



# SAFEBULKERS

## Third Quarter & Nine Months 2021 Financial Results Presentation November 2021



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

**The Neptune Declaration**  
on Seafarer Wellbeing and Crew Change

## Forward Looking statements

This presentation contains forward-looking statements (as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange 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 which 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 dry bulk 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 publicly 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*

# Quarterly Synopsis

## Profitability

- **\$92.5** million Net Revenues
- **\$72.4** million EBITDA
- **\$0.40** Adjusted EPS

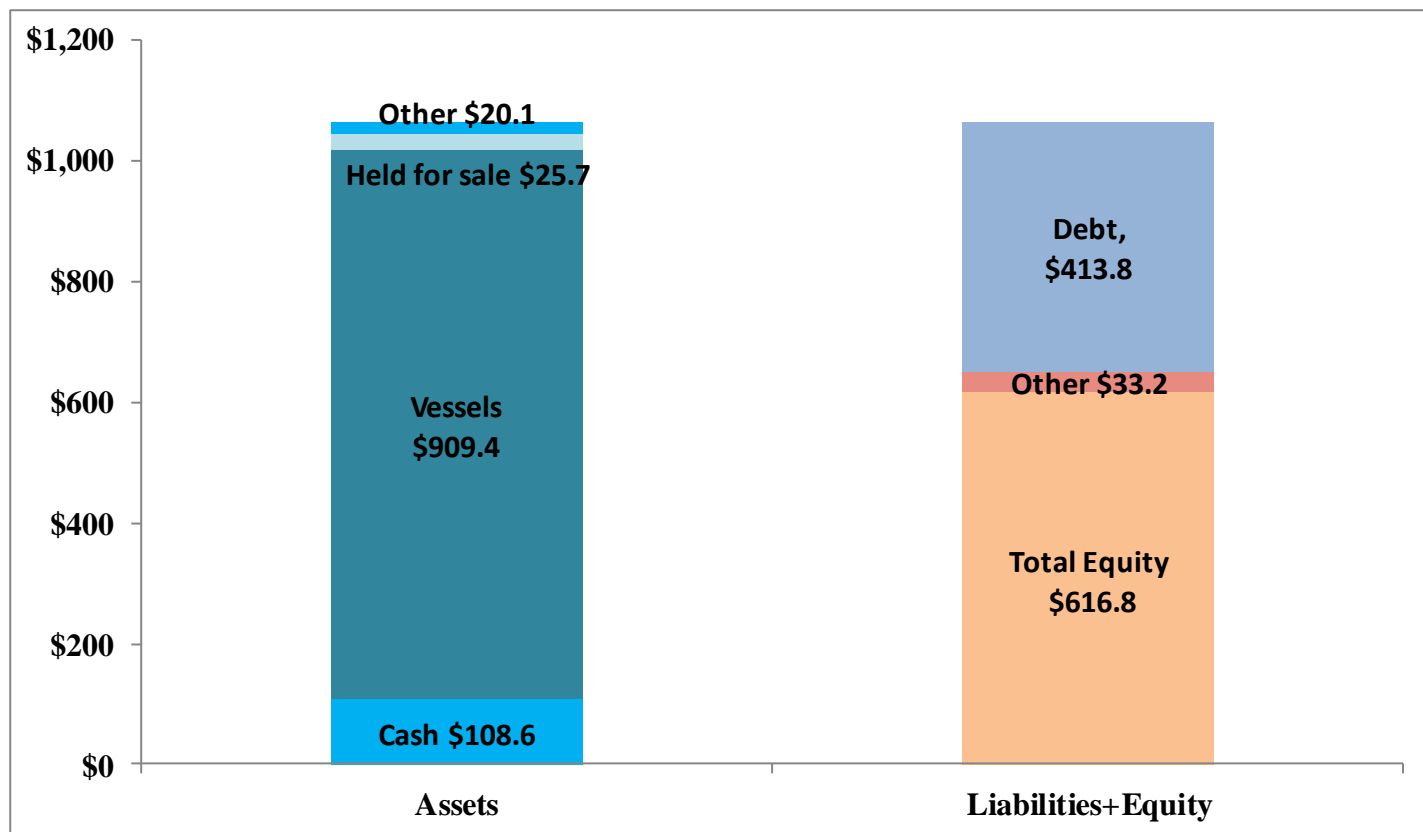
## Fleet renewal (October 29, 2021)

- **25%** of fleet will be renewed by Q1 2024 **40 vessels** existing fleet
- Ordered **8 GHG - EEDI Phase 3, NOx-Tier III** compliant Japanese newbuilds at attractive prices
- Early deliveries: 2 in 2022, 4 in 2023, 2 in Q1 2024
- Sold 7 vessels, 2 of which yet to be delivered with **\$37.3** million o/s sale proceeds vs. \$7.3 million o/s debt
- Acquired 4 second-hand vessels, 1 of which yet to be delivered with **\$28.1** million o/s capex

## Deleverage (October 29, 2021)

- **\$214.3** million decrease in debt from **\$616.2** as of Dec. 31, 2020 to **\$401.9** as of Oct. 29, 2021
- **\$92.2** million in cash and cash equivalents and time deposits and restricted cash
- **\$88.9** million undrawn borrowing capacity available under revolving reducing credit facilities
- **\$46.2** million in secured commitments (loan and sale & lease back agreements)
- **\$29.3** million additional incremental revolving reducing credit facility upon expected consummation of an agreed new credit facility

## Balance Sheet Analysis

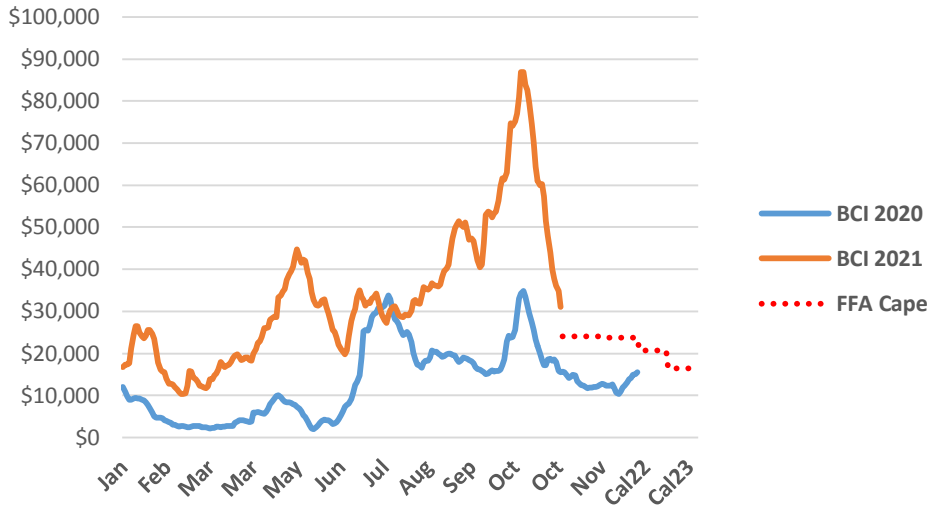


**\*Total assets are presented as of September 30, 2021 and are based on the book value of all vessels owned or leased on a finance lease, and the book value of all other assets.**

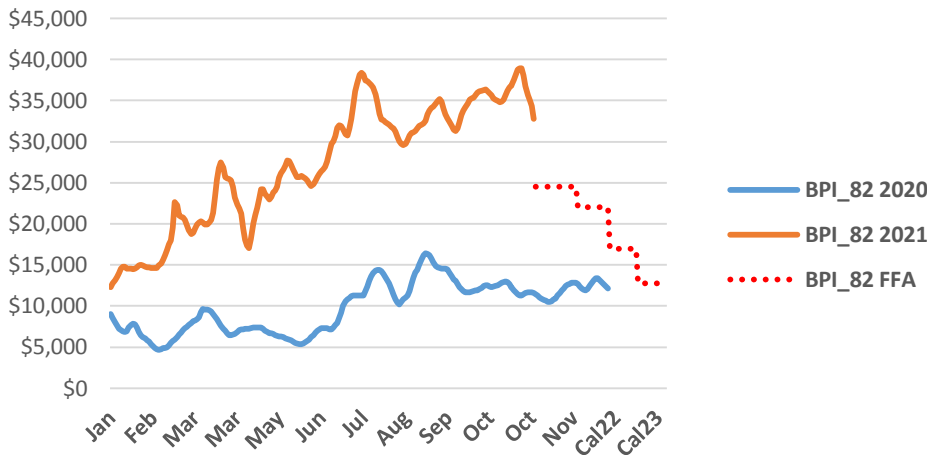
# INDUSTRY SECTION

# CHARTER MARKET CONDITIONS

Capes Spot Market & FFA



Kamsarmax Spot Market & FFA



- **Strong market in 2021:**  
Capes spot: ~ \$27k  
Kamsarmaxes: ~ 26k
- **Capes: 2021 YTD \$33.8k vs. 2020 YTD \$13.0k**
- **Kamsarmax: 2021 YTD \$27.2k vs. 2020 YTD \$9.5k**
- **FFA market levels suggest sustainability of healthy charter levels**
- **COVID-19 remains a concern for winter especially in northern hemisphere**
- **Energy crisis expected to lift coal volumes and sustain robust panamax market**
- **Coal shortage in China together with COVID-19 restrictions maintain congestions in discharge ports**

## IRON ORE



## COAL



## SOYBEANS



## COPPER



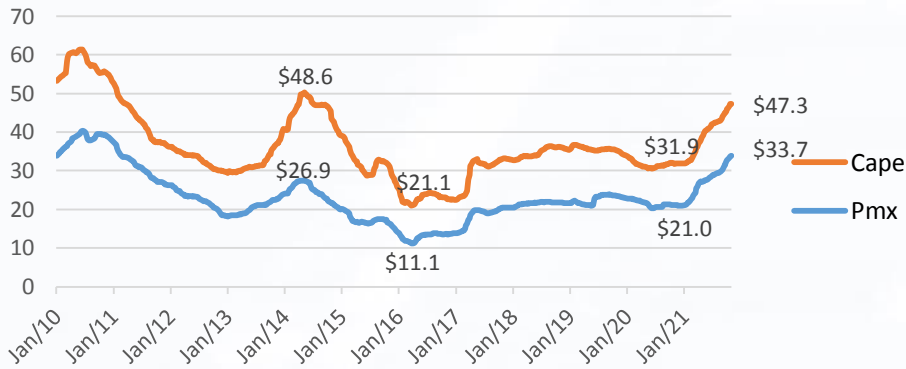
## Commodities prices surge:

- Strong demand from China especially in coal trade
- Strong demand for commodities during 2021 and a rapid prices surge in 1H volatile period in Q3 and Q4
- Chinese coal traders & users defer buying, resulting in a short-term trade freeze
- Post-pandemic plans will boost economies (US, China etc.) and dry bulk demand is expected to remain robust
- Easing of the iron ore trade normal pattern during winter
- Copper prices remain strong indicative of industrial growth



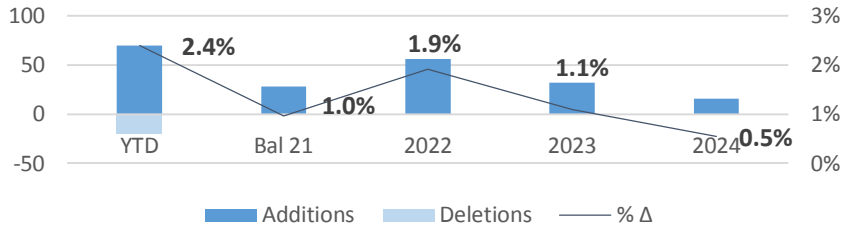
# SUPPLY SIDE – FLEET STATUS

5-Years Vessels Value (in \$million)

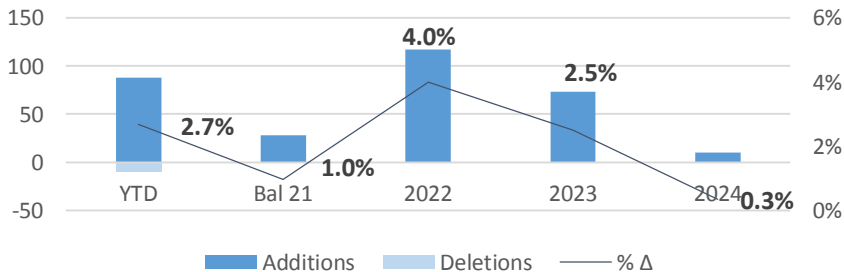


- Sharp increase in vessel values
- ~48% increased value for 5-year old Capes vs. 2020, ~\$26mill increased price vs. 2016 lows
- ~59% increased value for 5-year old Panamaxes vs. 2020, ~\$22.5mil increased price vs. 2016 lows
- 2022 onwards minimal orderbook
- Shipyard building capacity mainly covered by containerships and tankers orders
- Only a handful of shipyards developed new environmental efficient designs
- Ongoing environmental emissions discussions do not favor new orders

Cape Orderbook (no of vessels)

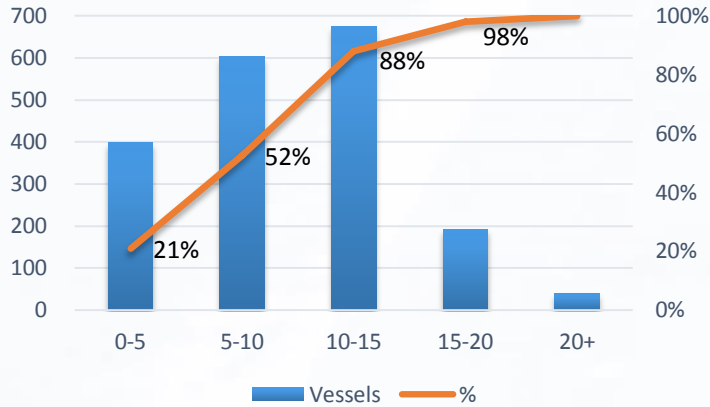


Panamax Orderbook (no of vessels)



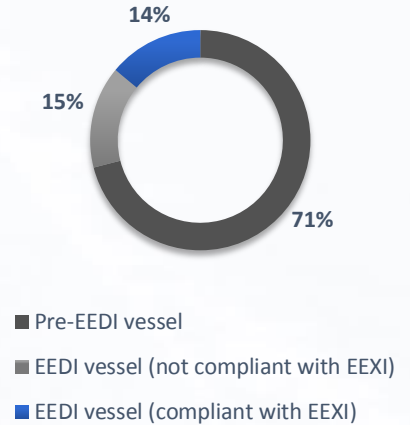
# FLEET AGE PROFILE

### Capesize Age Profile

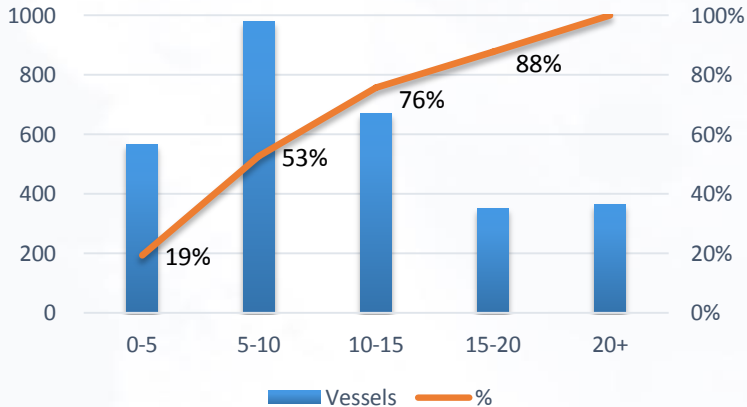


Age	Vessels	Percentage
0-5	398	21%
5-10	602	32%
10-15	674	35%
15-20	192	10%
20+	39	2%
<b>Total</b>	<b>1905</b>	
Orderbook	132	5%

### Status of compliance with EEXI on NK classed vessels



### Panamax Age Profile



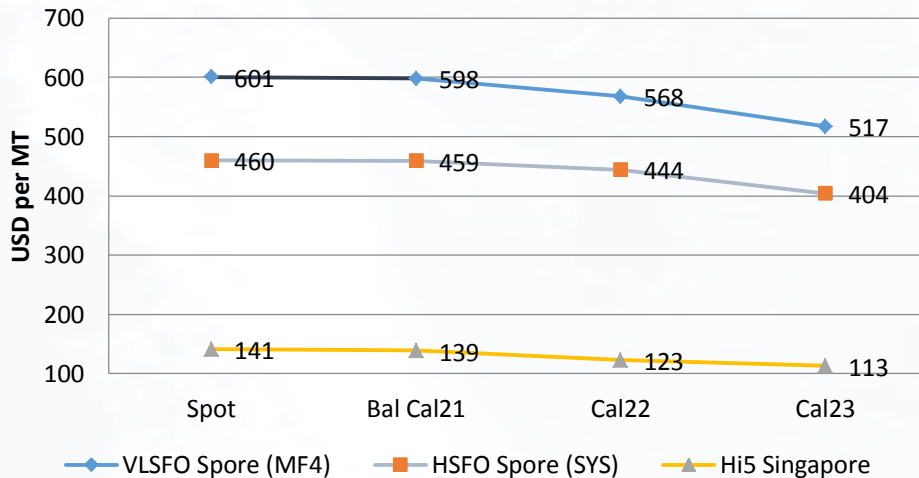
Age	Vessels	Percentage
0-5	566	19%
5-10	978	33%
10-15	671	23%
15-20	351	12%
20+	363	12%
<b>Total</b>	<b>2929</b>	
Orderbook	225	8%

- **IMO has set the goal to reduce carbon intensity by 40% within the next decade up to 2030 and existing vessels would need to adapt by**
  - **Optimizing operations**
  - **Reducing speed**
  - **Retrofitting vessels with energy-efficient technologies**
  - **Innovative propulsion techniques**
  - **Switching to green, low-carbon fuels**

## CRUDE OIL BRENT



## Futures Bunkers Prices – Hi5 Singapore



Source: ICE Report Centre, Trading Economics

## Futures Bunkers Prices & Hi5

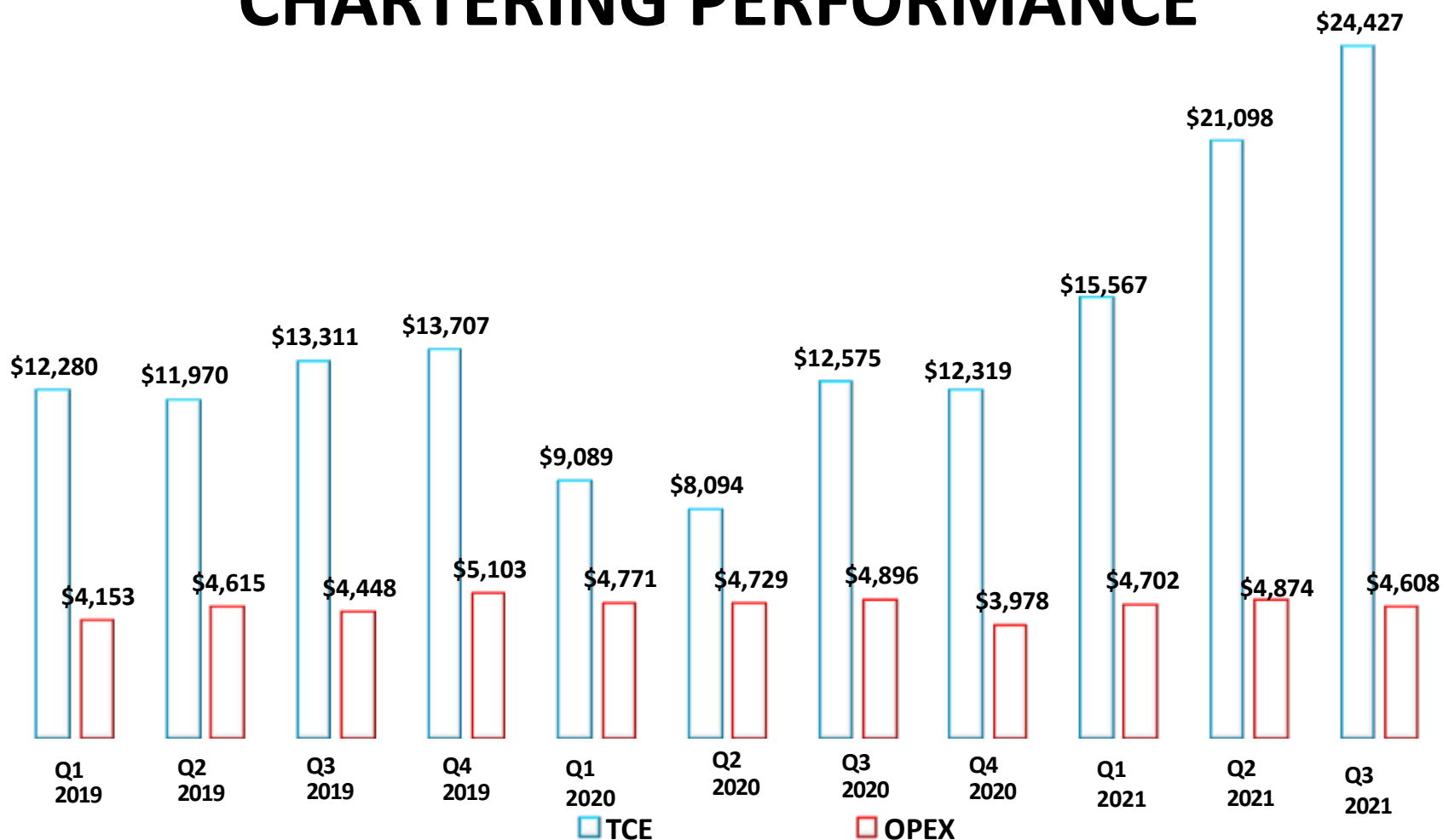
- Brent Prices reach pre-pandemic levels 5-years highs
- Gradual re-opening of economies stimulates demand leading to recovering oil prices
- Futures market indicates sustainable spread differential of VLSFO vs 3.5% HSFO (Hi5)
- Spot Hi5 ~\$140 expected to remain in the range \$120-\$140/MT
- Post-Pamax consumption ~7,500 MT/year Scrubber fitted gain ~7,500x\$120Hi-5= \$900k/year or ~\$2,500/day
- Recovery of economies, restoration of mobility, recovery of crude oil prices may lead to even wider Hi5 differential

## MARKET TAKEAWAYS

- **Minimal orderbook lowest since 2002 as decarbonization discussions not favor orders;**
- **Shipyards preoccupied with containers and tankers orders until 2024;**
- **Only a handful of shipyards have developed new environmental efficient designs for bulkers;**
- **Exceptionally strong start of 2021 with robust volumes of Iron Ore, Coal and Grain trade;**
- **Demand for commodities is very strong;**
- **Increased Governments stimulus programs spending both in east and west;**
- **“Greening” of global economy;**
- **Slowing down of global fleet due to CII purposes;**
- **Brent prices recovery may lead to even wider Hi5 spread differential;**
- **Ageing fleet and enhanced environmental restrictions may increase scrapping;**

# FINANCIAL OVERVIEW

# CHARTERING PERFORMANCE

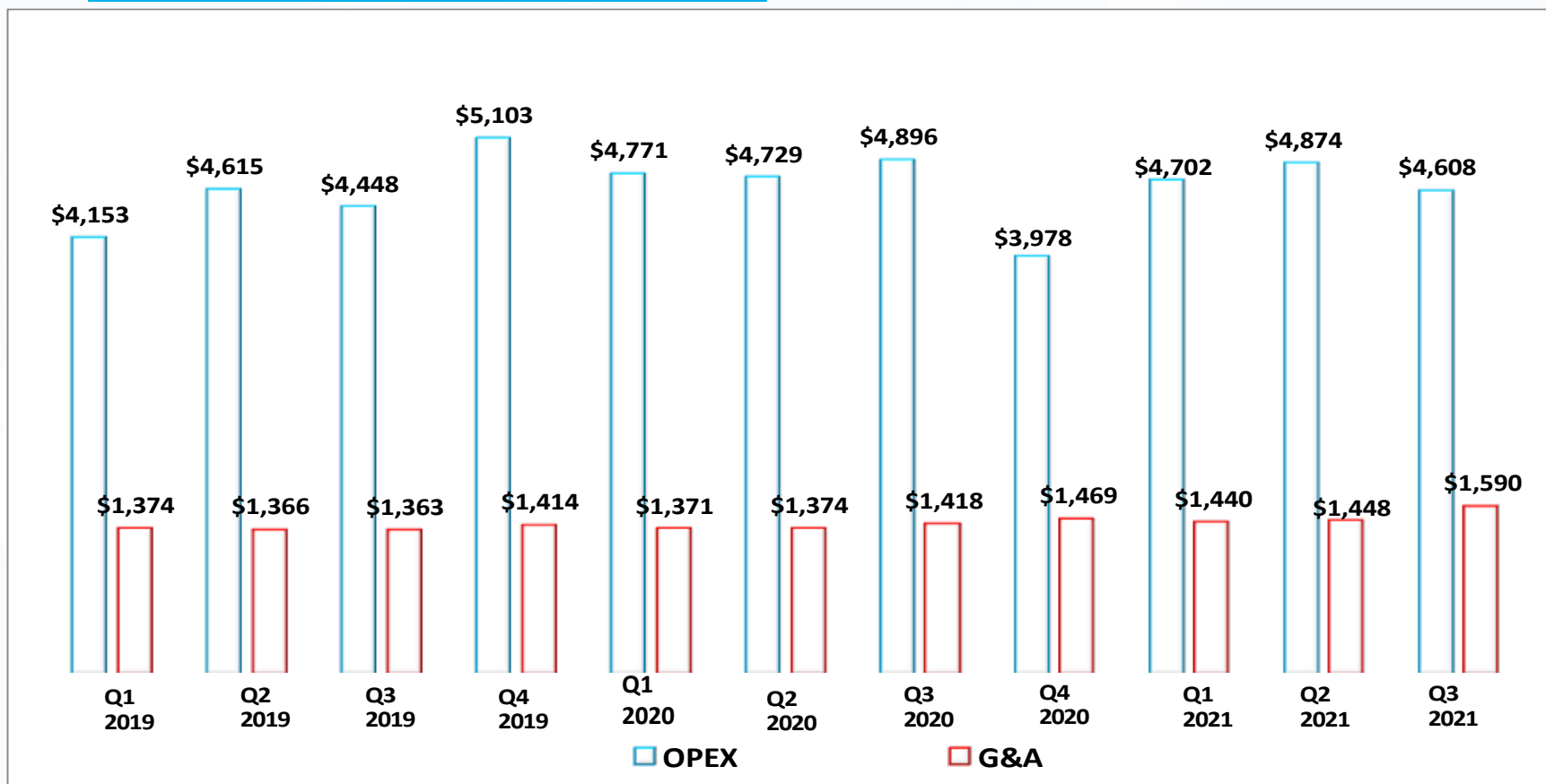


1. Time charter equivalent rate, or TCE rate, represents our charter revenues less commissions and voyage expenses during a period divided by the number of available days during such period. TCE rate is a standard shipping industry performance measure used primarily to compare daily earnings generated by vessels on period time charters and spot time charters with daily earnings generated by vessels on voyage charters, because charter rates for vessels on voyage charters are generally not expressed in per day amounts, while charter rates for vessels on period time charters and spot time charters generally are expressed in such amounts. We have only rarely employed our vessels on voyage charters and, as a result, generally our TCE rates approximate our time charter rates. Daily vessel operating expenses and daily general and administrative expenses are calculated by dividing vessel operating expenses and general and administrative expenses for the relevant period by ownership days for such period. Vessel operating expenses include crewing, insurance, lubricants, spare parts, provisions, stores, repairs, maintenance including dry-docking, statutory and classification expenses and other miscellaneous items.
2. Daily vessel operating expenses are calculated by dividing vessel operating expenses for the relevant period by ownership days for such period. Vessel operating expenses include crewing, insurance, lubricants, spare parts, provisions, stores, repairs, maintenance including dry-docking, statutory and classification expenses and other miscellaneous items. We include in our Operating expenses dry-docking expenses.

## Lean operations: Daily OPEX (1) and G&A (2) expenses

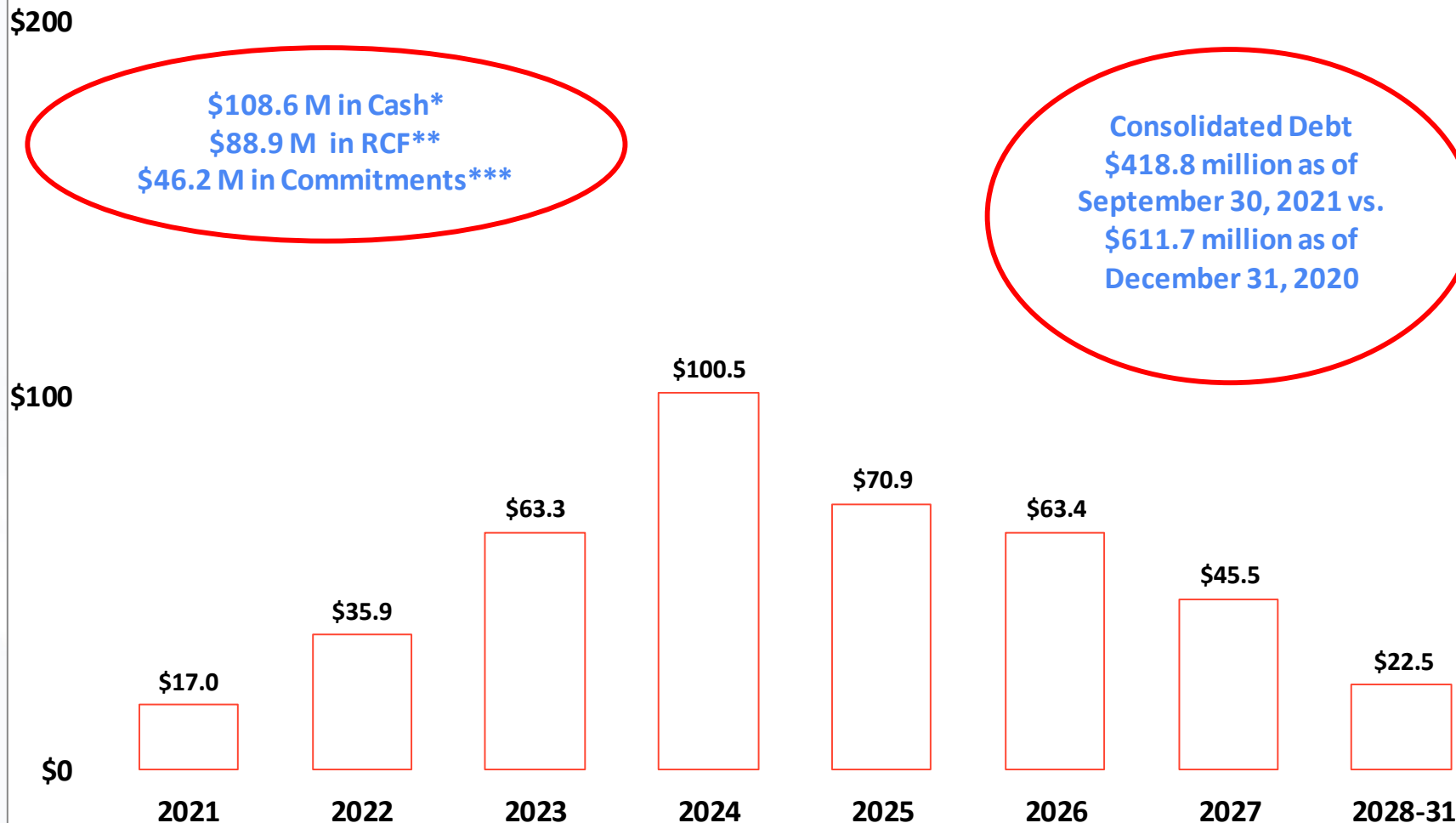
**Our Operating expenses include our dry-docking and pre-delivery expenses**

**Our G&A expenses include management fees and directors' and officers' compensation**



1. Daily vessel operating expenses are calculated by dividing vessel operating expenses for the relevant period by ownership days for such period. Vessel operating expenses include crewing, insurance, lubricants, spare parts, provisions, stores, repairs, maintenance including dry-docking, statutory and classification expenses and other miscellaneous items. We include in our Operating expenses dry-docking expenses.
2. Daily general and administrative expenses are calculated by dividing general and administrative expenses for the relevant period by ownership days for such period. Daily general and administrative expenses include daily management fees payable to our Managers for managing our fleet and daily company administration expenses. We include in our general and administrative expenses all expenses incurred related to the administration of our company such as legal costs, audit fees, independent directors' compensation, listing fees to NYSE and other miscellaneous expenses.

## Debt profile in millions USD



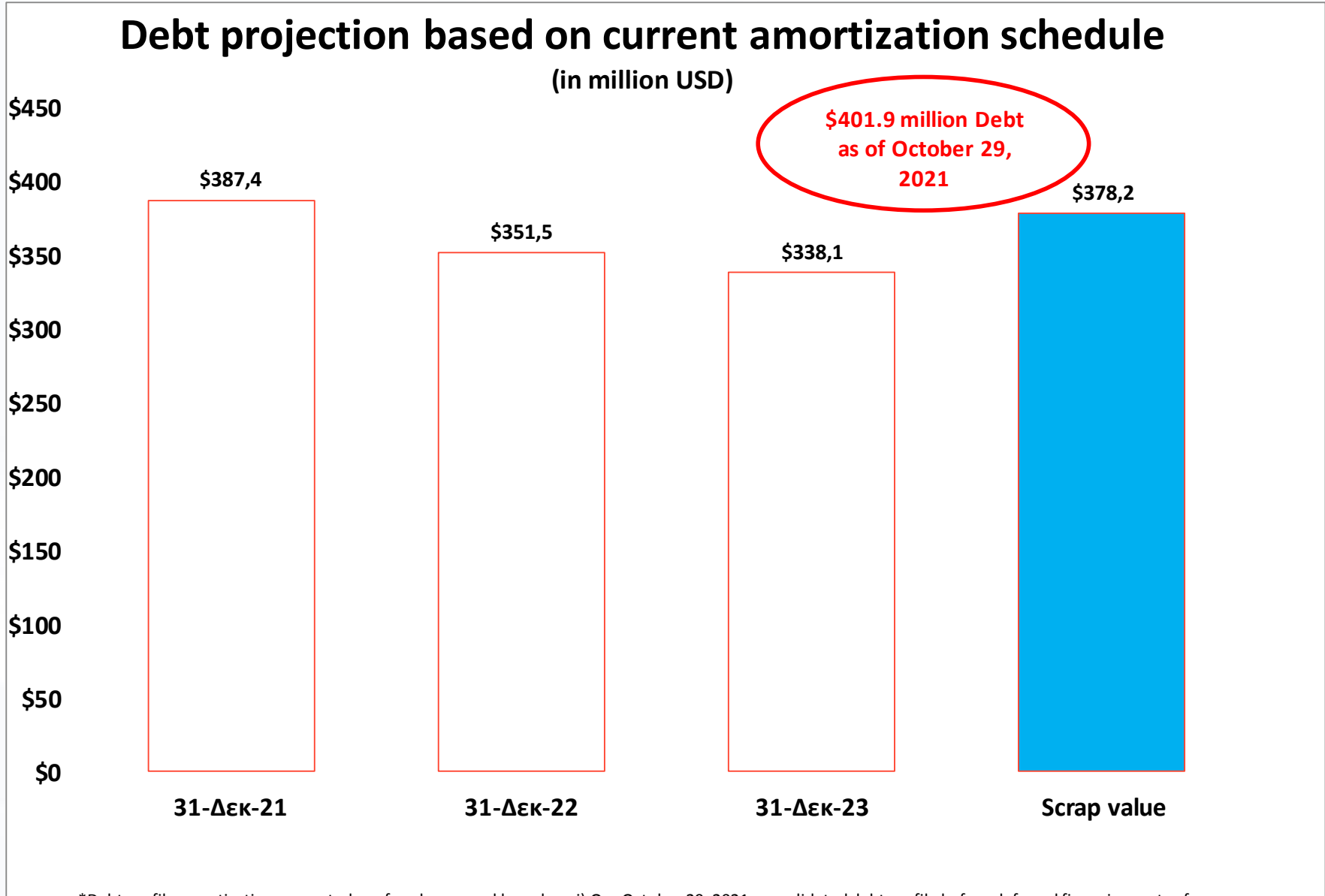
All data presented as of September 30, 2021.

\* Total Cash represents Cash and cash equivalents plus Time deposits and Restricted cash.

\*\* Undrawn borrowing capacity under revolving reducing credit facilities.

\*\*\* Secured financing commitments for loan and sale and lease back financings.

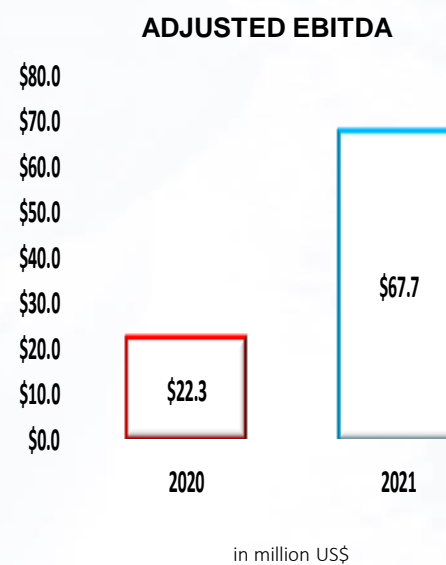
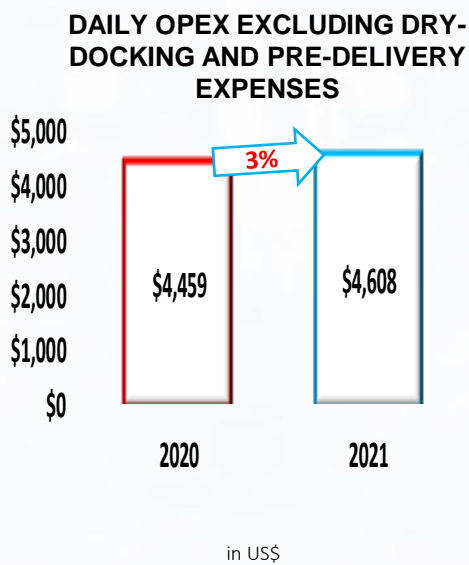
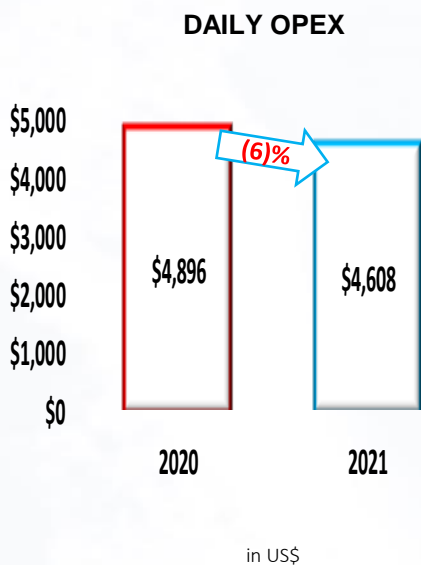
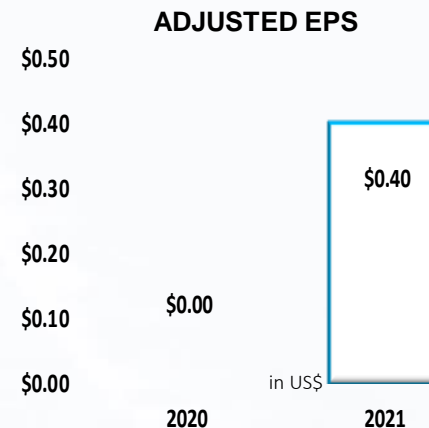
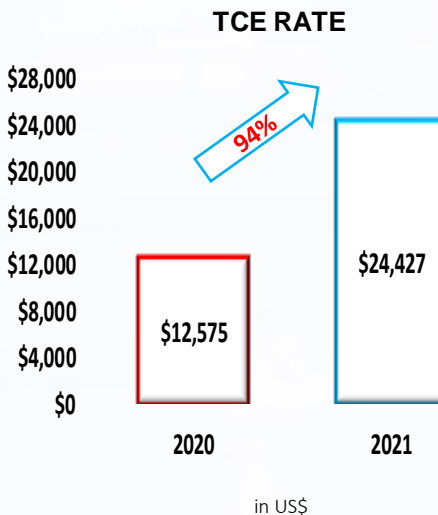
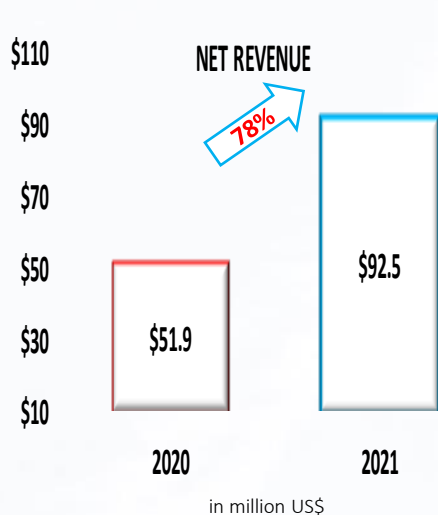




\*Debt profile amortization presented as of each year end based on: i) Our October 29, 2021 consolidated debt profile before deferred financing costs of \$401.9 million plus ii) drawdown of the secured commitments including sale and lease back financing, of the ordered vessels in 2022, iii) no other new financing or refinancing of debt.

\*\*Scrap value calculated based on: i) fleet of 40 vessels as of October 29, 2021 ii) 2 vessel agreed to be sold iii) 6 newbuilds out of 8 delivered by 2023 as per orderbook and one 2<sup>nd</sup> hand acquisition, and iv) scrap price of \$580/ton as of Q3 2021 Indian subcontinent demolition price bulk carrier.

# 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 November 3, 2021.

	Three-Months Period Ended September 30,		Nine-Months Period Ended September 30,	
	2020	2021	2020	2021
<b><u>FLEET DATA</u></b>				
Number of vessels at period end	42	39	42	39
Average age of fleet (in years)	9.86	10.30	9.86	10.30
Ownership days	3,864	3,727	11,402	11,307
Available days	3,726	3,726	10,972	11,165
Average number of vessels in the period	42.00	40.51	41.61	41.42
<b><u>AVERAGE DAILY RESULTS</u></b>				
Time charter equivalent rate	\$ 12,575	\$ 24,427	\$ 9,940	\$ 20,359
Daily vessel operating expenses	\$ 4,896	\$ 4,608	\$ 4,799	\$ 4,729
Daily vessel operating expenses excluding dry-docking and pre-delivery expenses	\$ 4,459	\$ 4,608	\$ 4,318	\$ 4,511
Daily general and administrative expenses	\$ 1,418	\$ 1,590	\$ 1,388	\$ 1,506
<b><u>TIME CHARTER EQUIVALENT RATE RECONCILIATION</u></b>				
(In thousands of U.S. Dollars except for available days and Time charter equivalent rate)				
Revenues	\$ 53,992	\$ 96,847	\$ 151,632	\$ 247,032
Less commissions	(2,059)	(4,353)	(5,703)	(10,442)
Less voyage expenses	(5,080)	(1,478)	(36,866)	(9,284)
Time charter equivalent revenue	\$ 46,853	\$ 91,016	\$ 109,063	\$ 227,306
Available days	3,726	3,726	10,972	11,165
Time charter equivalent rate	\$ 12,575	\$ 24,427	\$ 9,940	\$ 20,359

For definitions of daily fleet data, average daily results and Time charter equivalent rate reconciliation please refer to the earnings press release issued November 3, 2021.



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the crew change crisis. Join us.

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on Seafarer Wellbeing and Crew Change

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