Genco Shipping & Trading Limited



Q3 2019 Earnings Call

November 7th, 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; (xxiii) our financial results for the year ending December 31, 2019 and other factors relating to the determination of the tax treatment of the recently declared special dividend and quarterly dividend 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.

Agenda

- Third Quarter 2019 and Year-to-Date Highlights
- Financial Overview
- Industry Overview





Third Quarter 2019 and Year-to-Date Highlights

Third Quarter 2019 and YTD Update

Capital allocation strategy

- Initiated a regular quarterly dividend policy with a dividend of $0.175 per share for Q3 2019
- Declared a special dividend of $0.325 per share, utilizing net cash proceeds from four recently agreed upon vessel sales after paying down associated debt
  - Both dividends are payable on or about December 5, 2019 to all shareholders of record as of November 21, 2019
- Amended credit facilities to provide more flexibility on capital allocation



Continue to execute comprehensive IMO 2020 strategy

- We have completed scrubber installations on 12 of our 17 Capesize vessels
  - 3 vessels currently in the shipyard and 2 more expected to enter the shipyard within the coming weeks



Q3 2019 financial performance

- Cash position as of September 30, 2019: $166.2 million
- Net loss: $14.6 million
  - Basic and diluted loss per share: $0.35
- Adjusted net loss: $2.4 million
  - Adjusted basic and diluted loss per share: $0.06 (excluding $12.2 million in non-cash vessel impairment charges)
- EBITDA: $10.5 million (adjusted EBITDA: $22.7 million excluding non-cash impairment mentioned above)



Fleet developments

- Genco Challenger, 2003-built Handysize sold for $5.3m, delivered on October 10, 2019
- Genco Champion, 2006-built Handysize sold for $6.6m, delivered on October 21, 2019
- Genco Thunder and Genco Raptor, both 2007-built Panamaxes, sold for an aggregate of $20.6m
  - Expected to be delivered to their respective buyers in Q4 2019

Genco's dividend initiation and capital allocation strategy

Management and our Board of Directors have declared an aggregate dividend of $0.50 per share for Q3 2019, which includes…

$0.175 *per share* — Regular quarterly cash dividend policy

$0.325 *per share* — Special dividend, utilizing net cash proceeds from four recently agreed upon vessel sales after paying down associated debt

$166 *million* — Cash balance as of September 30, 2019

$14k *Per vessel per day* — Estimated Q4 2019 TCE* to date of $14,041 points to the strengthening drybulk market environment

*Time charter equivalent ("TCE") rate is a non-GAAP financial measure. For further discussion of this measure and a reconciliation to the most directly comparable GAAP measure, please refer to the appendix.

Rationale behind our capital allocation strategy

Genco's unique platform enables it to return value to shareholders

Our balance sheet

- $166 million of cash as of Sep 30, 2019
- Favorable credit facility structure
- Recent amendment provides capital allocation flexibility

Our assets

- World-class fleet of 54 vessels
- Barbell approach to fleet composition
- Expecting increased fleet-wide utilization in 2020

Our approach

- Active platform in place to capture market upside potential
- Well-positioned to deliver returns to shareholders

Timing in the cycle

- Drybulk market has reached multi-year highs in 2H 2019
- Favorable supply-side fundamentals going forward

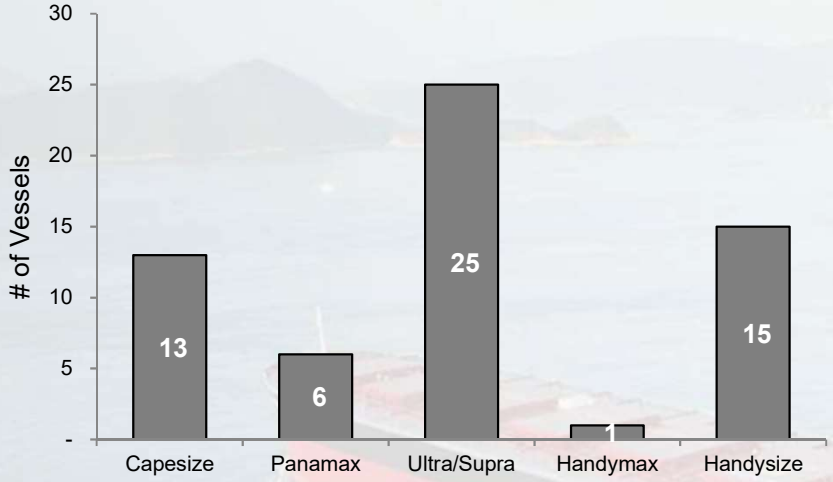




Genco's fleet composition strategy and development

Previous

Fleet composition prior to Genco's sale and purchase activity…

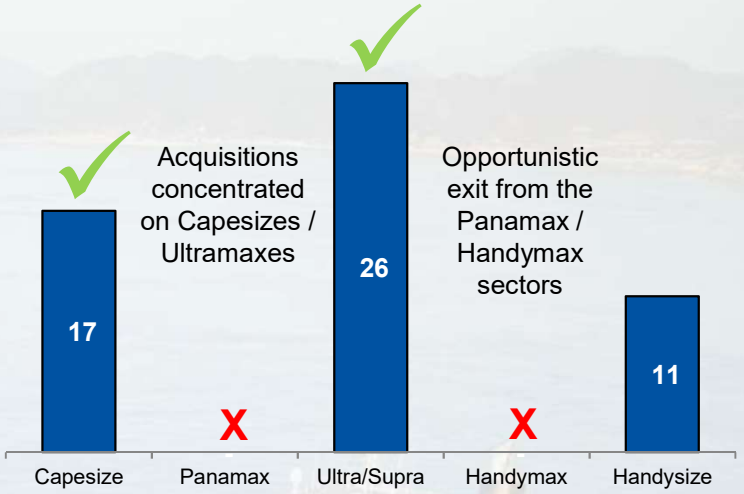


Genco's fleet in 2017

- 60 vessels - avg age of 11.6 years *(as of Nov 6, 2019 for illustrative purposes)*
- Avg dwt: 78k dwt per vessel or 4.7mdwt in aggregate
- **After two acquisitions and the sale of 12 older, less efficient vessels, Genco's fleet consists of…**

Current

Genco has created a focused fleet, with scale in targeted sectors



Genco's pro forma fleet

- ***54 vessels*** with an avg age of 9.5 years
  - Reduced avg age by 2.1 years
- ***Increased avg dwt*** per vessel by 15% to 90 dwt
- ***Augmented fleet carrying capacity*** by 4% to 4.9 mdwt

2019 is the busiest drydocking year in Company history…

…with more than half of the fleet entering a shipyard at some point during the year

23 **Special surveys currently scheduled**

- 19 completed to date
- Vessels consist of 7 x Capes, 1 x Ultra, 9 x Supras, 2 x Handies
- 4 additional special surveys expected in Q4



18 **Ballast Water Treatment Systems to be installed**

- 16 completed to date
- Of the 4 additional vessels scheduled for special surveys in Q4, 2 will have BWTS installed
- BWTS for the completed vessels have been tested and are currently operating as planned



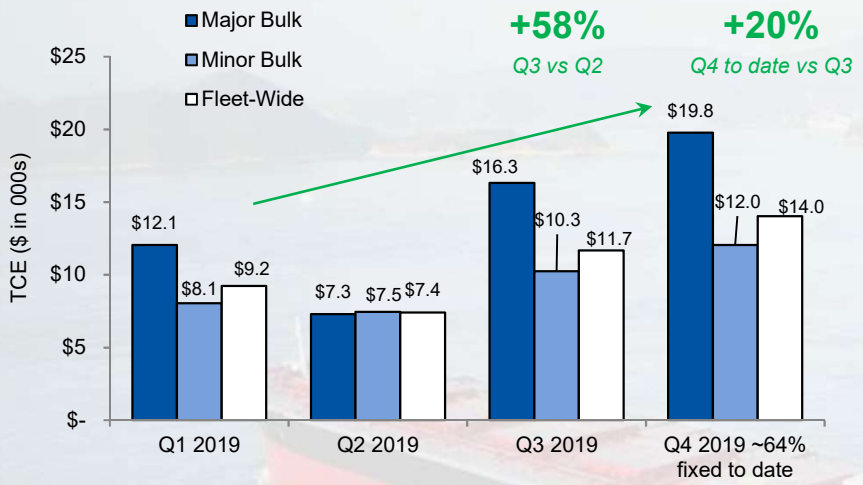
17 **Scrubbers to be installed on our Capesize vessels**

- 12 completed to date
- 3 more currently in the shipyard
- 2 scheduled to begin shortly in Q4



58% TCE rise in Q3 vs Q2, with further increases anticipated in Q4

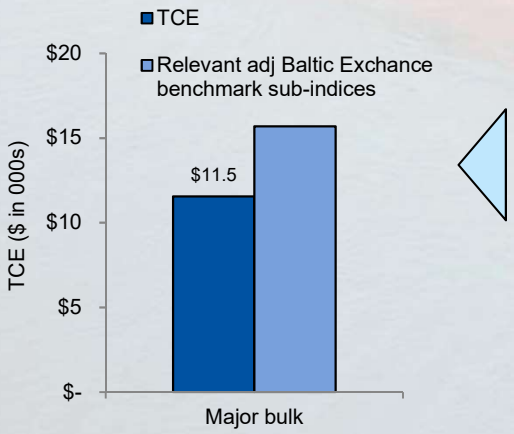
TCE increases highlight strong operating leverage



Aim to maximize Capesize utilization in 2020

	2019	2020
Genco's Capesize fleet *(# of vessels)*	17	17
Special surveys	7	0
BWTS installation	5	0
Scrubber installation	17	0

Major bulk TCE
(9 months 2019)



- **Our significant operating leverage** is highlighted by the large improvement in TCE in 2H to date
- **Capesize fleet TCE upside materializing,** while fleet positioning on select vessels is helping to support minor bulk fleet earnings
- Outperformance of **~$500 per day on the minor bulk fleet** while TCE performance of the Capesize fleet was impacted by mostly Pacific trading and IMO 2020 preparation

Minor bulk TCE
(9 months 2019)



Note: TCE relative performance is benchmarked against the weighted average of the relevant sub-indices of the Baltic Dry Index as published by the Baltic Exchange (BCI 5TC, BPI, BSI 58 and BHSI) net of 5% for commissions, adjusted for our owned-fleet composition as well as the characteristics of our vessels. Please see the appendix for our definition of TCE as well as further detail regarding TCE calculations. Actual results for Q4 2019 TCE will vary.



Financial Overview

Third Quarter Earnings

	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
	(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	$ 103,776	$ 92,263	$ 280,790	$ 255,336
Total revenues	103,776	92,263	280,790	255,336
Operating expenses:				
Voyage expenses	42,967	31,475	127,789	78,551
Vessel operating expenses	24,711	25,155	72,260	72,642
Charter hire expenses	5,475	723	12,743	1,231
General and administrative expenses (inclusive of nonvested stock amortization expense of $0.6 million, $0.6 million, $1.6 million and $1.8 million, respectively)	6,144	5,033	18,253	16,761
Technical management fees	1,885	2,028	5,710	5,926
Depreciation and amortization	18,184	17,269	54,532	50,605
Impairment of vessel assets	12,182	-	26,078	56,586
Gain on sale of vessels	-	(1,509)	(611)	(1,509)
Total operating expenses	111,548	80,174	316,754	280,793
Operating (loss) income	(7,772)	12,089	(35,964)	(25,457)
Other (expense) income:				
Other income	86	213	523	272
Interest income	892	1,062	3,292	2,743
Interest expense	(7,797)	(7,656)	(24,496)	(24,249)
Impairment of right-of-use asset	-	-	(223)	-
Loss on debt extinguishment	-	-	-	(4,533)
Other expense	(6,819)	(6,381)	(20,904)	(25,767)
Net (loss) income	$ (14,591)	$ 5,708	$ (56,868)	$ (51,224)
Net (loss) earnings per share - basic	$ (0.35)	$ 0.14	$ (1.36)	$ (1.37)
Net (loss) earnings per share - diluted	$ (0.35)	$ 0.14	$ (1.36)	$ (1.37)
Weighted average common shares outstanding - basic	41,749,200	41,618,187	41,739,287	37,263,200
Weighted average common shares outstanding - diluted	41,749,200	41,821,008	41,739,287	37,263,200

September 30, 2019 Balance Sheet

	September 30, 2019 (unaudited)	December 31, 2018
	(Dollars in thousands)	
BALANCE SHEET DATA:		
Cash (including restricted cash)	$ 166,191	$ 202,761
Current assets	241,064	270,451
Total assets	1,561,964	1,627,470
Current liabilities (excluding current portion of long-term debt)	49,125	35,547
Current portion of long-term debt	70,111	66,320
Long-term debt (net of $14.1 million and $16.3 million of unamortized debt issuance costs at September 30, 2019 and December 31, 2018, respectively)	434,440	468,828
Shareholders' equity	998,035	1,053,307

	Three Months Ended		Nine Months Ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	(Dollars in thousands) (unaudited)		(Dollars in thousands) (unaudited)	
OTHER FINANCIAL DATA:				
Net cash provided by operating activities	N/A		$ 28,758	$ 43,375
Net cash used in investing activities			(31,797)	(226,491)
Net cash (used in) provided by financing activities			(33,531)	144,209
	(unaudited)		(unaudited)	
EBITDA Reconciliation:				
Net (loss) income	$ (14,591)	$ 5,708	$ (56,868)	$ (51,224)
+ Net interest expense	6,905	6,594	21,204	21,506
+ Depreciation and amortization	18,184	17,269	54,532	50,605
EBITDA[(1)]	$ 10,498	$ 29,571	$ 18,868	$ 20,887
+ Impairment of vessel assets	12,182	-	26,078	56,586
+ Impairment of right-of-use asset	-	-	223	-
- Gain on sale of vessels	-	(1,509)	(611)	(1,509)
+ Loss on debt extinguishment	-	-	-	4,533
Adjusted EBITDA	$ 22,680	$ 28,062	$ 44,558	$ 80,497

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

Third Quarter Highlights

	Three Months Ended (unaudited)		Nine Months Ended (unaudited)	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
FLEET DATA:				
Total number of vessels at end of period	58	64	58	64
Average number of vessels (1)	58.0	61.7	58.1	60.6
Total ownership days for fleet (2)	5,336	5,673	15,861	16,533
Total chartered-in days (3)	430	65	1,071	114
Total available days (4)	5,165	5,680	15,984	16,505
Total available days for owned fleet (5)	4,735	5,615	14,914	16,391
Total operating days for fleet (6)	5,130	5,623	15,737	16,318
Fleet utilization (7)	98.9%	98.5%	97.9%	98.5%
AVERAGE DAILY RESULTS:				
Time charter equivalent (8)	$ 11,687	$ 10,696	$ 9,405	$ 10,710
Daily vessel operating expenses per vessel (9)	4,631	4,434	4,556	4,394

(1) Average number of vessels is the number of vessels that constituted our fleet for the relevant period, as a measured by the sum of the number of days each vessel was part of our fleet during the period divided by the number of calendar days in that period.

(2) We define ownership days as the aggregate number of days in a period during which each vessel in our fleet has been owned by us. Ownership days are an indicator of the size of our fleet over a period and affect both the amount of revenues and the amount of expenses that we record during a period.

(3) We define chartered-in days as the aggregate number of days in a period during which we chartered-in third-party vessels.

(4) We define available days as the number of our ownership days and chartered-in days less the aggregate number of days that our vessels are off-hire due to familiarization upon acquisition, repairs or repairs under guarantee, vessel upgrades or special surveys. Companies in the shipping industry generally use available days to measure the number of days in a period during which vessels should be capable of generating revenues.

(5) We define available days for the owned fleet as available days less chartered-in days.

(6) We define operating days as the number of our total available days in a period less the aggregate number of days that the vessels are off-hire due to unforeseen circumstances. The shipping industry uses operating days to measure the aggregate number of days in a period during which vessels actually generate revenues.

(7) We calculate fleet utilization as the number of our operating days during a period divided by the number of ownership days plus time charter-in days less days our vessels spend in drydocking.

(8) We define TCE rates as our voyage revenues less voyage expenses and charter-hire expenses, divided by the number of the available days of our owned fleet during the period, 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.

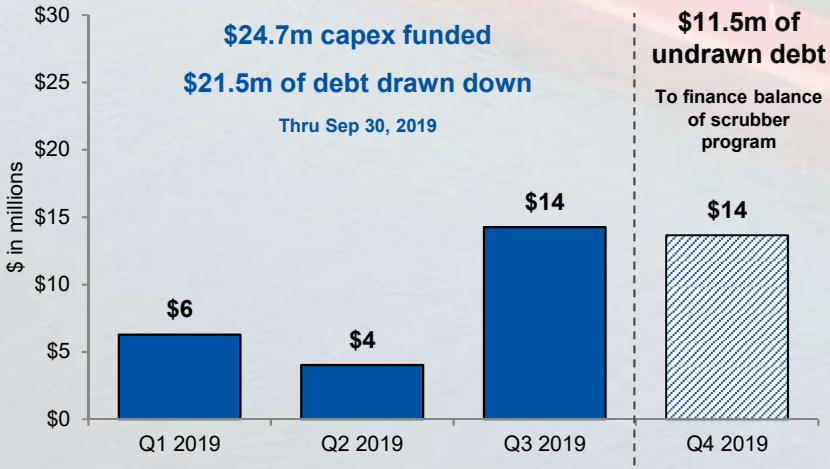
Genco's simplified credit facility structure…

…provides flexibility and highlights our access to high quality commercial bank financing

Key balance sheet items – Sep 30, 2019

Cash	**$166.2**
Debt*	**$518.6**
Shareholders' Equity	**$998.0**

Scrubber capex payments



*Debt is presented gross of $14.1 million of deferred financing costs.

Easing restrictions on dividends

We have amended the dividend covenants in our credit facilities such that Genco may pay dividends and/or repurchase shares…

1) To the extent our total cash and cash equivalents is >$100m or 18.75% of Total Indebtedness (whichever is higher), or

2) If the collateral maintenance test ratio is more than 200%

3) If none of the above apply, Genco can pay dividends but will be limited to 50% of the previous quarter's net income

Estimated Q4 2019 Cash Breakeven Rates(1)

Fleet Breakeven Rates – Estimated Q4 2019
(Detailed Q4 2019 Estimated B/E Rates in Appendix)



In Q4 2019, we plan to incur one-time costs for BWTS installation of ~$1.6m or ~$303 per vessel per day

Genco's Estimated Ownership and Available Days - Q4 2019			
Vessel Type	**Ownership Days**	**Drydocking Days**	**Owned Avail Days**
Capesize	1,564	297	1,267
Panamax	184	-	184
Ultramax	552	40	512
Supramax	1,840	86	1,754
Handysize	1,041	-	1,041
Total	**5,181**	**423**	**4,758**

We anticipate 16 of our vessels to spend time in the shipyard during Q4 2019

Note: Free cash flow breakeven rates consist of direct vessel operating expenses, general and administrative expenses, technical management fees, drydocking, interest expenses and fixed debt repayments.
For a complete reconciliation of non-GAAP financial measures and detailed estimated breakeven rates for Q4 2019, please refer to the appendix.
(1) Breakeven rate is based on the 2019 budget, which is subject to change. Based on a fleet of 56.32 vessels; presented for illustrative purposes only. Actual breakeven rates will vary.



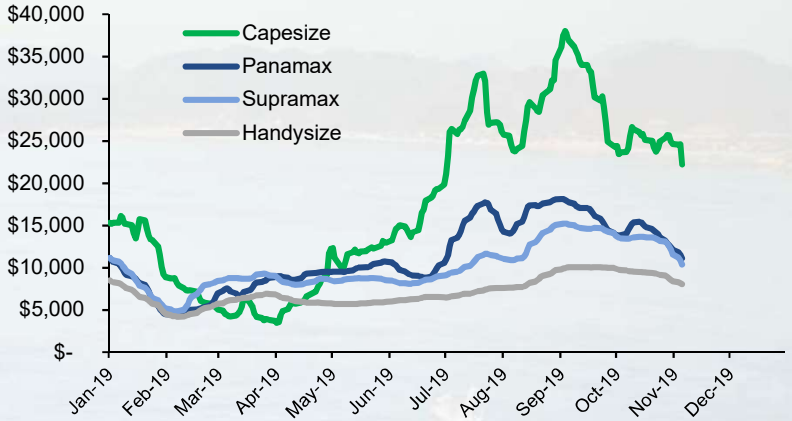
Industry Overview

Capesize sector has led the upward market move

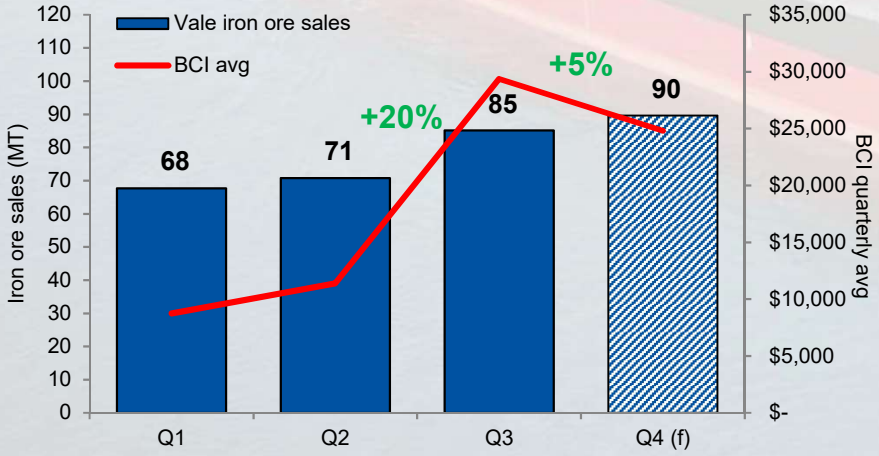
Two key factors driving Capesize freight rates…

1. **Increased Brazilian iron ore volumes, at a time when…**
2. **…vessel capacity is tight due to offhire for scrubber fitting**

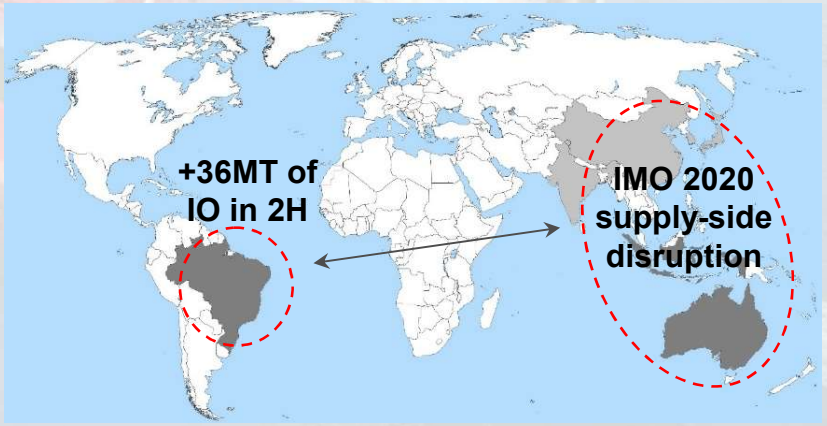
…have also filtered down to the smaller sectors



Vale's sales expected to rise 26% in 2H vs. 1H…



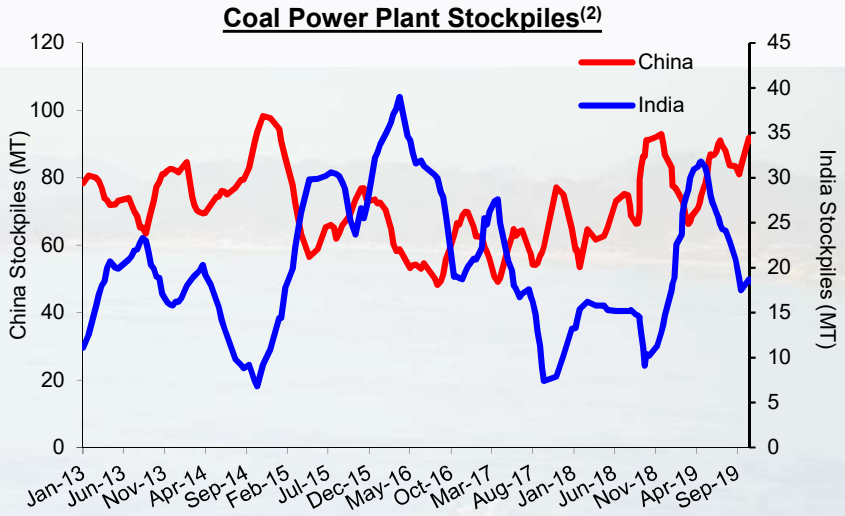
…adding long-haul tons ahead of IMO 2020



Sources: Clarkson Research Services Limited 2019, Vale's public disclosure

Major Bulks – China's Steel Production Growth Remains Strong

Global Steel Production (million tons)[1]			
	9 Mos 2019	9 Mos 2018	% Variance
China	747.8	690.2	8.4%
European Union	122.5	126.0	-2.8%
Japan	75.6	78.6	-3.8%
India	84.2	81.3	3.5%
South Korea	54.1	54.2	-0.1%
Global Production	1,391.2	1,339.5	3.9%
Ex-China	643.4	649.3	-0.9%

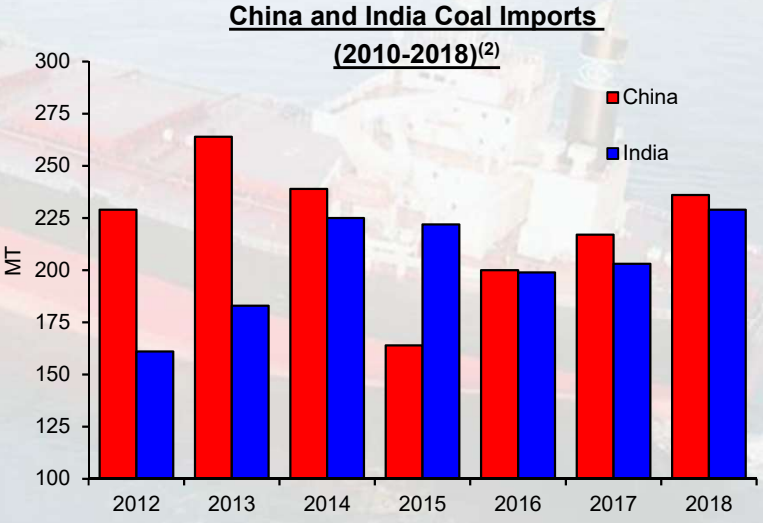


Steel Production

- Chinese steel production increased by 8.4% through the first nine months of 2019 YOY[1]
- China's iron ore imports exceeded the 90MT threshold during each month of Q3 2019, marking the first time this has occurred on record[2]

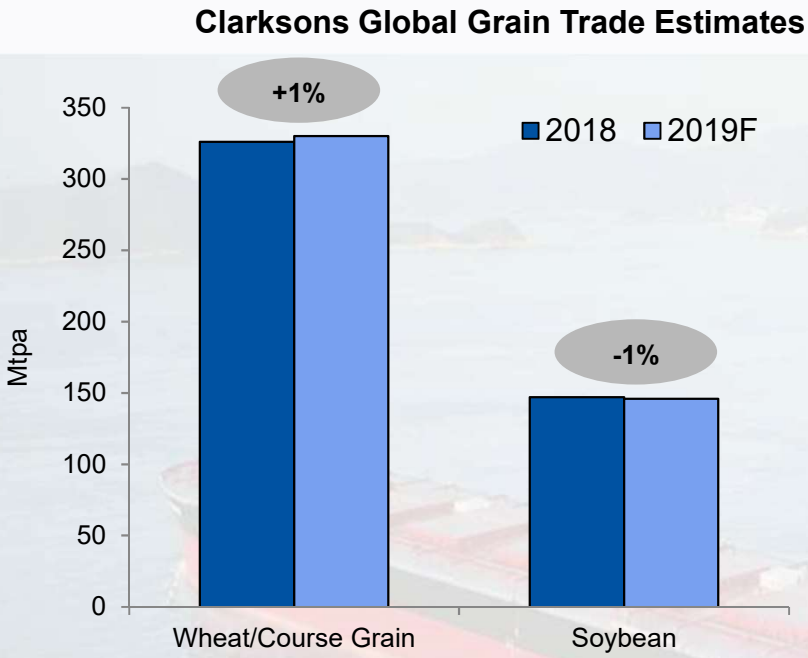
Coal

- India's coal power plant stockpiles are currently 42% lower than year's high in April[3]
  - Stockpiles currently stand at 18.7MT



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

Minor Bulks – Steady Grain Trade with Seasonal Impact



Seaborne Wheat / Course Grain Trade (MT)			
Exporter	**2018**	**2019 (f)**	**% Variance**
Argentina	37	43	16%
Australia	19	18	-5%
Canada	24	25	4%
EU	33	36	9%
US	83	72	-13%
Others	130	135	4%
Total	**326**	**329**	**1%**

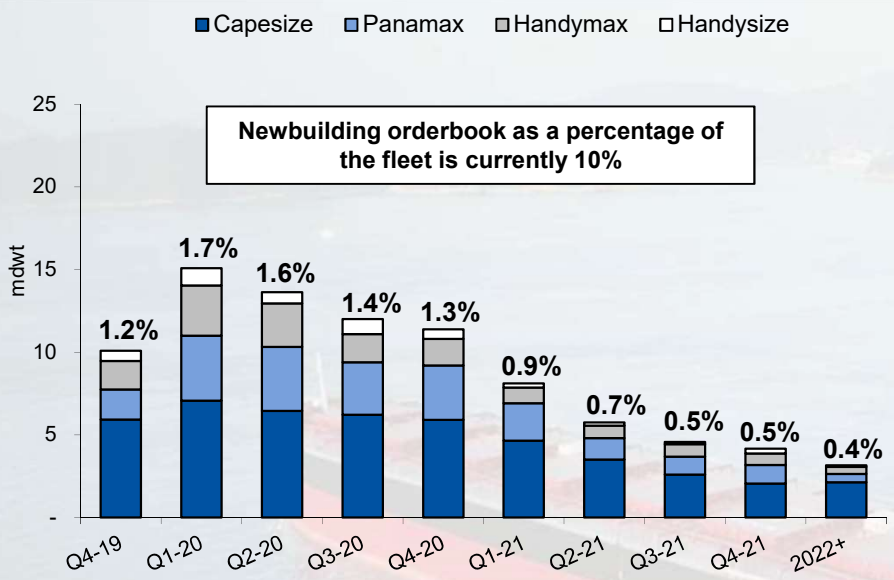
Seaborne Soybean Trade (MT)			
Exporter	**2018**	**2019 (f)**	**% Variance**
United States	43	42	-2%
Brazil	84	79	-6%
Argentina	4	8	100%
Paraguay	6	6	0%
Canada	5	5	0%
Uruguay	1	2	100%
Others	4	4	0%
Total	**147**	**146**	**-1%**

- As the South American grain season comes to an end, the focus turns to North American shipments
- As part of a Phase-1 Deal, China has reportedly agreed to purchase large amounts of American agriculture products in the coming months
- China has significantly increased imports of bauxite and nickel ore through September
  - Imports of the two commodities have increased by 27% and 11% YOY, respectively

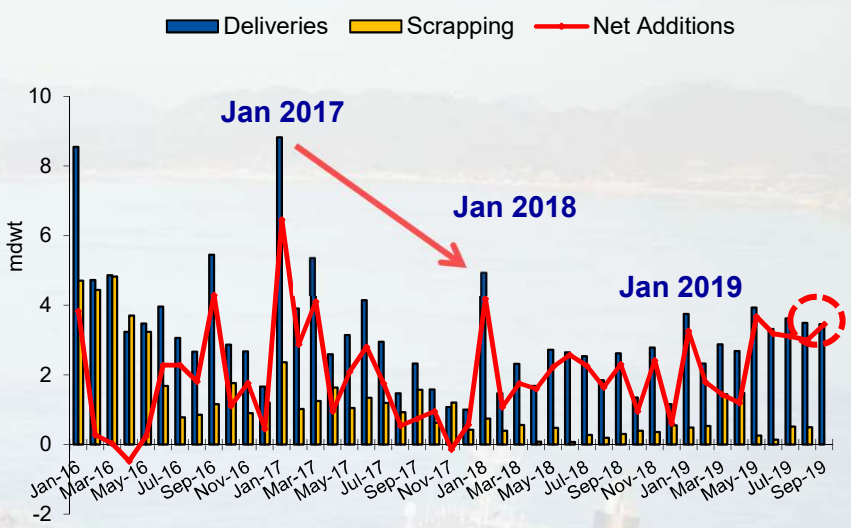
Source: Clarkson Research Services Limited 2019

Supply Side Fundamentals

Current Drybulk Vessel Orderbook by Type



Drybulk Vessel Deliveries vs. Scrapping



- Drybulk fleet has grown by approximately 2.9% through September 2019 from the end of last year
- Scrapping in 2019 to date has exceeded 2018 levels as 6.1mdwt has been removed from the fleet this year
- Orderbook as a percentage of the fleet is currently at approximately 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 2019

2H 2019 & 2020 Drybulk Outlook

2H 2019 fundamentals have improved vs. 1H – a further improvement is expected in 2020

Drybulk Market Catalysts

1 Iron Ore Trade Growth

- Focus remains on high quality seaborne iron ore from Brazil and Australia
- Ramp up of Vale and Anglo American operations to support Brazilian volumes
- Iron ore restocking in China

2 Coal Trade Linked to Developing Economies

- India continues to drive seaborne coal trade
- Growth expecting from smaller developing Asian nations
- China remains x-factor

3 Soybean Trade

- Strong Brazilian and Argentine crop
- North American grain season dependent on US-China trade agreement

4 Low Fleet Growth

- ~2% to 3% net fleet growth anticipated
- Supply side disruption ahead of IMO 2020

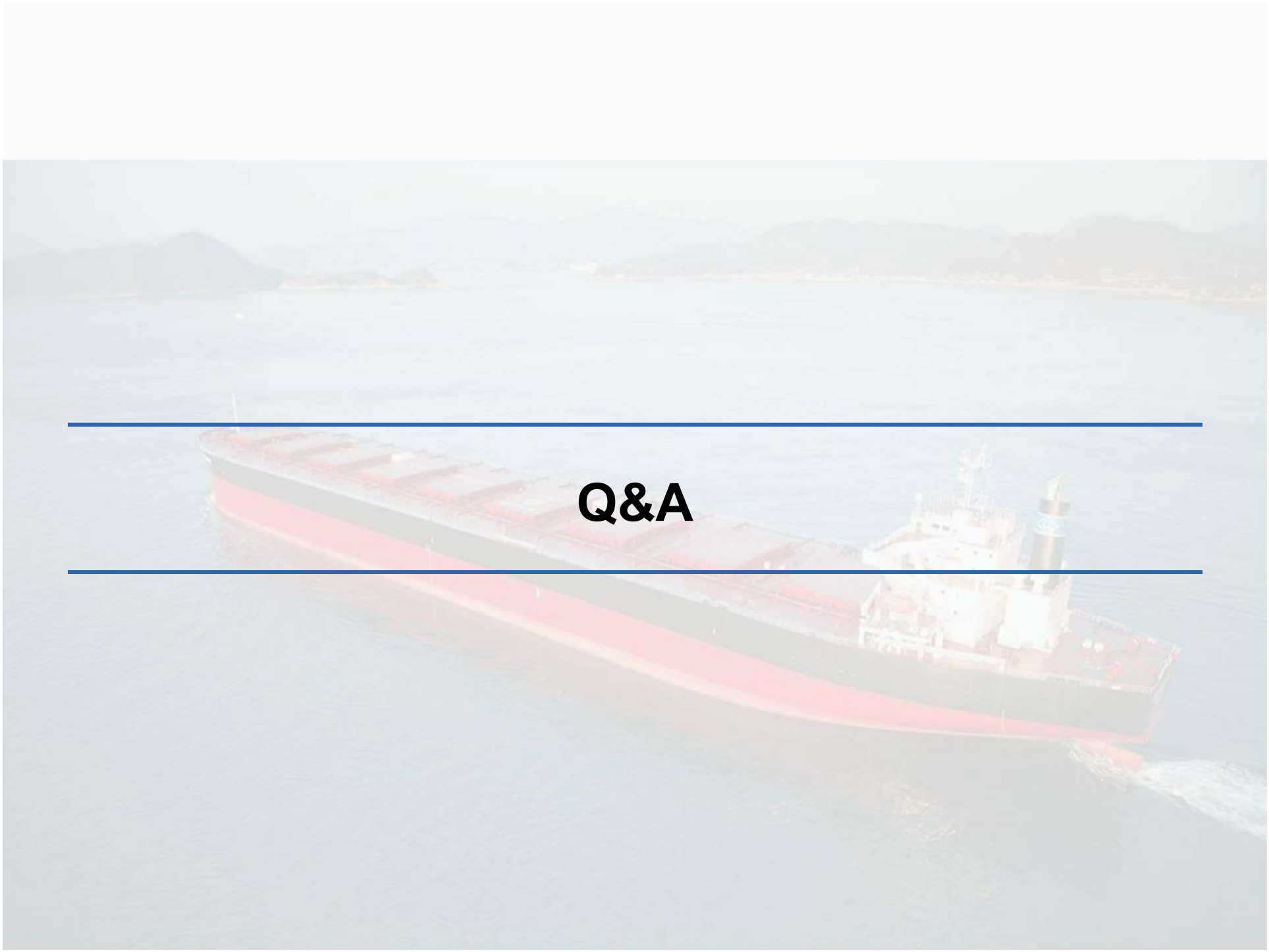
2H 2019 & 2020 Supply & Demand Estimates

	Vessel*	2H 2019	2020
Iron Ore 	Capesize	+8.4%	+4.1%
Coal 	Capesize Panamax	+2.3%	+1.3%
Grain 	Panamax Supramax Handysize	+0.8%	+1.7%
Minor Bulk 	Supramax Handysize	+1.7%	+4.3%
Total Demand		+3.9%	+3.1%
Fleet Growth		+1.3%	+2.5%

2H vs 1H 2019

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

Sources: Marsoft, Clarksons



Q&A

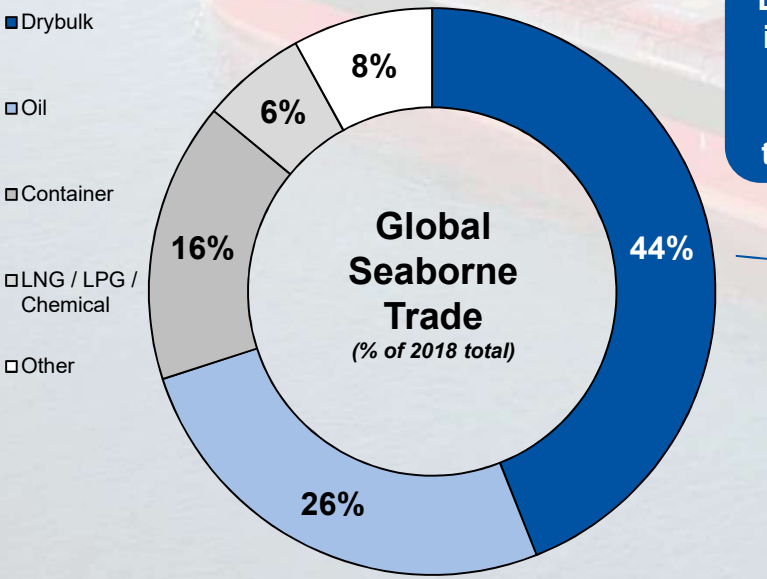


Appendix

Shipping plays an essential role in global development

~90% of global trade is carried by the international shipping industry

- Shipping is a **fundamental pillar** of the global economy
- Transportation by sea is the most **cost-effective and fuel-efficient** way to move goods and raw materials in large scale around the world
- Maritime activity plays a key role in **alleviating extreme poverty and hunger** – also provides a large source of income and employment for many developing countries creating jobs globally
- Raw materials, such as iron ore which (integral in the steelmaking process), are **building blocks for daily life**



Drybulk trade is nearly half of total seaborne trade volume



Sources: IMO, World Steel Association, Clarksons Research Services Limited 2019

As one of the largest drybulk shipping companies in the world…

…Genco recognizes the need to run a safe, responsible and sustainable business built for the long-term

Environmental

- Invest in our fleet to reduce GHG emissions
- Purchase world class vessels
- Divest older, less efficient tonnage
- Install equipment designed to reduce fuel consumption

Social

- Employ a gender and culturally diverse team
- Focus on crew wellness on board our vessels
- Building relationships with clients
- Helping our local communities

Governance

- U.S. filer committed to transparency
- Committed to accountability in the public markets
- Independent and professional board of directors
- Public disclosure of executive compensation

100% Compliance with the 2020 Global Sulfur Cap targeted

95% of our fleet has an A through E GHG rating

93% of our fleet is rated >=4 by RIGHTSHIP

We strive to make a difference through our active participation in …

MARAD Maritime Administration; IMO International Maritime Organization; NAMEPA; United States Coast Guard; Children of Bellevue; New York Harbor School; The Seamen's Church Institute; Real Time Graduates

0 Related party transactions

KPI structure — To determine executive and employee compensation

TRACE Anti-Bribery Compliance Solutions — certified – a leading anti-bribery standard setting organization

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 Charger	2005	28,398

Modern, diversified fleet

17 Capesize

2 Panamax

6 Ultramax

20 Supramax

11 Handysize

Capesize



17

Panamax



2

Ultramax/Supramax



26

Handysize



11

Time Charter Equivalent Reconciliation(1)

	Three Months Ended		Nine Months Ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	(unaudited)		(unaudited)	
Total Fleet				
Voyage revenues (in thousands)	$ 103,776	$ 92,263	$ 280,790	$ 255,336
Voyage expenses (in thousands)	42,967	31,475	127,789	78,551
Charter hire expenses (in thousands)	5,475	723	12,743	1,231
	55,334	60,065	140,258	175,554
Total available days for owned fleet	4,735	5,615	14,914	16,391
Total TCE rate	$ 11,687	$ 10,696	$ 9,405	$ 10,710

	Three Months Ended		Twelve Months Ended
	March 31, 2019	June 30, 2019	December 31, 2018
	(unaudited)		(unaudited)
Total Fleet			
Voyage revenues (in thousands)	$ 93,464	$ 83,550	$ 367,522
Voyage expenses (in thousands)	43,022	41,800	114,855
Charter hire expenses (in thousands)	2,419	4,849	1,534
	48,023	36,901	251,133
Total available days for owned fleet	5,203	4,978	22,099
Total TCE rate	$ 9,230	$ 7,412	$ 11,364

(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. Our estimated TCE for the fourth quarter of 2019 is based on fixtures booked to date. Actual results may vary based on the actual duration of voyages and other factors. Accordingly, we are unable to provide, without unreasonable efforts, a reconciliation of estimated TCE for the fourth quarter to the most comparable financial measures presented in accordance with GAAP.

Adjusted Net Loss Reconciliation

	Three Months Ended September 30, 2019
	(unaudited)
Adjusted Net Loss Reconciliation	
Net loss	$ (14,591)
+ Impairment of vessel assets	12,182
Adjusted net loss	$ (2,409)
Adjusted net loss per share - basic	$ (0.06)
Adjusted net loss per share - diluted	$ (0.06)
Weighted average common shares outstanding - basic	41,749,200
Weighted average common shares outstanding - diluted	41,749,200
Weighted average common shares outstanding - basic as per financial statements	41,749,200
Dilutive effect of stock options	-
Dilutive effect of restricted stock awards	-
Weighted average common shares outstanding - diluted as adjusted	41,749,200

Q4 2019 Genco Estimated Breakeven Rates[1]

Daily Expenses by Category	Free Cash Flow[2]	Net Income
Direct Vessel Operating[3]	$4,615	$4,615
General and Administrative Expenses[4]	1,122	1,211
Technical Management Fees[5]	353	353
Drydocking[6]	1,154	-
Interest Expense[7]	1,301	1,487
Fixed Debt Repayments[8]	3,122	-
Depreciation[9]	-	3,564
Daily Expense[10]	**$11,667**	**$11,230**
Number of Vessels[11]	56.32	56.32

The above figures are estimates and are subject to change

(1) Estimated pro-forma daily expenses are presented for illustrative purposes.

(2) Free Cash Flow is defined as net income plus depreciation less capital expenditures, primarily vessel drydockings, plus other non-cash items, namely nonvested stock amortization and deferred financing costs, less fixed debt repayments. However, this does not include any adjustment for accounts payable and accrued expenses incurred in the ordinary course of business. We consider Free Cash Flow to be an important indicator of our ability to service debt.

(3) Direct Vessel Operating Expenses are based on management's estimates and budgets submitted by our technical managers. We believe DVOE are best measured for comparative purposes over a 12-month period.

(4) General & Administrative Expenses are based on a budget set forth at the beginning of the year. Actual results may vary.

(5) Management Fees are based on the contracted monthly rate per vessel for the technical management of our fleet.

(6) Drydocking expenses represent estimated drydocking expenditures for Q4 2019.

(7) Interest expense is based on our debt level as of September 30, 2019 less scheduled fixed debt repayments in Q4 2019 as well as commitment fees and expected drawdowns under our scrubber facility of up to $35 million. Deferred financing costs are included in calculating net income interest expense. Interest expense is calculated based on an assumed LIBOR rate under our credit facilities plus the facilities' respective margins.

(8) Genco's fixed debt repayments for Q4 2019 aggregate to $16.2 million under our outstanding credit facilities. Repayment of debt due to vessel sales is excluded from this calculation.

(9) Depreciation is based on cost less estimated residual value and amortization of drydocking costs. Depreciation expense utilizes a residual scrap rate of $310 per LWT.

(10) The amounts shown will vary based on actual results.

(11) Based on a weighted average fleet of 56.32 vessels.


Thank you