

# SAFE BULKERS INC

## Q2 2022 EARNINGS PRESS RELEASE PRESENTATION JULY 2022



We have a shared responsibility to resolve the crew change crisis. Join us.

The Neptune Declaration  
on Seafarer Wellbeing and Crew Change



SUSTAINABLE  
DEVELOPMENT  
GOALS

## Forward Looking Statements

This presentation contains forward-looking statements (as defined in Section 27A of the Securities Exchange Act of 1933, as amended, and in the Section 21E of the Securities Act of 1934, as amended) concerning future events, the Company's growth strategy and measures to implement such strategy, including expected vessel acquisitions and entering into further time charters. Words such as "expects," "intends," "plans," "believes," "anticipates," "hopes," "estimates" and variations of such words and similar expressions are intended to identify forward-looking statements. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. These statements involve known and unknown risks and are based upon a number of assumptions and estimates that are inherently subject to significant uncertainties and contingencies, many of which are beyond the control of the Company. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, changes in the demand for drybulk vessels, competitive factors in the market in which the Company operates, risks associated with operations outside the United States and other factors listed from time to time in the Company's filings with the Securities and Exchange Commission. The Company expressly disclaims any obligations or undertaking to release any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with respect thereto or any change in events, conditions or circumstances on which any statement is based.

## Management Team

**Polys Hajioannou**  
Chairman and CEO



**Dr. Loukas Barmparis**  
President



**Konstantinos Adamopoulos**  
Chief Financial Officer



**Ioannis Foteinos**  
Chief Operating Officer



- EPS for Q2, 2022 of **\$0.40**;
- Dividend at **\$0.05** for Q2, 2022;
- Fleet expansion program of **11 IMO GHG EEDI Phase 3 - NOX Tier III** newbuilds with substantial operational and commercial advantages ahead amongst peers, **timely ordered below market**;
- Net debt per vessel of **\$6.8M** for an average **10.5 years aged** fleet;
- Leverage comparable to fleet scrap value;
- **\$294.8M** liquidity and capital resources;
- **\$390M** of secured contracted net revenues;
- Upside potential due to **scrubbers on 18 vessels**.

- **Share repurchase program in June 2022;**
- **1,000,000 shares of common stock repurchased;**
- **Redemption of \$37.3M outstanding Series C Preferred Shares;**
- **Lean operations all-in OPEX of \$4,981 and G&A of \$1,382 per day per vessel.**

- **‘Top 10’ pure dry bulk vessel owner in Panamax segment;**
- **60+ years experience and unblemished track record;**
- **NYSE IPO since 2008;**
- **~40% ownership of our CEO and Chairman of the BoD, Polys Hajioannou ensures alignment of interest with our common shareholders’;**
- **No reverse splits;**
- **Creation of additional earnings (e.g. 0% commission on chartering management and direct relation with charterers result in 4% average total chartering commission including 3<sup>rd</sup> parties, compared to 5% industry average);**
- **Timely below market newbuild orders;**
- **Hands on-management - 42 vessels – Lean operations;**
- **Prudency in financial management.**

**Sound Corporate  
Governance**

2<sup>nd</sup> [ESG report](#) was issued on July 25<sup>th</sup> focused on:

- **Corporate Governance;**
- **Support of local communities with scholarship programs;**
- **Support of seafarers during COVID restrictions;**
- **Training of personnel;**
- **\$371M investments in 11 IMO GHG Phase 3 newbuilds ahead of peers;**
- **Environmental upgrades on existing fleet of \$2.2M;**
- **Use of 2,000 tones of Biofuels emitted 1,550 tones less CO2;**
- **Report of verified AER and EEOI data for 2021.**

# SB Quarterly Results Synopsis

**\$91.6 million  
Net Revenues**

**\$50.3 million  
Net Income**

**\$66.5 million EBITDA**

**\$66.5 million  
Adjusted EBITDA**

**\$0.40 EPS**

**\$0.40 Adjusted EPS**

**Daily TCE \$25,050**

**Daily OPEX \$4,981**

**Daily G&A \$1,382**

**\$308.2 million  
Liquidity & capital  
resources as of  
July 22, 2022**

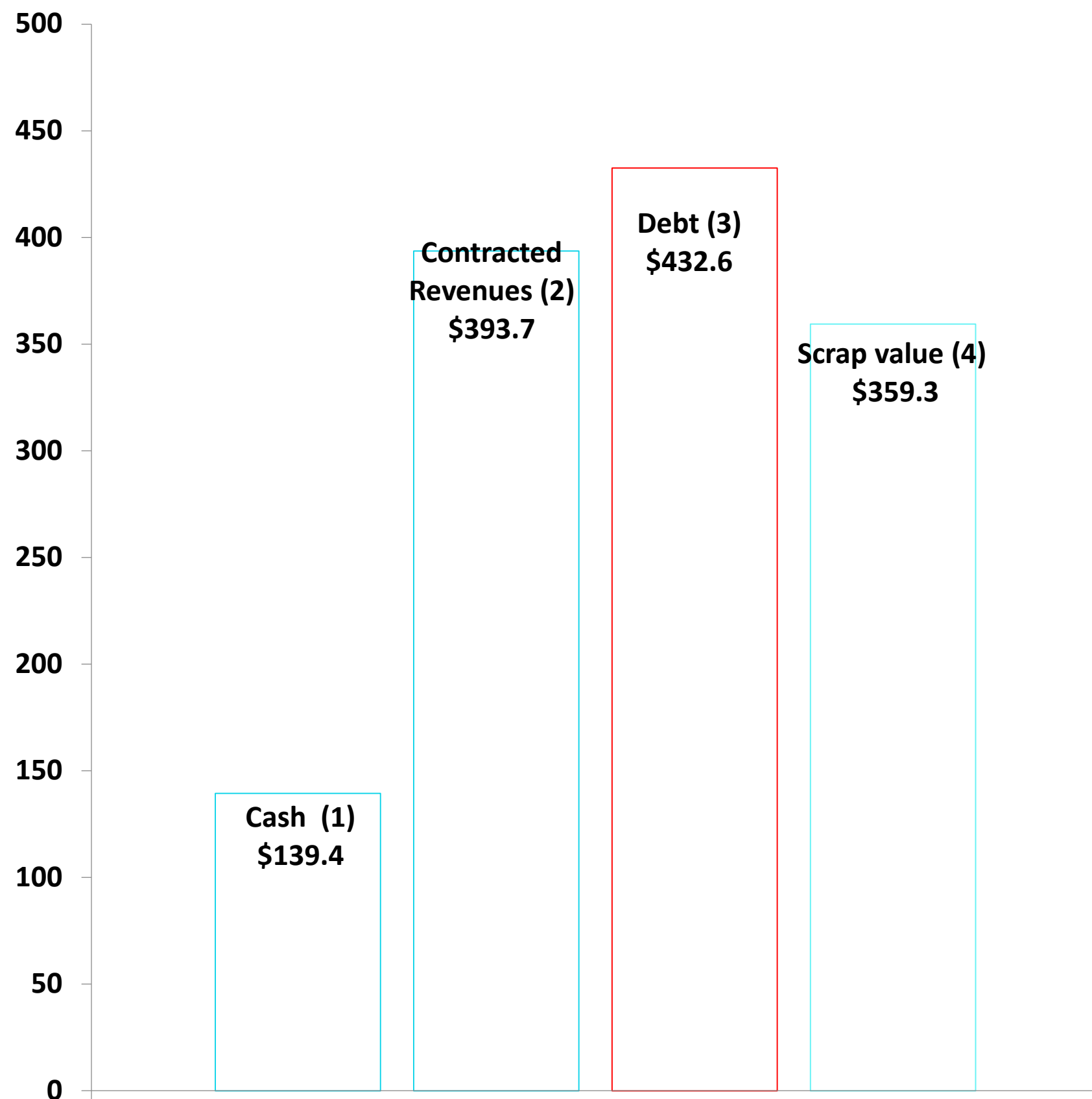
**Additional borrowing  
capacity on 7 existing  
unencumbered  
vessels**

**€100 million  
5-year unsecured  
non-amortizing bond  
with fixed coupon at  
2.95%**

**\$449.2 million  
consolidated debt  
as of July 22, 2022**

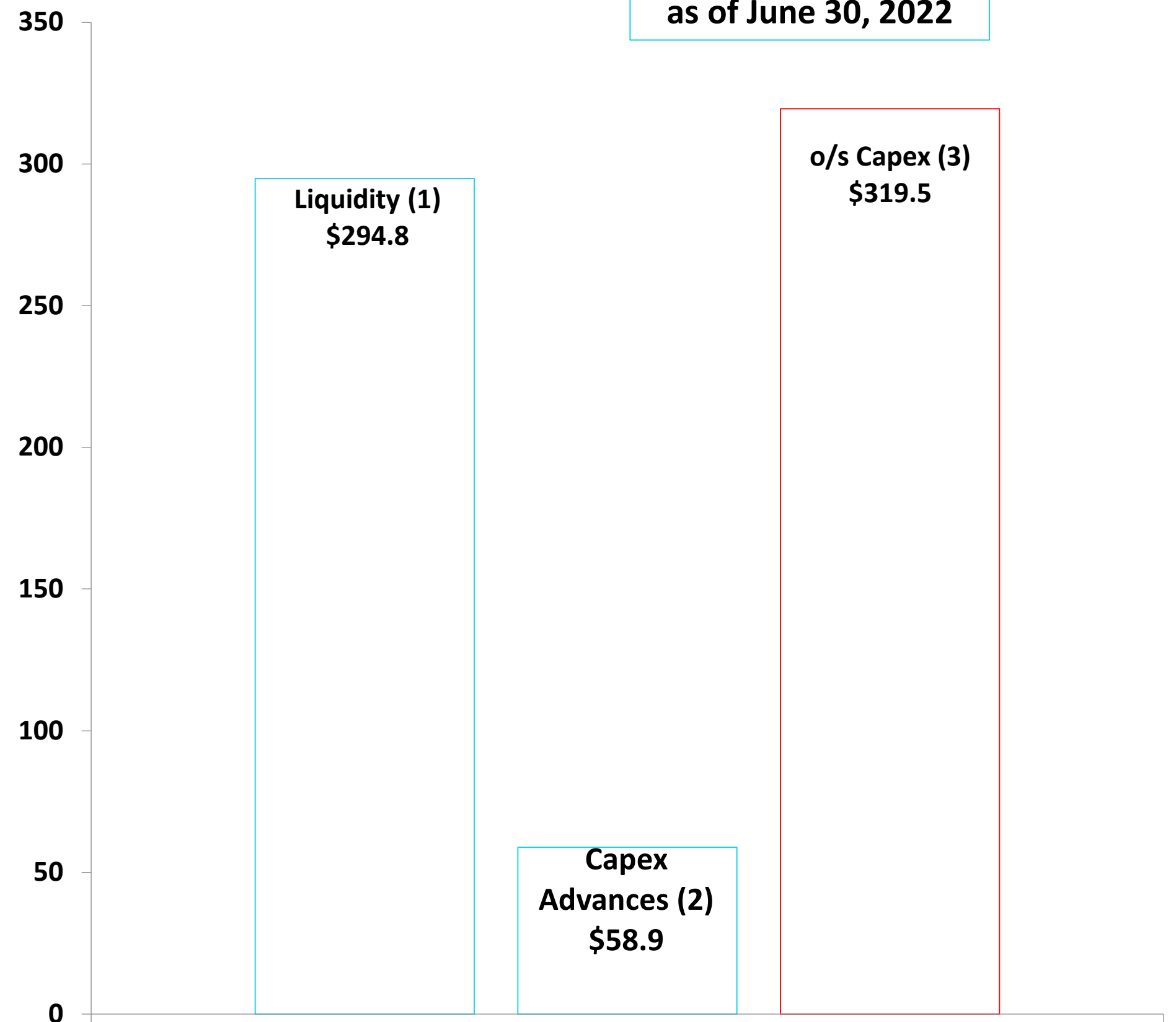
**\$361.5 million  
contracted net revenues  
(excluding scrubber  
revenue)  
as of July 22, 2022**

**\$0.05 DIVIDEND  
PER SHARE**



As of June 30, 2022 in million \$USD

- Cash:** As of June 30, 2022, we had \$139.4 million in cash, cash equivalents, bank time deposits and restricted cash.
- Contracted Revenues:** As of June 30, 2022, contracted revenue of approximately \$393.7 million, net of commissions, from our non-cancellable spot and period time charter contracts excluding the scrubber benefit.
- Debt:** As of June 30, 2022, had \$432.6 million of outstanding consolidated debt, including the unsecured bond issued in February 2022, before deferred financing costs .
- Scrap value:** As of June 30, 2022, we had a fleet scrap value of \$359.3 million, calculated on the basis of fleet aggregate light weight tons ("lwt") and scrap rate of \$565/lwt ton (Clarksons data), on June 30, 2022.



As of June 30, 2022 in million \$USD

- Liquidity and capital resources:** As of June 30, 2022, we had \$139.4 million in cash, cash equivalents, bank time deposits and restricted cash, \$135.4 million in undrawn borrowing capacity available under revolving reducing credit facilities and \$20.0 million in secured commitment for a loan agreement in relation to one newbuild vessel.
- Capex Advances:** As of June 30, 2022, had paid \$58.9 million for our capital expenditure requirements in relation to our orderbook.
- O/S Capex:** As of June 30, 2022, we had remaining capital expenditure requirements were \$319.5 million in aggregate, consisting of \$314.6 million in relation to the ten newbuilds on order and the one second hand vessel and \$4.9 million in relation to five exhaust gas cleaning devices ('Scrubbers') and two ballast water treatment systems ('BWTS') retrofits.





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1

Global GDP expected growth by 3.2% in 2022 and 2.9% for 2023 as per IMF revised forecast released 26 July 2022.

2

War-induced commodity price increases & broadening price pressures have led to 2022 global inflation projections of 6.6% in advanced economies and 9.5% in emerging market & developing economies, as per IMF July 2022 forecast.

3

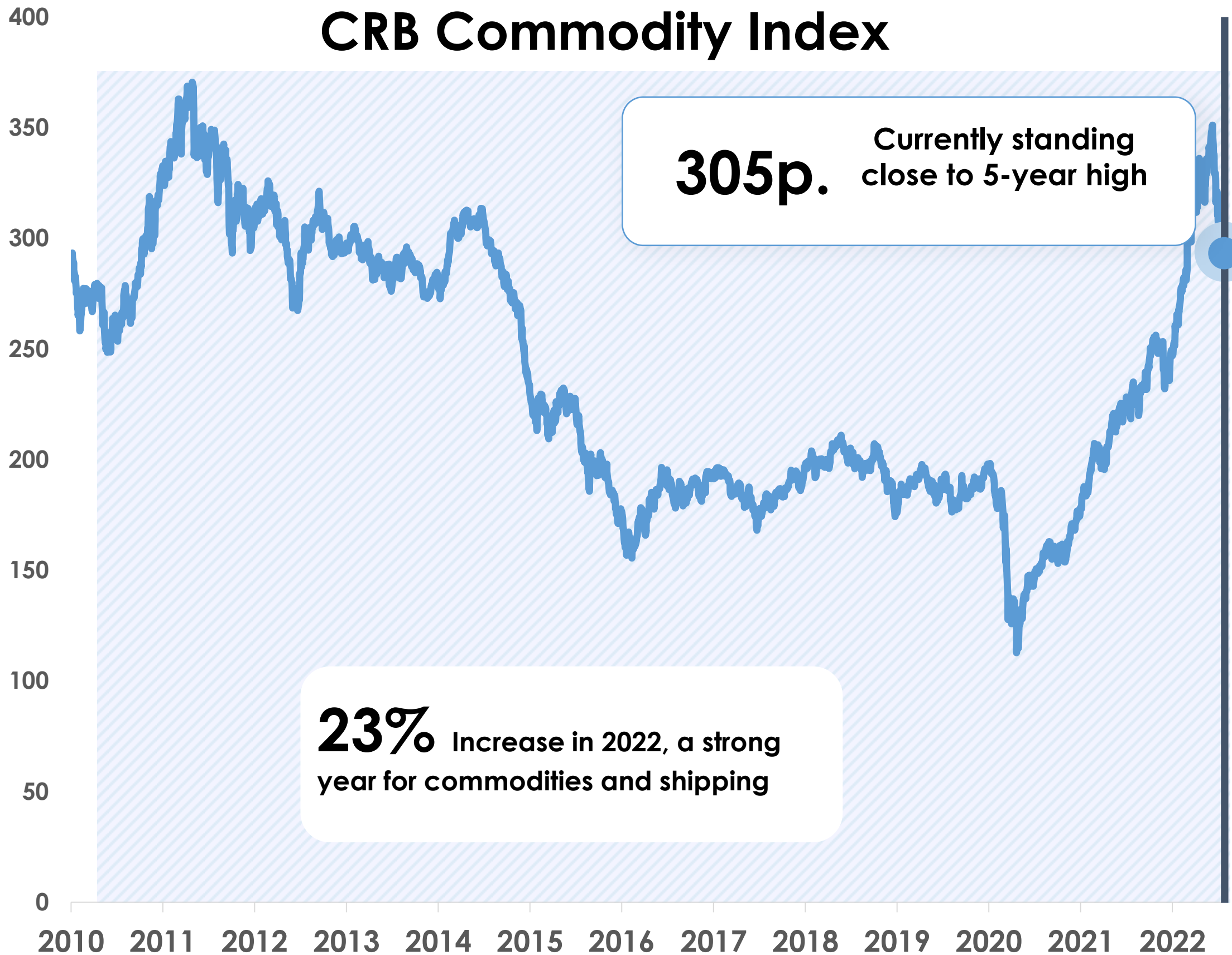
China 2022 projected real GDP at 3.3% despite zero-COVID-policy lockdowns, 4.6% for 2023. Anxiety on Chinese iron ore demand if target to control carbon emissions is to be met. Stronger domestic coal production in mainland China.

4

India 2022 IMF projected real GDP at 7.4% anticipated 6.1% for 2023.

5

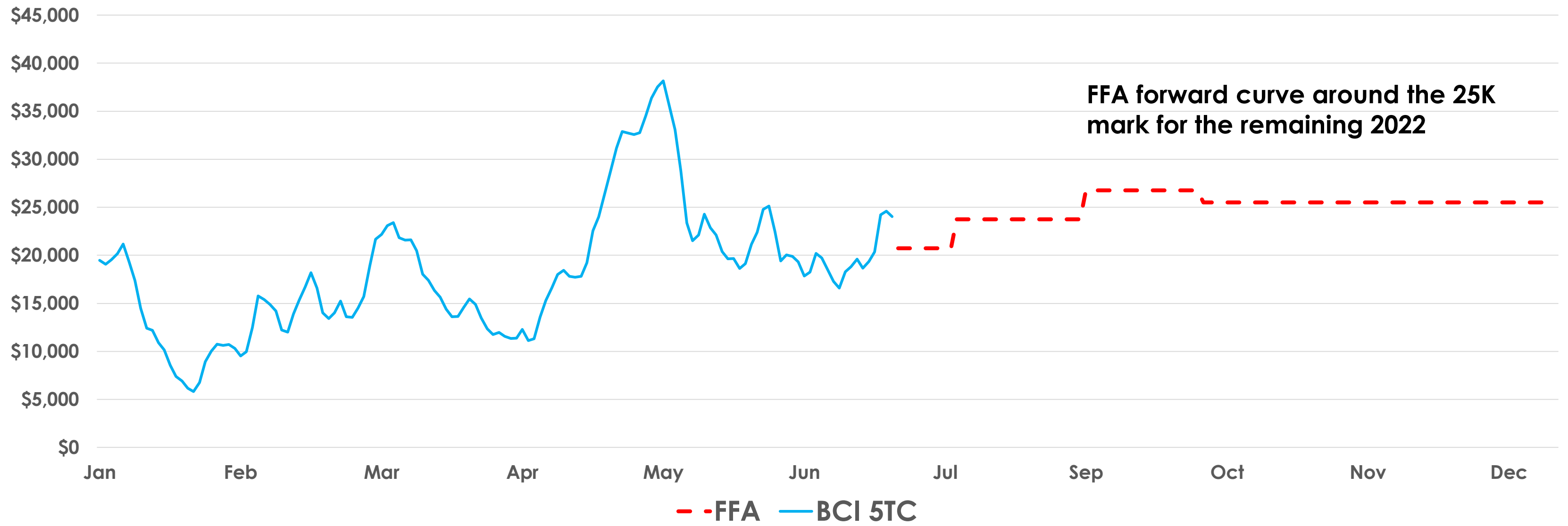
Global dry bulk tone-mile demand growth expected increase by 0.2% in 2022, and at 1.7% fro 2023.



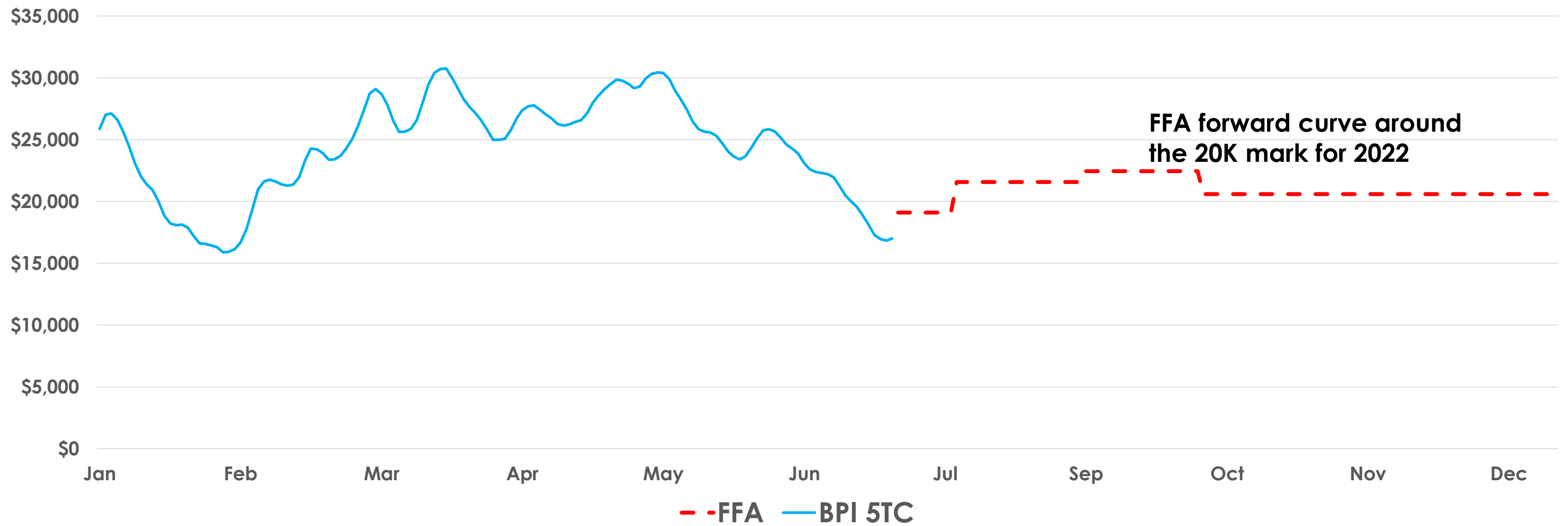
Thomson Reuters/Core Commodity CRB Index is calculated using arithmetic average of commodity futures prices with monthly rebalancing. The index consists of 19 commodities: Aluminum, Cocoa, Coffee, Copper, Corn, Cotton, Crude Oil, Gold, Heating Oil, Lean Hogs, Live Cattle, Natural Gas, Nickel, Orange Juice, RBOB Gasoline, Silver, Soybeans, Sugar and Wheat. Those commodities are sorted into 4 groups, with different weightings: Energy: 39%, Agriculture: 41%, Precious Metals: 7%, Base/Industrial Metals: 13%.

Source: Clarksons, Chinese National Bureau of statistics (NBS), IHS Markit, IMF JULY 2022 World economic outlook

## Capesize



## Panamax



# Fleet Status

1

## SB Orderbook deliveries

1<sup>ST</sup> Phase 3 newbuild delivered in May

2<sup>ND</sup> Phase 3 newbuild to be delivered in August 2022

5 vessels in 2023

3 vessels in 2024

1 vessel in 2025

Fleet average age

Q4 2021 10.3 Years

Q1 2025 10.8 years

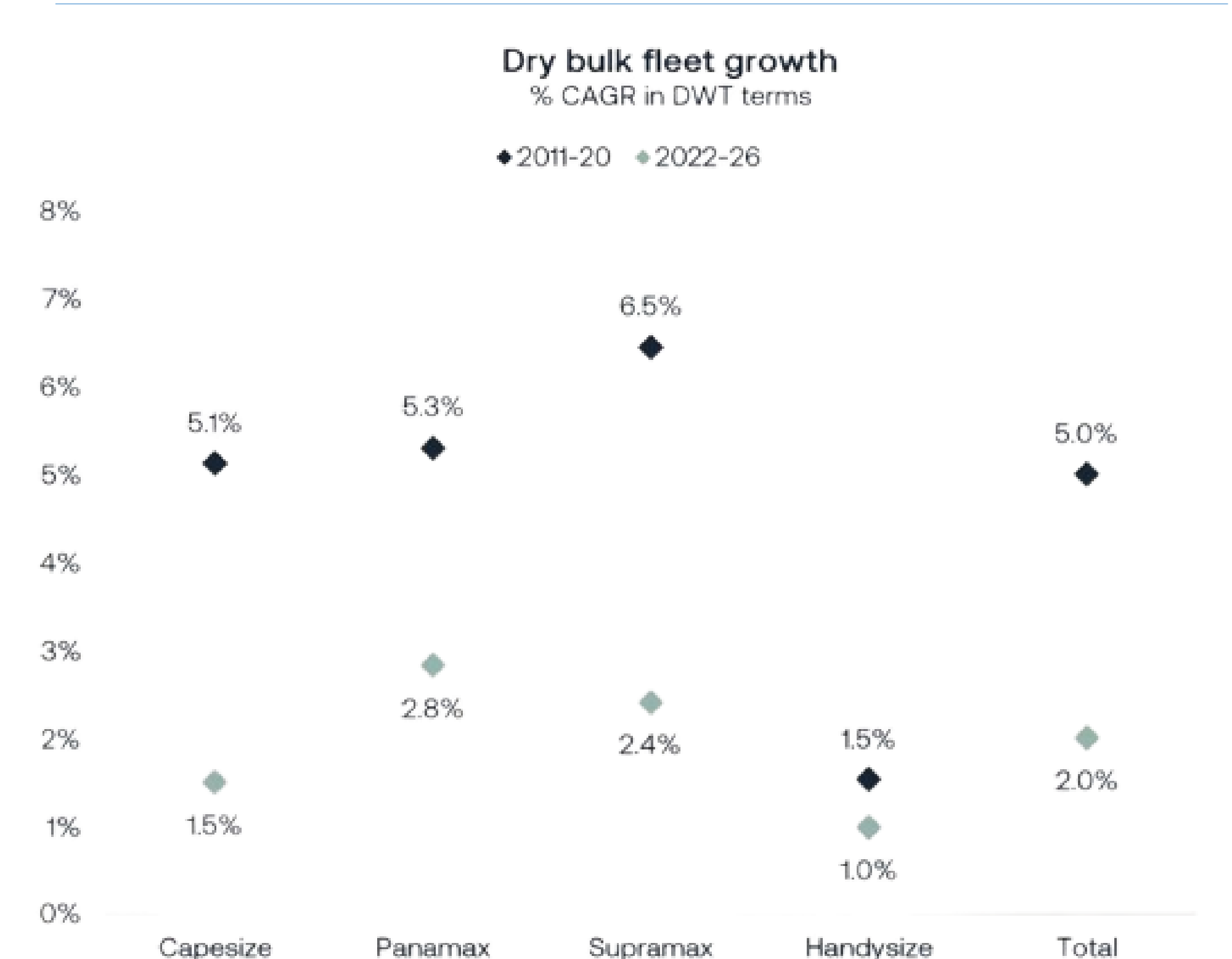
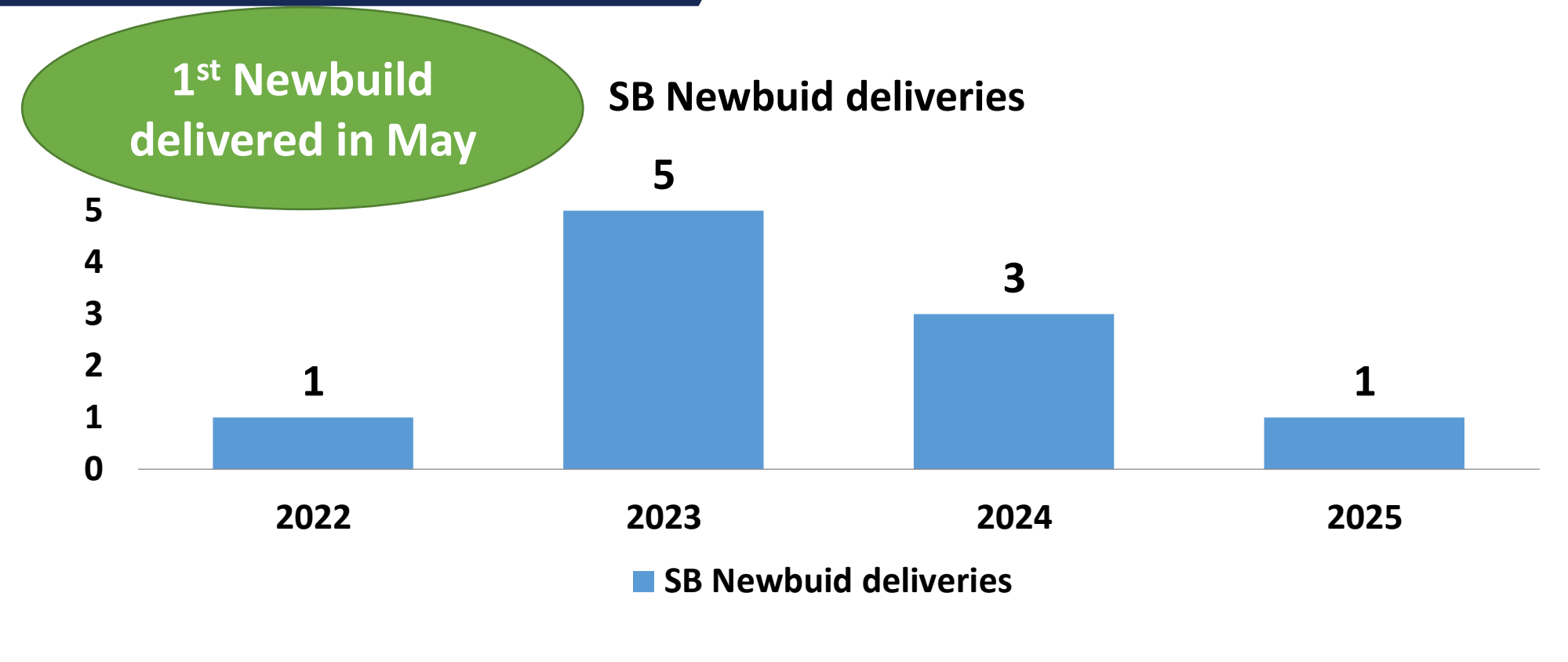
2

## Historically low orderbook

Shipyard building capacity is mainly covered by other sectors' orders containerships and LNG's

Only a handful of shipyards have developed new environmental efficient designs

Ongoing environmental discussions for emissions do not favor new orders



Source: Braemar, The Baltic Exchange

# SB Intrinsic Value – Scrubber revenue capacity

**Vessels**

18 scrubber fitted

**Annual Consumption**

7,200mt HFO  
Avg per vessel

**Spread \$230**  
1 year forward

Roughly \$26.8 mill additional revenue

**Spread \$170**

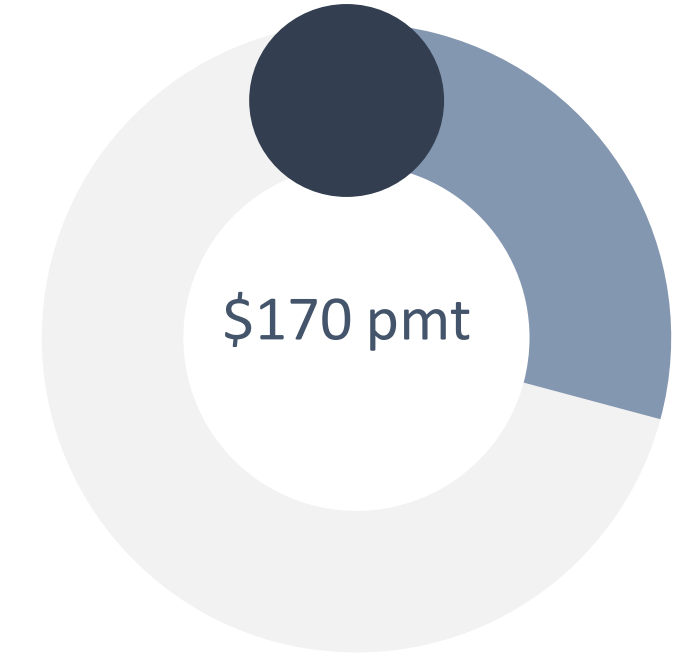
Roughly \$20.4 mill additional revenue



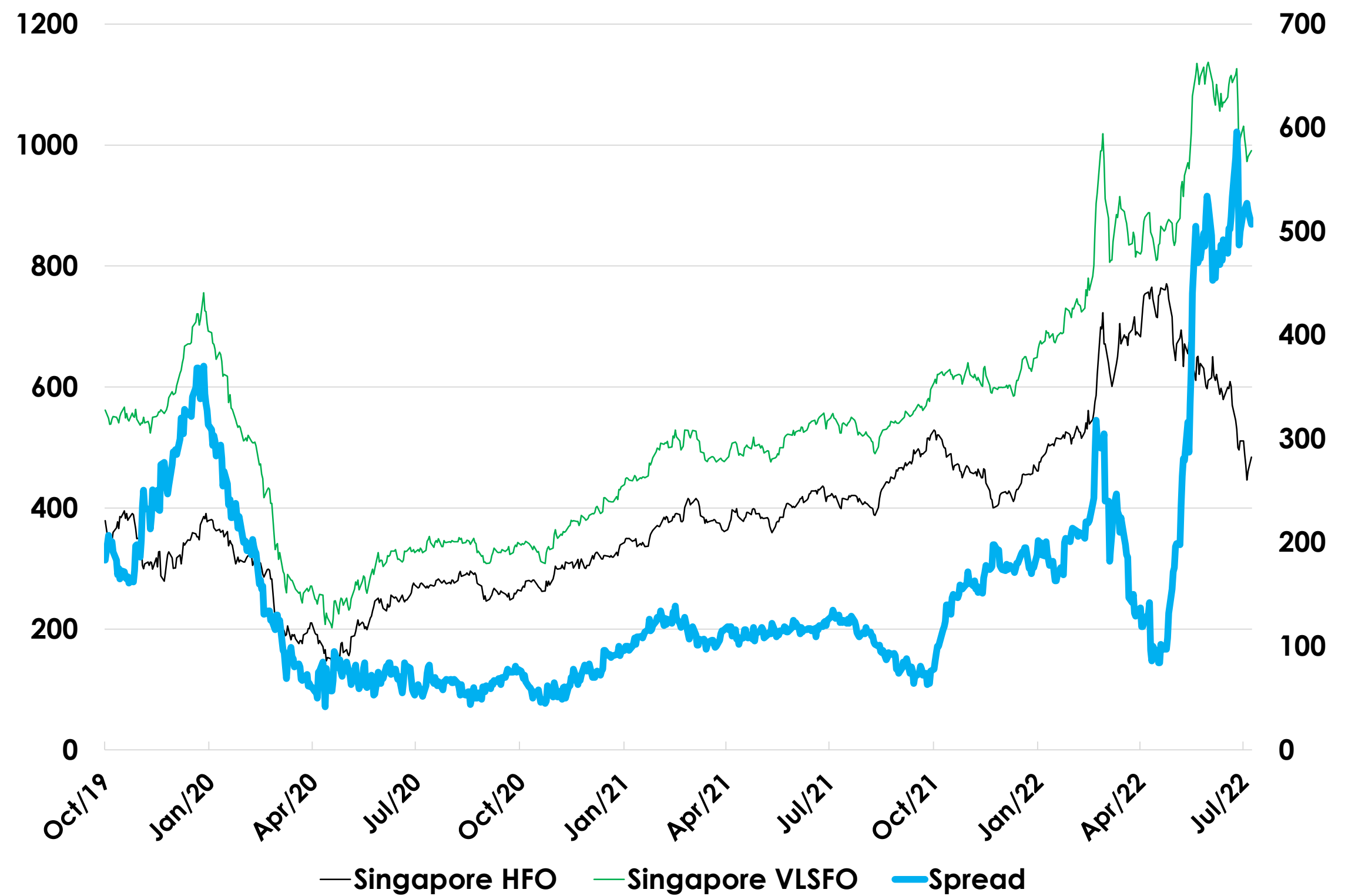
Spot spread  
VLSFO - HFO



Cal 2022 (balance)



Cal 2023



- **Liquidity**
- **Contracted revenue,**
- **Safe Bulkers orderbook**
- **Strong financial position**
- **Environmental regulations will dictate the competition rules.**
- **Market opportunities either in relation to our operation and profitability**
- **New technologies and fleet renewal.**



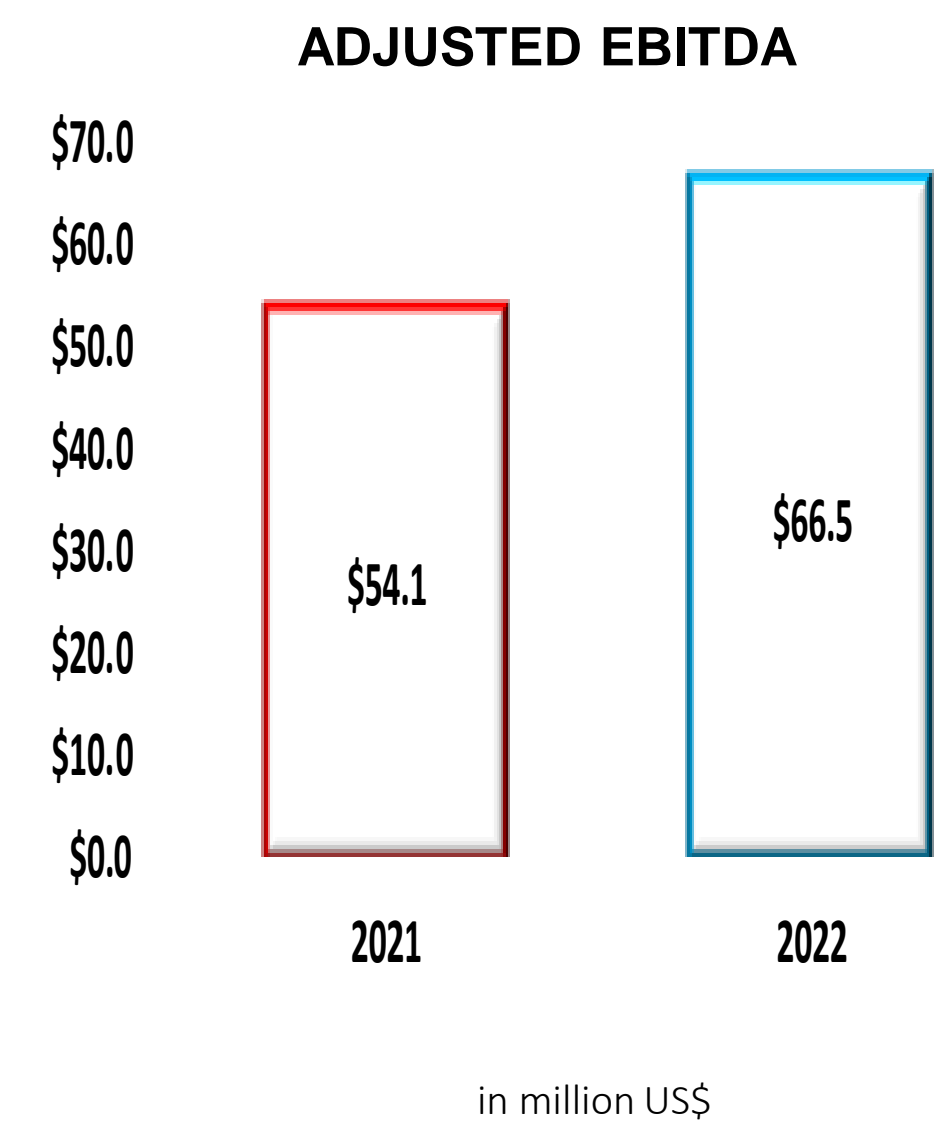
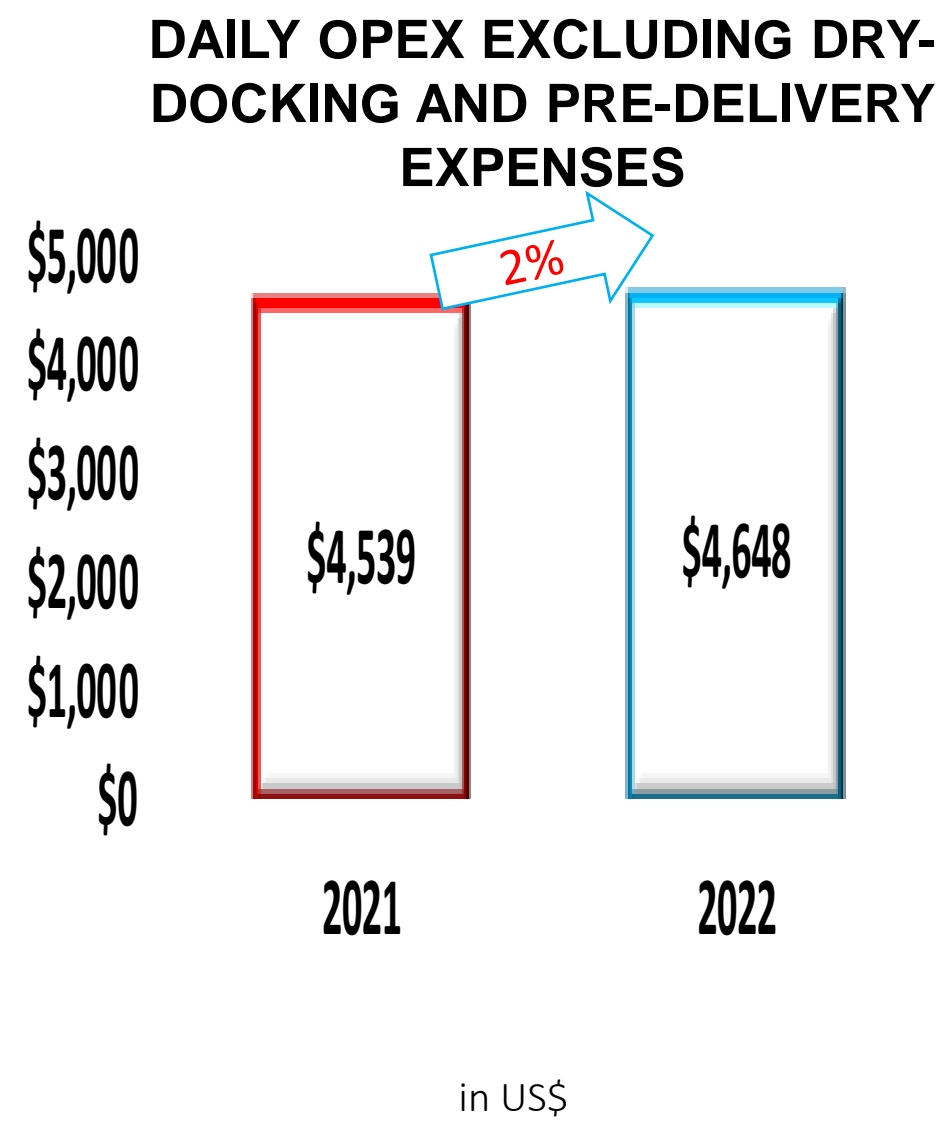
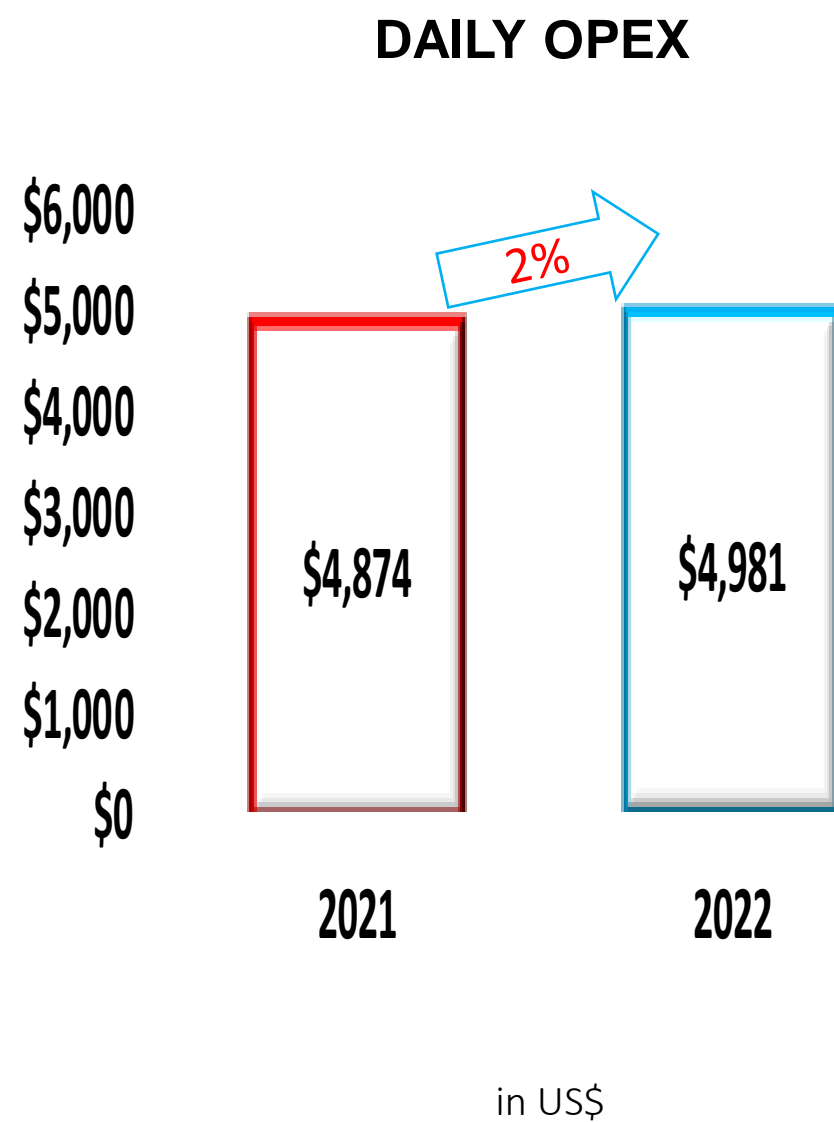
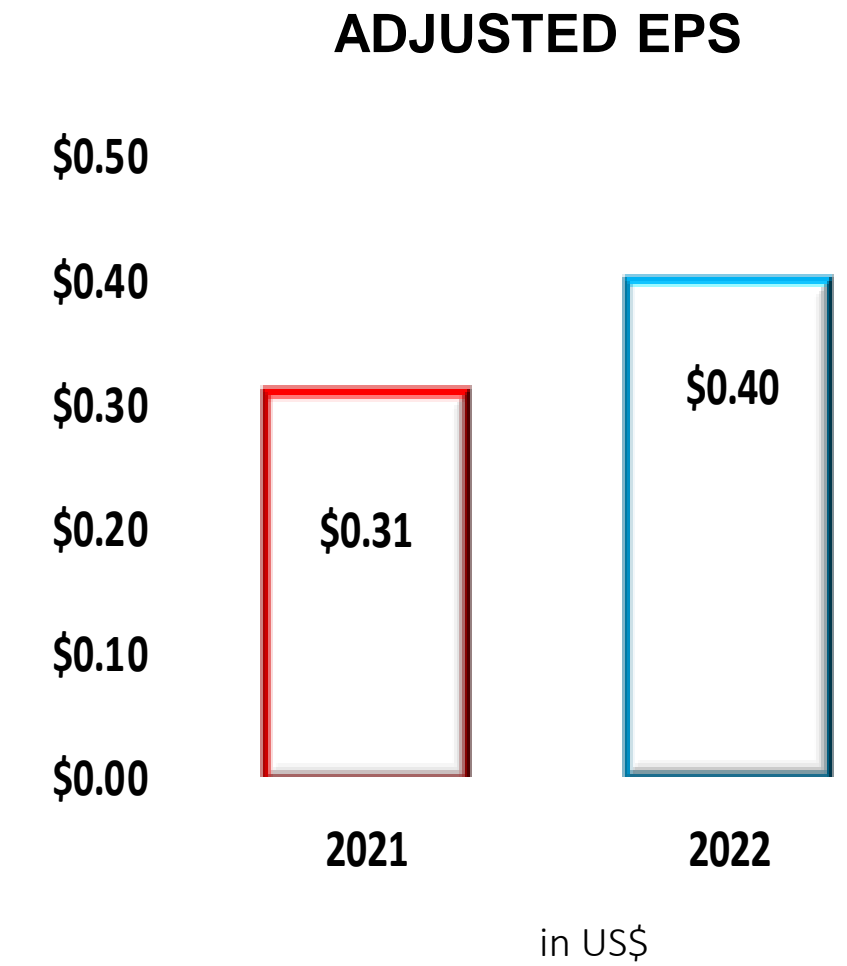
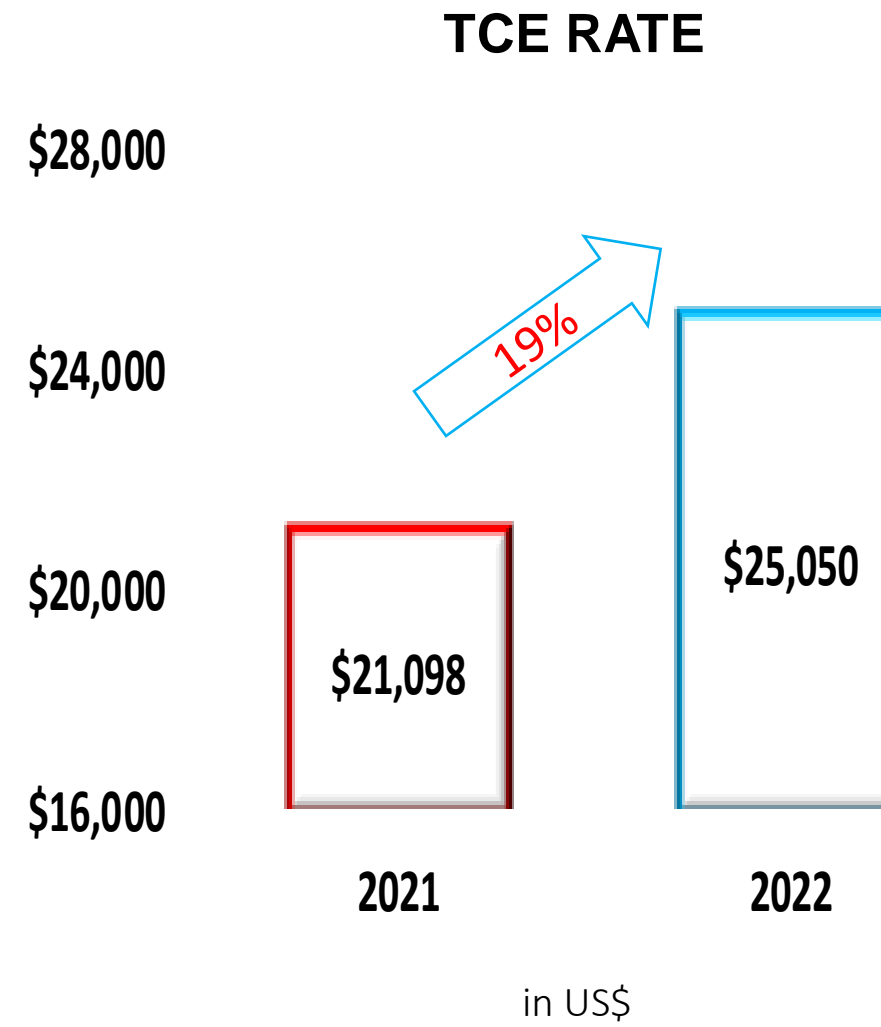
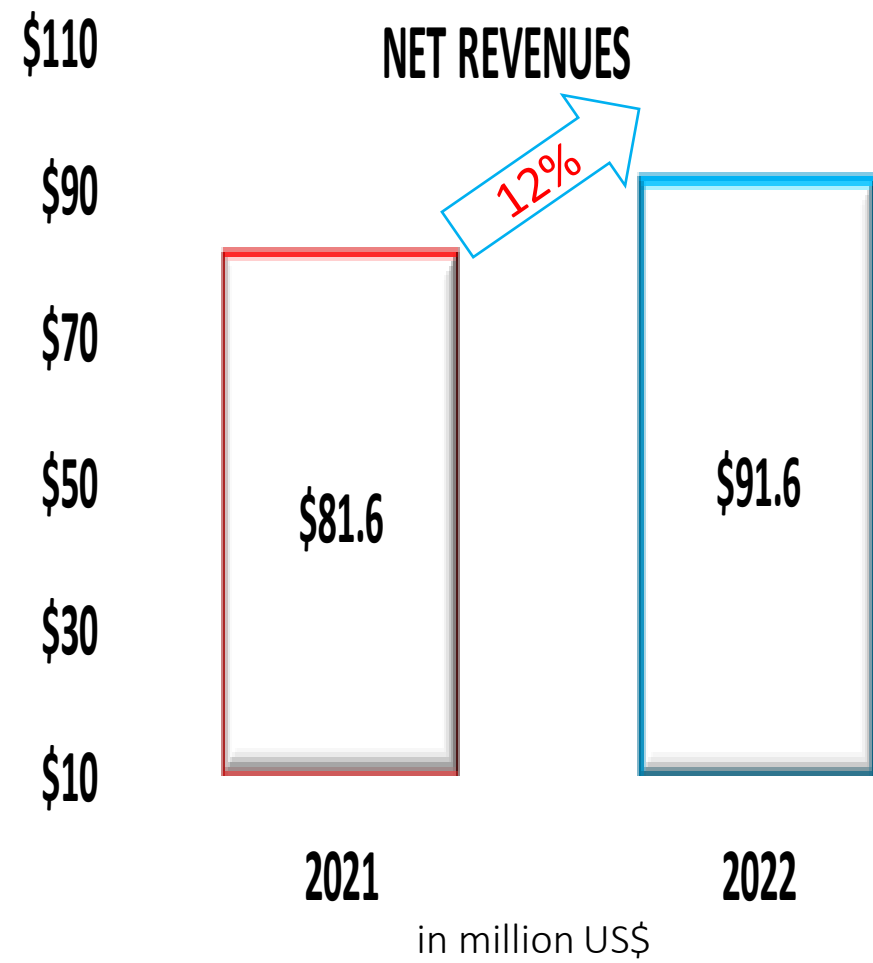
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# SB Quarterly Financial highlights



For definition of Adjusted EBITDA, Adjusted loss per share (Adjusted LPS), Daily operating expenses (Daily Opex), Daily general and administrative expenses (Daily G&A) and Time charter equivalent rate (TCE) please refer to the earnings press release issued May 25, 2022.



# SB Quarterly Operational highlights

<b>FLEET DATA, AVERAGE DAILY INDICATORS RECONCILIATION</b>	<b>Three-Months Period Ended</b>		<b>Six-Months Period Ended</b>	
	<b>2021</b>	<b>June 30, 2022</b>	<b>2021</b>	<b>June 30, 2022</b>
<b><u>FLEET DATA</u></b>				
Number of vessels at period end	40	42	40	42
Average age of fleet (in years)	10.27	10.47	10.27	10.47
Ownership days	3,776	3,735	7,580	7,294
Available days	3,704	3,612	7,439	7,050
Average number of vessels in the period	41.49	41.04	41.88	40.30
<b><u>AVERAGE DAILY RESULTS</u></b>				
Time charter equivalent rate	\$21,098	\$25,050	\$18,321	\$23,247
Daily vessel operating expenses	\$4,874	\$4,981	\$4,788	\$5,343
Daily vessel operating expenses excluding dry-docking and pre-delivery expenses	\$4,539	\$4,648	\$4,444	\$4,782
Daily general and administrative expenses	\$1,488	\$1,382	\$1,464	\$1,449
<b><u>TIME CHARTER EQUIVALENT RATE RECONCILIATION</u></b>				
<b>(In thousands of U.S. Dollars except for available days and Time charter equivalent rate)</b>				
Revenues	\$84,963	\$95,463	\$150,185	\$176,565
Less commissions	(3,385)	(3,862)	(6,089)	(7,218)
Less voyage expenses	(3,430)	(1,120)	(7,806)	(5,458)
Time charter equivalent revenue	\$78,148	\$90,481	\$136,290	\$163,889
Available days	3,704	3,612	7,439	7,050
Time charter equivalent rate	\$21,098	\$25,050	\$18,321	\$23,247

For definitions and reconciliation of average daily indicators please refer to the earnings press release issued July 27, 2022.

# CONTACT US

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