Genco Shipping & Trading Limited



Company Presentation

NYSE:GNK

November 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) declines or sustained weakness in demand in the drybulk shipping industry; (ii) continuation of weakness or declines in drybulk shipping rates; (iii) changes in the supply of or demand for drybulk products, generally or in particular regions; (iv) changes in the supply of drybulk carriers including newbuilding of vessels or lower than anticipated scrapping of older vessels; (v) changes in rules and regulations applicable to the cargo industry, including, without limitation, legislation adopted by international organizations or by individual countries and actions taken by regulatory authorities; (vi) increases in costs and expenses including but not limited to: crew wages, insurance, provisions, lube, oil, bunkers, repairs, maintenance and general, administrative, and management fee expenses; (vii) whether our insurance arrangements are adequate; (viii) changes in general domestic and international political conditions; (ix) acts of war, terrorism, or piracy; (x) changes in the condition of the Company’s vessels or applicable maintenance or regulatory standards (which may affect, among other things, our anticipated drydocking or maintenance and repair costs) and unanticipated drydock expenditures; (xi) the Company’s acquisition or disposition of vessels; (xii) the amount of offhire time needed to complete repairs on vessels and the timing and amount of any reimbursement by our insurance carriers for insurance claims, including offhire days; (xiii) the completion of definitive documentation with respect to charters; (xiv) charterers’ compliance with the terms of their charters in the current market environment; (xv) the extent to which our operating results continue to be affected by weakness in market conditions and charter rates; (xvi) our ability to maintain contracts that are critical to our operation, to obtain and maintain acceptable terms with our vendors, customers and service providers and to retain key executives, managers and employees; (xvii) the completion of documentation for vessel transactions and the performance of the terms thereof by buyers or sellers of vessels and us; (xviii) the terms of definitive documentation for the purchase and installation of scrubbers and our ability to have scrubbers installed within the price range and time frame anticipated; (xix) our ability to obtain financing for scrubbers on acceptable terms; (xx) the relative cost and availability of low sulphur and high sulphur fuel; (xxi) worldwide compliance with IMO 2020 regulations and other factors listed from time to time in our public filings with the Securities and Exchange Commission including, without limitation, the Company’s Annual Report on Form 10-K for the year ended December 31, 2017 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.

Executive Summary

Genco Shipping & Trading Limited: Who We Are…

John C. Wobensmith
Chief Executive Officer

- Over 20 years of experience in the shipping industry
- Significant experience in managing all aspects of a drybulk shipping company including commercial, technical and finance
- Holds CFA designation

Ivo Kempenaer
Head of Major Bulks

- Over 30 years of experience in the shipping industry
- Formerly a Senior Broker on the Capesize desk at SSY
- Spearheading Singapore operations

Apostolos Zafolias
Chief Financial Officer

- Over 13 years of experience in the shipping industry
- Significant experience in M&A, commercial bank financing and capital market transactions
- Holds CFA designation

Jesper Christensen
Head of Minor Bulks

- Over 10 years of experience in the shipping industry
- Formerly Director, Head of Chartering Stamford at Clipper
- Extensive experience managing Handysizes to Panamaxes

Peter Allen
Senior Vice President, Strategy & Finance

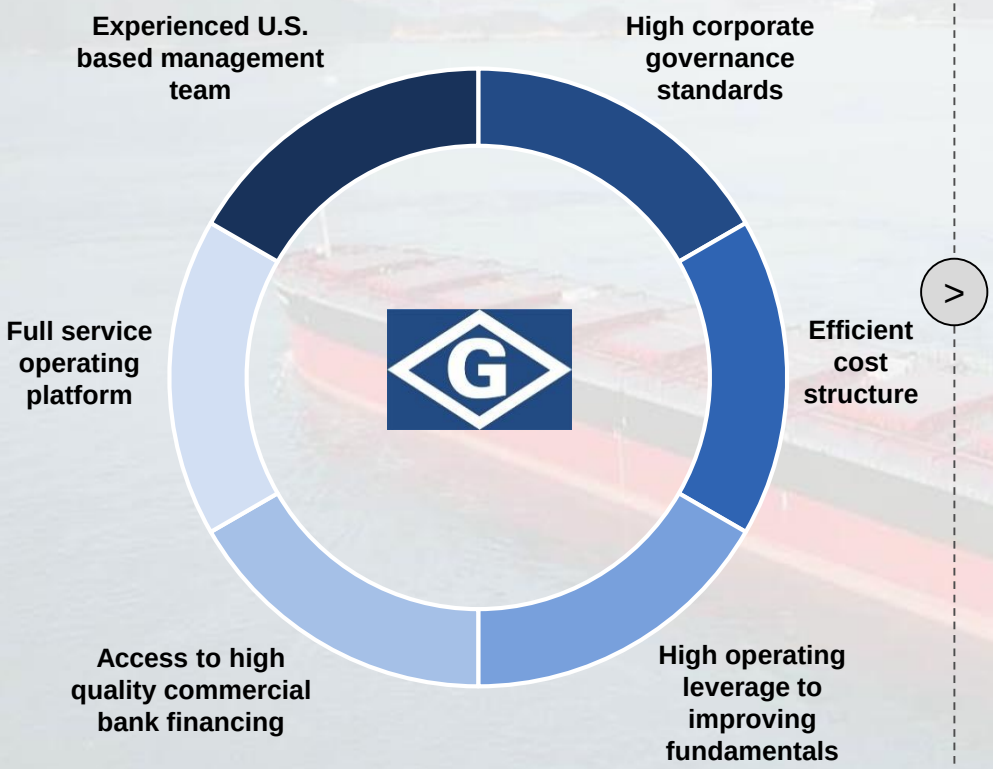
- Over 10 years of experience in the shipping industry
- Also serves as the Company's drybulk market analyst
- Holds CFA designation

Sune Linne Fladberg
Commercial Director Minor Bulk Fleet, Europe

- Over 10 years of experience in the shipping industry
- Formerly Vice President, Chartering at Clipper Bulk A/S in Copenhagen focused on Handysize to Panamax chartering and corporate strategy
- To lead Copenhagen operations

Genco is Attractively Positioned to Capture Market Upside

Primary Differentiators of the Genco Platform



Key Company Developments

- ✓ Commercial platform investments driving revenue growth and margin expansion
- ✓ Short duration contracts to capture market upside
- ✓ Genco's fleet is directly aligned with global commodity flows through major and minor bulk strategy
- ✓ New credit facilities simplify balance sheet and improve flexibility to grow and return capital to shareholders
- ✓ Completed two separate acquisition transactions, taking delivery of a total of four Capesize and two Ultramax vessels
- ✓ Acquisitions and fleet renewal program aimed at fleet modernizing and increasing fuel efficiency
- ✓ Portfolio approach to IMO 2020 focuses on maximizing returns and maintaining optionality in evolving fuel market

Since the beginning of 2017, Genco has executed on its strategic plan

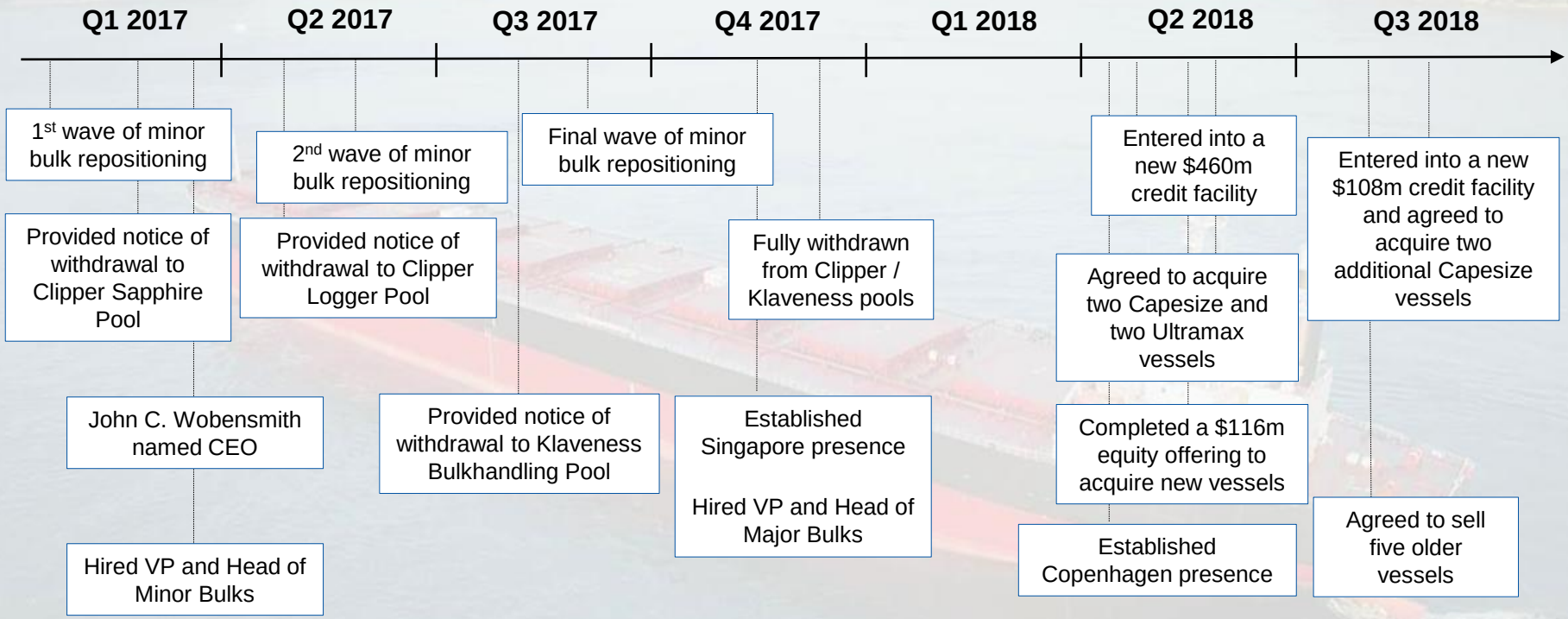
At the end of 2016, management began the transition from a tonnage provider to an active commercial strategy

This encompassed investing in repositioning vessels to the Atlantic basin

At the same time, Genco has been executing on its fleet renewal and growth strategy

Revamped commercial platform to drive margin expansion beginning in Q4 2016

Strategic plan in place during Q4 2016

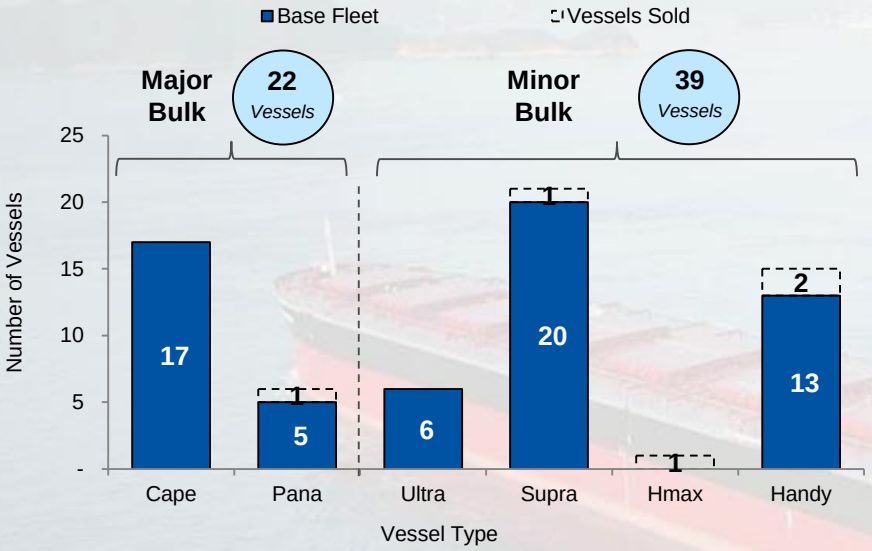


Implementation of commercial platform opportunistically positions Genco for a strong 2H 2018

Where Genco Is Today…

Following the execution of two new credit facilities, the equity offering and the acquisitions, Genco's improved fleet and balance sheet is as follows

Pro Forma Fleet Distribution



	Pro Forma	Previous
Total Fleet Size	61 *Vessels*	60 *Vessels*
Avg Age	9.3 *Years*	10.6 *Years*
Carrying Capacity	5.3 *mdwt*	4.7 *mdwt*
Avg Vessel Size	87k *dwt*	78k *dwt*

Key Metrics

- **September 30, 2018 balances:**
  - Cash: $166 million
  - Debt: $568 million
- **Q3 2018 net income: $5.7 million or $0.14 per share**
- **Q3 2018 EBITDA: $29.6 million**
- **Current debt structure:**
  - 2 credit facilities
  - Weighted average interest expense: L + **3.11%**
- **Previous debt structure:**
  - 4 credit facilities
  - Weighted average interest expense: L + **4.11%**

100bps decline in borrowing costs post refinancing or ~$5m per year

Note: Please see the appendix for further detail.

2H 2018 to 2019 Drybulk Outlook

Demand growth is forecast to outpace supply growth in the coming years which is expected to lead to further improvement in the drybulk market

Drybulk Market Catalysts

1 Iron Ore Trade Growth

- Iron ore capacity expansion from Vale to drive ton mile demand – ramp up to 400MT by 2019, +35MT from 2017
- Focus remains on high quality seaborne iron ore from Brazil and Australia

2 Steel Production

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

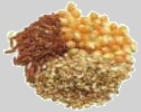
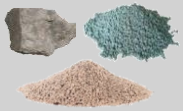
3 Strengthening Global Economy

- Developing economies are expected to support trade growth particularly on the minor bulks

4 Low Fleet Growth

- ~2% net fleet growth per year which would be towards multi-decade lows
- Orderbook remains near 15 year lows

Supply & Demand Estimates

	Vessel*	2H 2018	2019
Iron Ore 	Capesize	+5.6%	+5.4%
Coal 	Capesize Panamax	+5.2%	+1.8%
Grain 	Panamax Supramax Handysize	+4.8%	+2.2%
Minor Bulk 	Supramax Handysize	+4.3%	+3.1%
Total Demand		+5.1%	+3.5%
Fleet Growth		+2.6%	+1.9%

Note: 2H 2018 is being compared to 2H 2017 and 2019 is being compared to 2018.

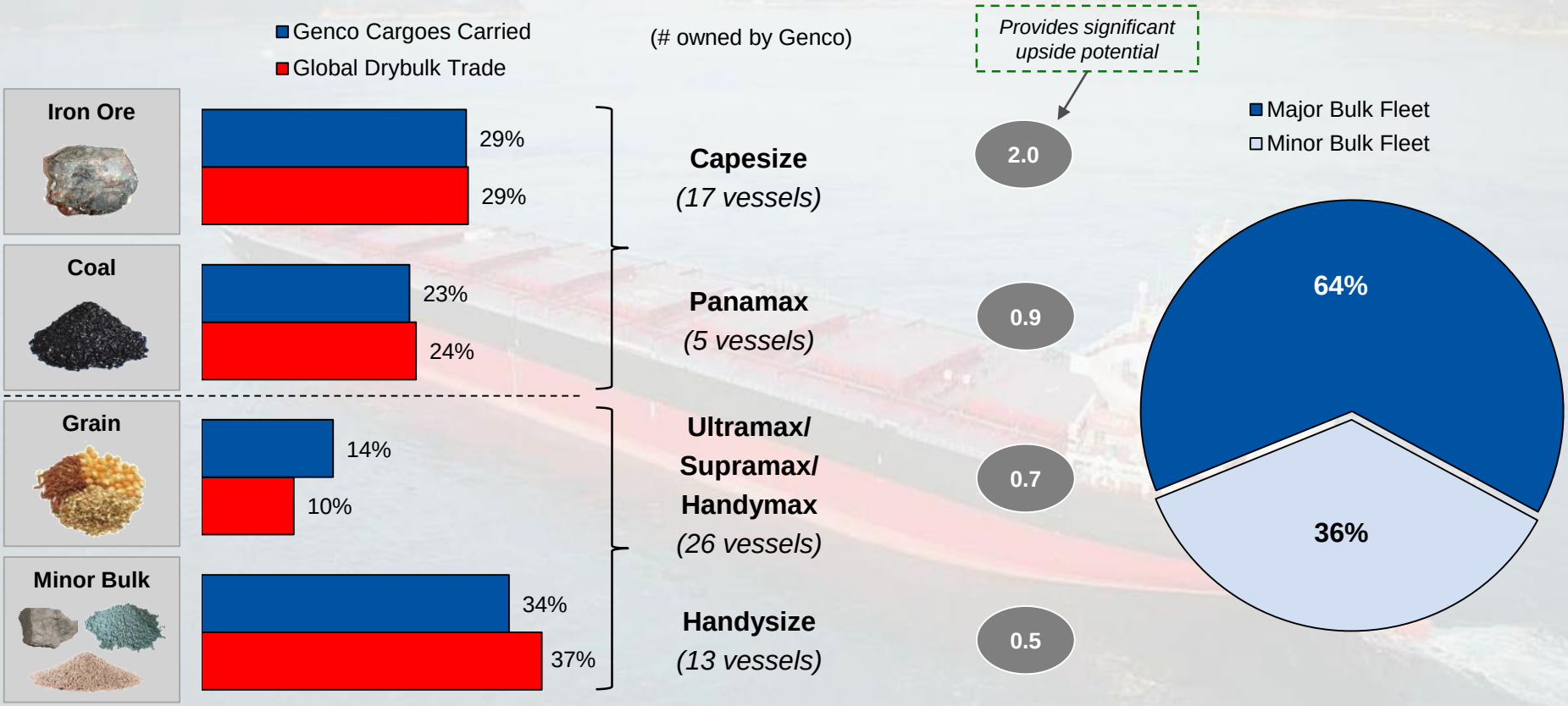
*Indicates the primary vessel type that carries the respective commodities. Supply and demand forecasts are based on Marsoft's base case as of October 2018.

Sources: Marsoft, Clarksons

Genco's Fleet Directly Aligns with Global Trade Dynamics

Genco's Capesize exposure provides upside earnings potential while minor bulk fleet provides steadier income

Commodity	Percentage of Trade – 2017	Primary Vessel Type	Shipping Market Beta*	Genco Fleet Distribution (dwt)



*Shipping market "beta" per Marsoft Incorporated.
Source: Clarksons Research Services Limited 2018.

Pro Forma Genco Fleet List*

Major Bulk		
Vessel Name	**Year Built**	**Dwt**
Capesize		
Genco Constantine	2008	180,183
Genco Augustus	2007	180,151
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
Genco Endeavour	2015	181,060
Genco Resolute	2015	181,060
Genco Defender	2016	180,377
Genco Liberty	2016	180,387
Panamax		
Genco Thunder	2007	76,588
Genco Raptor	2007	76,499
Genco Beauty	1999	73,941
Genco Knight	1999	73,941
Genco Vigour	1999	73,941

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 Columbia	2016	60,294
Genco Weatherly	2014	61,556
Supramax		
Genco Hunter	2007	58,729
Genco Auvergne	2009	58,020
Genco Ardennes	2009	58,018
Genco Bourgogne	2010	58,018
Genco Brittany	2010	58,018
Genco Languedoc	2010	58,018
Genco Pyrenees	2010	58,018
Genco Rhone	2011	58,018
Genco Aquitaine	2009	57,981
Genco Warrior	2005	55,435
Genco Predator	2005	55,407
Genco Provence	2004	55,317
Genco Picardy	2005	55,257
Genco Normandy	2007	53,596
Baltic Jaguar	2009	53,473
Baltic Leopard	2009	53,446

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

Pro forma modern, diversified fleet

17 Capesize

5 Panamax

6 Ultramax

20 Supramax

13 Handysize

Capesize



17

Panamax



5

Ultramax/Supramax



26

Handysize

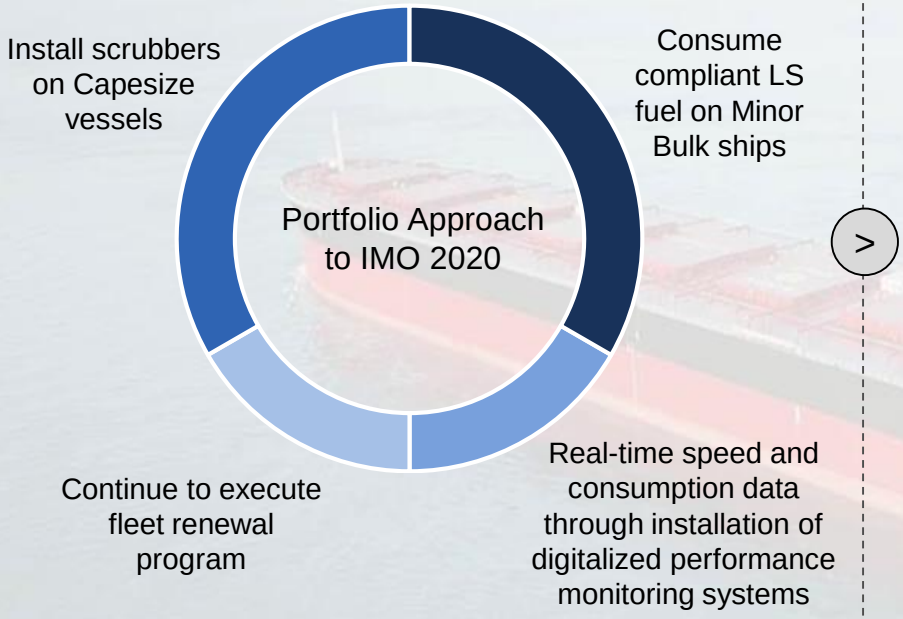


13

- Genco fleet list pro forma for announced vessel sales
- Red boxes indicate sales candidates under the Company's previously announced fleet renewal plan

Balanced IMO 2020 Strategy – Optimal for Evolving Marine Fuel Market

Genco's Comprehensive Plan



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Install Scrubbers on Capesize Vessels Options on Select Minor Bulk Vessels

- Greatest benefit likely to occur in the early stages of compliance
- Shorter payback period on larger vessels, reducing risk profile
- Install scrubbers on 17 Capesize vessels due to:
  - Long-haul nature of trades maximize sailing days and scrubber utilization
  - Greater degree of certainty of HSFO availability at major ports
  - Higher fuel consumption of larger assets
- Options on 15 minor bulk vessels
  - Can be exercised as clarity on spread duration evolves during 2019

Burn Compliant Fuel in Minor Bulk Fleet

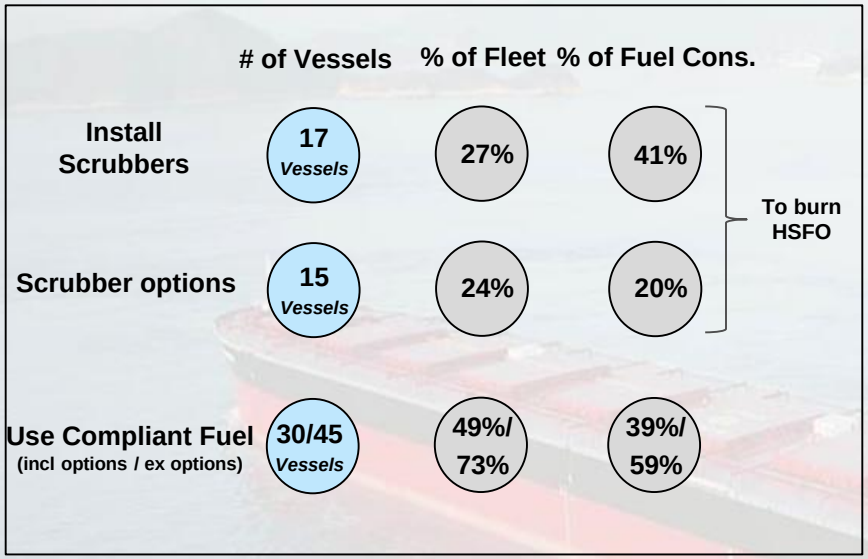
- Immediate compliance
- Does not require upfront capex

Continue Previously Announced Fleet Renewal Program Execution

- Sell older, less fuel efficient vessels
- Use proceeds towards purchase of high specification, fuel efficient vessels
- Improve fleet-wide fuel efficiency
- Reduce emissions

Current Fleet-Wide Distribution for IMO 2020 Compliance

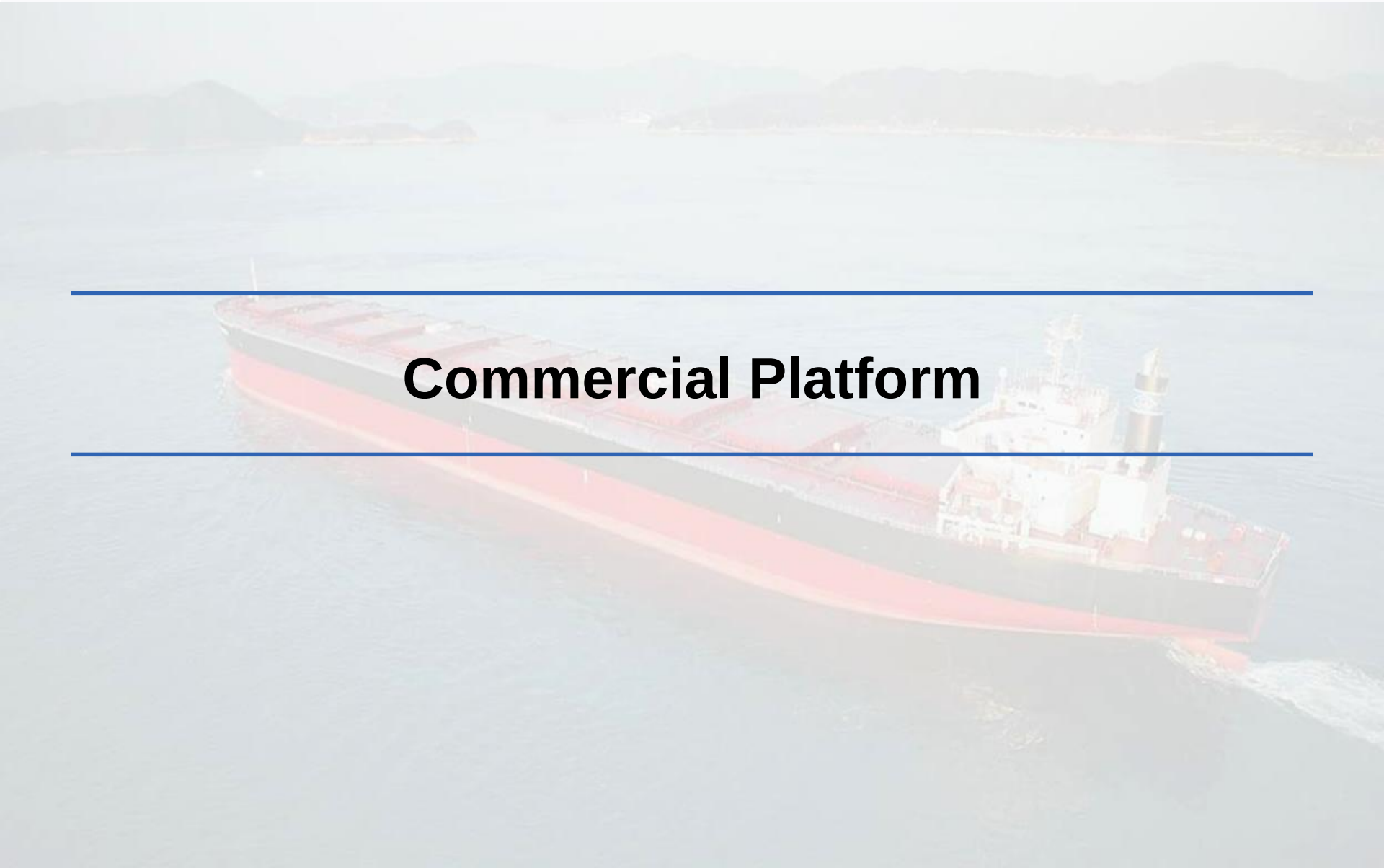
Balanced Approach to IMO 2020



- Installation of scrubbers on Capesize vessels provides a natural hedge against widening fuel spreads for over 40% of our fleet's total fuel consumption
- Options to install scrubbers on 15 minor bulk vessels expected to provide flexibility to react to market conditions that develop in the near future
  - Could hedge up to 60% of total fuel consumption

Complementary to New Commercial Strategy

- Focus on direct cargo and voyage business enables benefits to accrue to Genco
- Lack of long term charters allows flexibility towards evolving market conditions



Commercial Platform

Active Commercial Strategy to Drive Margins

Fleet deployment strategy remains weighted towards short-term fixtures providing optionality in a rising drybulk market

Major Bulk

Iron ore demand growth from long ton-mile origins to propel overall drybulk demand as focus turns to high quality materials

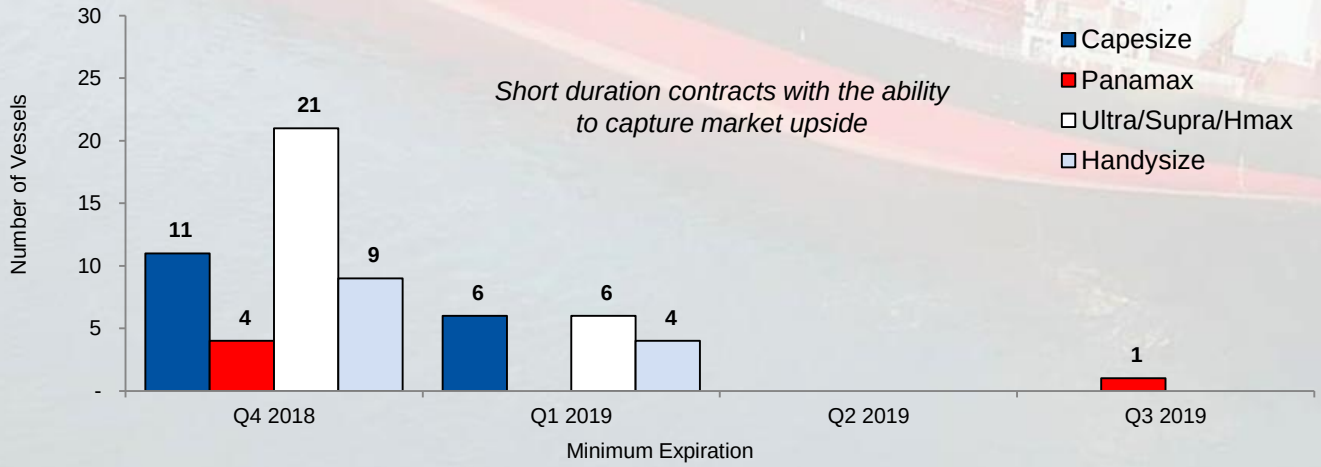
- Real-time management of Capesize fleet
- Significantly increased customer base
- Deeply entrenched with major bulk customers given Far East presence
- Portfolio approach to fixtures with a short-term bias
- Strategic timing of fixtures to capitalize on market trends and seasonality

Minor Bulk

Strengthening global economy to drive demand for coal, grain and minor bulk cargoes

- Real-time market intelligence drives margin expansion
- Further establish relationships with key customers
- Full-service logistics solution (voyage business & direct cargo liftings)
- Copenhagen presence rounds out the commercial platform
  - Provides the ability to take advantage of arbitrage opportunities and triangulation trading

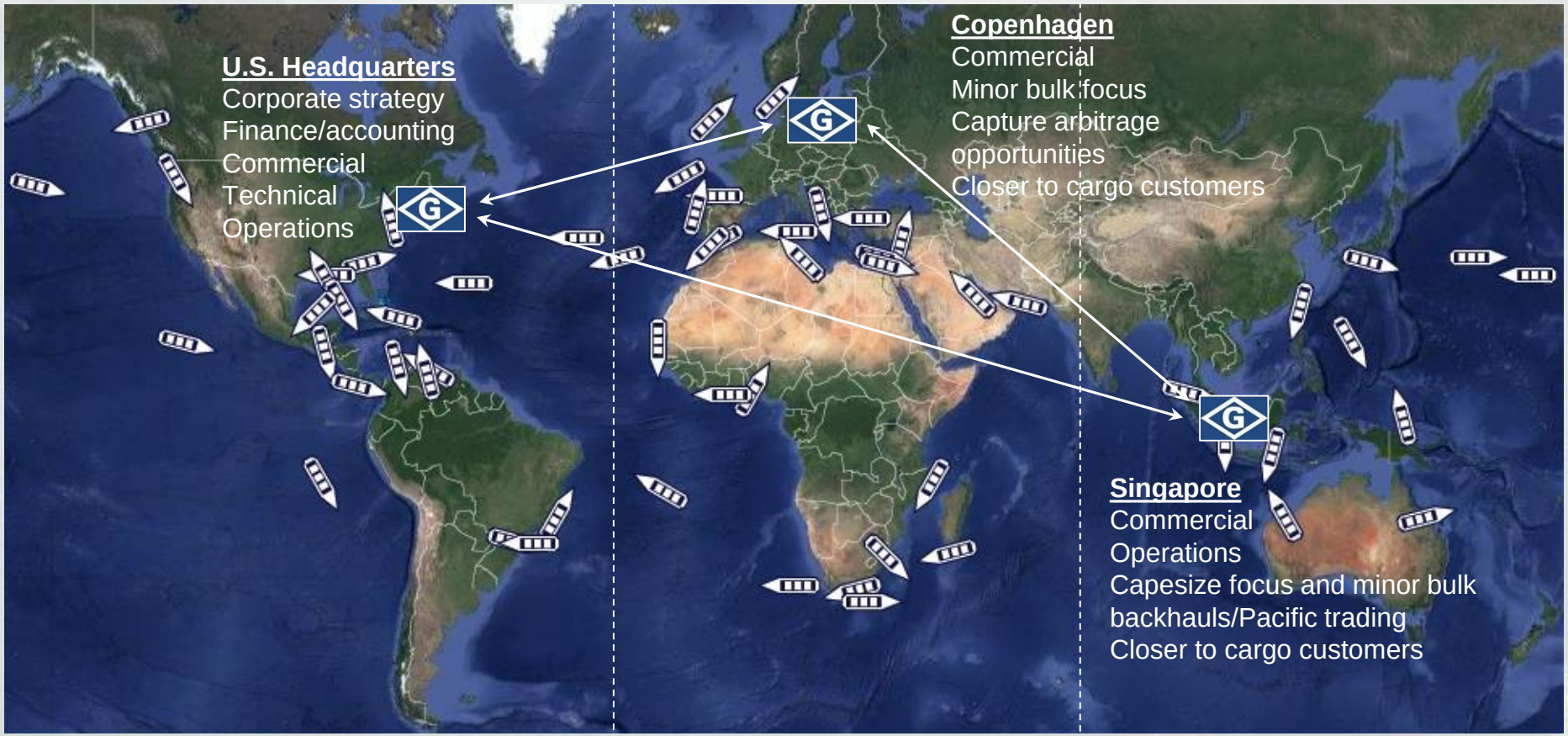
Short-Term Bias to Capture Rising Market



Genco's Global Footprint: Ability to Maximize Revenue with all Major Geographical Regions Covered

Genco has vessels trading all of the world, a global presence enables the Company the ability to instantly capture market trends to maximize revenue generation

Americas | **Europe** | **Asia**



Time difference to US: **+6 hours** **+12/13 hours**

Source: VesselsValue.com

The Genco Platform: Positioned to Capture Market Upside

Revamped Commercial Strategy

- Enhanced commercial strategy focused on increasing margins and outperforming benchmarks
- Full in-house logistics solution to major cargo owners
- Fleet concentrated on major and minor bulks
  - Capesize: upside potential linked to iron ore trade
  - Ultra/Supra/Hsize: steadier income stream, versatile cargo carrying capabilities
- Fleet deployment mix with a short-term bias providing optionality

Active Approach to Revenue Growth

- Commercial strategy centered around maximizing individual vessel returns
- Leverage our in-house commercial expertise and relationships
- Substantially increased our customer base providing a full-service logistics solution to cargo customers

Global Presence

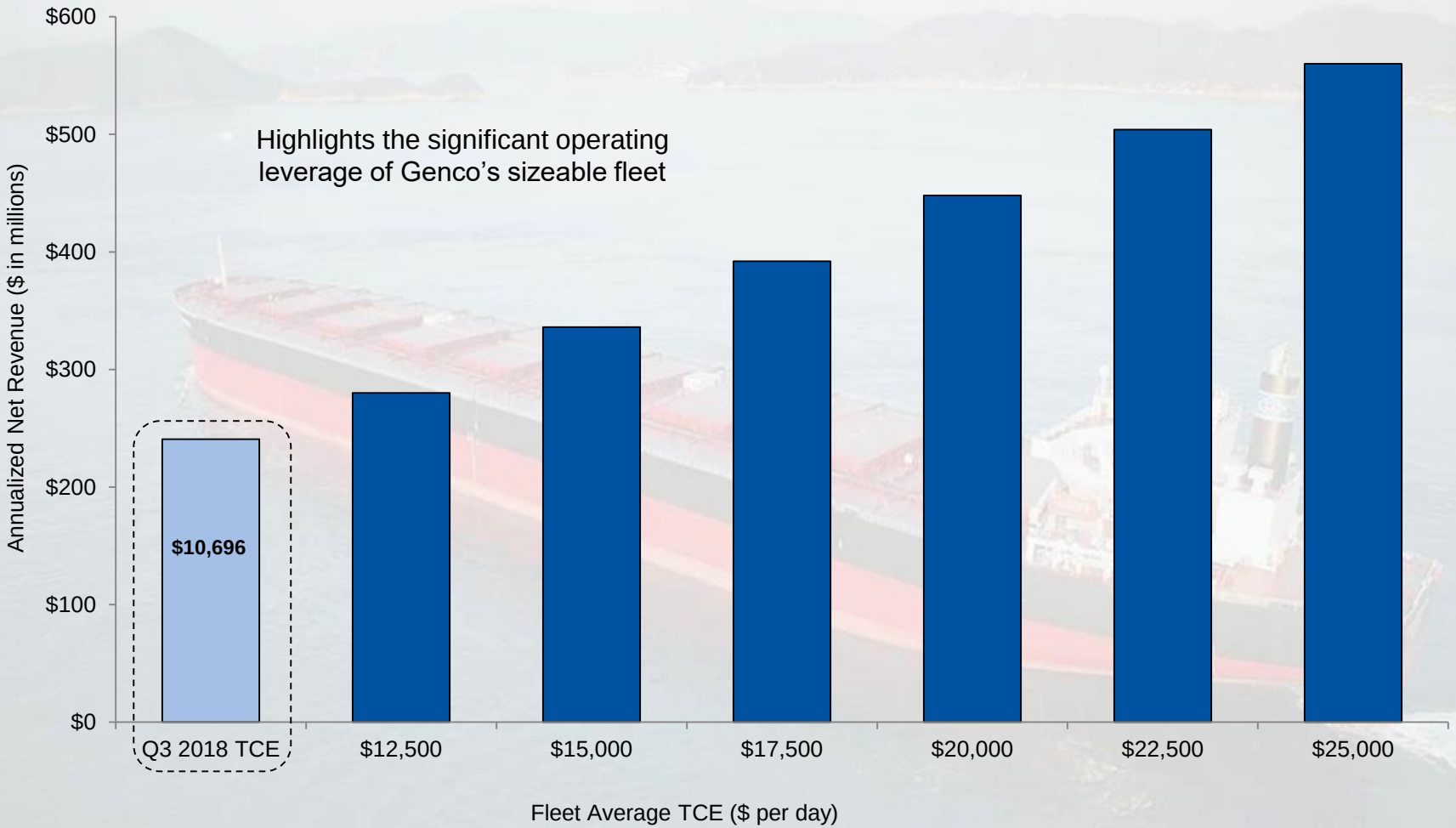
- Headquartered in New York with a commercial presence in Singapore and Copenhagen
- Implemented real-time management of the Capesize and minor bulk fleet
- Created a 24-hour operation leading to effective decision making
- Provides global footprint for Genco to get close to cargo customers and end users

Flexible Capital Structure Allows for Growth & Capital Returns

- Strong balance sheet allows for opportunistic capacity additions at attractive asset values
- Execute strategy of lowering the average age of the fleet
- Superior leverage profile offers Genco the opportunity to return cash to shareholders

Sensitivity to Net Revenues

Every $1,000 increase in TCE equates to ~$22 million of incremental cash flow



Note: Based on current Pro Forma fleet of 61 vessels.

Debt Structure

Revamped Debt Structure

In June and August 2018, we closed on our $460m and $108m credit facilities, highlighting Genco's access to high quality commercial bank financing

New and simplified debt structure offers more flexibility and visibility into Genco's capital structure

Commercial Bank Financing

$460m Credit Facility

Debt – $460.0mm

Pricing – L + 3.25% (thru Dec 31, 2018), L + 3.00-3.50% (thereafter)

$108m Credit Facility

Debt – $108mm

Pricing – L + 2.50% (thru Sep 30, 2019), L + 2.25-2.75% (thereafter)

5 Remaining Unencumbered Vessels*

3 Panamax
1 Handymax (to be sold)
1 Handysize (to be sold)

In August 2018, we closed on a new credit facility to fund a portion of the recently announced vessel acquisitions

Utilized the excess demand from the $460 million facility to achieve improved pricing and amortization profile

Highlights

- Simplified debt structure
- Lowered margins by 1.00% on a weighted average basis
- Improved terms
- Removed restrictions on additional indebtedness and vessel acquisitions
- Provided the Company with the ability to pay dividends
- Enhanced flexibility to execute upon fleet growth and renewal program
- Debt amortization of $15 million per quarter starting on December 31, 2018 for the $460 million facility**
- Debt amortization of $1.6 million per quarter starting on December 31, 2018 for the $108 million facility

*Unencumbered vessels currently include: the Genco Beauty, the Genco Knight, the Genco Vigour, and the Genco Muse. The Genco Surprise, the Genco Progress, the Genco Cavalier, and the Genco Explorer were sold on August 7, 2018, September 13, 2018, October 16, 2018, and November 13, 2018, respectively . The Genco Muse have been contracted to be sold as well.
**Follows an initial non-amortization period ending December 31, 2018. The amortization amount is to be recalculated based on changes in collateral vessels, prepayments as a result of collateral dispositions, or voluntary prepayments upon our request, subject to a minimum repayment profile in which the loan will be repaid to nil when the average age of the vessels serving as collateral from time to time reaches 17 years. Final payment of $190,000,000 due on May 31, 2023.

Select Balance Sheet Items

Selected Financial Information

September 30, 2018

(Dollars in thousands)

Balance Sheet	
Cash	**$165,724**
Debt	**$568,000**
Shareholders' Equity	**$1,034,583**

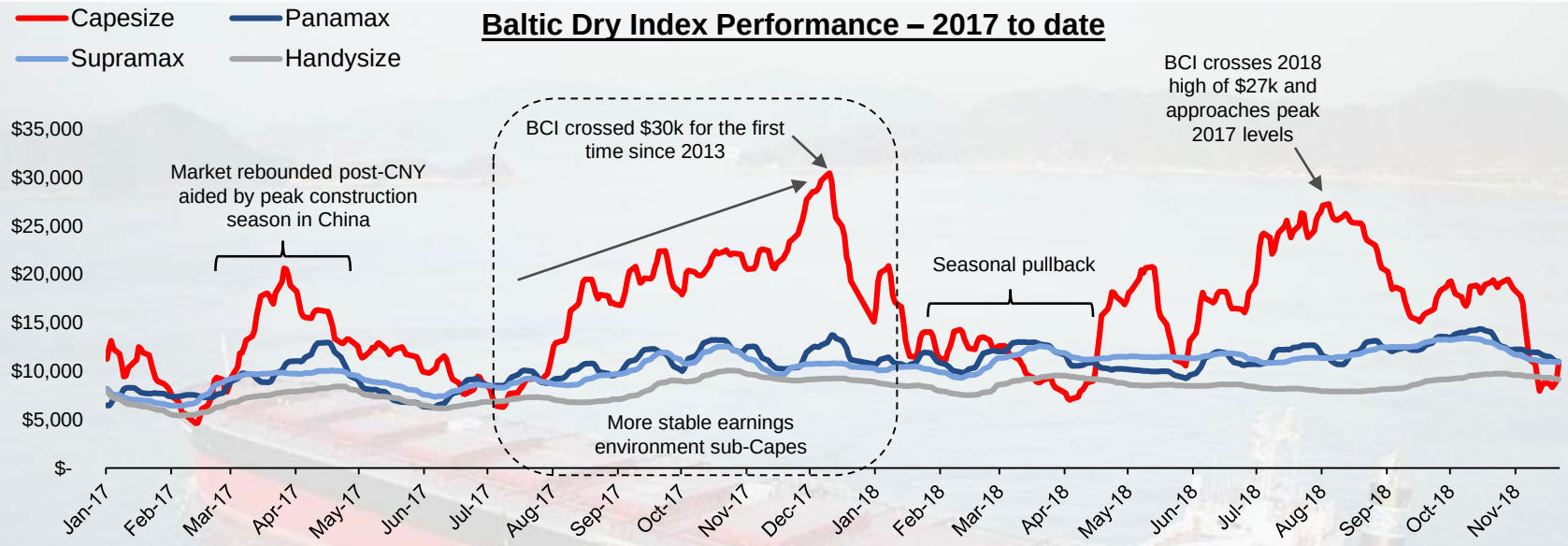
Strong balance sheet and liquidity position

Industry Overview

Drybulk Freight Rate Development Since Jan 2017

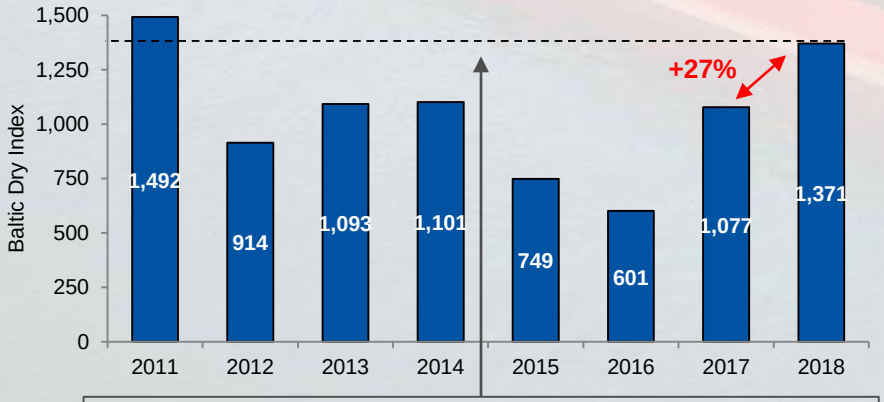
Capesize exposure provides upside earnings potential while minor bulk fleet provides a steadier income stream

Baltic Dry Index Performance – 2017 to date



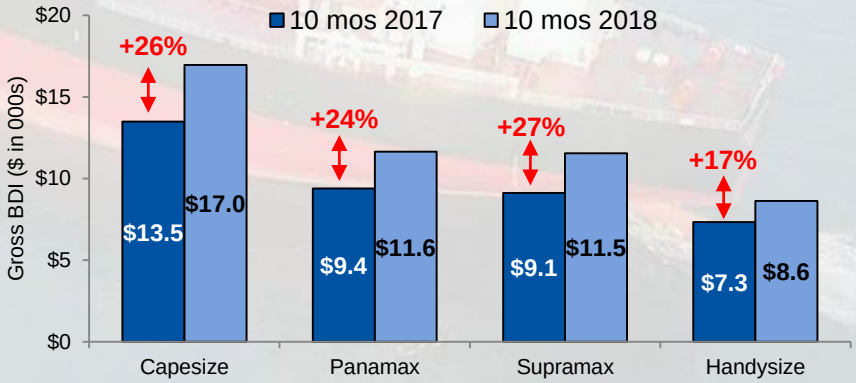
BDI Average

(First 10 months of Every Year From 2011 to 2018)



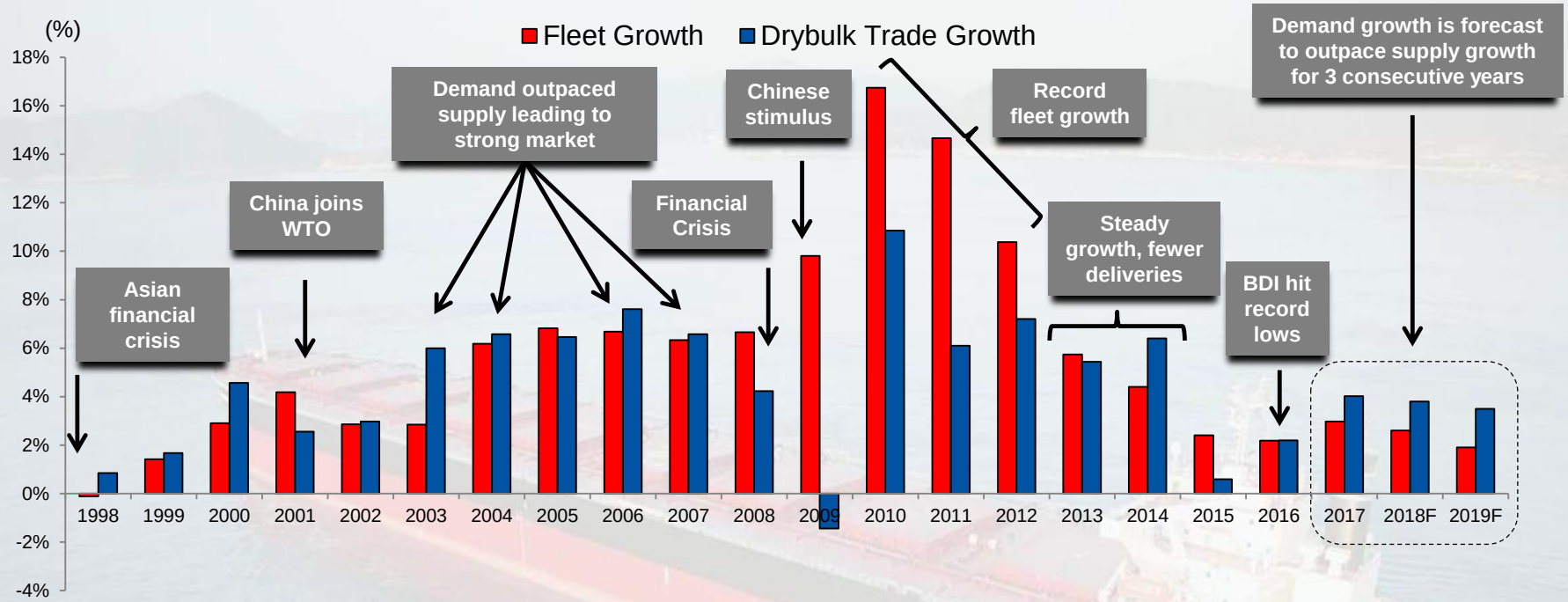
10 months 2018 BDI average is the highest since the first 10 months of 2011

BDI Performance – 10 Months 2017 vs 2018



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

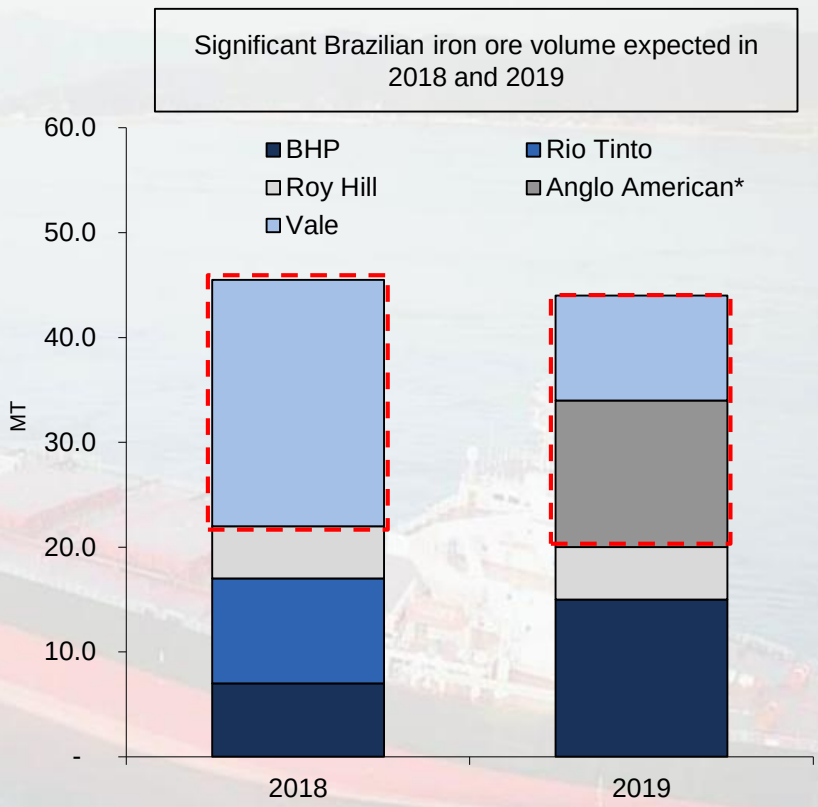
Source: Marsoft Incorporated.

Recent Market Developments

Recent Developments

- Net vessel supply growth of 2.5% in the YTD
- Global steel production has increased by 4.7% through the first nine months of 2018
- Capesize spot rates reached 2018 highs in Q3
- In November, Capesize rates have pulled back, largely due to:
  - A decline in Chinese steel mill margins which has led to an inventory drawdown of less expensive, lower grade iron ore
  - Increased tonnage count in the Atlantic
  - BHP train derailment in Western Australia
- Chinese iron ore imports are marginally down through the first ten months of 2018 YOY(1)
- China's iron ore port inventories have declined to approximately 143MT as compared to peak levels above 160MT

Key Iron Ore Expansion Plans(2)



*Anglo American's Minas Rio mine to possibly restart iron ore operations at the end of 2018 following supply disruptions earlier in the year.

1) Source: Clarkson Research Services Limited 2018
2) Source: Public statements by subject companies

Update on Trade Disputes

The below identifies the main areas that impact the drybulk market from the trade disputes currently – we note that a full blown trade war could lead to a slowdown in global GDP which could hamper overall trade volumes

US / China Trade Dispute – Recent Data Points

Soybeans

- Peak North American grain season commenced in September
- US soybean exports have gotten off to a slow start to the season given the trade dispute with China
  - Through the first 10 weeks of the season, US soybean exports have totaled only 9.9MT, a 42% decline YOY
  - US soybean shipments have increased to other markets such as Mexico, Spain, Argentina, Egypt and Iran
- China has turned towards Brazil to source its soybean demand
  - Next year's Brazilian soybean crop is pointing to another record
  - Due to the strong soybean season, exports are stronger and are being spread out over a longer period of time

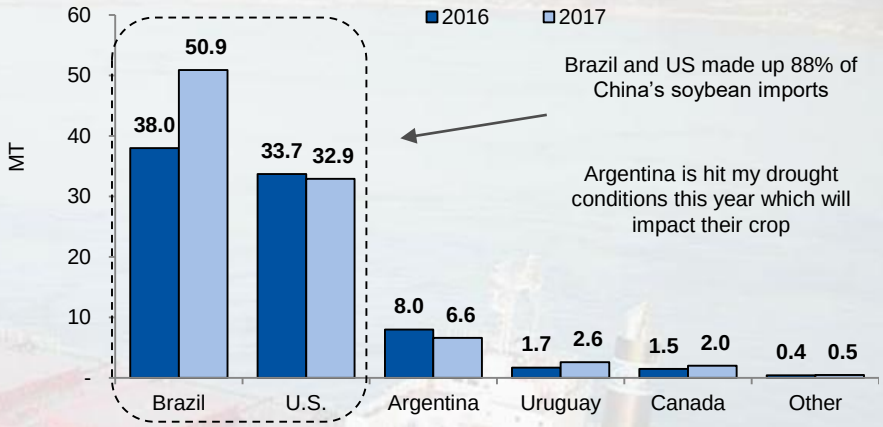
Steel

- While the US is the world's largest importer of steel (35MT in 2017), China is a marginal supplier (1MT in 2017 – #10 steel supplier to the US)
- The US has negotiated trade deals with several steel exporting nations exempting them from steel tariffs including Brazil, South Korea, Argentina and Australia
- Exemptions have expired for the EU, Canada and Mexico

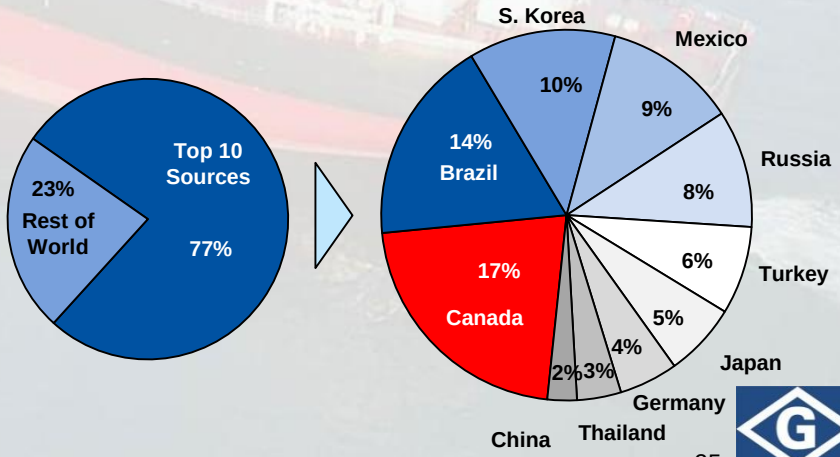
Coal

- On August 23rd, China levied a 25% tariff on $16 billion worth of American imports, including coal
- However, US shipments only make up a very small amount of Chinese imported coal

China Soybean Imports by Source – 2016 vs. 2017



2017 U.S. Steel Imports – Top 10 Sources (% by Volume)

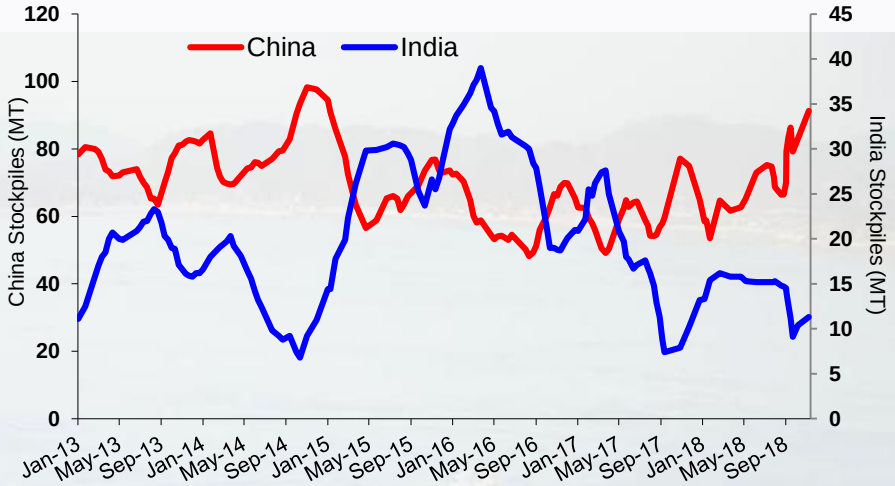


Sources: Clarksons Research Services Limited 2018, BIMCO

Major Bulks – Global Steel Production Growth Remains Strong

Global Steel Production (million tons)[1]			
	9 Mos 2018	9 Mos 2017	% Variance
China	699.4	659.4	6.1%
European Union	128.0	126.3	1.3%
Japan	78.6	78.3	0.4%
India	79.7	75.0	6.1%
South Korea	54.2	53.1	2.0%
Global Production	1,347.0	1,286.0	4.7%
Ex-China	647.6	626.6	3.3%

Coal Power Plant Stockpiles[2]



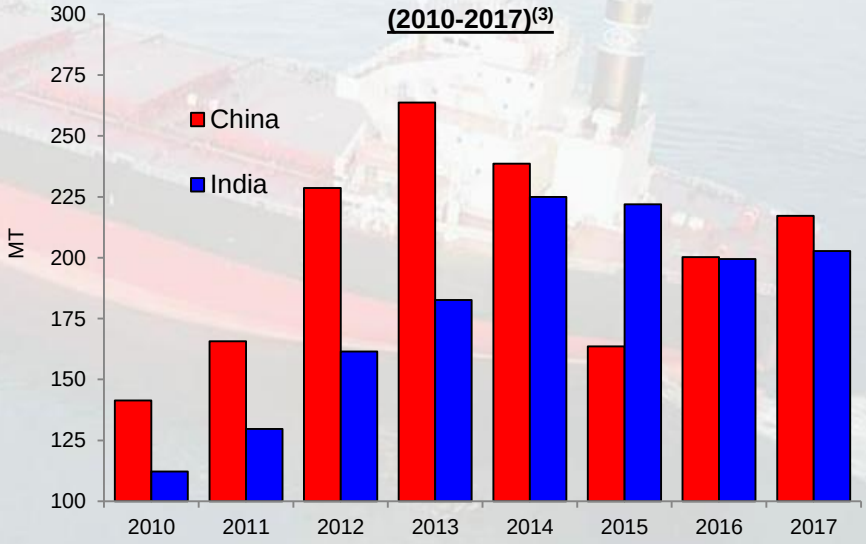
Steel Production

- Chinese steel production has increased by 6.1% through the first 9 months of 2018 YOY[1]
  - Strong margins for steel mills in China have incentivized greater production
  - Ex-China steel production rose by 3.3% during the same period led by a 6.1% YOY increase in output from India
- Steel inventories in China increased in Q1 2018 in line with historical seasonality but have been rapidly destocked since then[2]

Coal

- China's coal imports increased by 11% through October 2018 YOY
  - Increased coal power plant stockpiles along with reports of certain ports in China banning coal imports could affect the coal trade in the short term[2]
- India's coal power plant stockpiles remain near three year lows[2]
- In the short term, Indian coal imports should be stronger than those of China

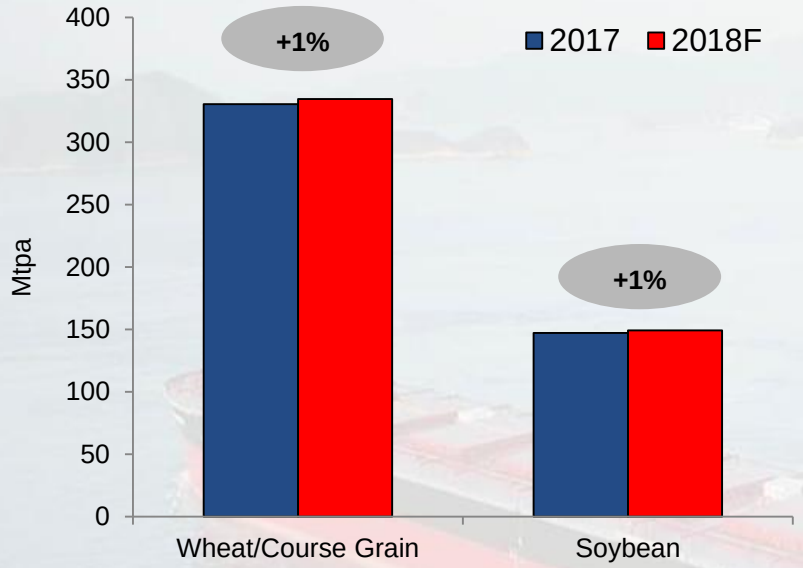
China and India Coal Imports (2010-2017)[3]



1) Source: World Steel Association
2) Source: Commodore Research
3) Source: Clarkson Research Services Limited 2018

Minor Bulks – Steady Grain Trade with Seasonal Impact

Clarksons Global Grain Trade Estimates



Seaborne Wheat / Course Grain Trade (MT)			
Exporter	**2017**	**2018 (f)**	**% Variance**
Argentina	40	42	6%
Australia	31	25	-21%
Canada	21	23	9%
EU	38	39	2%
US	75	76	1%
Others	125	129	4%
Total	**331**	**335**	**1%**

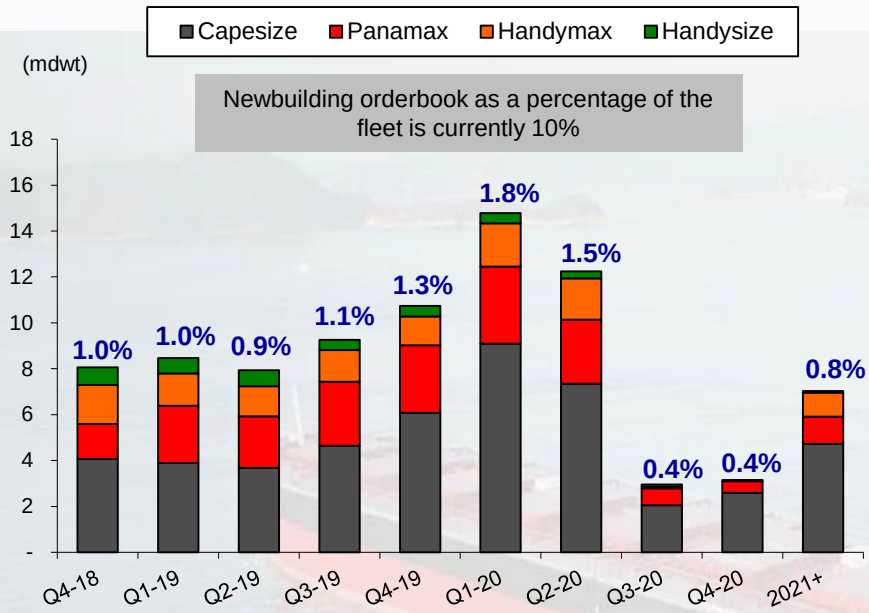
Seaborne Soybean Trade (MT)			
Exporter	**2017**	**2018 (f)**	**% Variance**
United States	54	50	-6%
Brazil	68	78	14%
Argentina	7	3	-60%
Paraguay	6	7	6%
Canada	4	5	12%
Uruguay	3	2	-30%
Others	4	5	6%
Total	**147**	**149**	**1%**

- Brazilian soybean exports to China rose by 15% through the first nine months of 2018
- Early indications point to another record Brazilian crop that will see exports ramp up starting in February 2019
- Through the first ten weeks of North American grain season, US soybean exports have been rerouted towards Latin America and Europe as opposed to China while the volumes to date are lower YOY
- Increased bauxite shipments from Guinea are expected to continue to add ton mile demand going forward

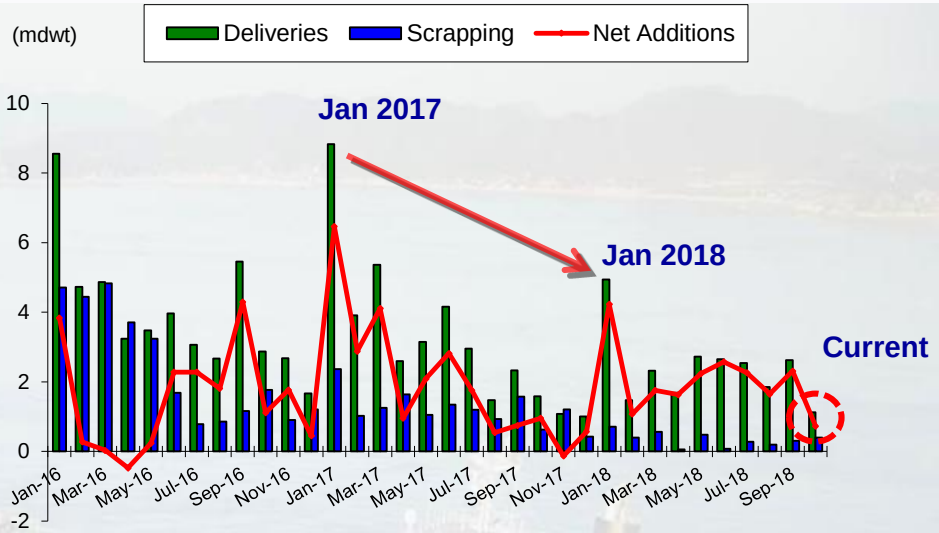
Source: Clarksons Research Services Limited 2018

Supply Side Fundamentals

Current Drybulk Vessel Orderbook by Type



Drybulk Vessel Deliveries vs. Scrapping



- Total newbuilding deliveries are down by approximately 35% YOY through the first ten months of 2018
- Slippage rate has remained high in the YTD at approximately 20%
- The pace of scrapping has eased so far in 2018 falling by 73% YOY through October 2018 to the lowest point since 2007
- Orderbook as a percentage of the fleet is currently at similar levels to this time last year at 10%
- On the water tonnage greater than or equal to 20 years old totals 7% of the fleet on a dwt basis

Source: Clarkson Research Services Limited 2018

Conclusion

Conclusion: Genco is Attractively Positioned To Capture Market Upside

Leadership	■ Experienced US-based management team
Genco's Fleet	■ 60+ vessel fleet mirrors global trade dynamics – scale provides significant operating leverage
Commercial Platform	■ Active management through global commercial platform and full-service logistics solution
Drybulk Market	■ Demand growth expected to outpace supply growth once again in 2019
Capital Structure	■ Simplified balance sheet that provides ample flexibility
IMO 2020	■ Comprehensive plan including installing scrubbers on Capes, with options on minor bulk vessels
Fleet Growth & Renewal	■ Recently completed two separate acquisitions while continuing to sell older vessels
Efficient Cost Structure	■ Have meaningfully reduced costs without sacrificing high quality and safety standards

Appendix

Third Quarter Earnings

	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017
	(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	$ 92,263	$ 51,161	$ 255,336	$ 134,780
Total revenues	92,263	51,161	255,336	134,780
Operating expenses:				
Voyage expenses	31,475	5,550	78,551	9,743
Vessel operating expenses	25,155	25,131	72,642	73,867
Charter hire expenses	723	-	1,231	-
General and administrative expenses (inclusive of nonvested stock amortization expense of $0.6 million, $1.3 million, $1.8 million and $3.5 million, respectively)	5,033	5,889	16,761	16,550
Technical management fees	2,028	1,883	5,926	5,735
Depreciation and amortization	17,269	17,836	50,605	54,194
Impairment of vessel assets	-	18,654	56,586	21,993
Gain on sale of vessels	(1,509)	-	(1,509)	(7,712)
Total operating expenses	80,174	74,943	280,793	174,370
Operating income (loss)	12,089	(23,782)	(25,457)	(39,590)
Other (expense) income:				
Other income (expense)	213	(37)	272	(152)
Interest income	1,062	494	2,743	1,006
Interest expense	(7,656)	(7,857)	(24,249)	(22,559)
Loss on debt extinguishment	-	-	(4,533)	-
Other expense	(6,381)	(7,400)	(25,767)	(21,705)
Income (loss) before income taxes	5,708	(31,182)	(51,224)	(61,295)
Income tax expense	-	-	-	-
Net income (loss)	$ 5,708	$ (31,182)	$ (51,224)	$ (61,295)
Net earnings (loss) per share - basic	$ 0.14	$ (0.90)	$ (1.37)	$ (1.80)
Net earnings (loss) per share - diluted	$ 0.14	$ (0.90)	$ (1.37)	$ (1.80)
Weighted average common shares outstanding - basic	41,618,187	34,469,998	37,263,200	34,135,736
Weighted average common shares outstanding - diluted	41,821,008	34,469,998	37,263,200	34,135,736

September 30, 2018 Balance Sheet

	September 30, 2018 (unaudited)	December 31, 2017
	(Dollars in thousands)	
BALANCE SHEET DATA:		
Cash (including restricted cash)	$ 166,039	$ 204,946
Current assets	237,308	217,239
Total assets	1,632,274	1,520,959
Current liabilities (excluding current portion of long-term debt)	43,315	27,952
Current portion of long-term debt	66,320	24,497
Long-term debt (net of $17.2 million and $9.0 million of unamortized debt issuance costs at September 30, 2018 and December 31, 2017, respectively)	484,480	490,895
Shareholders' equity	1,034,583	975,027

	Three Months Ended		Nine Months Ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
	(Dollars in thousands) (unaudited)		(Dollars in thousands) (unaudited)	
OTHER FINANCIAL DATA:				
Net cash provided by operating activities	N/A		$ 43,375	$ 3,721
Net cash (used in) provided by investing activities			(226,491)	15,781
Net cash provided by (used in) financing activities			144,209	(3,465)
	(unaudited)		(unaudited)	
EBITDA Reconciliation:				
Net income (loss)	$ 5,708	$ (31,182)	$ (51,224)	$ (61,295)
+ Net interest expense	6,594	7,363	21,506	21,553
+ Income tax expense	-	-	-	-
+ Depreciation and amortization	17,269	17,836	50,605	54,194
EBITDA[(1)]	$ 29,571	$ (5,983)	$ 20,887	$ 14,452
+ Impairment of vessel assets	-	18,654	56,586	21,993
- Gain on sale of vessels	(1,509)	-	(1,509)	(7,712)
+ Loss on debt extinguishment	-	-	4,533	-
Adjusted EBITDA	$ 28,062	$ 12,671	$ 80,497	$ 28,733

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

Third Quarter Highlights

	Three Months Ended (unaudited)		Nine Months Ended (unaudited)	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
FLEET DATA:				
Total number of vessels at end of period	64	60	64	60
Average number of vessels (1)	61.7	60.0	60.6	61.1
Total ownership days for fleet (2)	5,673	5,520	16,533	16,687
Total chartered-in days (3)	65	-	114	-
Total available days (4)	5,680	5,399	16,505	16,242
Total available days for owned fleet (5)	5,615	5,399	16,391	16,242
Total operating days for fleet (6)	5,623	5,308	16,318	16,003
Fleet utilization (7)	98.5%	97.9%	98.5%	97.8%
AVERAGE DAILY RESULTS:				
Time charter equivalent (8)	$ 10,696	$ 8,448	$ 10,710	$ 7,698
Daily vessel operating expenses per vessel (9)	4,434	4,553	4,394	4,427

(1) Average number of vessels is the number of vessels that constituted our fleet for the relevant period, as 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, which Genco has recently updated and incorporated in the table above to better demonstrate the manner in which Genco evaluates its business, 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. Amounts for available days in the table above for the periods ended September 30, 2017 have been adjusted for our updated method of calculating available days. 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 available days in a period less the aggregate number of days that our 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. Amounts for operating days in the table above for the periods ended September 30, 2017 have been adjusted for our updated method of calculating available days.

(7) We calculate fleet utilization, which Genco has recently updated and incorporated in the table above to better demonstrate the manner in which Genco evaluates its business, as the number of our operating days during a period divided by the number of ownership days plus chartered-in days less drydocking days. Amounts for fleet utilization in the table above for the periods ended September 30, 2017 have been adjusted for our updated method of calculating fleet utilization.

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

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

Time Charter Equivalent Reconciliation(1)

	Three Months Ended		Nine Months Ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
	(unaudited)		(unaudited)	
Total Fleet				
Voyage revenues (in thousands)	$ 92,263	$ 51,161	$ 255,336	$ 134,780
Voyage expenses (in thousands)	31,475	5,550	78,551	9,743
Charter hire expenses (in thousands)	723	-	1,231	-
	60,065	45,611	175,554	125,037
Total available days for owned fleet	5,615	5,399	16,391	16,242
Total TCE rate	$ 10,696	$ 8,448	$ 10,710	$ 7,698

	Three Months Ended					
	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017	March 31, 2018	June 30, 2018
	(unaudited)					
Total Fleet						
Voyage revenues (in thousands)	$ 38,249	$ 45,370	$ 51,161	$ 74,918	$ 76,916	$ 86,157
Voyage expenses (in thousands)	3,241	951	5,550	15,579	21,093	25,983
Charter hire expenses (in thousands)	-	-	-	-	-	509
	35,008	44,419	45,611	59,339	55,823	59,665
Total available days for owned fleet	5,538	5,319	5,399	5,514	5,335	5,442
Total TCE rate	$ 6,321	$ 8,351	$ 8,448	$ 10,761	$ 10,463	$ 10,964

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