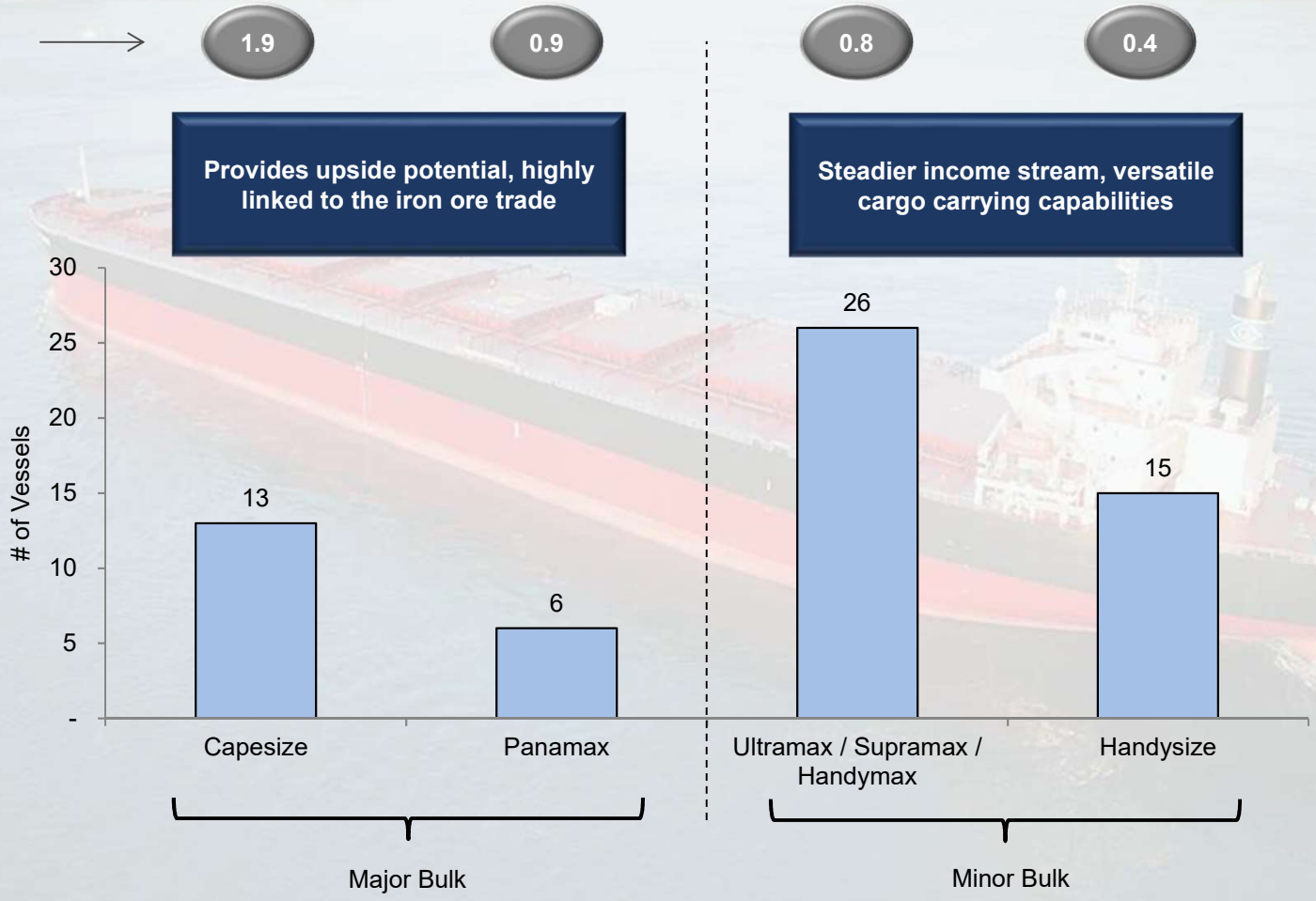
Source: Clarksons Research Services Limited 2018

Upside Earnings Potential Combined With Steadier Income Stream

Capesize exposure provides upside earnings potential while minor bulk fleet provides a steadier income stream

Genco's Fleet Concentrates on the Major and Minor Bulks

Shipping Market "Beta" →



Source: Marsoft Incorporated



Genco's Fleet Commercial Strategy – Major & Minor Bulks

Genco's Enhanced Commercial Platform Drives Revenue Growth

Active Approach to Revenue Growth

- Focus on increasing margins
- Concentration on full in-house commercial platform
- Providing full logistics solution to major cargo owners

Incorporating Voyage Charters & Direct Cargo Liftings

- Repositioned a portion of the fleet to capture Atlantic premium
- Identified key trading lanes by vessel
- Vessel speed and consumption optimization

Expanding Customer Base

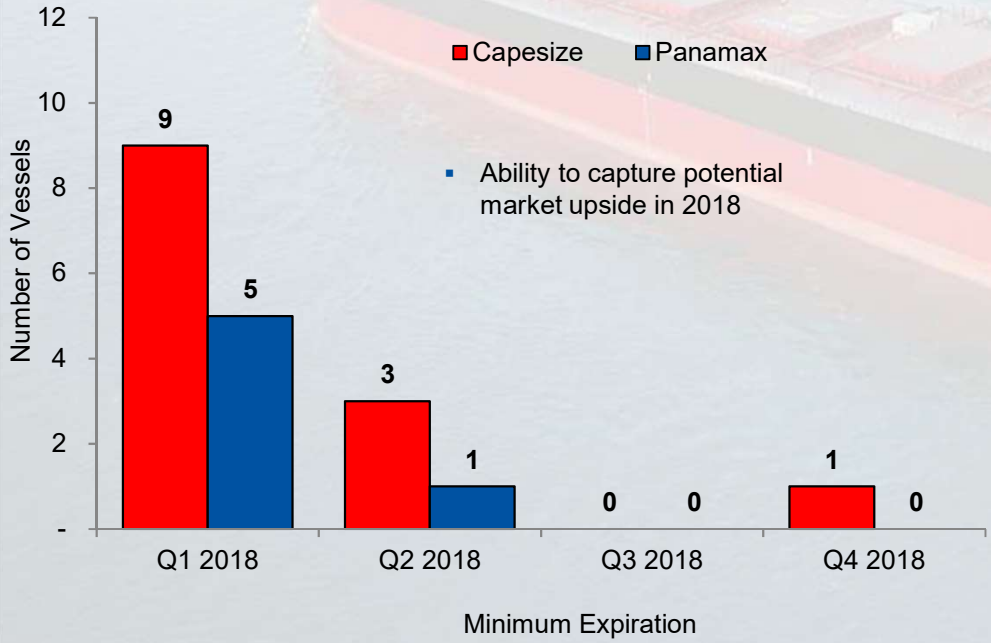
- Diversifying customer base enabling Genco to get closer to cargo
- Strong risk management practices

Commercial Strategy – Major Bulk

Major Bulk Commercial Strategy

- Direct exposure to projected ton-mile demand growth highly driven by iron ore and coal
  - Positioned the fleet for a stronger 2018
- Diversifying and expanding the customer base
- Staggering expiration dates of charters
- Utilizing a portfolio approach
- Singapore office focuses on Capesize vessels as well as backhaul trades on the minor bulk fleet

Major Bulk Charters Positioned for Market Recovery



Major Bulk End Users

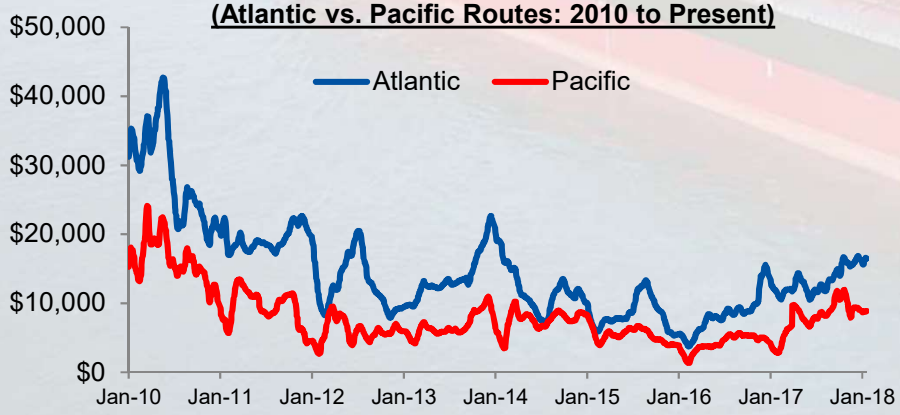
bhpbilliton
KOCH SUPPLY & TRADING
RioTinto
uniper
LDC Louis Dreyfus Company
Cargill
VALE

Commercial Strategy – Minor Bulks

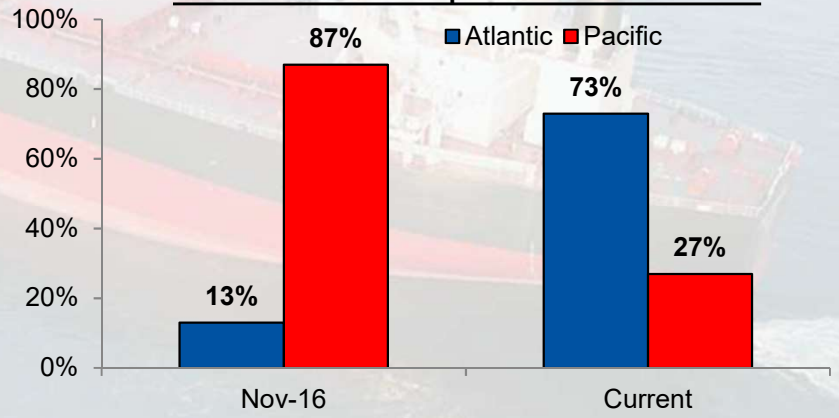
Minor Bulk Commercial Strategy

- Provide full service logistics solutions to top tier cargo owners
  - Reallocated freight exposure through a more balanced Atlantic vs. Pacific split
  - Repositioned select geared vessels during 2017
  - Reduction of ballast legs and higher fleet utilization through concentrated customer geographic focus
  - Capture earnings premium offered by Atlantic market
- Implementing and integrating new commercial resources
  - Added Vice President and Commercial Director, Minor Bulk Fleet

Baltic Supramax Index Routes
(Atlantic vs. Pacific Routes: 2010 to Present)



Atlantic vs. Pacific Exposure: Minor Bulk Fleet





Operational & Capital Structure

Operations and Technical Management

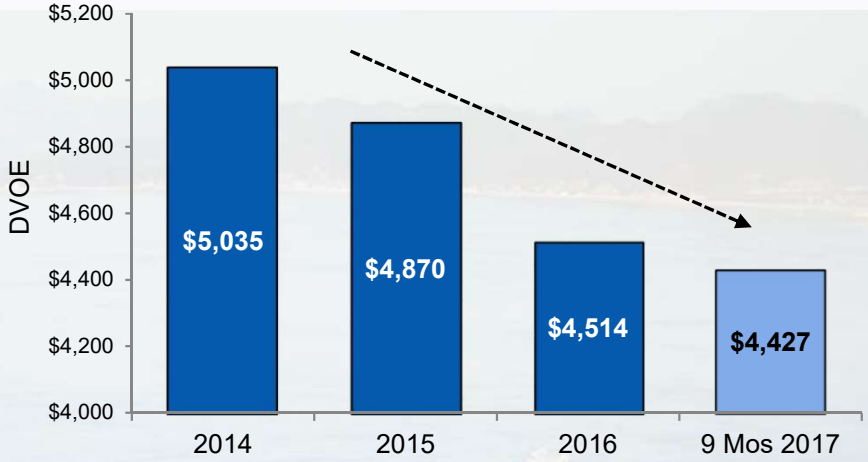
In-House Operations and Logistics Group

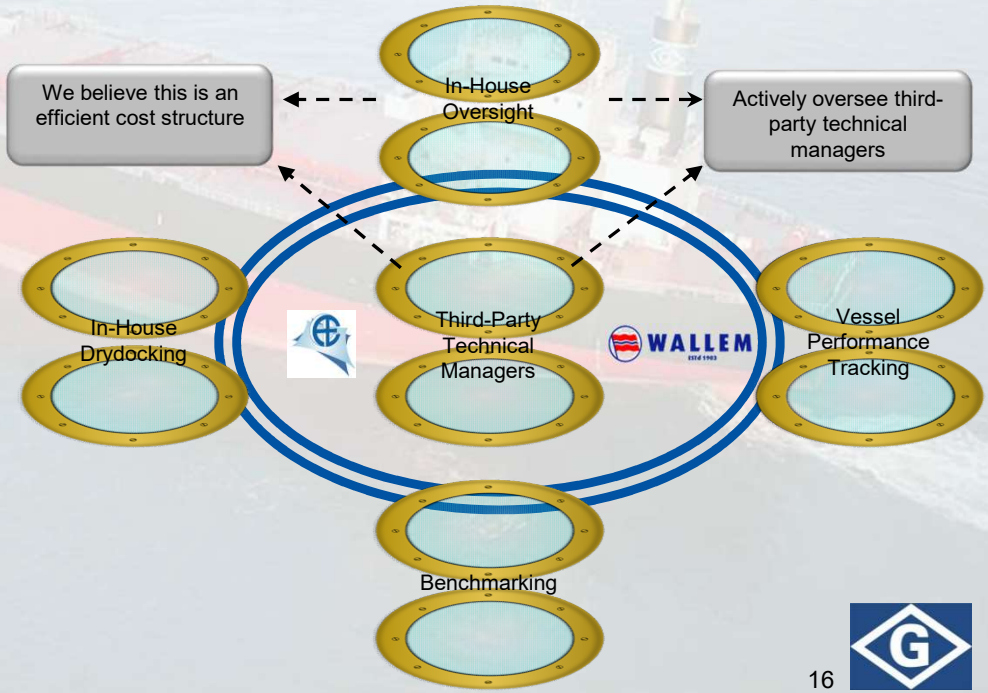
- Post-fixture logistics management of vessels
- Enables charterers to efficiently carry cargoes
- Monitors vessel performance to maximize revenue
- Promotes safety and regulatory compliance
- Strong safety record with low incidents

Technical Management Approach

- We utilize two leading third-party technical managers for the day-to-day management of our fleet
  - Perform routine maintenance
  - Arrange for purchasing and supplies
  - Provide access to large crew pools
- Benchmark across managers through KPIs and industry best practices
- Benefits from third-party managers' economies and scalability
- In-house technical team directly handles all drydockings

Genco's Daily Vessel Operating Expenses





Consolidated Capital Structure

Genco Shipping & Trading Limited

$400 Million Credit Facility	$98 Million Hayfin Facility	$33 Million ABN/Sinosure Facilities
7 Capesize, 3 Panamax, 2 Ultramax, 19 Supramax, 1 Handymax, 13 Handysize Vessels	6 Capesize, 3 Panamax, 2 Supramax, 2 Handysize Vessels	2 Ultramax Vessels
Debt Outstanding: $405.1m	Debt Outstanding: $95.3m	Debt Outstanding: $26.2m
Fixed Quarterly Debt Repayments: $7.6m - commencing in Q1 2019	Fixed Quarterly Debt Repayments: $2.5m - commencing in Q4 2017	Fixed Quarterly Debt Repayments: $0.7m

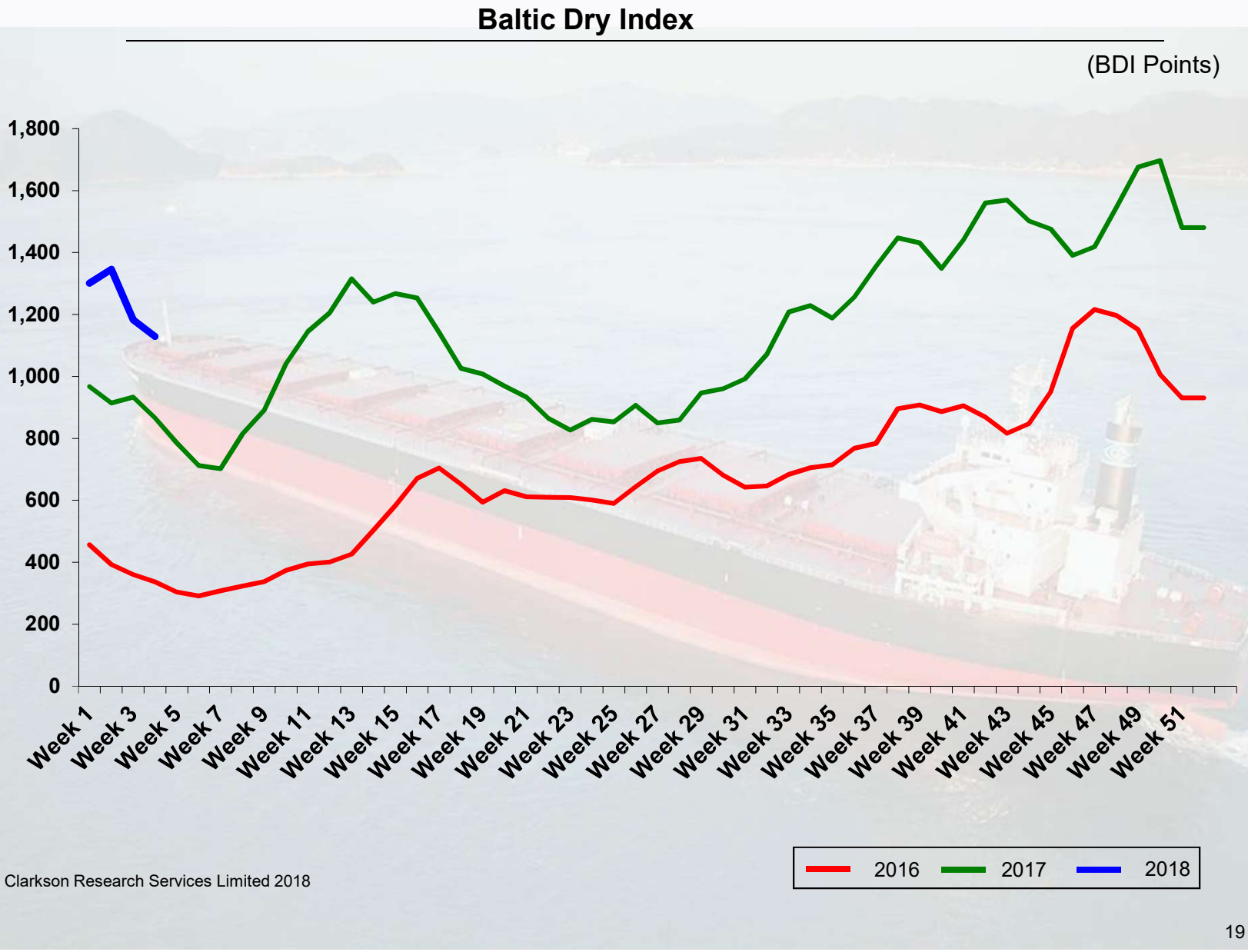
September 30, 2017 Balances		
Cash (including restricted cash)	**$**	**185.1**
$400m Credit Facility		405.1
$98m Hayfin Facility		95.3
$33m ABN/Sinosure Facilities		26.2
Total Debt Outstanding	**$**	**526.6**
Net Debt	**$**	**341.5**

(1) Token fixed debt repayments of $0.1 million per quarter during 2017 and 2018. Fixed debt repayments step up to $18.6 million per quarter commencing in Q1 2021.



Market Update & Industry Overview

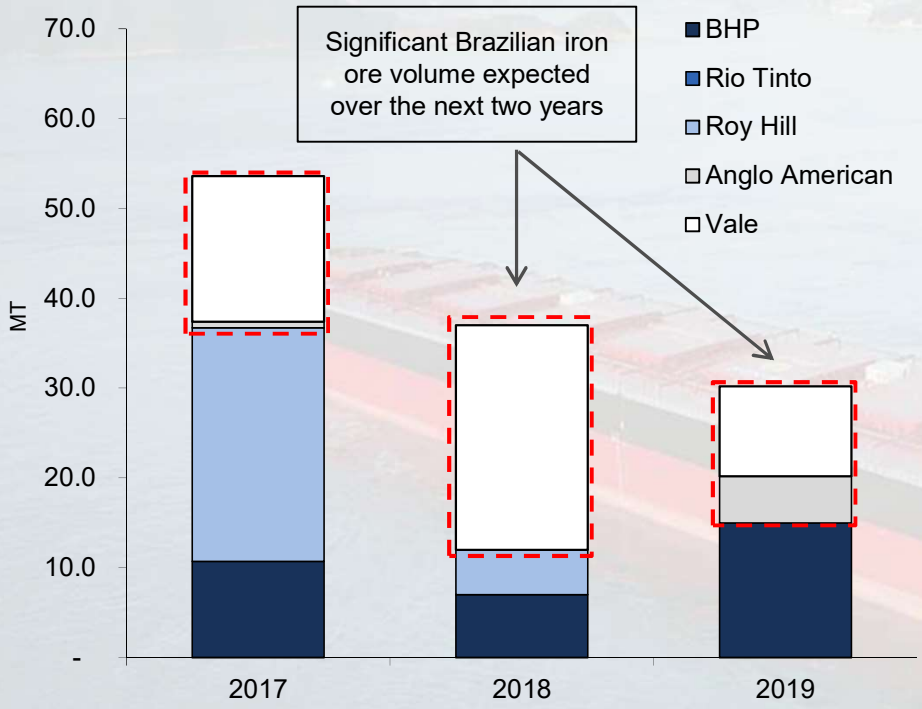
Market Update and Industry Overview



Source: Clarkson Research Services Limited 2018

Recent Market Developments

Key Iron Ore Expansion Plans(1)



Recent Developments

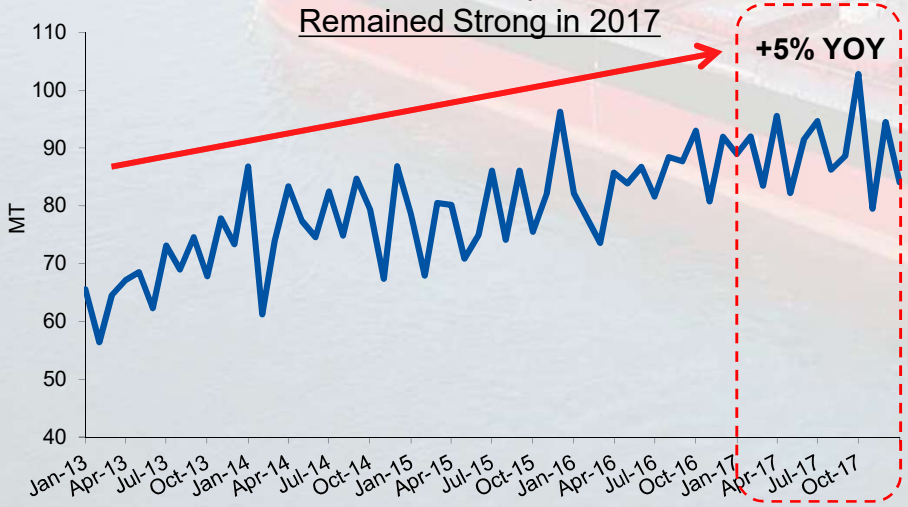
- Freight rates strengthened to multi-year highs in 2H 2017 primarily driven by:
  - Record steel production in China leading to heightened demand for high quality seaborne iron ore
  - Increased coal shipments to China
  - Steady growth in grain cargo flows
  - Slowing fleet growth
- Seasonal slowdown at the start of the year due to:
  - Frontloaded newbuilding deliveries
  - Weather related cargo disruptions
  - Upcoming Chinese New Year holiday

1) Source: Public statements by subject companies

Short and Long-Term Industry Catalysts

Global Steel Production (million tons)[1]			
	2017	2016	% Variance
China	831.7	786.9	5.7%
European Union	168.7	162.0	4.1%
Japan	104.7	104.8	-0.1%
India	101.4	95.5	6.2%
South Korea	71.1	68.6	3.6%
Global Production	1,674.7	1,587.3	5.5%
Ex-China	843.0	800.4	5.3%

China's Iron Ore Imports Growth Remained Strong in 2017



Iron Ore

- China's iron ore imports rose by 5% in 2017 due to increased demand for high quality seaborne iron ore

Steel Production

- Chinese steel production has increased by 5.7% in 2017 YOY primarily led by output from larger steel mills[1]
  - Ex-China steel production has risen by 5.5% during the same period led by a 6.2% YOY increase in output from India
- Improved margins have incentivized greater production

Coal

- China's coal imports increased by 6% in 2017 YOY
  - Mining accidents at Chinese domestic coal mines continue to occur which could lead to additional mine inspections and closures[2]
  - Tighter domestic coal supply as power plant stockpiles have been declining in the YTD
- India's coal power plant stockpiles remain near multi-year lows

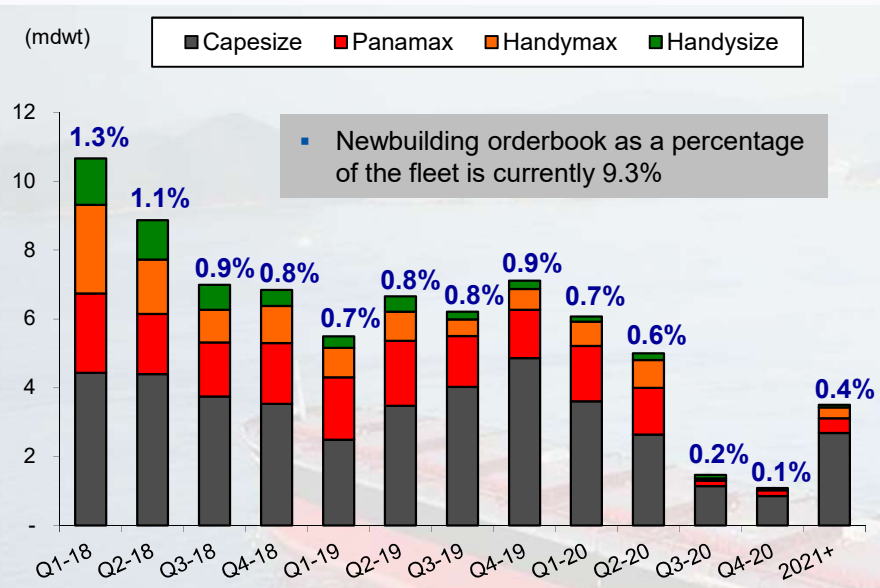
Grain

- Peak South American grain season to commence at the end of Q1 following North American grain season during Q4

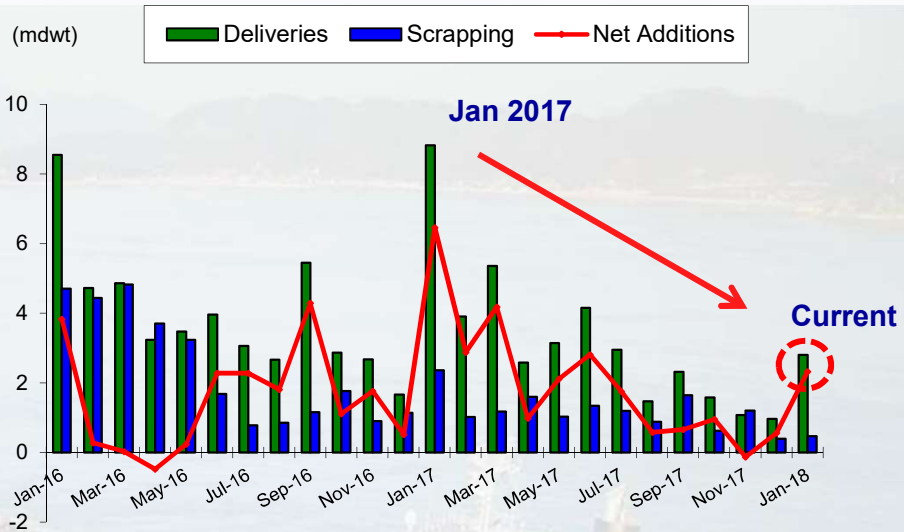
1) Source: World Steel Association
2) Source: Commodore Research

Improving Supply Side Fundamentals Leading to Slower Net Fleet Growth

Current Drybulk Vessel Orderbook by Type



Drybulk Vessel Deliveries vs. Scrapping



- Net fleet growth for 2017 was approximately 3.0%
  - Slippage rate remained high at over 30%
  - Scrapping levels have eased due improved sentiment and freight rate environment
- Net fleet growth in 2018 could fall to the lowest level seen since 1999
- Approximately 9% of the fleet is greater than or equal to 20 years old on a number of vessels basis
- 33 Capesize vessels were scrapped in 2017 including eight greater than 250,000 dwt
  - Currently 45 vessels trading in the drybulk fleet greater than 250,000 dwt with an average age of 24 years old, represents 4% of the Capesize fleet on a deadweight tonnage basis

Source: Clarkson Research Services Limited 2018

What's on the Horizon?

The drybulk market is expected to be propelled by the improving global economic landscape as well as increased demand for raw materials from developing economies

1 Strengthening Global Economy

- IMF forecasts global GDP to increase by 3.9% in both 2018 and 2019
- Developing economies and increased global steel output are expected to support trade growth

2 One Belt / One Road

- Initiative covers half of the world's population and almost one third of the global economy
- Could lead to 150MT of incremental steel demand

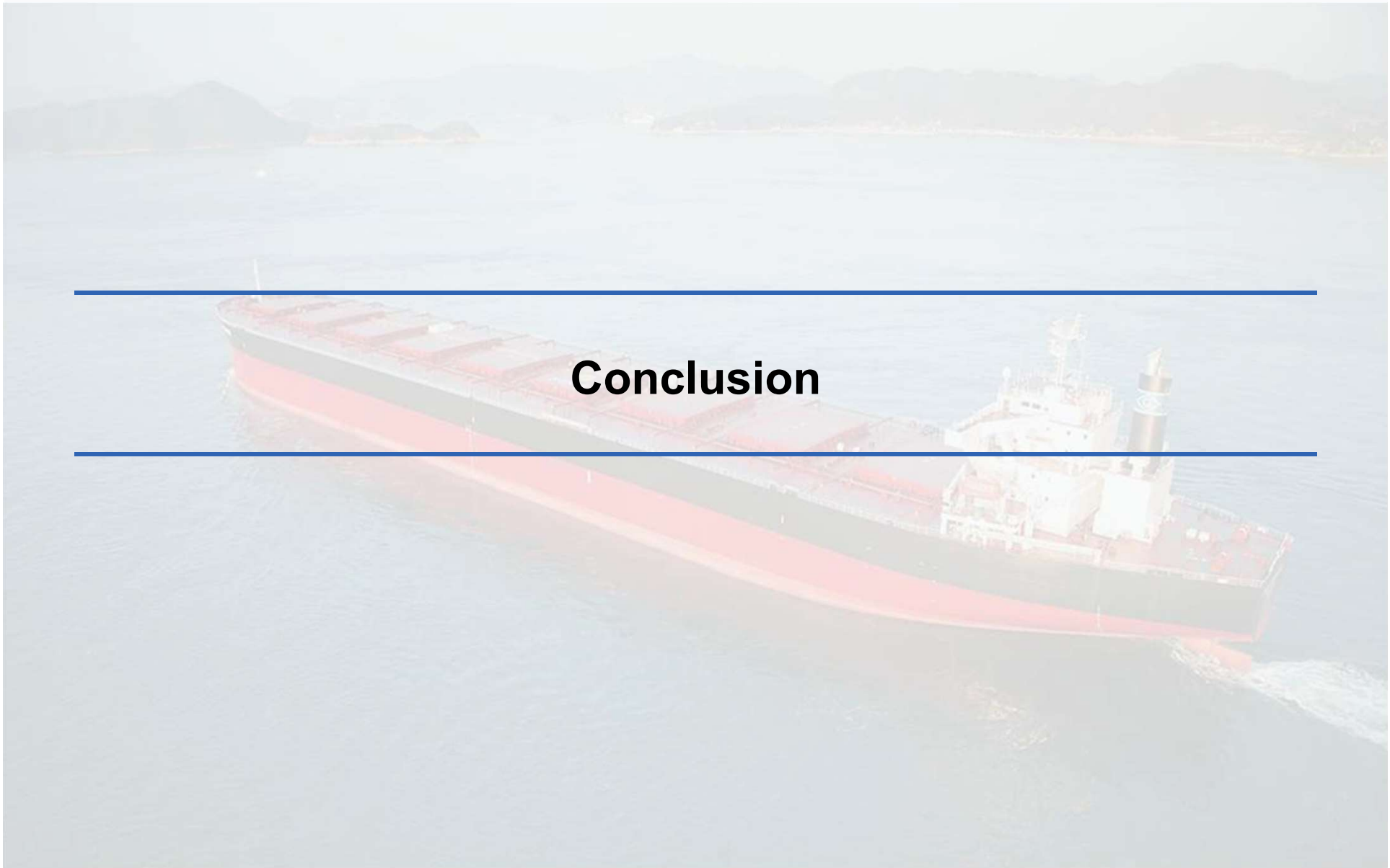
3 China's Development

- Significant focus on environment and higher quality inputs to drive drybulk commodity demand
- Continued urbanization and infrastructure development

4 Environmental Regulations

- Low sulphur fuel cap and BWTS regulations to come in effect in the next several years
- Could accelerate the scrapping or removal of older vessels

Sources: IMF, BHP Billiton



Conclusion

Genco is Attractively Positioned To Capture Potential Market Upside

Demand growth is expected to outpace supply growth

1 Iron Ore Trade Growth

- Iron ore capacity expansion plans from Vale to drive ton mile demand
- Focus remains on high quality seaborne iron ore from Brazil and Australia

2 Steel Production

- Strong steel mill margins in China to boost output
- Low steel inventory levels to support production

3 Strengthening Global Economy

- IMF forecasts global GDP to increase by 3.9% in both 2018 and 2019
- Developing economies are expected to support trade growth

4 Low Fleet Growth

- Estimate 1% to 2% net fleet growth which would be the lowest since 1999
- Orderbook remains near 15 year lows

Genco is well positioned for stronger market

Commercial strategy driving revenue

- Active owner / operator
- Increasing margins
- Providing direct logistics solution to major cargo owners

Genco's fleet mirrors global trade dynamics

- Direct exposure to strong trade growth fundamentals in major and minor bulks

Growth Potential

- Strong capital position enables Genco to explore further growth potential and the ability to act as a consolidator of the drybulk market

Sources: IMF, Marsoft Incorporated, Clarksons Research Services Limited 2018



Thank you



Appendix

Genco's Major Bulk Fleet

Major Bulk

Vessel Name	Year Built	Dwt
Capesize		
Genco Augustus	2007	180,151
Genco Tiberius	2007	175,874
Genco London	2007	177,833
Genco Titus	2007	177,729
Genco Constantine	2008	180,183
Genco Hadrian	2008	169,025
Genco Commodus	2009	169,098
Genco Maximus	2009	169,025
Genco Claudius	2010	169,001
Genco Tiger	2011	179,185
Baltic Lion	2012	179,185
Baltic Bear	2010	177,717
Baltic Wolf	2010	177,752
Panamax		
Genco Beauty	1999	73,941
Genco Knight	1999	73,941
Genco Vigour	1999	73,941
Genco Surprise	1998	72,495
Genco Thunder	2007	76,588
Genco Raptor	2007	76,499

Capesize



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Panamax



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Genco's Minor Bulk Fleet

Minor Bulk

Vessel Name	Year Built	Dwt
Ultramax		
Baltic Hornet	2014	63,574
Baltic Wasp	2015	63,389
Baltic Scorpion	2015	63,462
Baltic Mantis	2015	63,470
Supramax/Handymax		
Genco Warrior	2005	55,435
Genco Hunter	2007	58,729
Genco Predator	2005	55,407
Genco Cavalier	2007	53,617
Genco Aquitaine	2009	57,981
Genco Ardennes	2009	58,018
Genco Auvergne	2009	58,020
Genco Bourgogne	2010	58,018
Genco Brittany	2010	58,018
Genco Languedoc	2010	58,018
Genco Loire	2009	53,430
Genco Lorraine	2009	53,417
Genco Normandy	2007	53,596
Genco Picardy	2005	55,257
Genco Provence	2004	55,317
Genco Pyrenees	2010	58,018

Vessel Name	Year Built	Dwt
Genco Rhone	2011	58,018
Baltic Leopard	2009	53,446
Baltic Panther	2009	53,350
Baltic Jaguar	2009	53,473
Baltic Cougar	2009	53,432
Genco Muse	2001	48,913
Handysize		
Genco Explorer	1999	29,952
Genco Progress	1999	29,952
Genco Charger	2005	28,398
Genco Champion	2006	28,445
Genco Challenger	2003	28,428
Genco Bay	2010	34,296
Genco Ocean	2010	34,409
Genco Avra	2011	34,391
Genco Mare	2011	34,428
Genco Spirit	2011	34,432
Baltic Wind	2009	34,408
Baltic Cove	2010	34,403
Baltic Breeze	2010	34,386
Baltic Fox	2010	31,883
Baltic Hare	2009	31,887

Ultramax / Supramax / Handymax



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Handysize



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