Genco Shipping & Trading Limited



Company Presentation

NYSE:GNK

April 2019

Forward Looking Statements

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

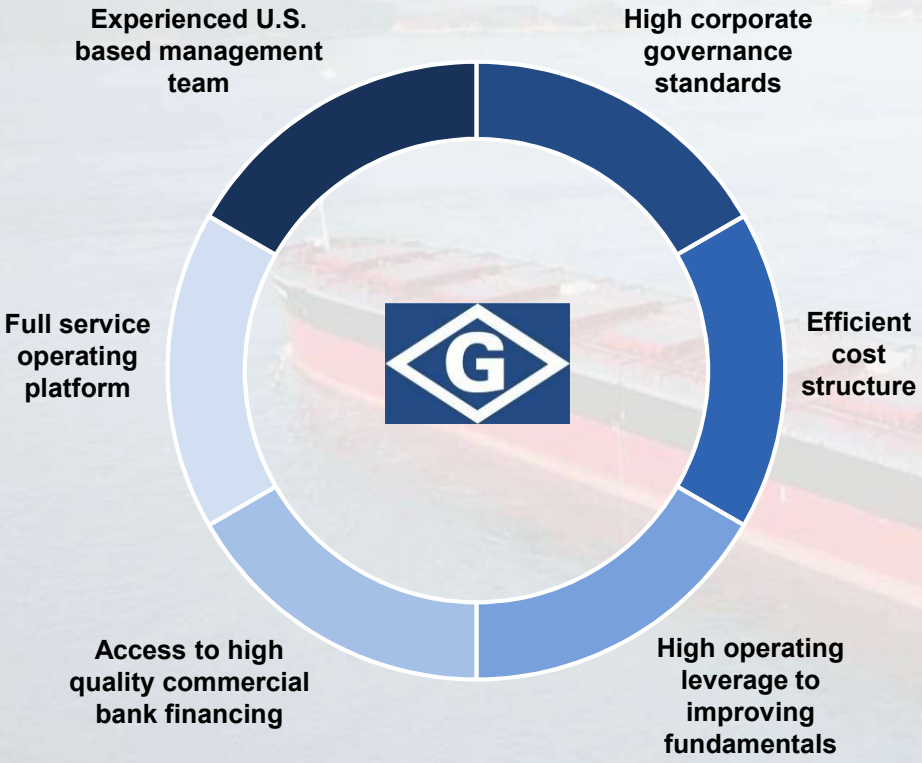
This presentation contains forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements use words such as “anticipate,” “budget,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” and other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



Executive Summary

Genco is Attractively Positioned to Capture Market Upside

Key Highlights of the Genco Platform



- ✓ **Commercial platform investments driving revenue growth and margin expansion**
- ✓ **Genco's fleet is directly aligned with global commodity flows through major and minor bulk strategy**
- ✓ **Credit facilities structure simplifies balance sheet and improve flexibility to grow and drive shareholder return**
- ✓ **Strong cash position and balance sheet are key differentiators to potentially create strategic opportunities**
- ✓ **Completed two separate acquisition transactions, taking delivery of a total of four Capesize and two Ultramax vessels**
- ✓ **Acquisitions and fleet renewal program aimed at modernizing fleet and increasing fuel efficiency**
- ✓ **Portfolio approach to IMO 2020 focuses on maximizing returns and maintaining optionality in evolving fuel market**

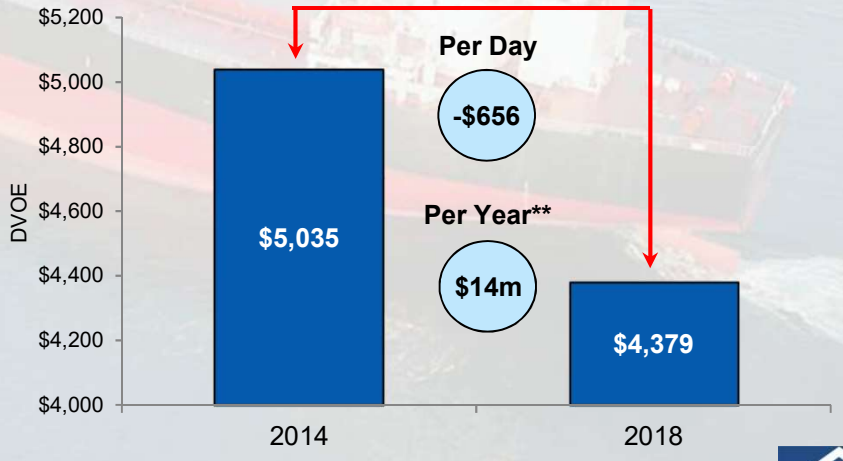
How 2018 Stacks Up Versus 2017

2018 proved to be a successful year for Genco as increased operating cash flow generation further solidified our already strong balance sheet

	2017	2018
Operating cash flow	$24 million	$66 million
Voyage revenues	$210 million	$368 million
TCE	$8,474	$11,364
DVOE	$4,417	$4,379
Vessels acquired	0	6
Cost of Debt, LIBOR +…	4.11%	3.11%
TC-in days	0	132
Annualized Fixture Volume*	125	>400
Direct Cargo Customers*	0	>90

- Voyage revenues increased by 75% in 2018 as compared to 2017
- TCE was Genco's highest since 2011
- DVOE came in under our 2018 budget

Opex optimization has led to significant savings

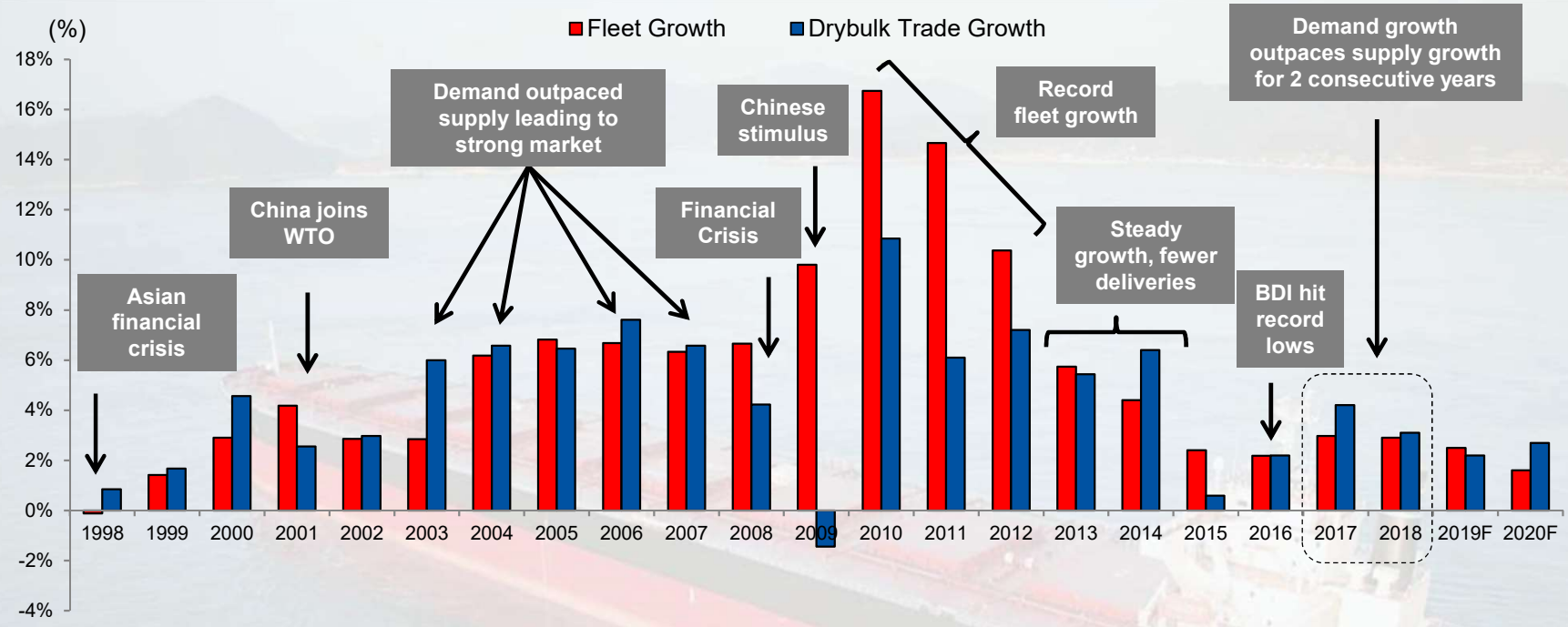


*Previous vs. new platform data points
See Appendix for a reconciliation of non-GAAP financial measures.

**Annualized savings presented is based on a fleet of 58 vessels and shown for illustrative purposes.

How do Fundamentals Look Today as Compared to the Past

Drybulk Supply & Demand Growth over Last 20 Years



- 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 and 2018 resulting in a stronger drybulk market

Source: Marsoft Incorporated.

Drybulk Market Outlook

Following two consecutive years of demand growth outpacing supply growth, in 2019, drybulk market fundamentals appear more balanced while demand is anticipated to once again outpace supply in 2020

Drybulk Market Catalysts

1 Iron Ore Trade Growth

- Focus remains on high quality seaborne iron ore from Brazil and Australia
- Anglo American to produce +15MT more in 2019
- Clarity needed on output from Vale beyond this year

2 Coal Trade Linked to Developing Economies

- India likely to continue to drive seaborne coal trade
- Growth expected from smaller developing Asian nations
- China remains x-factor

3 Soybean Trade

- Strong Brazilian crop expected
- Upside potential if US-China trade dispute gets resolved

4 Low Fleet Growth

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

Supply & Demand Growth Estimates

	Vessel*	2019	2020
Iron Ore 	Capesize	+0.6%	+3.3%
Coal 	Capesize Panamax	+1.8%	+1.7%
Grain 	Panamax Supramax Handysize	+5.2%	+1.4%
Minor Bulk 	Supramax Handysize	+3.1%	+3.3%
Total Demand		+2.2%	+2.7%
Fleet Growth		+2.5%	+1.6%

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

Sources: Marsoft, Clarksons

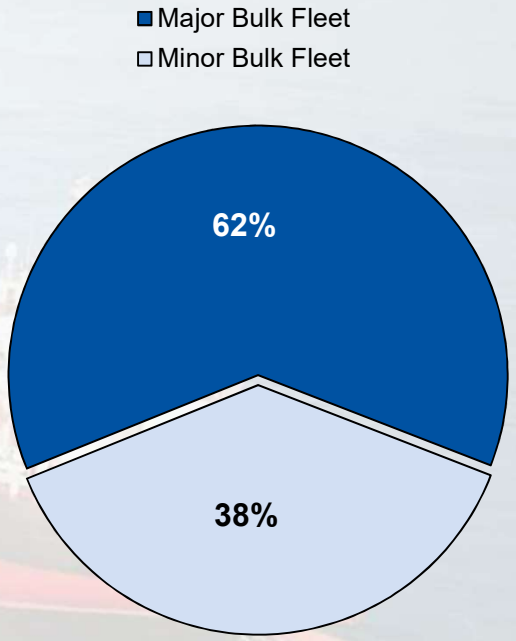
Genco's Fleet Directly Aligns with Global Trade Dynamics

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

Commodity	Percentage of Trade - 2018	Primary Vessel Type	Shipping Market Beta
Iron Ore	31% Genco Cargoes Carried / 28% Global Drybulk Trade	Capesize (17 vessels)	2.0
Coal	28% / 24%	Panamax (2 vessels)	0.9
Grain	15% / 9%	Ultramax/ Supramax (26 vessels)	0.7
Minor Bulk	26% / 39%	Handysize (13 vessels)	0.5

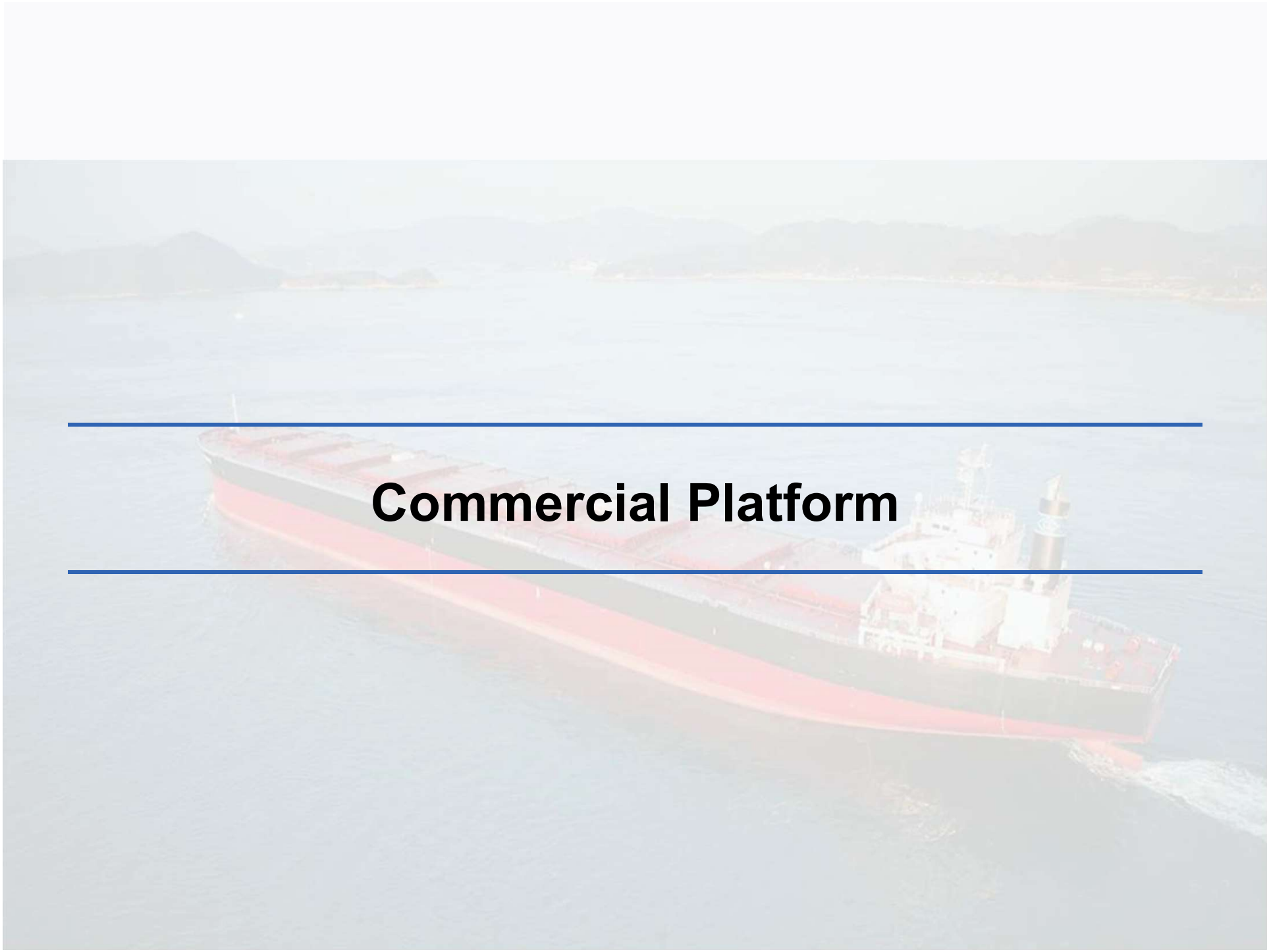
(# owned by Genco)

Provides significant upside potential



Genco Fleet Distribution (dwt)

Sources: Marsoft Incorporated, Clarksons Research Services Limited 2019



Commercial Platform

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: 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

Active Commercial Strategy to Drive Margins

Fleet deployment strategy remains weighted towards short-term fixtures providing optionality

Major Bulk

High quality, seaborne iron ore from Brazil and Australia remains in strong demand over the long-term

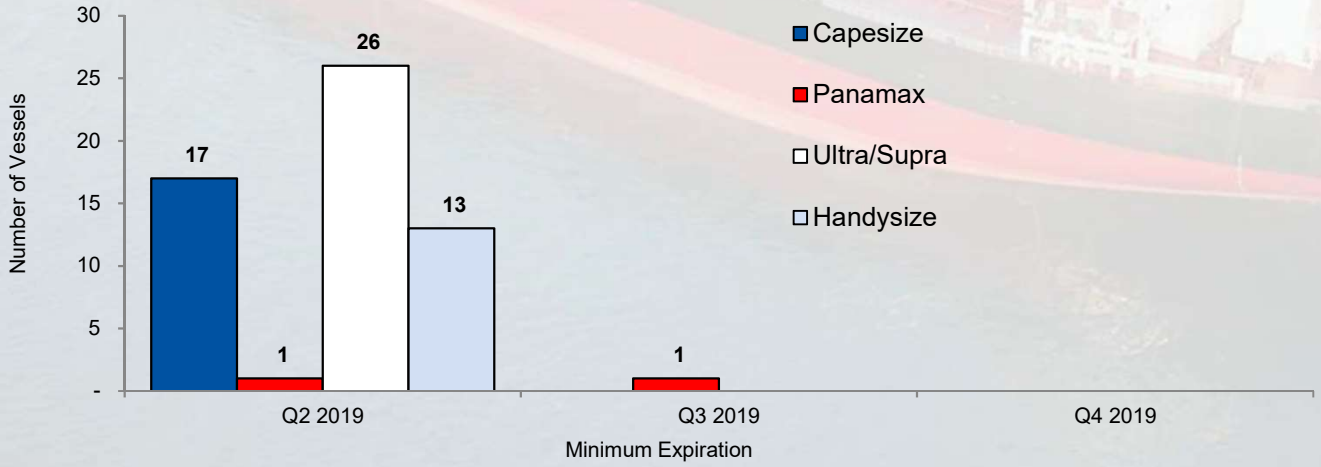
- Real-time management of Capesize fleet
- Significantly increased customer base
- Deeply entrenched with major bulk customers given Far East presence
- Portfolio approach to fixtures with a short-term bias
- Strategic timing of fixtures to capitalize on market trends and seasonality

Minor Bulk

Demand from developing economies to support coal, grain and minor bulk trades

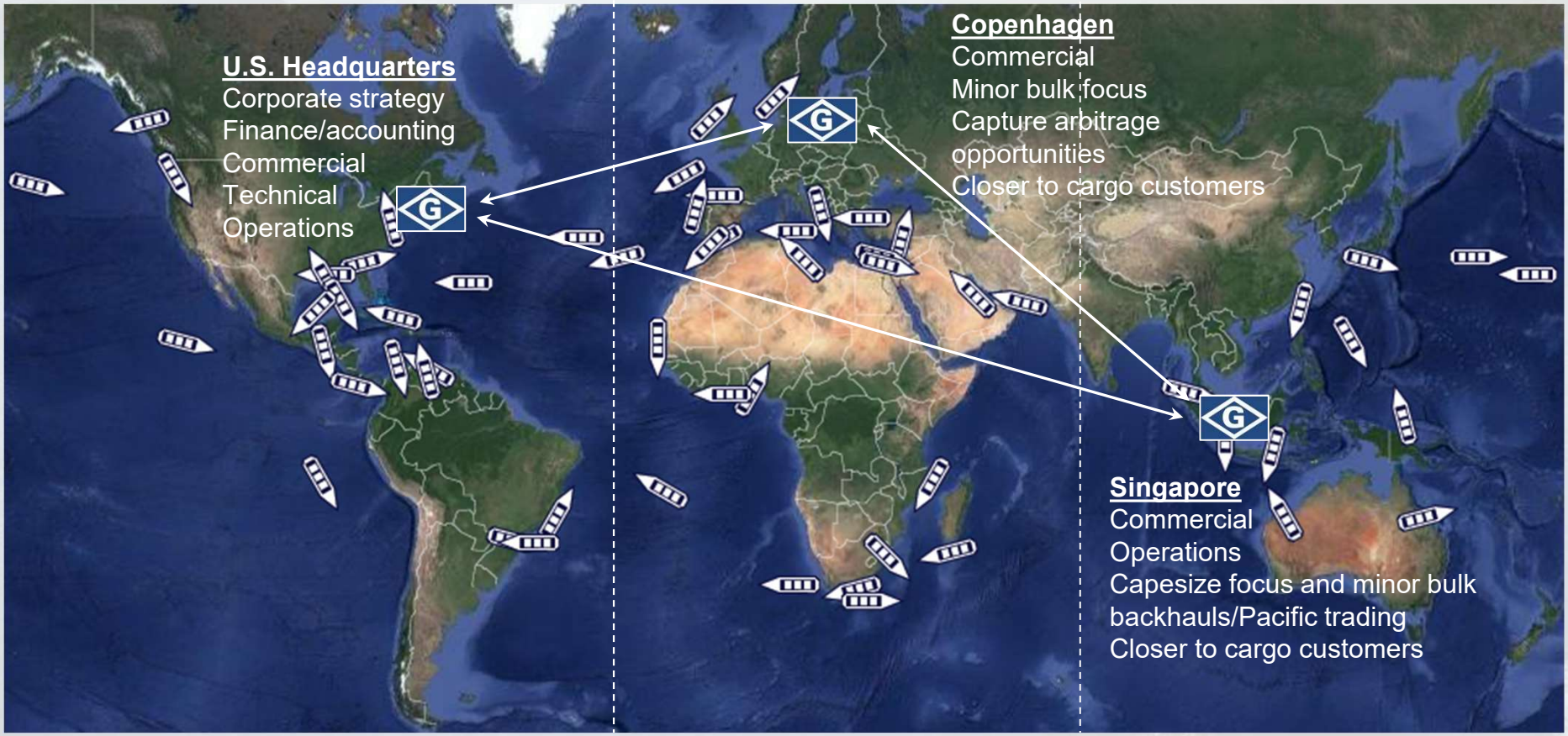
- Real-time market intelligence drives margin expansion
- Further establish relationships with key customers
- Full-service logistics solution (voyage business & direct cargo liftings)
- Copenhagen presence rounds out the commercial platform
  - Provides the ability to take advantage of arbitrage opportunities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

Coverage over Q1, short-term bias towards fixtures for the balance of the year



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 has enabled the Company the ability to instantly capture market trends to maximize revenue generation

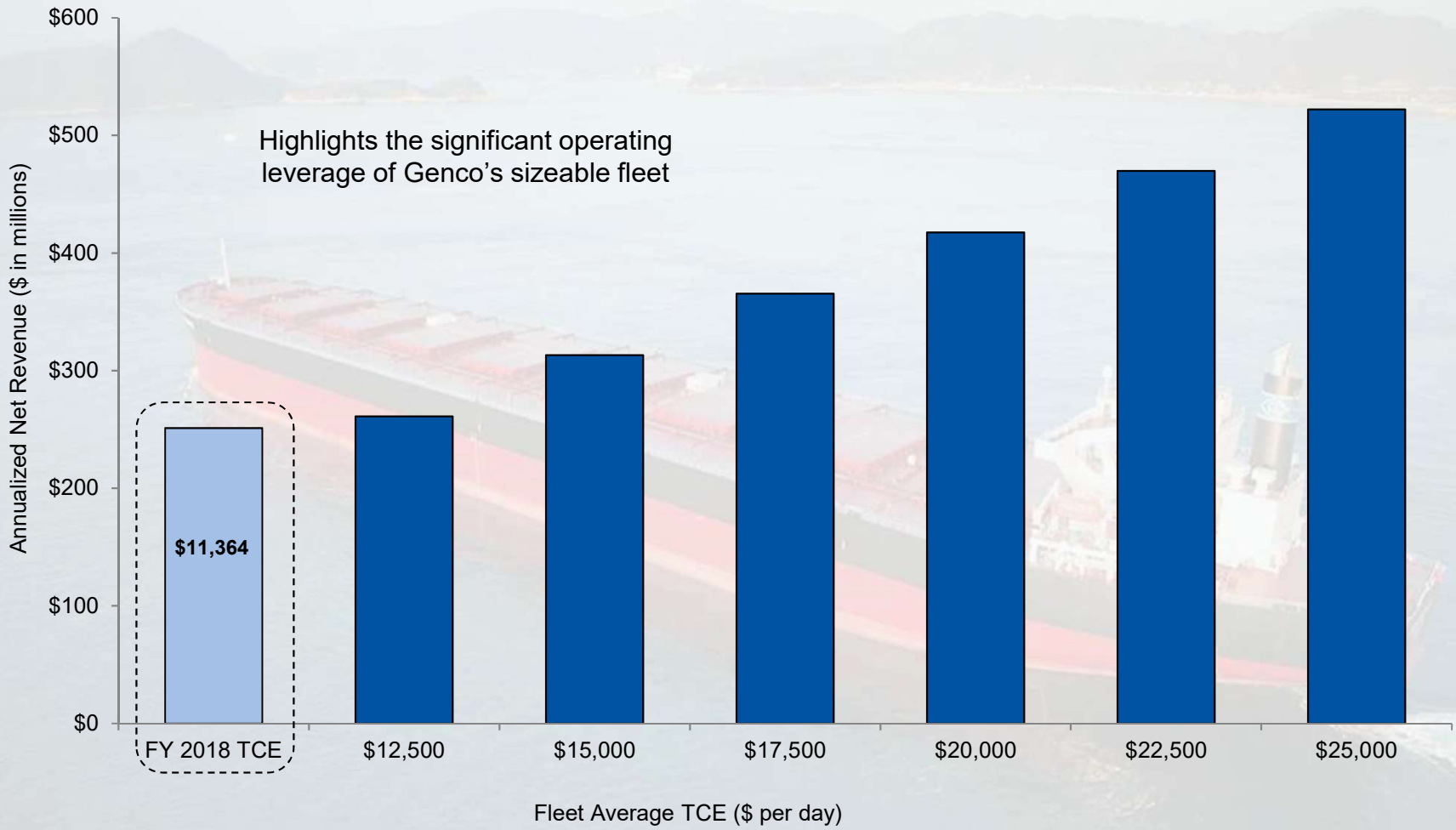


Time difference to US:	+6 hours	+12/13 hours

Source: VesselsValue.com

Sensitivity to Net Revenues

Every $1,000 increase in TCE equates to ~$21 million of incremental cash flow



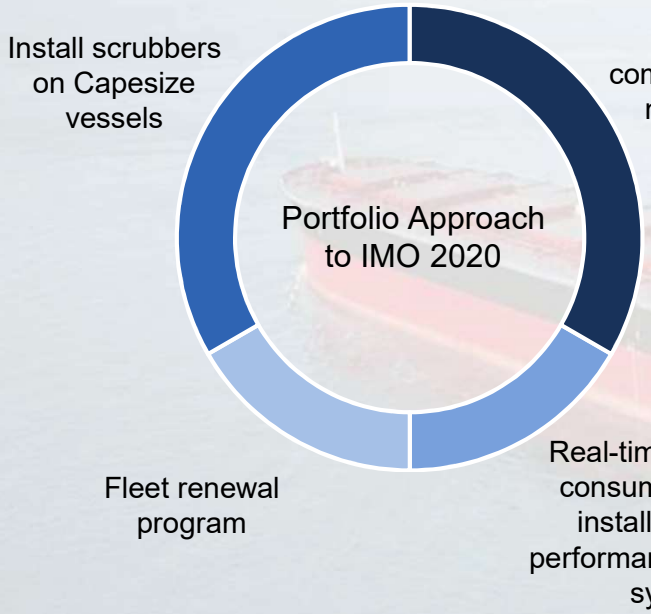
Note: Based on current Pro Forma fleet of 58 vessels.



IMO 2020 Strategy

Balanced IMO 2020 Strategy – Optimal for Evolving Marine Fuel Market

Genco's Comprehensive Plan



Install Scrubbers on Capesize Vessels
Evaluate Installation 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
- Agreements to install scrubbers on 17 Capesizes
- Evaluating options to install scrubbers on certain minor bulk vessels

Burn Compliant Fuel in Minor Bulk Fleet

- Immediate compliance
- Does not require upfront capex

Fleet Renewal Program

- Completed sale of older, unencumbered vessels
- Improved fleet-wide fuel efficiency



Financial Overview

Favorable Debt Structure

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

Consolidation of our credit facilities enabled Genco to:

- Reduce interest expense
  - Weighted average margin dropped by 100 bps
- Simplify our capital structure
- Push out debt maturities to 2023
- Obtain a covenant light structure

- Ease restrictions on our ability to:
  - Use cash on the balance sheet
  - Incur additional indebtedness
  - Pay dividends
  - Execute our fleet renewal strategy

Simplified Debt Structure – Dec 31, 2018

$551m
Total debt outstanding consisting of two facilities…

$460m Credit Facility	$108m Credit Facility
Debt Outstanding $445.0m	**Debt Outstanding** $106.4m
Quarterly Amortization $15.0m	**Quarterly Amortization** $1.6m
Pricing L + 3.25% (thru 12/31/18), L + 3.00-3.50% (thereafter)	**Pricing** L + 2.50% (thru 9/30/19) L + 2.25-2.75% (thereafter)

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Closed Scrubber Facility in Feb 2019

$35m
Total commitment – the lesser of $35m or 90%

Key terms include

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

Select Balance Sheet Items

Selected Financial Information

December 31, 2018

(Dollars in thousands)

Balance Sheet	
Cash	**$202,761**
Debt	**$551,420**
Shareholders' Equity	**$1,053,307**

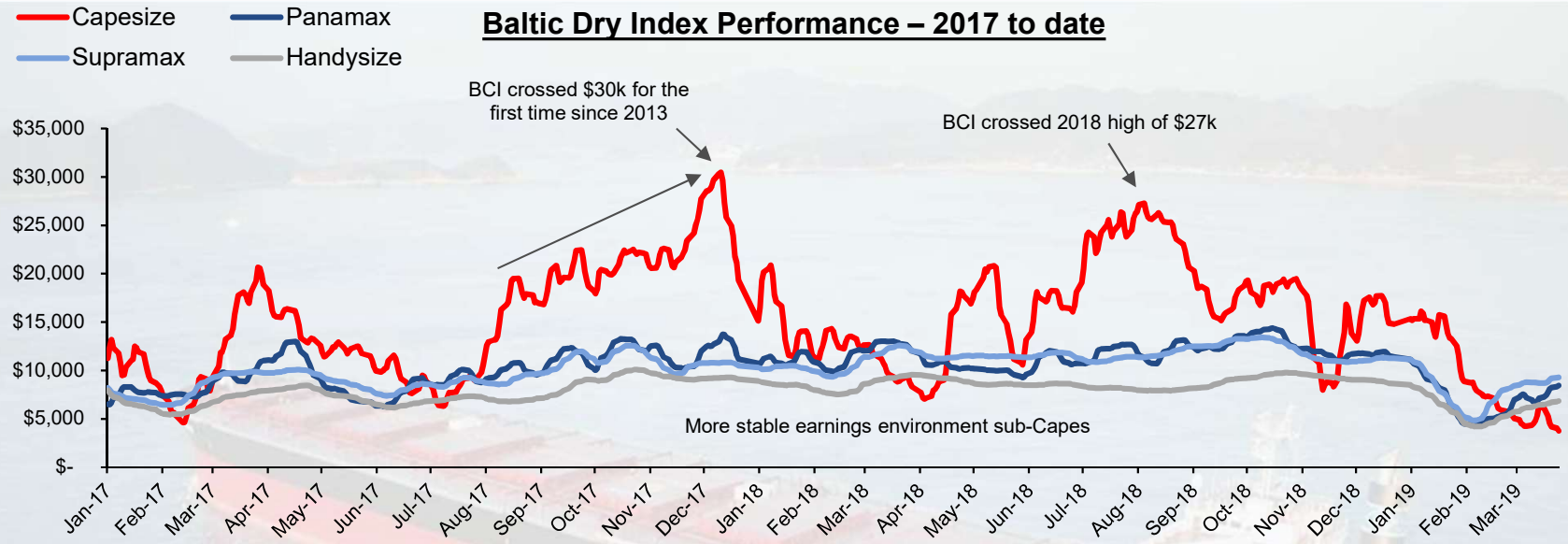
- Following $6.4 million of net proceeds from the sale of the Genco Vigour in January 2019, our pro forma cash position is $209 million
- Cash balance is a key differentiator for Genco providing us with significant optionality and flexibility

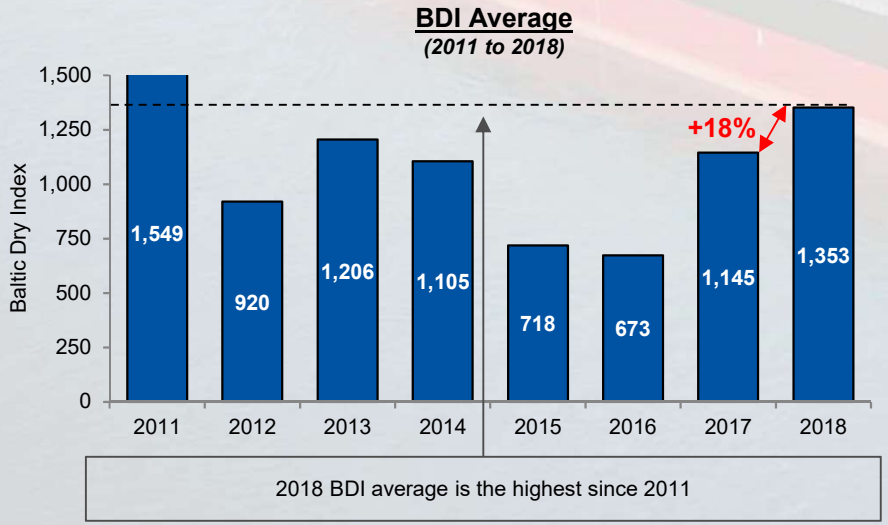


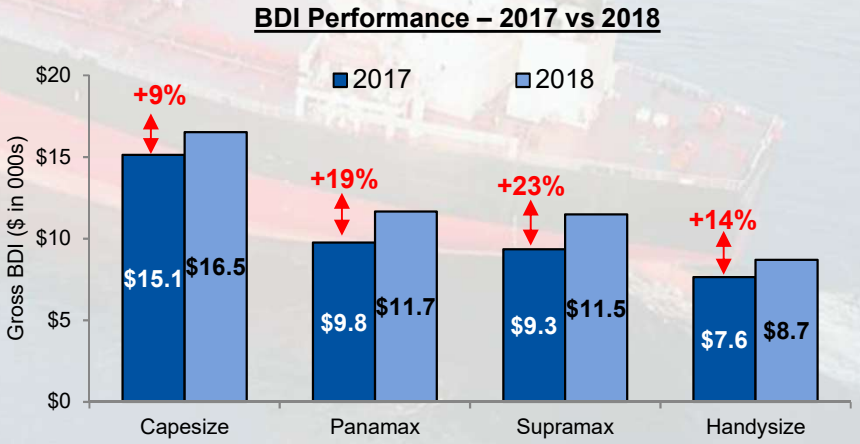
Industry Overview

Drybulk Freight Rate Development Since Jan 2017

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







Current Drybulk Market Drivers

Typical first quarter seasonality has been exacerbated by recent events described below but near term drivers could support the drybulk market in the months ahead

Seasonal factors affecting freight rates

1) Frontloaded orderbook leading to higher N/B deliveries and net fleet growth in Q1
2) Chinese New Year holiday in February
3) Weather related disruptions impacting cargo availability – i.e. cyclones in Aust during March

On top of these seasonal factors, unique developments include…

1) Vale dam breach incident
2) Lingering US-China trade dispute
3) Reports of coal restrictions in China

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Potential near term demand drivers

1) Peak spring construction season in China
2) Potential iron ore restocking
3) South American grain season
4) Potential US-China trade resolution
5) Increased seaborne coal demand from China if limited domestic output growth materializes

Above met by a backdrop of low net fleet growth

1) 2-3% net fleet growth expected for 2019 with a large portion frontloaded
2) Supply side disruption expected in 2H 2019 due to scrubber installations ahead of Jan 1, 2020
3) Potential for increased scrapping due to current market conditions and upcoming environmental regulations

Vale dam breach on Jan 25, 2019 and impact on trade

Vale's iron ore production impacted by dam incident

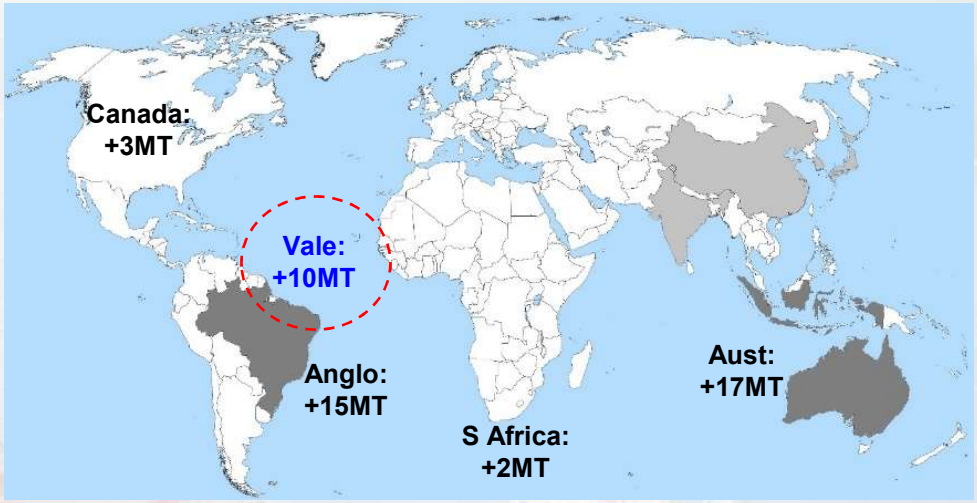
- ***40MT:*** due to advanced decommissioning of all upstream dams
  - Vale stated that output is to be ***partially*** made up from other mines
- ***30MT:*** court decision to halt operations at Brucutu mine
- ***13MT:*** count decision to halt operations at Timbopeba mine
- ***10MT:*** Vale's decision to temporarily suspend operations on a preventative basis at Alegria mine
- Vale has yet to provide updated 2019 production guidance
- Prior to this incident, Vale had been planning to reduce output from their southern system
  - While ramping up S11D in the northern system

How the market has responded to date

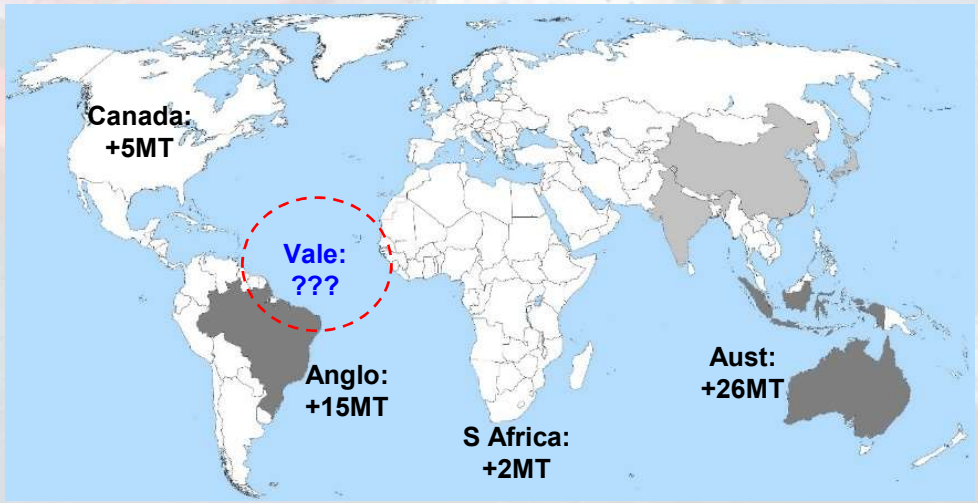
- Iron ore prices have reached multi year highs
- Other major iron ore miners in Australia haven't been able to increase shipments due to recent cyclone activity leading to further iron ore price strength
- Higher iron ore prices could lead to inventory drawdowns

Clarksons 2019 incremental iron ore trade forecast

Prior **to Vale incident**



Post **Vale incident**



Australia and Canada could increase shipments in response to the Vale incident

Major Bulks – Global Steel Production Growth Remains Strong

Global Steel Production (million tons)[1]			
	2 Mos 2019	2 Mos 2018	% Variance
China	149.6	137.0	9.2%
European Union	26.9	28.0	-3.9%
Japan	15.9	17.3	-8.3%
India	17.9	17.9	0.1%
South Korea	11.8	11.7	1.1%
Global Production	287.6	277.2	3.8%
Ex-China	138.0	140.2	-1.5%

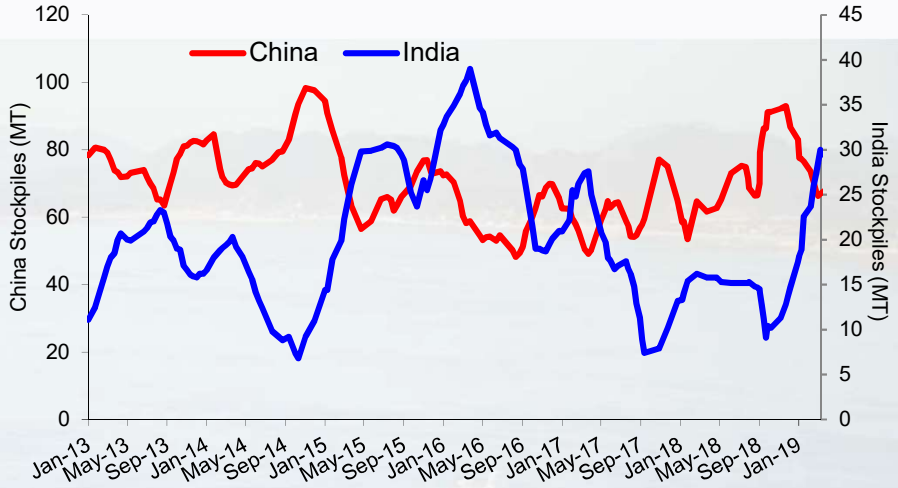
Steel Production

- Chinese steel production increased by 9.2% through the first two months of 2019[1]

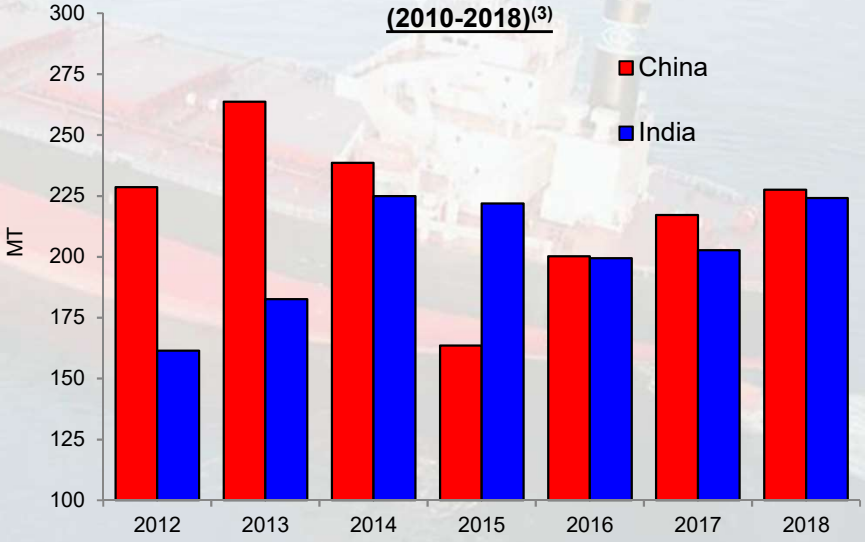
Coal

- China's coal imports increased by 4.9% in through the first two months of 2019
  - Mining accidents at Chinese domestic coal mines continue to occur, which could lead to additional mine inspections and closures[2]
- India's coal power plant stockpiles have increased but remain below required amounts[2]
- India's rising steel production continues to support demand for coking coal[3]

Coal Power Plant Stockpiles[2]



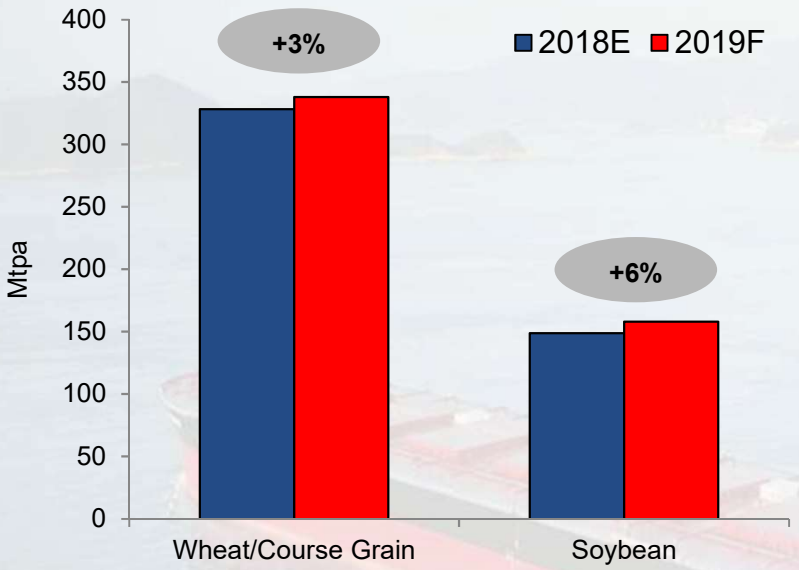
China and India Coal Imports (2010-2018)[3]



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

Minor Bulks – Steady Grain Trade with Seasonal Impact

Clarksons Global Grain Trade Estimates



Seaborne Wheat / Course Grain Trade (MT)			
Exporter	**2018 (e)**	**2019 (f)**	**% Variance**
Argentina	37	38	1%
Australia	20	22	10%
Canada	23	24	2%
EU	35	38	7%
US	84	87	4%
Others	129	130	1%
Total	**328**	**338**	**3%**

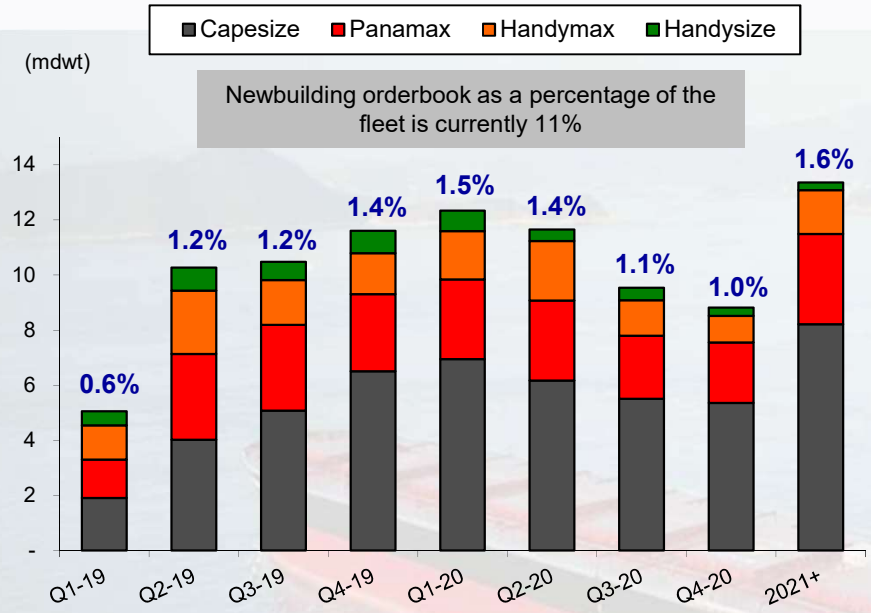
Seaborne Soybean Trade (MT)			
Exporter	**2018 (e)**	**2019 (f)**	**% Variance**
United States	45	49	11%
Brazil	84	83	-1%
Argentina	4	7	101%
Paraguay	6	6	-5%
Canada	5	5	-1%
Uruguay	1	2	82%
Others	5	5	7%
Total	**149**	**158**	**6%**

- China has begun procuring US soybeans in large volumes once again with several purchases recently announced
- Another strong Brazilian crop is expected to ramp up shortly
  - This, together with US soybeans entering the market, could be supportive to minor bulk shipments
- Increased bauxite shipments from Guinea are expected to continue to add ton mile demand going forward

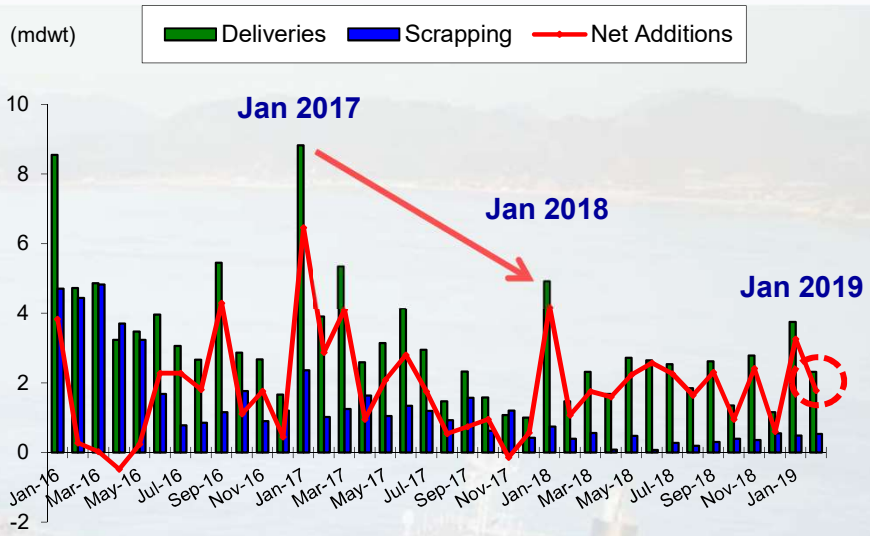
Source: Clarksons Research Services Limited 2019

Supply Side Fundamentals

Current Drybulk Vessel Orderbook by Type

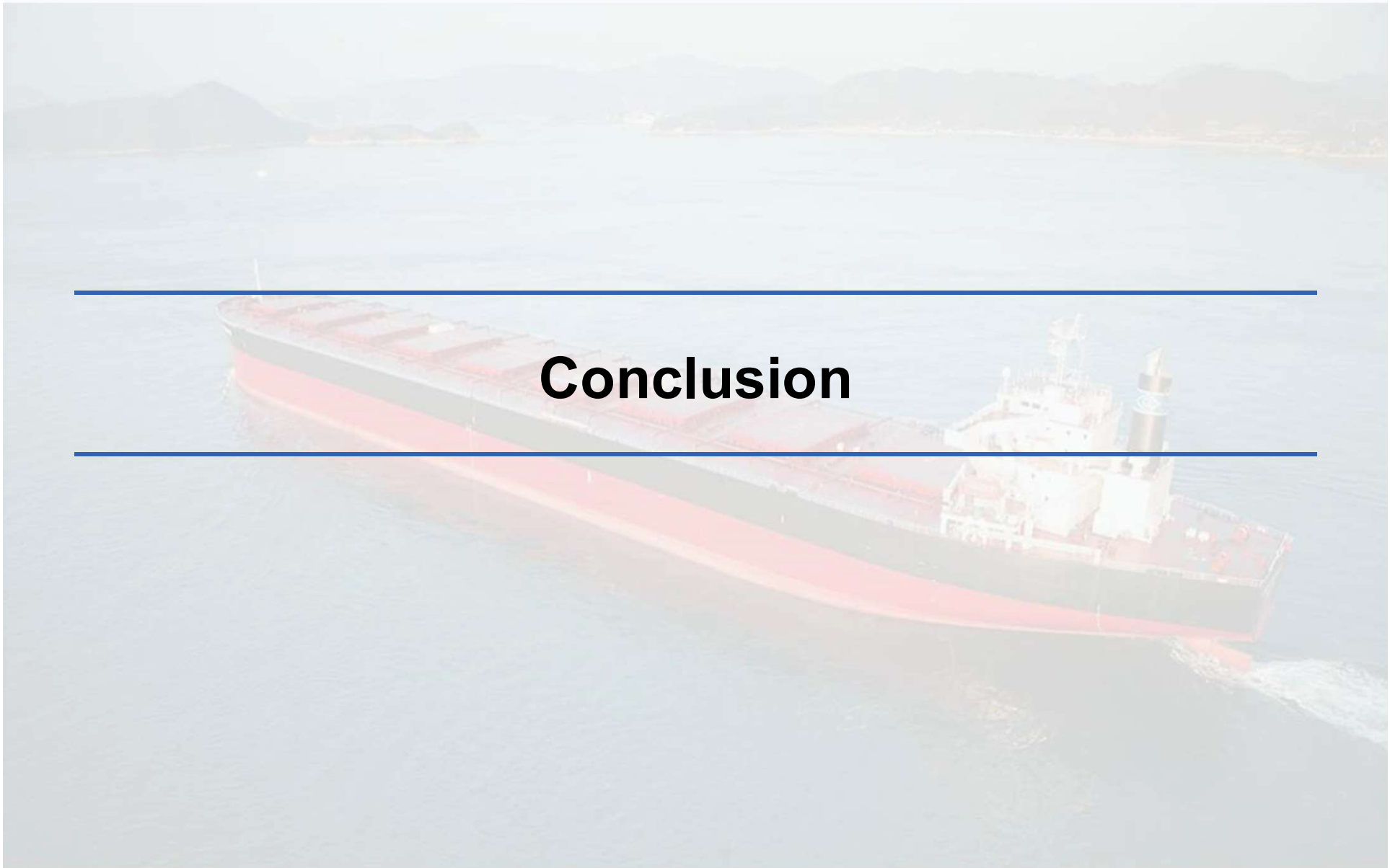


Drybulk Vessel Deliveries vs. Scrapping



- Total newbuilding deliveries are down by approximately 5% through February YOY
- Slippage rate in 2019 to date has been approximately 30%
- The pace of scrapping has increased significantly so far in 2019, with approximately 2.5mdwt scrapped to date as compared to 4.4mdwt scrapped in all of 2018
- Orderbook as a percentage of the fleet is currently at approximately 11%
- On the water tonnage greater than or equal to 20 years old totals 7% of the fleet on a dwt basis

Source: Clarkson Research Services Limited 2019



Conclusion

Drybulk Market Outlook Through 2020

Following two consecutive years of demand growth outpacing supply growth, in 2019, drybulk market fundamentals appear more balanced while demand is anticipated to once again outpace supply in 2020

2019 & 2020 Demand Fundamentals

- Demand growth: 2.2% / 2.7%
- Focus remains on high quality seaborne iron ore
  - Anglo American: +15MT
  - Incremental tons out of Australian majors
- Coal trade expected to be boosted by demand in India and inventory restocking
- Steady growth in minor bulk trades led by:
  - Grain
  - Bauxite
  - Nickel ore

2019 & 2020 Supply Fundamentals

- Supply growth: 2.5% / 1.6%
- Orderbook as a percentage of the fleet: 11%
- OTW fleet >= 20 years: 7%
- Increased scrapping potential due to new environmental regulations
  - VLOC conversions remain in focus
- Expecting declining fleet-wide productivity due to:
  - A high drydocking year for the world fleet in both 2019 and 2020
  - Scrubber installations weighted towards 2H 2019 and early 2020

Sources: Clarksons Research Services Limited 2019, Marsoft Incorporated

The New Path Forward To Continue to Deliver Results

Genco is attractively positioned to capture market upside

Leadership	■ Experienced US-based management team
Genco's Fleet	■ Large fleet mirrors global trade dynamics – scale provides significant operating leverage
Commercial Platform	■ Active management through global commercial platform and full-service logistics solution
Efficient Cost Structure	■ Have meaningfully reduced costs without sacrificing high quality and safety standards
Capital Structure	■ Simplified balance sheet that provides ample flexibility
IMO 2020	■ Comprehensive plan including installing scrubbers on Capes, with minor bulk options
Fleet Growth & Renewal	■ Continue to execute the fleet renewal plan
Drybulk Market	■ Demand and supply growth are expected to be balanced in 2019



Appendix

Genco Fleet List

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

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

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

Modern, diversified fleet

17 Capesize

2 Panamax

6 Ultramax

20 Supramax

13 Handysize

Capesize



17

Panamax



2

Ultramax/Supramax



26

Handysize



13

- Red boxes indicate sales candidates under the Company's previously announced fleet renewal plan

Fourth Quarter Earnings

	Three Months Ended December 31, 2018	Three Months Ended December 31, 2017	Twelve Months Ended December 31, 2018	Twelve Months Ended December 31, 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	$ 112,185	$ 74,918	$ 367,522	$ 209,698
Total revenues	112,185	74,918	367,522	209,698
Operating expenses:				
Voyage expenses	36,305	15,579	114,855	25,321
Vessel operating expenses	24,785	24,219	97,427	98,086
Charter hire expenses	302	-	1,534	-
General and administrative expenses (inclusive of nonvested stock amortization expense of $0.5 million, $0.5 million, $2.2 million and $4.1 million, respectively)	6,380	5,640	23,141	22,190
Technical management fees	2,075	1,925	8,000	7,659
Depreciation and amortization	18,370	17,582	68,976	71,776
Impairment of vessel assets	-	-	56,586	21,993
Gain on sale of vessels	(2,004)	-	(3,513)	(7,712)
Total operating expenses	86,213	64,945	367,006	239,313
Operating income (loss)	25,972	9,973	516	(29,615)
Other (expense) income:				
Other income (expense)	95	(12)	367	(164)
Interest income	1,058	546	3,801	1,551
Interest expense	(8,842)	(7,938)	(33,091)	(30,497)
Loss on debt extinguishment	-	-	(4,533)	-
Other expense	(7,689)	(7,404)	(33,456)	(29,110)
Income (loss) before income taxes	18,283	2,569	(32,940)	(58,725)
Income tax expense	-	-	-	-
Net income (loss)	$ 18,283	$ 2,569	$ (32,940)	$ (58,725)
Net earnings (loss) per share - basic	$ 0.44	$ 0.07	$ (0.86)	$ (1.71)
Net earnings (loss) per share - diluted	$ 0.44	$ 0.07	$ (0.86)	$ (1.71)
Weighted average common shares outstanding - basic	41,704,296	34,559,830	38,382,599	34,242,631
Weighted average common shares outstanding - diluted	41,792,956	34,682,302	38,382,599	34,242,631

December 31, 2018 Balance Sheet

	December 31, 2018	December 31, 2017
	(Dollars in thousands) (unaudited)	
BALANCE SHEET DATA:		
Cash (including restricted cash)	$ 202,761	$ 204,946
Current assets	270,451	217,239
Total assets	1,627,470	1,520,959
Current liabilities (excluding current portion of long-term debt)	35,547	27,952
Current portion of long-term debt	66,320	24,497
Long-term debt (net of $16.3 million and $9.0 million of unamortized debt issuance costs at December 31, 2018 and December 31, 2017, respectively)	468,828	490,895
Shareholders' equity	1,053,307	975,027

	Three Months Ended		Twelve Months Ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	(Dollars in thousands) (unaudited)		(Dollars in thousands) (unaudited)	
OTHER FINANCIAL DATA:				
Net cash provided by operating activities	N/A		$ 65,907	$ 24,071
Net cash (used in) provided by investing activities			(195,375)	17,405
Net cash provided by (used in) financing activities			127,283	(5,598)
	(unaudited)		(unaudited)	
EBITDA Reconciliation:				
Net income (loss)	$ 18,283	$ 2,569	$ (32,940)	$ (58,725)
+ Net interest expense	7,784	7,392	29,290	28,946
+ Depreciation and amortization	18,370	17,582	68,976	71,776
EBITDA[(1)]	$ 44,437	$ 27,543	$ 65,326	$ 41,997
+ Impairment of vessel assets	-	-	56,586	21,993
- Gain on sale of vessels	(2,004)	-	(3,513)	(7,712)
+ Loss on debt extinguishment	-	-	4,533	-
Adjusted EBITDA	$ 42,433	$ 27,543	$ 122,932	$ 56,278

(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.

Fourth Quarter Highlights

	Three Months Ended (unaudited)		Twelve Months Ended (unaudited)	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
FLEET DATA:				
Total number of vessels at end of period	59	60	59	60
Average number of vessels (1)	62.1	60.0	61.0	60.8
Total ownership days for fleet (2)	5,716	5,520	22,249	22,207
Total chartered-in days (3)	19	-	132	-
Total available days (4)	5,728	5,514	22,231	21,759
Total available days for owned fleet (5)	5,710	5,514	22,099	21,759
Total operating days for fleet (6)	5,661	5,468	21,975	21,466
Fleet utilization (7)	98.7%	99.1%	98.5%	98.1%
AVERAGE DAILY RESULTS:				
Time charter equivalent (8)	$ 13,237	$ 10,761	$ 11,364	$ 8,474
Daily vessel operating expenses per vessel (9)	4,336	4,387	4,379	4,417

(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, 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 in the table above for the period ended December 31, 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 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, 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 time charter-in days less days our vessels spend in drydocking.

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

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

Time Charter Equivalent Reconciliation(1)

	Three Months Ended		Twelve Months Ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	(unaudited)		(unaudited)	
Total Fleet				
Voyage revenues (in thousands)	$ 112,185	$ 74,918	$ 367,522	$ 209,698
Voyage expenses (in thousands)	36,305	15,579	114,855	25,321
Charter hire expenses (in thousands)	302	-	1,534	-
	75,578	59,339	251,133	184,377
Total available days for owned fleet	5,710	5,514	22,099	21,759
Total TCE rate	$ 13,237	$ 10,761	$ 11,364	$ 8,474

	Three Months Ended		
	March 31, 2018	June 30, 2018	September 30, 2018
	(unaudited)		
Total Fleet			
Voyage revenues (in thousands)	$ 76,916	$ 86,157	$ 92,263
Voyage expenses (in thousands)	21,093	25,983	31,475
Charter hire expenses (in thousands)	-	509	723
	55,823	59,665	60,065
Total available days for owned fleet	5,335	5,442	5,615
Total TCE rate	$ 10,463	$ 10,964	$ 10,696

(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.