



# Q3 2022 EARNINGS PRESENTATION NOVEMBER 2022



# 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



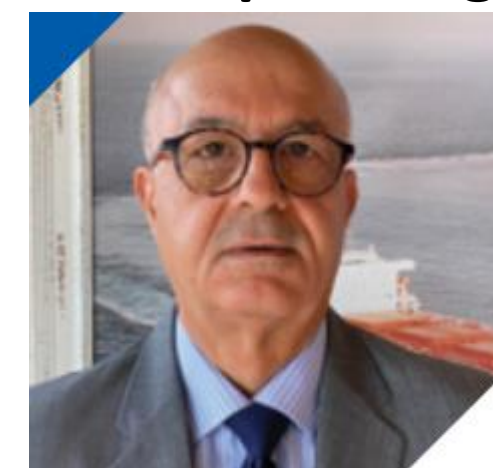
**Dr. Loukas Barmparis**  
President



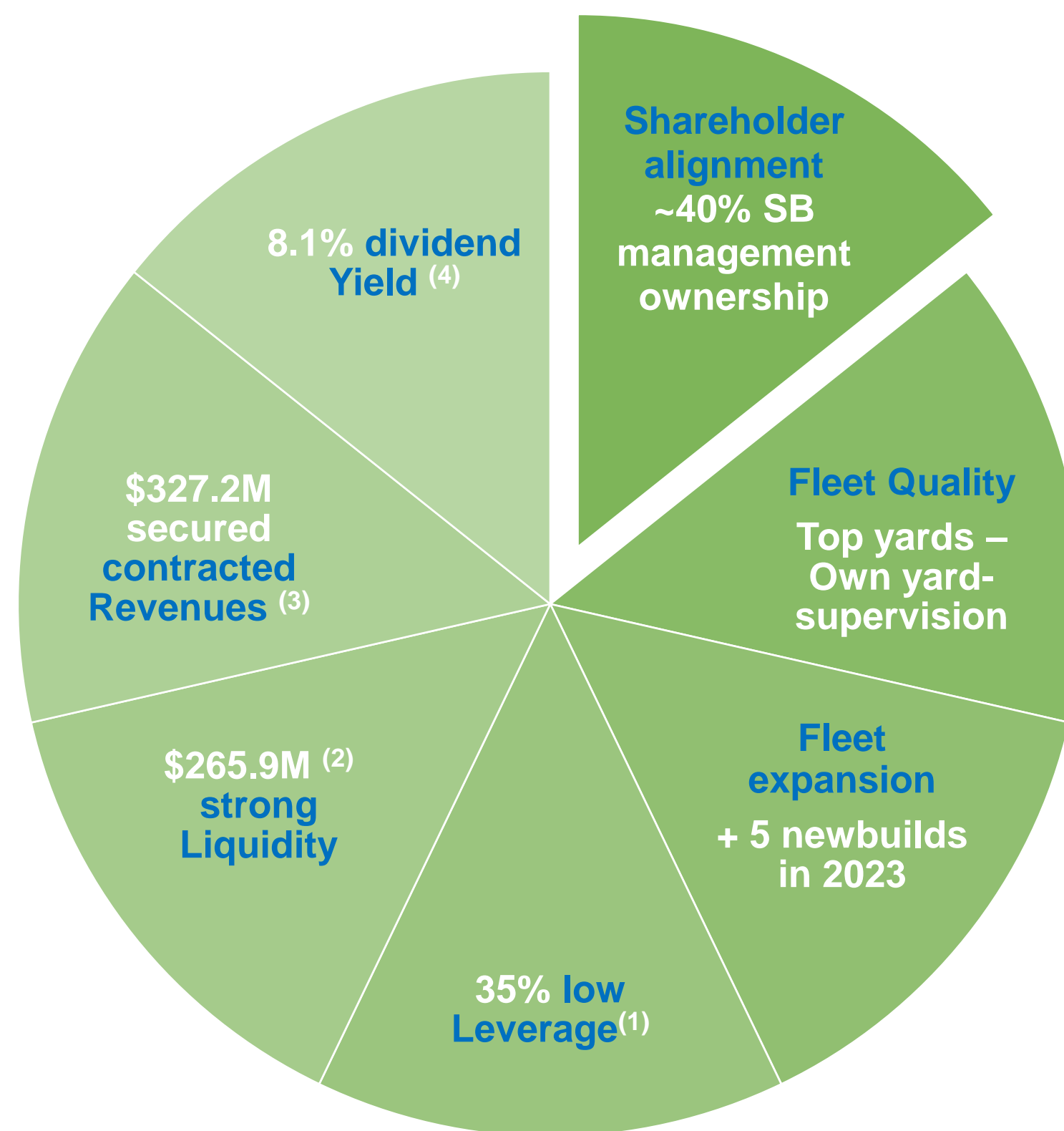
**Konstantinos Adamopoulos**  
Chief Financial Officer



**Ioannis Foteinos**  
Chief Operating Officer

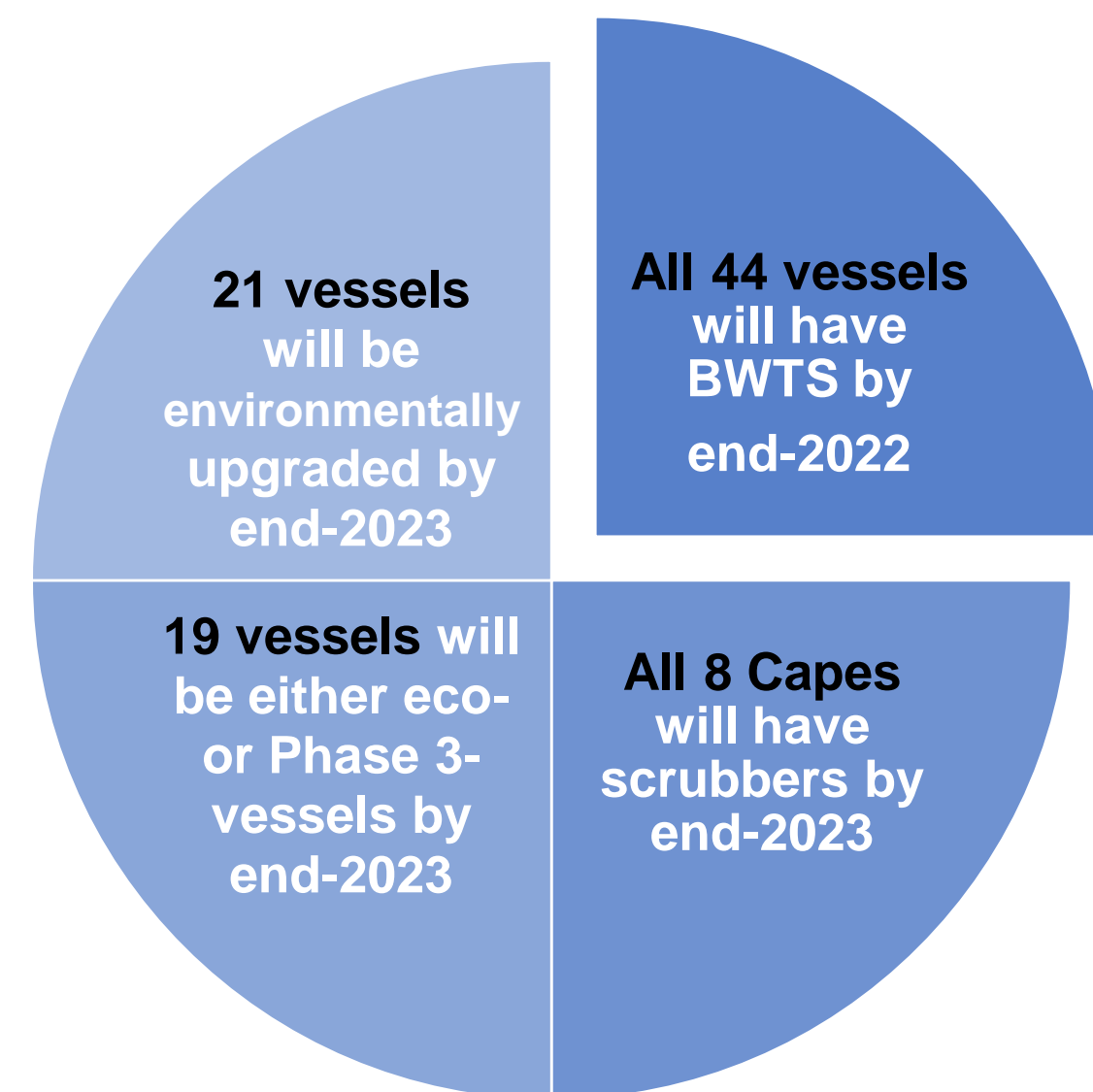
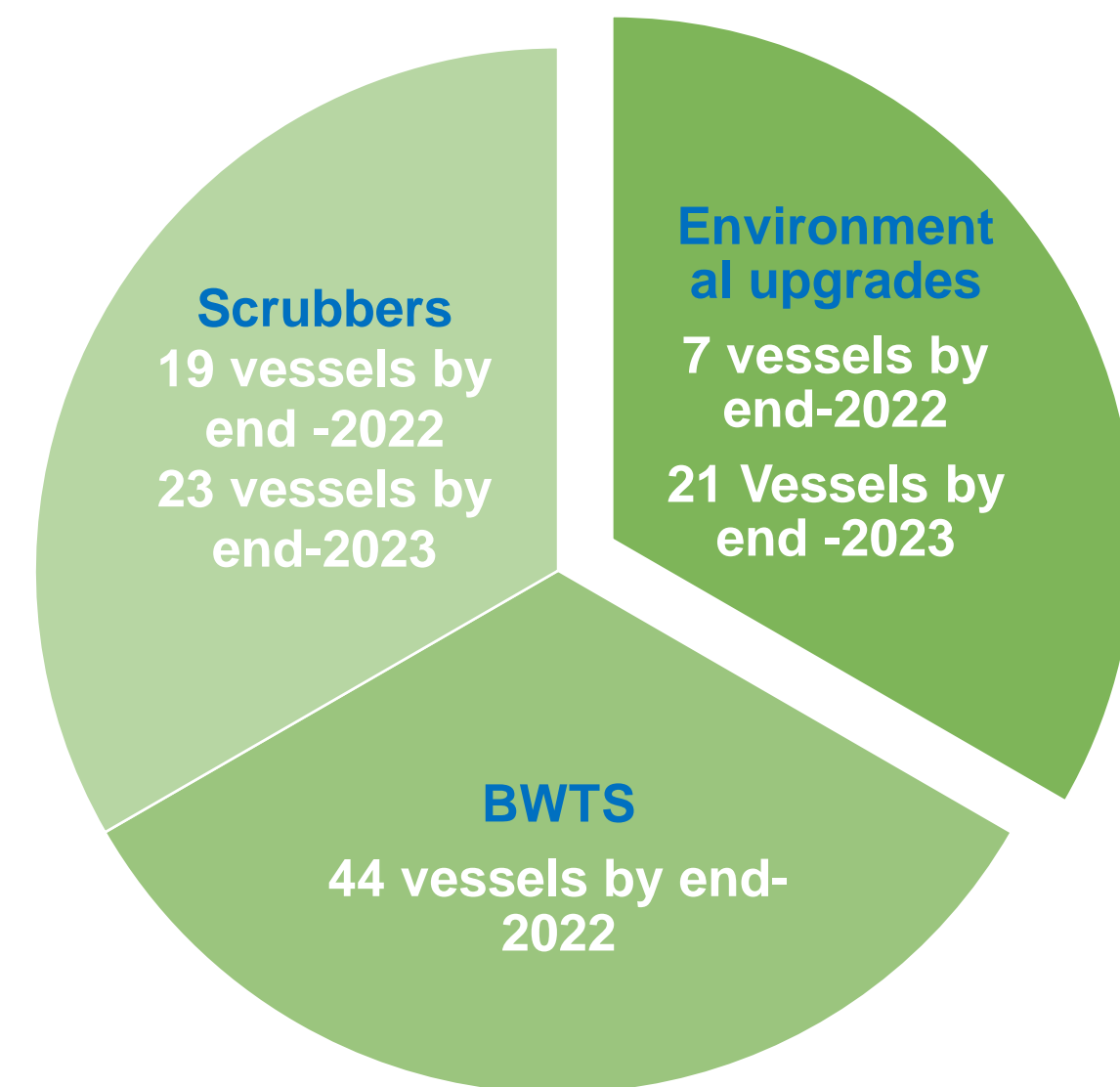
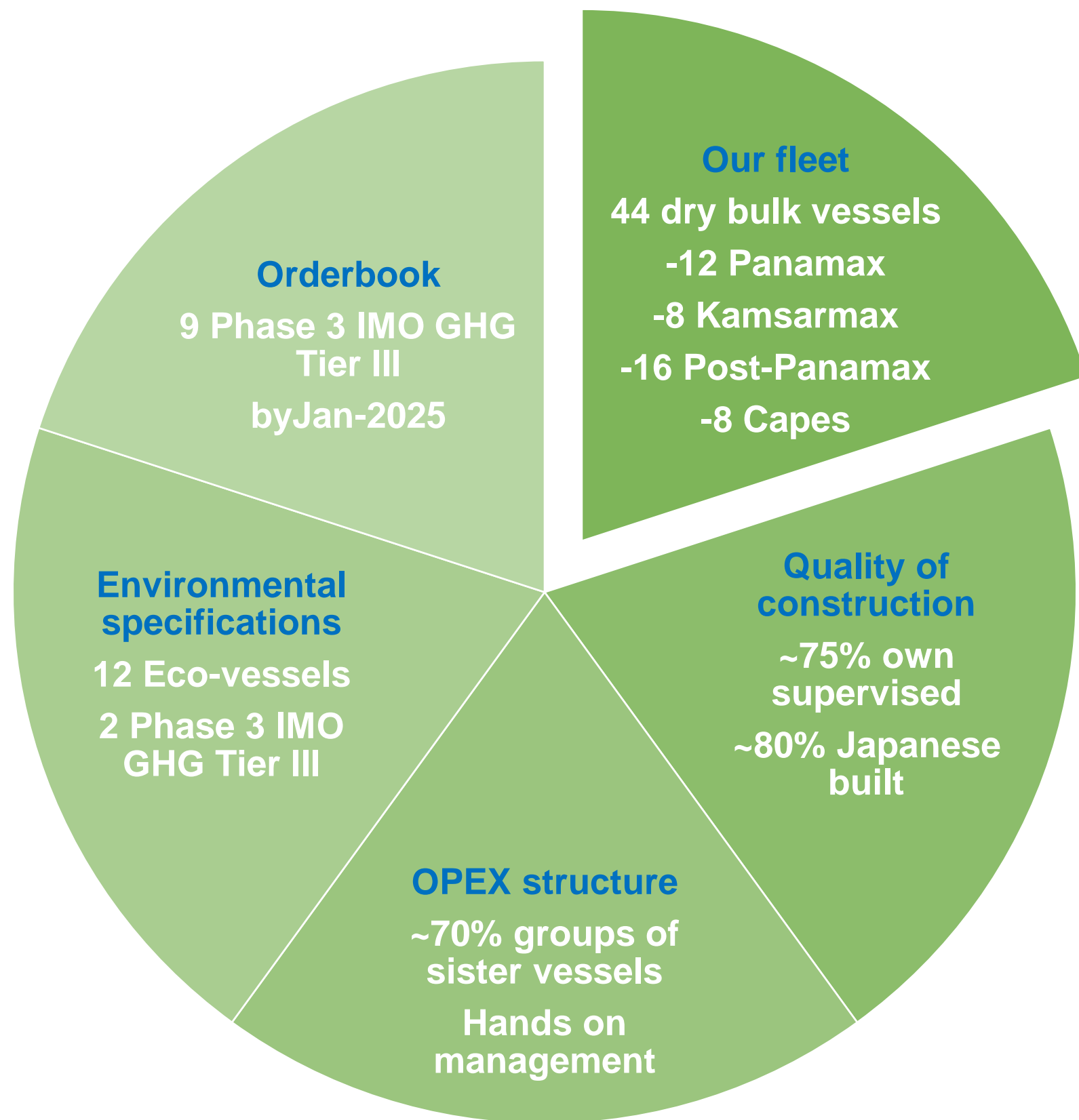


**Safe Bulkers Inc.**  
**(NYSE:SB)**  
**U.S. listed dry bulk**  
**company since 2008**



1. Leverage is a non-GAAP measure and represents total consolidated liabilities divided by total consolidated assets. Total consolidated assets are based on the market value of all vessels, as provided by independent broker valuers on quarter-end, owned or leased on a finance lease taking into account their employment, and the book value of all other assets.
2. Liquidity and capital resources of \$265.9 million as of September 30, 2022, consists of \$121.7 million in cash, cash equivalents, bank time deposits and restricted cash and \$144.3 million in undrawn borrowing capacity available under existing revolving reducing credit facilities.
3. As of September 30, 2022, we had contracted revenue of approximately \$327.2 million, net of commissions, from our non-cancellable spot and period time charter contracts excluding the scrubber benefit, of which \$171.0 million or 52% is contracted revenue related to period time charters of our Capesize class vessels.
4. Based on annualized dividend of \$0.20 per common share divided by common stock price of \$2.47 per share as of September 30, 2022.

**Safe Bulkers Inc.**  
**(NYSE:SB)**  
U.S. listed dry bulk  
company

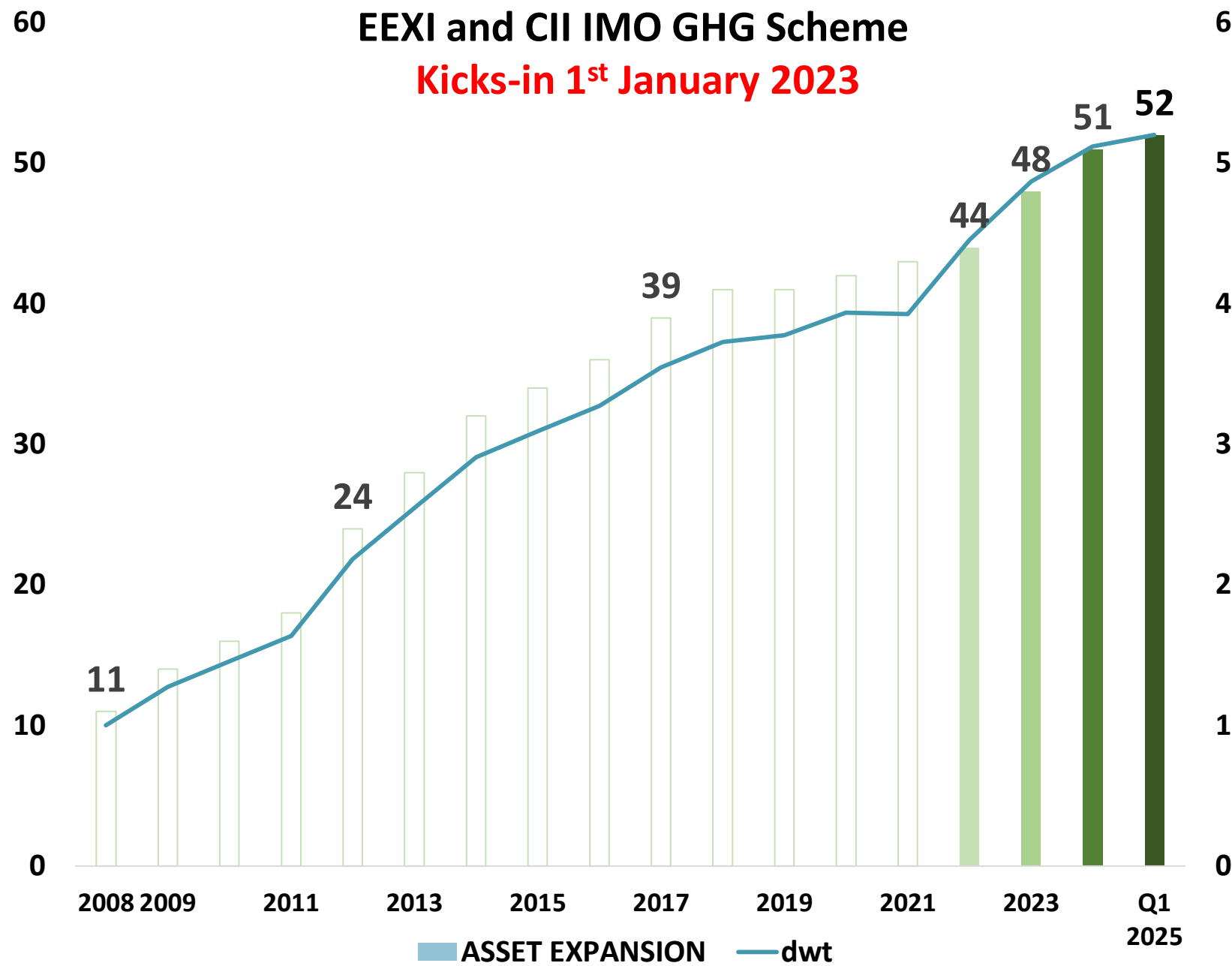


## Timely below market newbuild orders

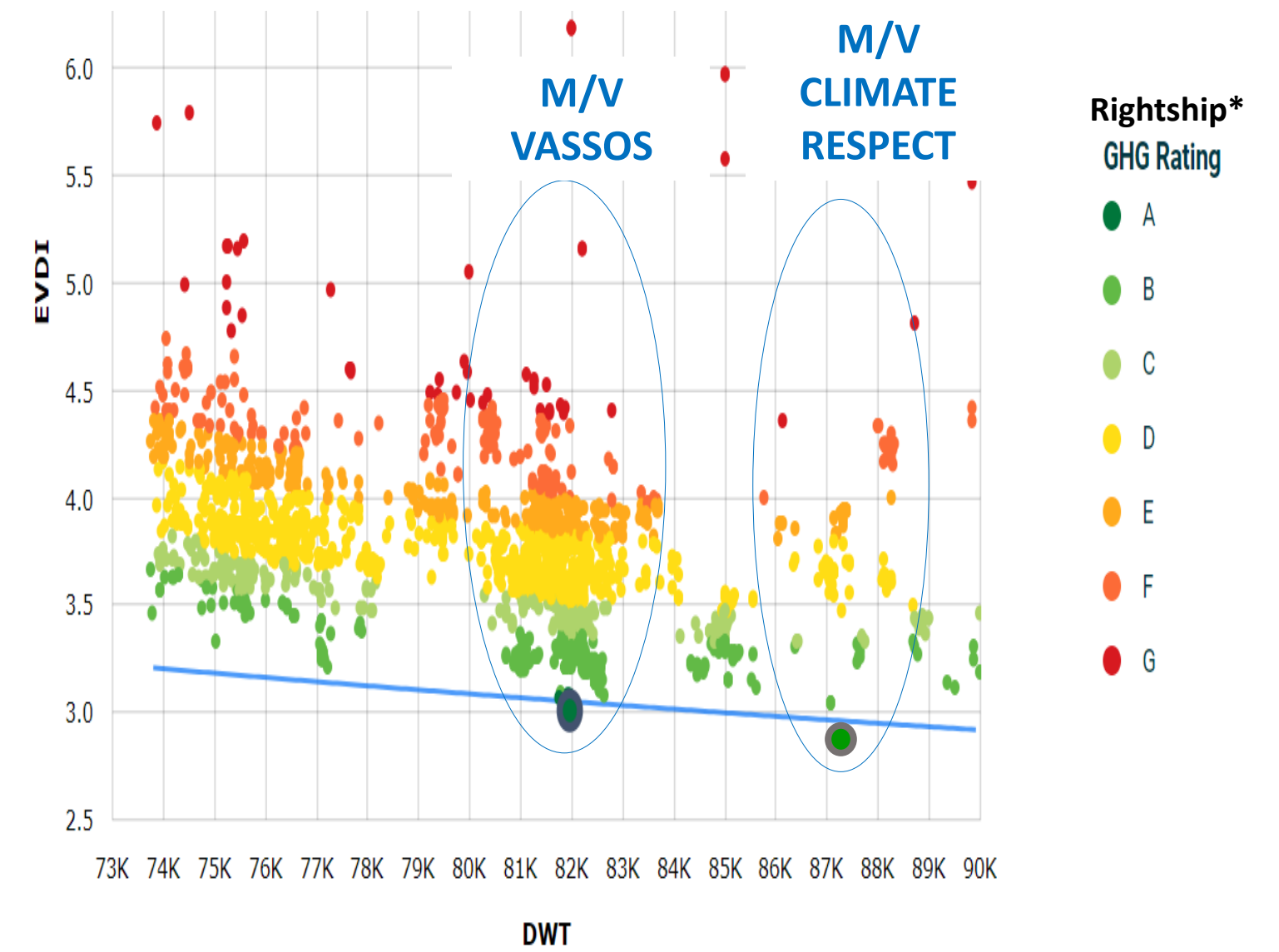
EEDI-PHASE 3 – NOx TIER III	2022	2023	2024	JAN 2025
KAMSARMAX	MV VASSOS	3 VESSELS	3 VESSELS	1 VESSEL
POST-PANAMAX	MV CLIMATE RESPECT	2 VESSELS		

## EU Emission Trading System (EU ETS) Kicks-in 1<sup>st</sup> January 2024

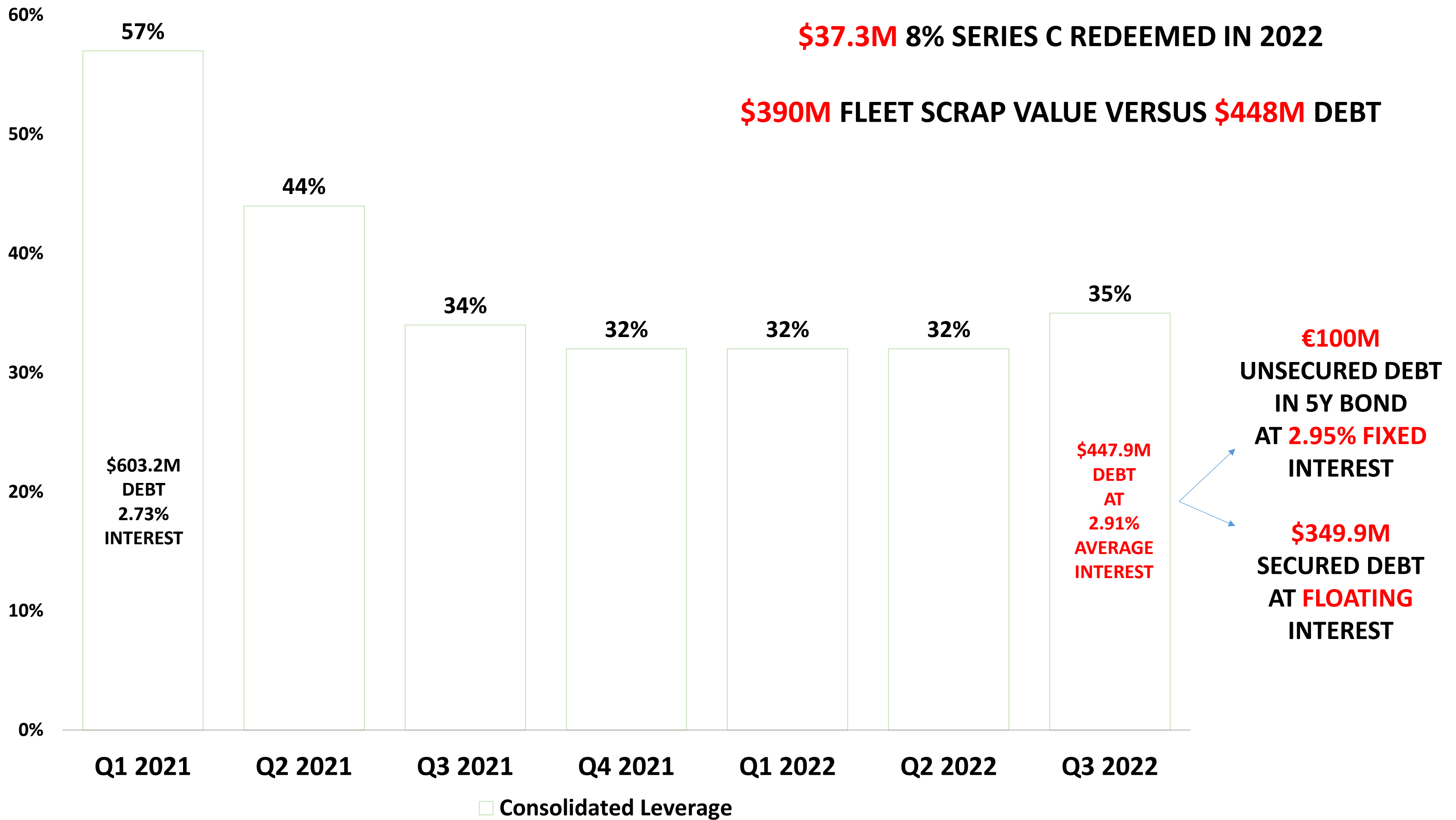
## EEEXI and CII IMO GHG Scheme Kicks-in 1<sup>st</sup> January 2023



## Phase 3 Vessels: The most Efficient



\*Rightship GHG Size Score. RightShip is the world's biggest third party maritime due diligence organization, providing expertise in global safety, sustainability and social responsibility practices. Rightship score is derived by comparing the vessel to other bulk carriers in the range of plus or minus 10% of its DWT.



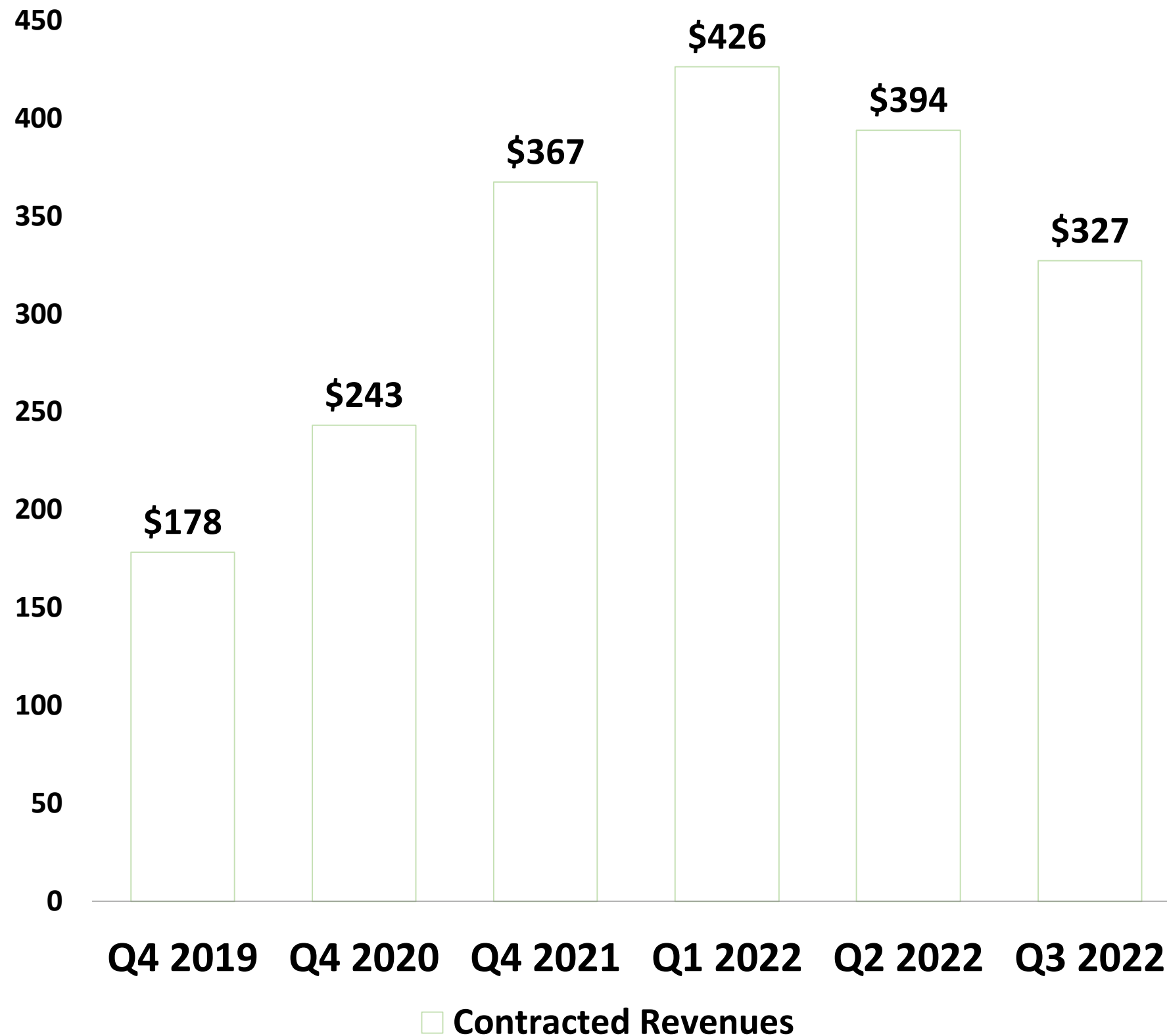
Consolidated leverage is a non-GAAP measure and represents total consolidated liabilities divided by total consolidated assets. Total consolidated assets are based on the market value of all vessels, as provided by independent broker valuers on quarter-end, owned or leased on a finance lease taking into account their employment, and the book value of all other assets. This measure assists our management and investors by increasing the comparability of our leverage from period to period.



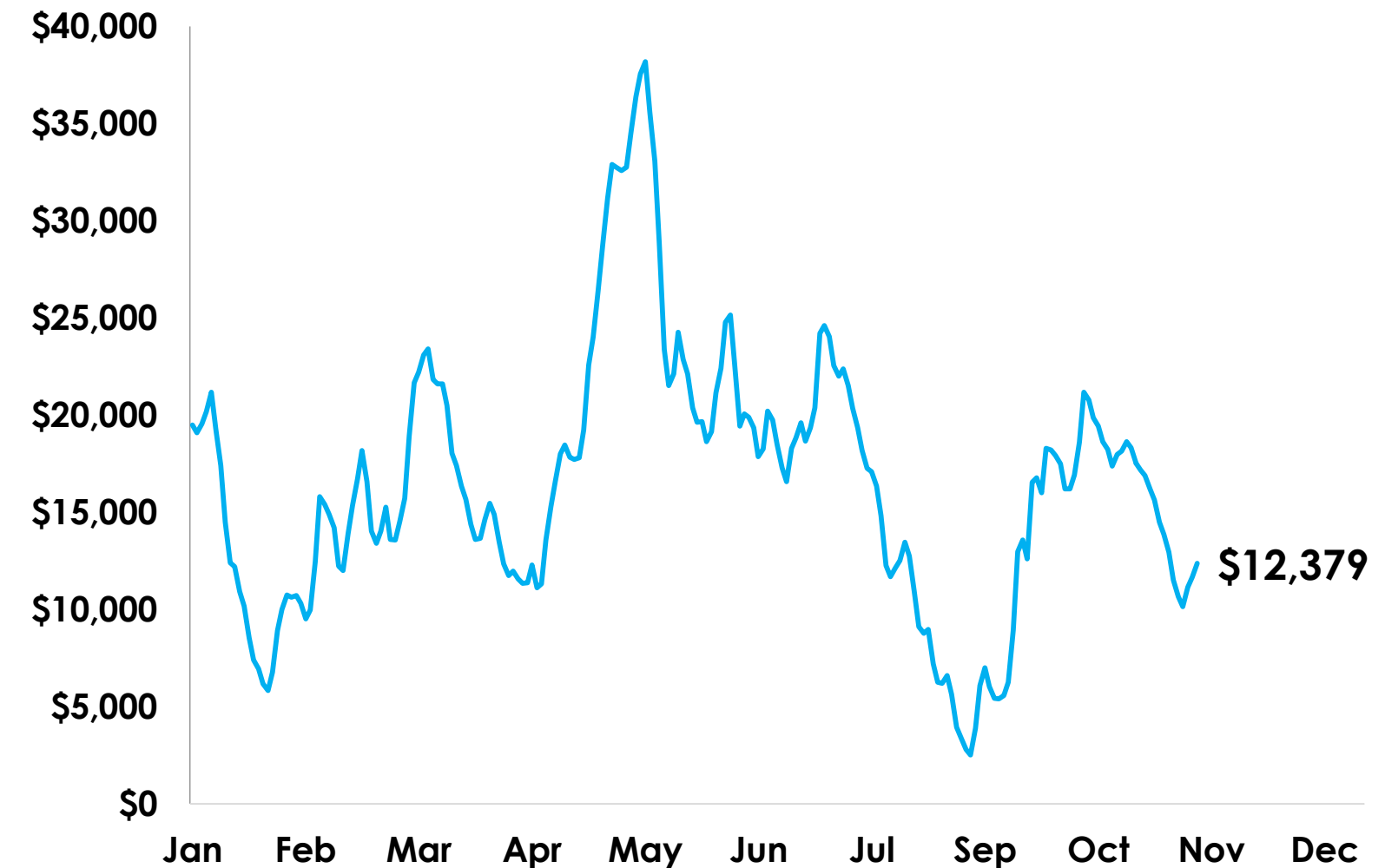
□ Liquidity and capital resources in \$M

Liquidity represents Cash and cash equivalents plus Time deposits and Restricted cash, Undrawn borrowing capacity under revolving reducing credit facilities and Secured financing commitments for loan and sale and lease back financings.

**18 SCRUBBER FITTED VESSELS  
+5 SCRUBBERS ON ORDER  
~\$22.6M<sup>2</sup> ADDITIONAL  
SCRUBBER REVENUE CAPACITY**



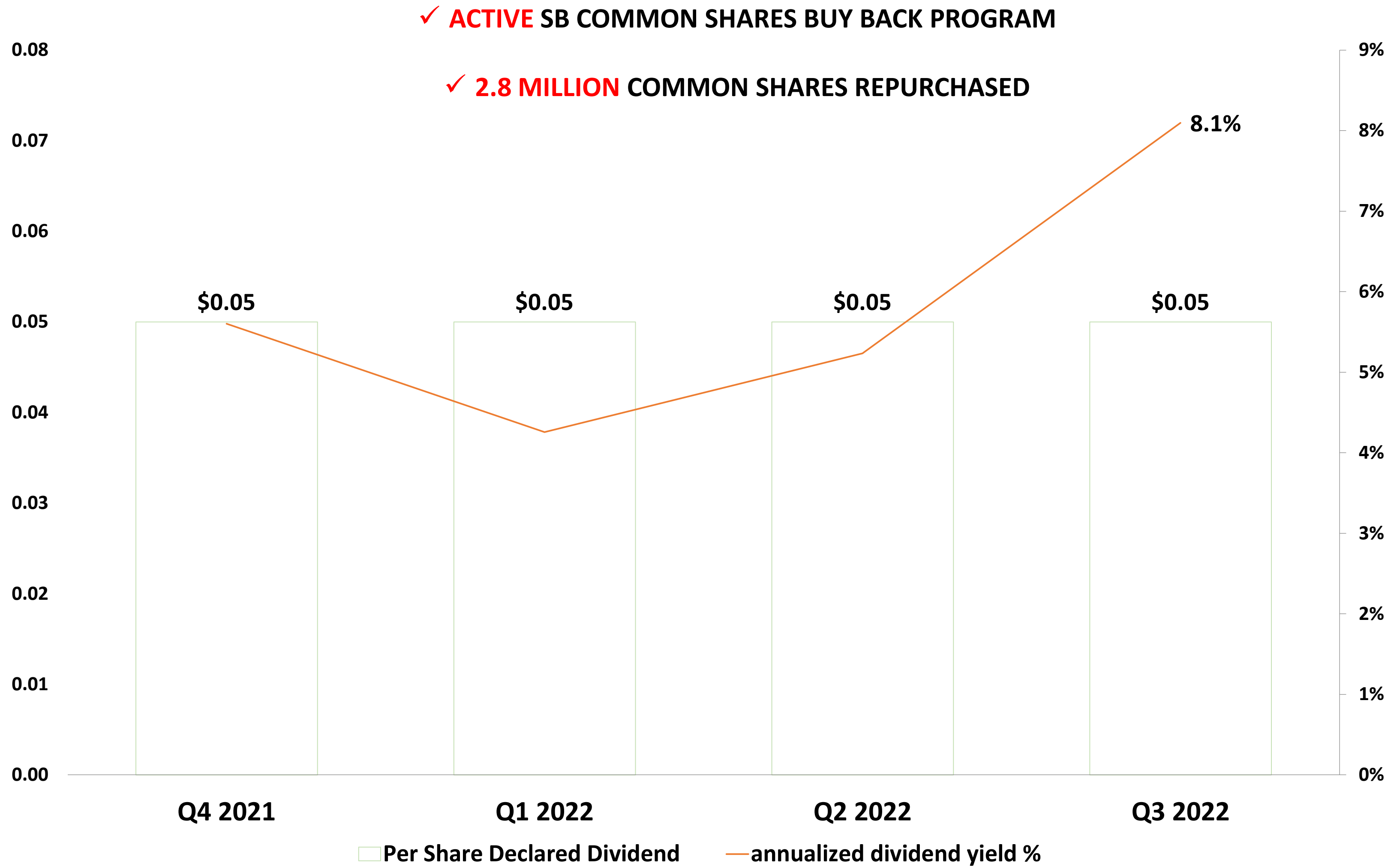
**Baltic Capesize Index**



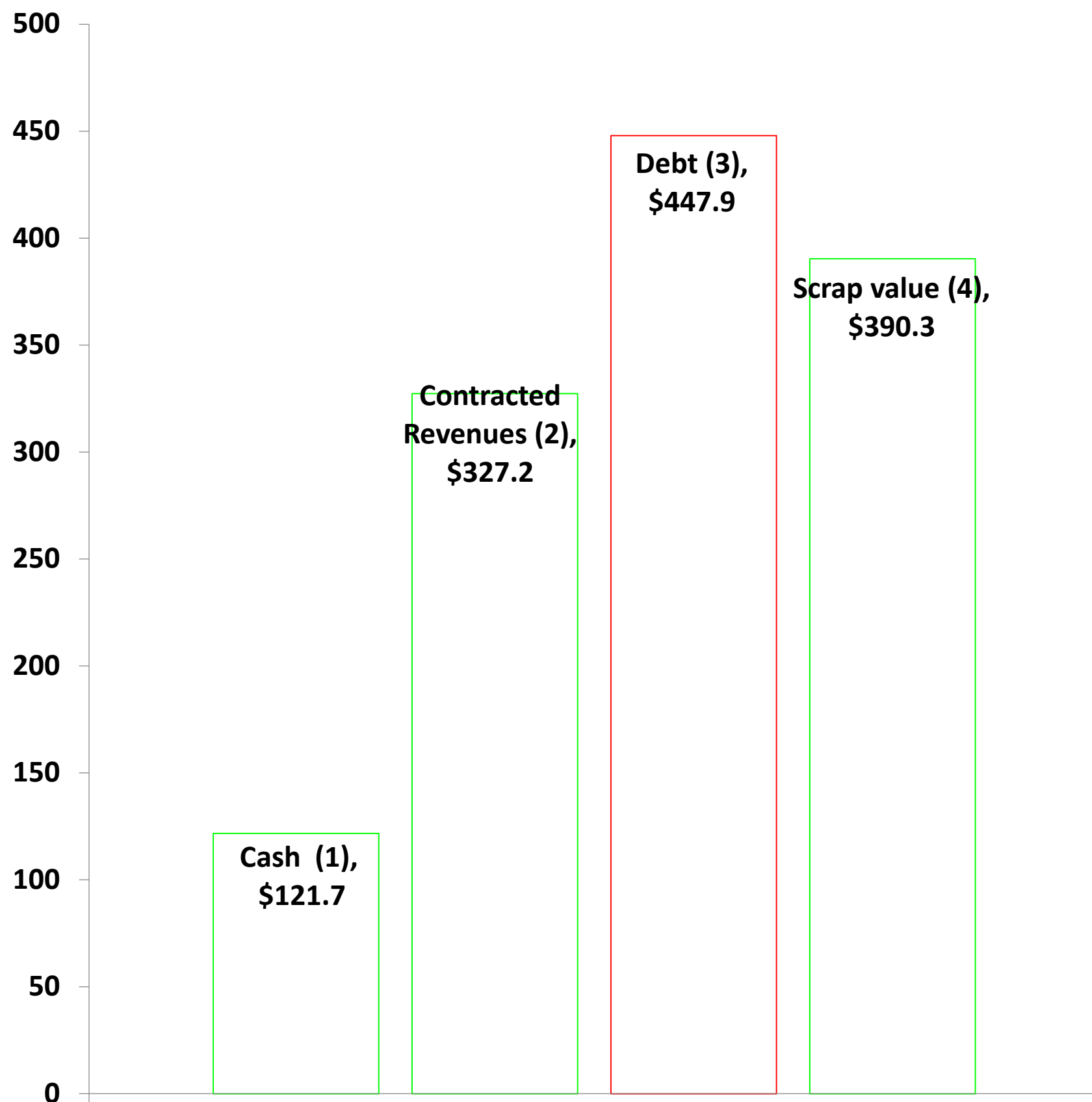
- **BCI 5TC as of November 8, \$12,379/day**
- **7 out of 8 Cape vessels in period charters**
- **Average remaining charter period duration of 2.8 years for Capes**
- **Average time charter rate of \$22,738/day for Capes**
- **Total contracted revenue for Capes ~\$185M out of a total \$327M fleet contracted revenue**

1. Contracted revenue net of commissions, from our non-cancellable spot and period time charter contracts excluding the Scrubber benefit.  
 2. Based on i) 7,200 metric tonnes average annual HFO fuel consumption per vessel ii) existing vessels scrubber fitted iii) \$205/metric ton fuel spread as per ICE Report Center, Clearlynx data for Cal2023, and iv) 90% scrubber benefit for the Company.



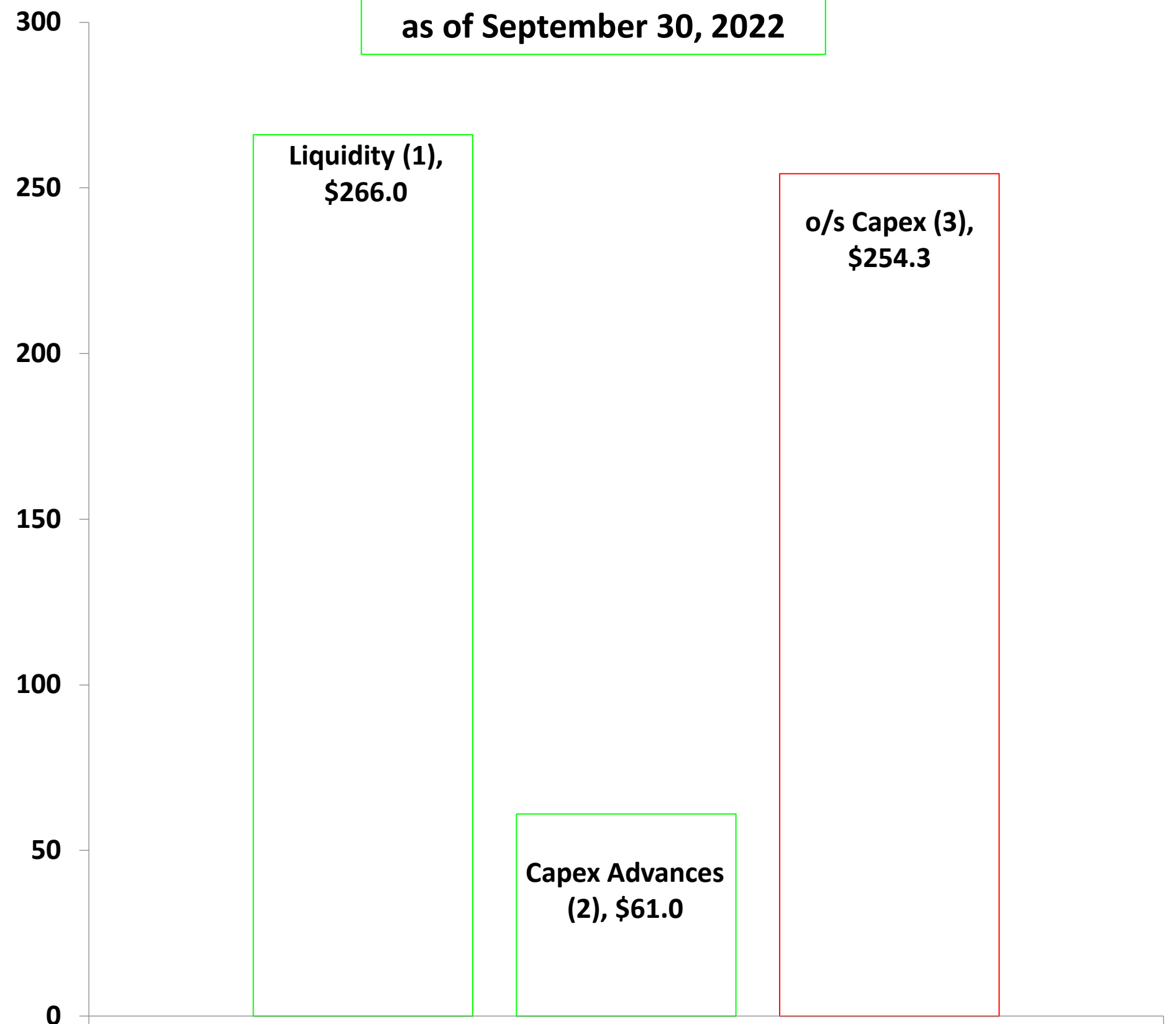


**Common Stock Repurchase Program:** The Company authorized a program under which it may from time to time in the future purchase up to 5,000,000 shares of its common stock. As of November 4, 2022, 56% of the program or 2,807,418 shares of common stock had been repurchased and cancelled. Annualized dividend yield based on \$0.05 dividend per share per quarter and based on the share price as of each quarter end.



**As of September 30, 2022 in million \$USD**

- Cash:** As of September 30, 2022, we had \$121.7 million in cash, cash equivalents, bank time deposits and restricted cash.
- Contracted Revenues:** As of September 30, 2022, contracted revenue of approximately \$327.2 million, net of commissions, from our non-cancellable spot and period time charter contracts excluding the scrubber benefit.
- Debt:** As of September 30, 2022, had \$447.9 million of outstanding consolidated debt, including the unsecured bond issued in February 2022, before deferred financing costs .
- Scrap value:** As of September 30, 2022, we had a fleet scrap value of \$390.3 million, calculated on the basis of fleet aggregate light weight tons ("lwt") and scrap rate of \$577/lwt ton (Clarksons data), on September 30, 2022.



**As of September 30, 2022 in million \$USD**

- Liquidity and capital resources:** As of September 30, 2022, we had \$121.7 million in cash, cash equivalents, bank time deposits and restricted cash, \$144.3 million in undrawn borrowing capacity available under revolving reducing credit facilities.
- Capex Advances:** As of September 30, 2022, had paid \$61.0 million for our capital expenditure requirements in relation to our orderbook.
- O/S Capex:** As of September 30, 2022, we had remaining capital expenditure requirements were \$254.3 million in aggregate, consisting of \$249.9 million in relation to the nine newbuilds on order and \$4.4 million in relation to five exhaust gas cleaning devices ('Scrubbers') and two ballast water treatment systems ('BWTS') retrofits.

**Geopolitical tensions and economic uncertainties develop create challenges and opportunities**



**SB fundamentals – leverage, liquidity, balance sheet, contracted revenues offer financial flexibility to pursue opportunities**

**Environmental transition will challenge operational performance of global fleet**



**SB among the few companies with 11 most efficient newbuilds by Jan. 2025**

**Ageing dry bulk fleet and unprecedented supply dynamics**



**SB with an efficient Japanese built fleet and a environmental upgrade program**

**Energy Pricing uncertainties**



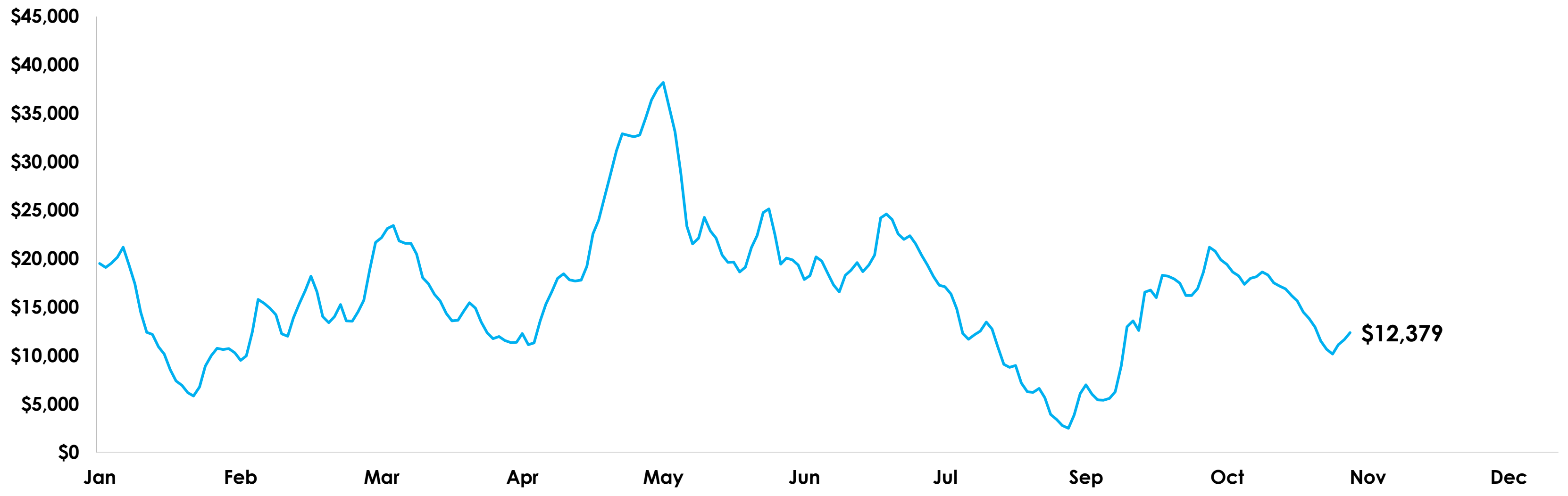
**SB 18 scrubber fitted vessels +5 new scrubbers on order creating capacity for additional revenues on fuel price differential**

**MEANINGFUL DIVIDEND**

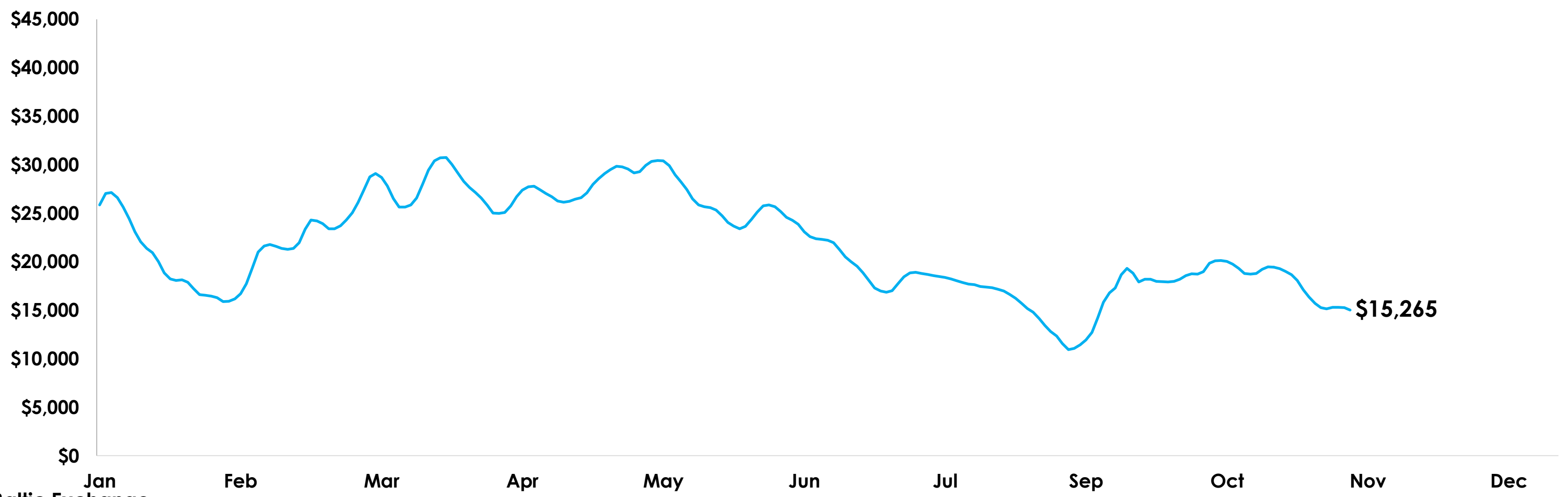
**ACTIVE BUY BACK PROGRAM**

**MV CLIMATE RESPECT EEDI-PHASE 3 – IMO NOx TIER III**

### BCI 5TC



### BPI 5TC

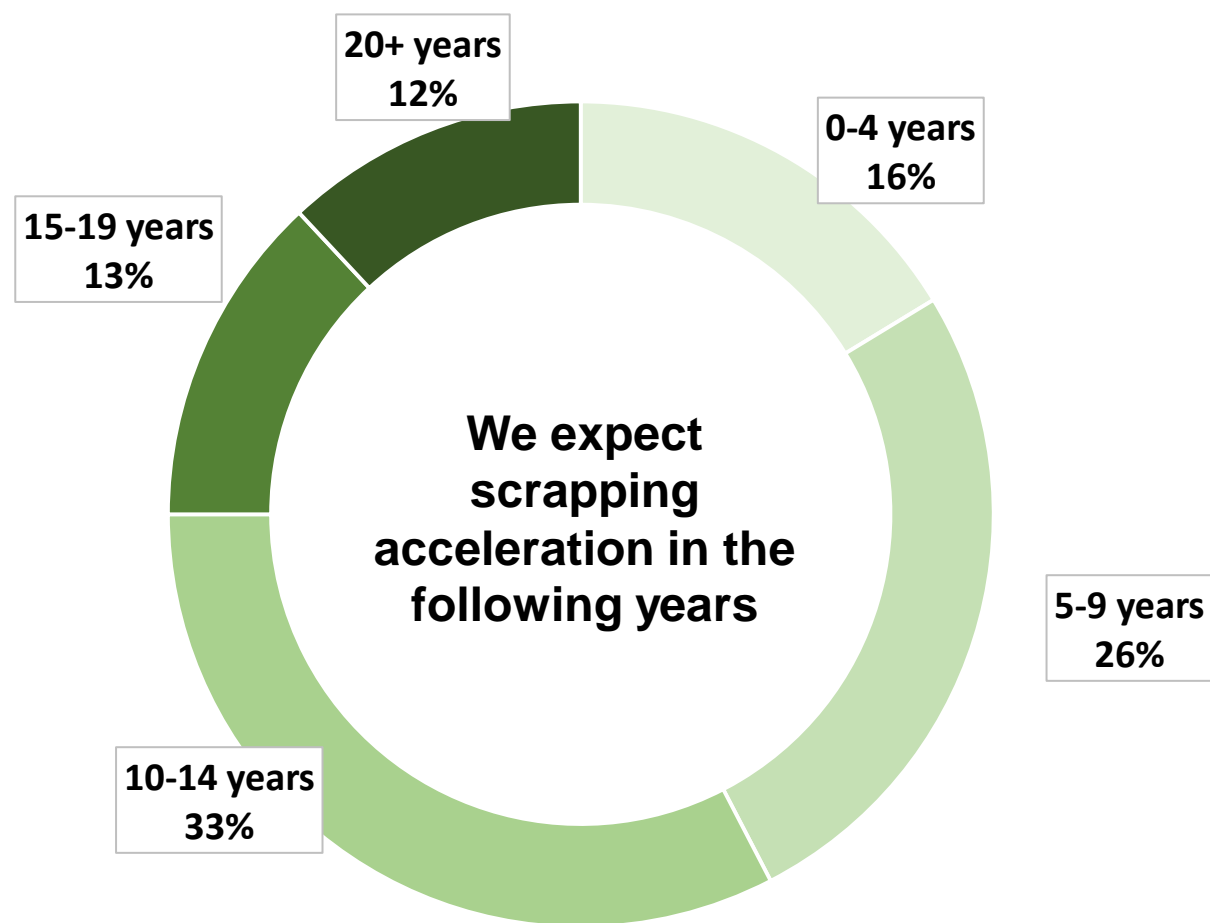


Historically low orderbook

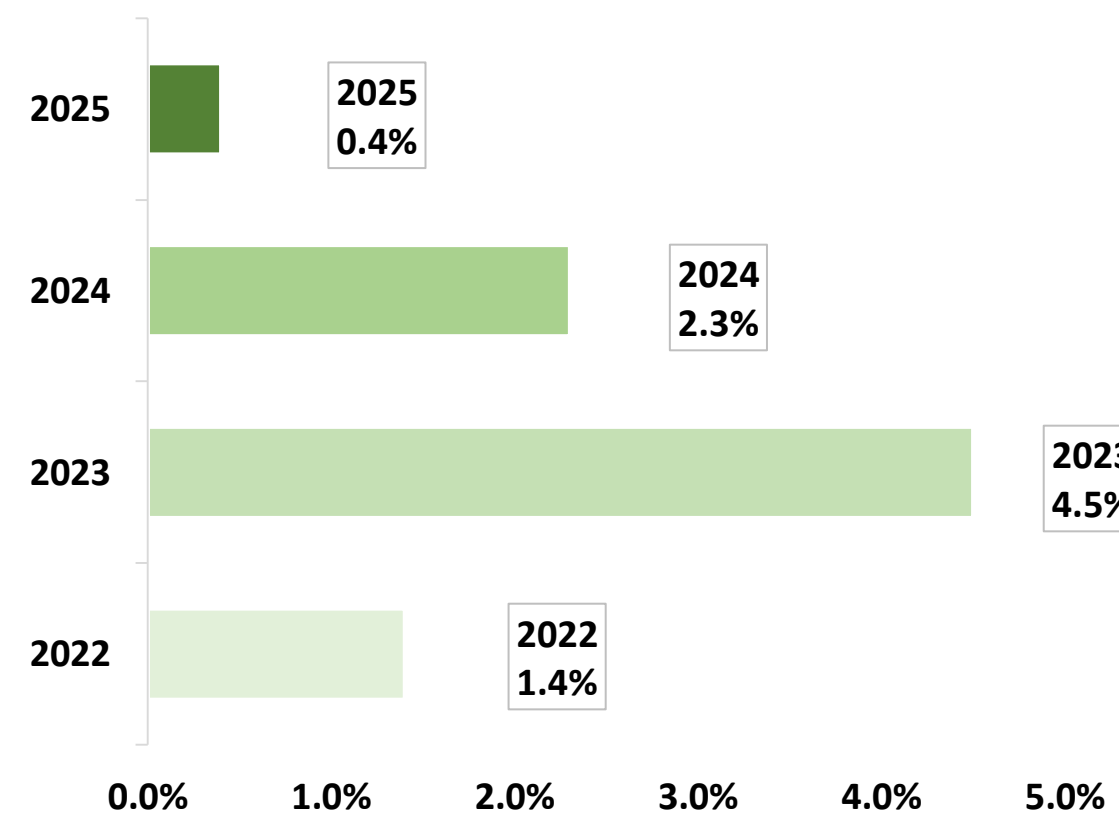
Shipyards building capacity is mainly covered by other sectors' orders containerships and LNG's

Forthcoming environmental emissions regulations block new orders and favor accelerating scrapping

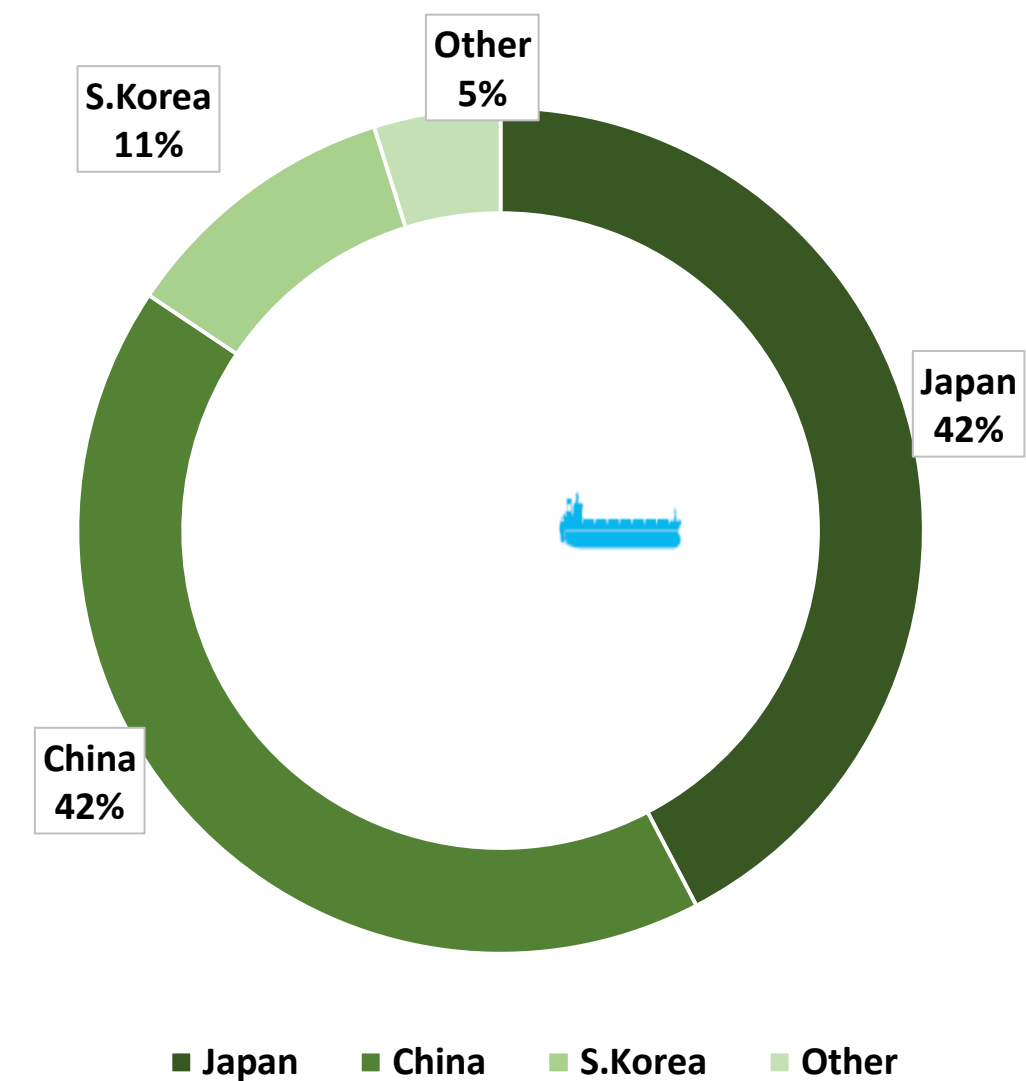
**PANAMAX AGEING**



**PANAMAX ORDERBOOK AS % OF EXISTING FLEET**



**GLOBAL FLEET MIX**

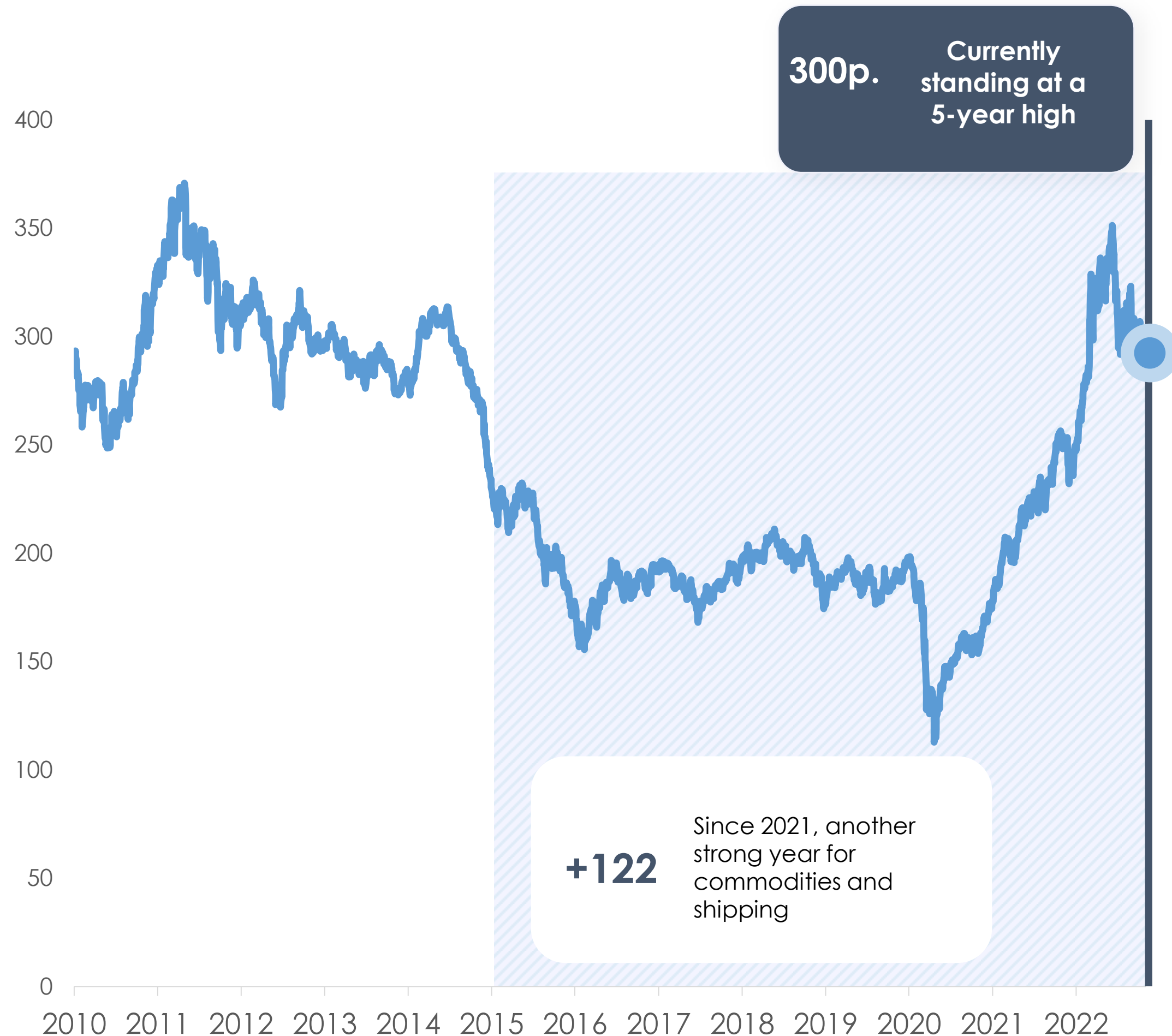


- Global GDP 3.2% in 2022E 2.7% in 2023E
- Global inflation 2022E and 2023E  
8.8% 2022E  
6.5% 2023E
- Global dry bulk demand growth  
1% in 2022E 1% in 2023E  
ton-miles +1% in 2022E +1.7% in 2023E  
Headwinds macro outlook

## China

- GDP 3.2% 2022E
- GDP 4.4% in 2023E
- Dry bulk imports down ~7%YoY YTD
- Struggling real estate sector, construction steel demand weaken, iron ore imports weaken
- Strong year for grain trade, demand for grain and animal feed, grain trade grow by 3% in 2023E
- post-lockdown rebound continues iron ore, coal and crude inventories depleted, coal and minor bulk metals trade drive demand
- Coal trade volumes rise and set to grow 18 months
- Electrification major growth driver, global investments in renewable electricity capacity to rise
- India GDP  
6.8% 2022E  
6.1% for 2023E
- EU embargo on Russia: coal in Aug 2022 - oil in Dec 2022 - oil products in Feb 2023, impact on trading routes & European Climate Law target, short-term transition structural challenge

## CRB Commodity Index

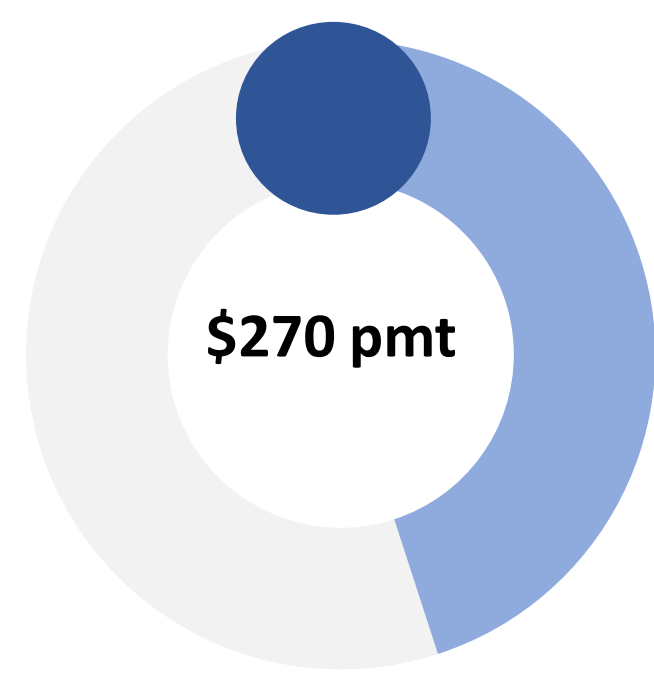


Thomson Reuters/Core Commodity CRB Index is calculated using arithmetic average of commodity futures prices with monthly rebalancing. The index consists of 19 commodities: Aluminum, Cocoa, Coffee, Copper, Corn, Cotton, Crude Oil, Gold, Heating Oil, Lean Hogs, Live Cattle, Natural Gas, Nickel, Orange 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%.

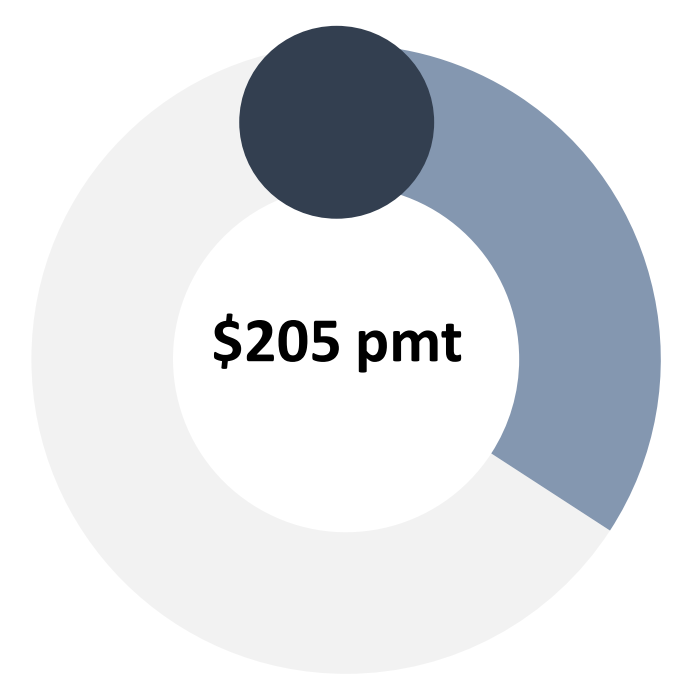
**Vessels** 18 scrubbers fitted

**Annual average Consumption** 7,200mt HFO per vessel

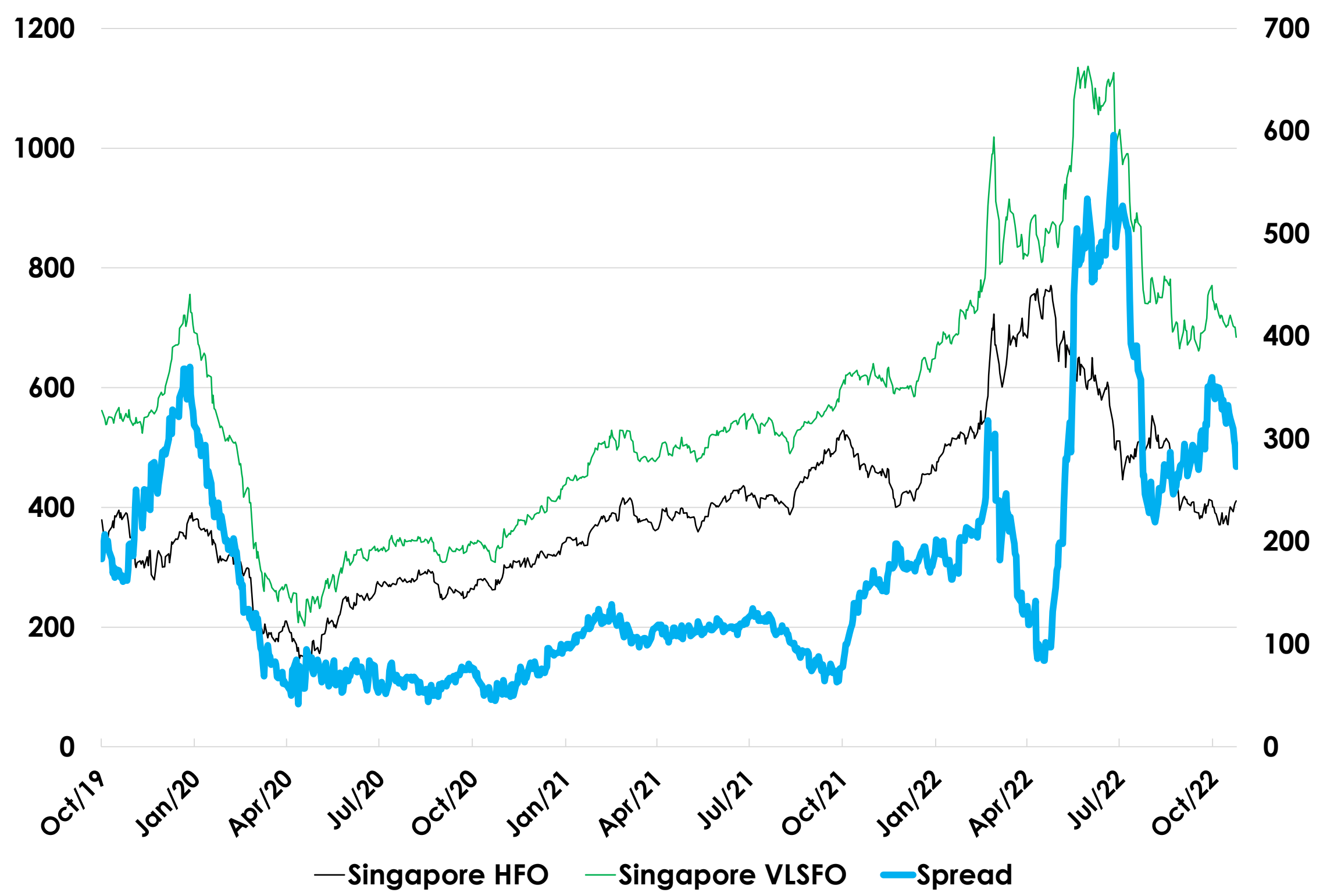
**Spread \$205** Cal 2023  
~\$22.6 mill additional revenue capacity



Spot spread VLSFO - HFO



Cal 2023

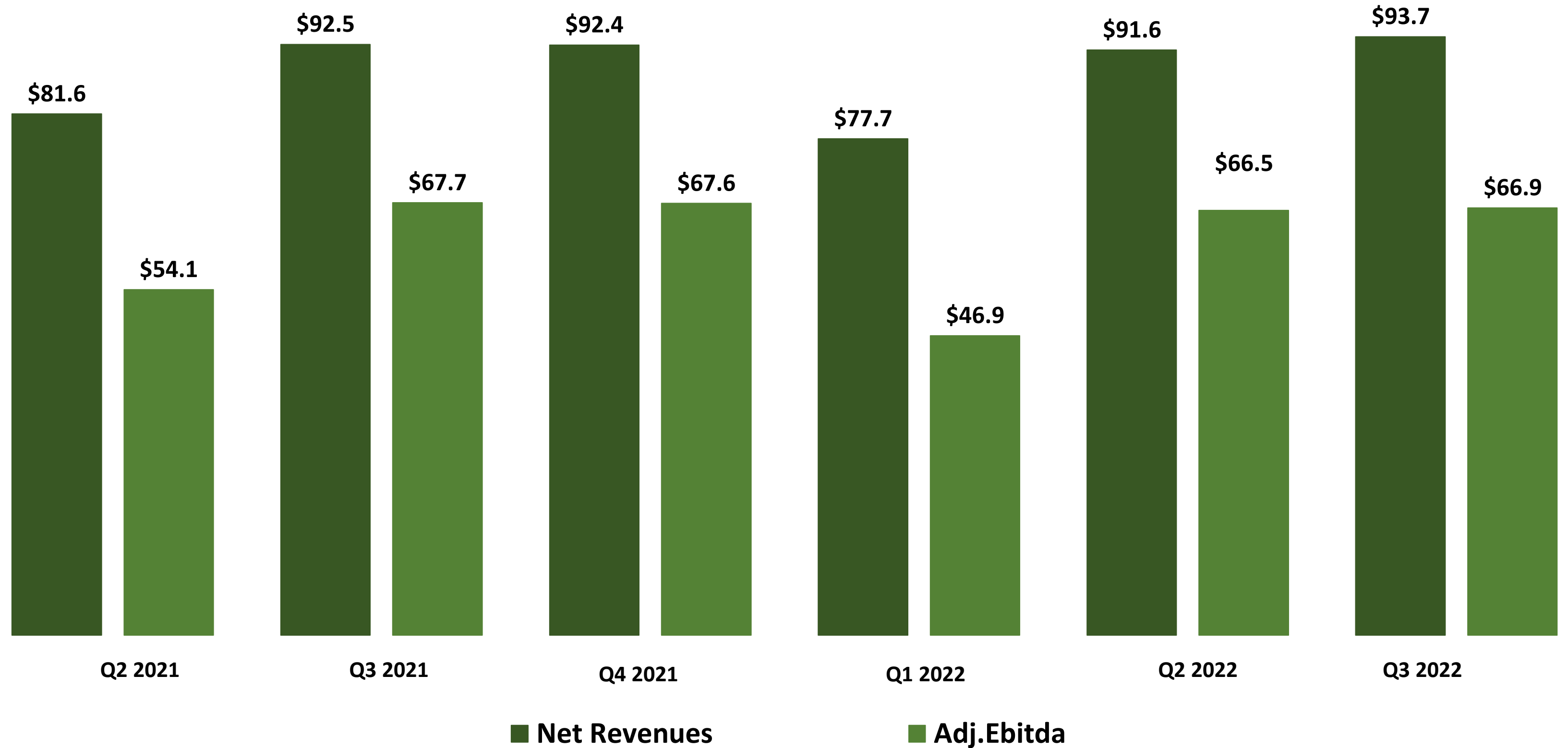




- **Increased industry wide volatility driven by geopolitical disruptions**
- **ESG framework & Paris agreement adherence becomes increasingly important in dry bulk trade**
- **IMO GHG targets increasingly important driver for vessels/company valuations may lead to two tier market with differential in earnings capacity of new vs. old vessels**
- **Low orderbook may prolong upcycle**
- **Demand for technological efficiency creates opportunities for those willing to invest**
- **Supply demand equilibrium is disrupted by uncertainty in environmental regulations causing market inefficiencies**
- **Transition towards green energy may disrupt dry bulk demand, limit vessel supply and tighten market**
- **Potential environmental regulatory spill-over implications such as coal scale-back, ‘green’-scrapping, near-shoring**
- **Market equilibrium between tight demand concerns as inflation rises globally and slowing supply, supporting the dry bulk rates**

## MV VASSOS EEDI-PHASE 3 – IMO NO<sub>x</sub> TIER III





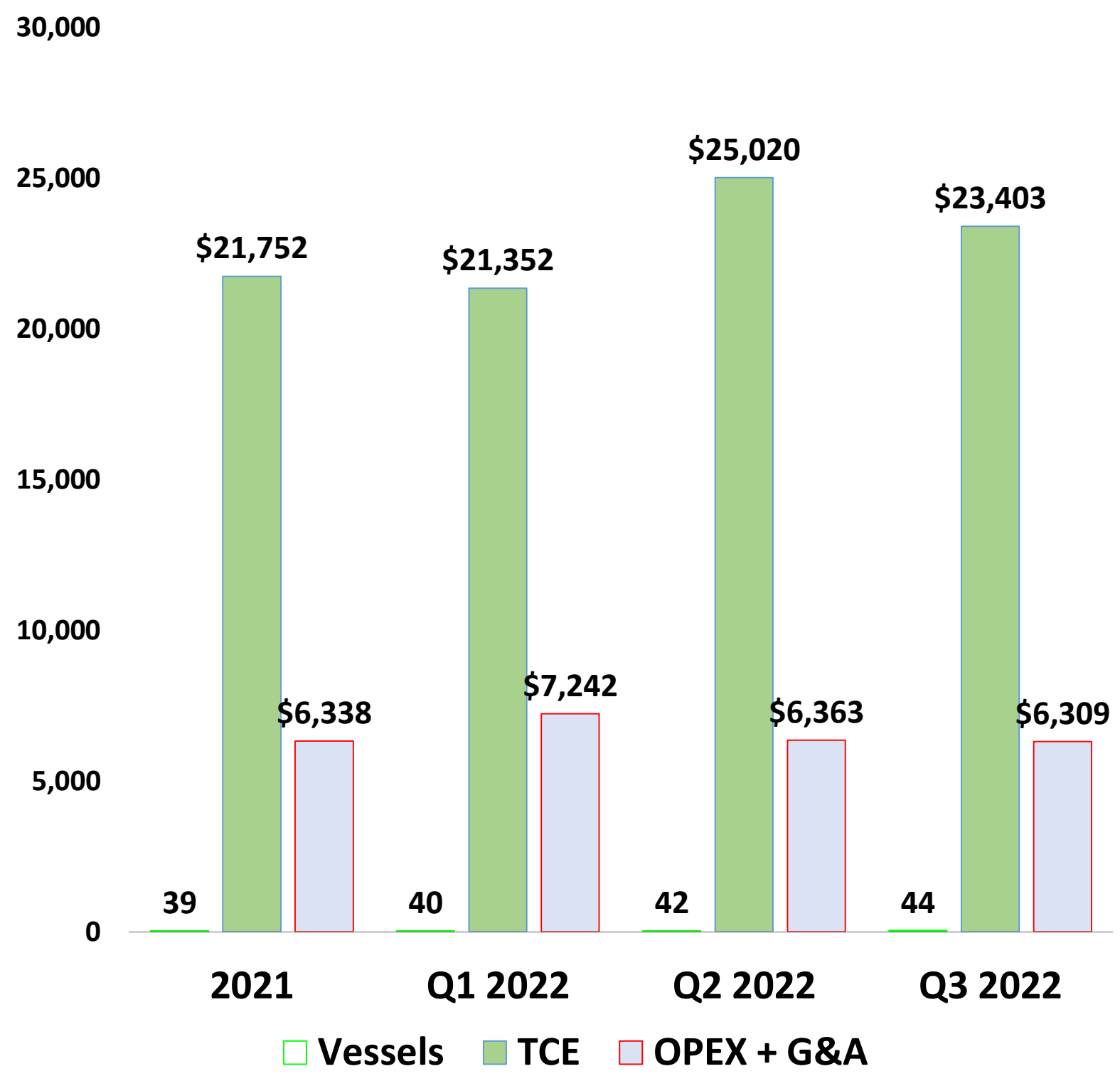
Data as of quarter-end in million U.S \$. EBITDA and Adjusted EBITDA are non-GAAP measures. EBITDA represents Net income/(loss) before interest, income tax expense, depreciation and amortization. Adjusted EBITDA represents EBITDA before loss on sale of assets, gain/(loss) on derivatives, other operating income/(expense), early redelivery cost and gain/(loss) on foreign currency. For further analysis and reconciliation of EBITDA and Adjusted EBITDA please refer to earnings press release issued November 9, 2022.

**OPEX INCLUDE  
DRY DOCKING  
EXPENSES**

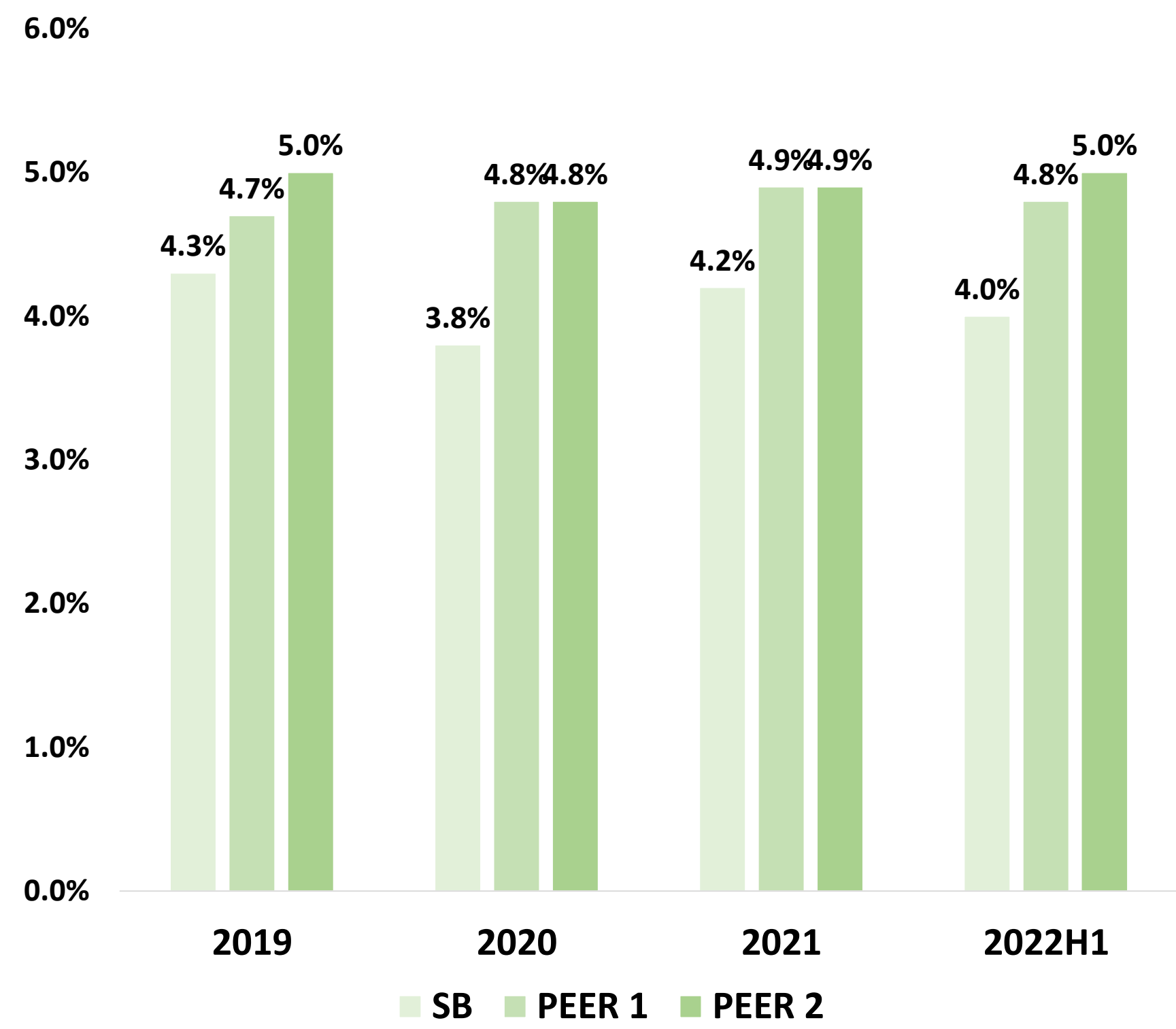
**G&A INCLUDES ALL  
MANAGEMENT FEES & ALL  
COMPANY  
ADMINISTRATION FEES**

**0% MANAGEMENT  
COMMISSION ON  
CHARTERING**

**CHARTERING PERFORMANCE- LEAN OPERATIONS**

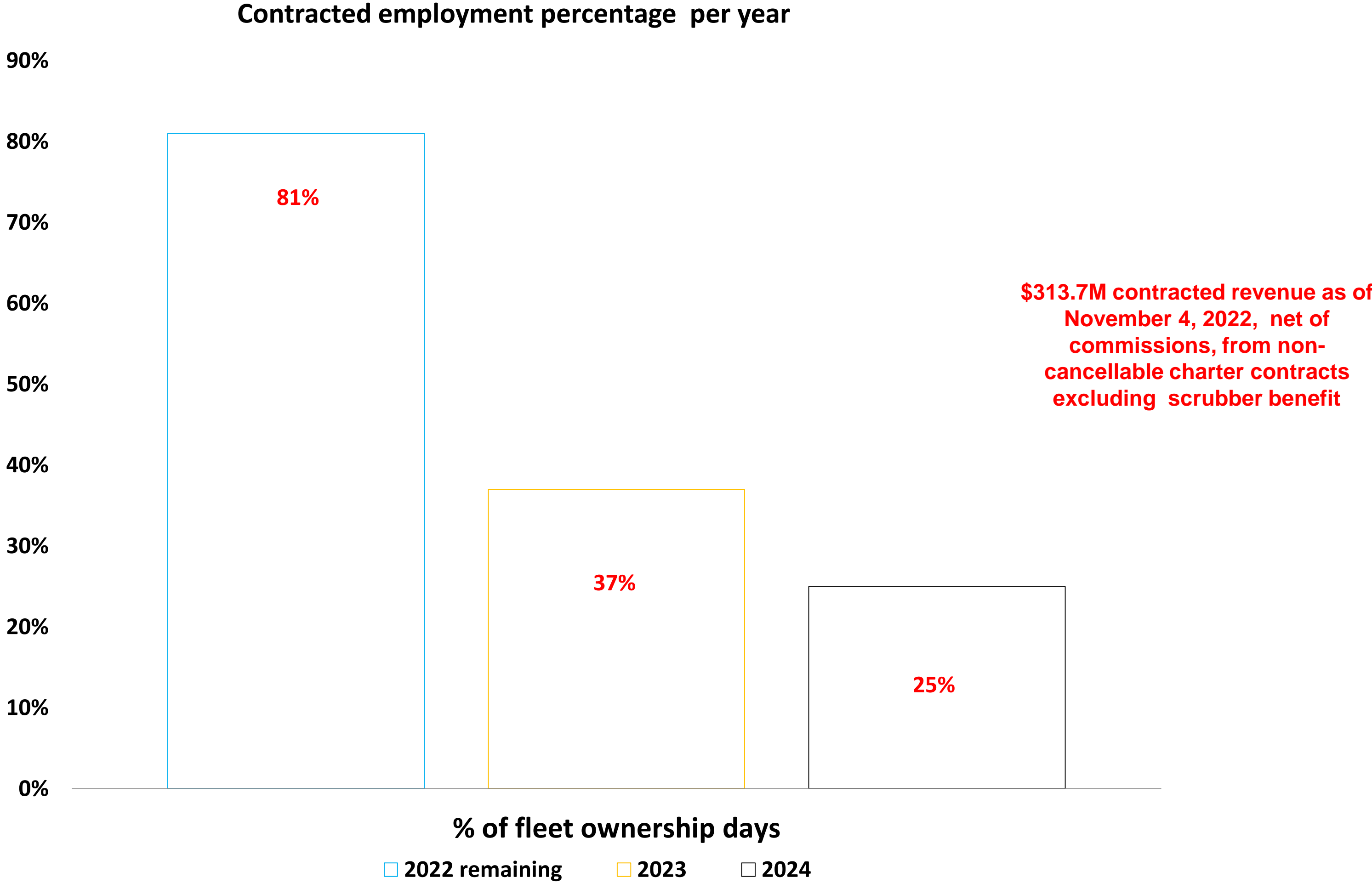


**EXAMPLE OF ALIGNMENT – CHARTERING COMMISSIONS**

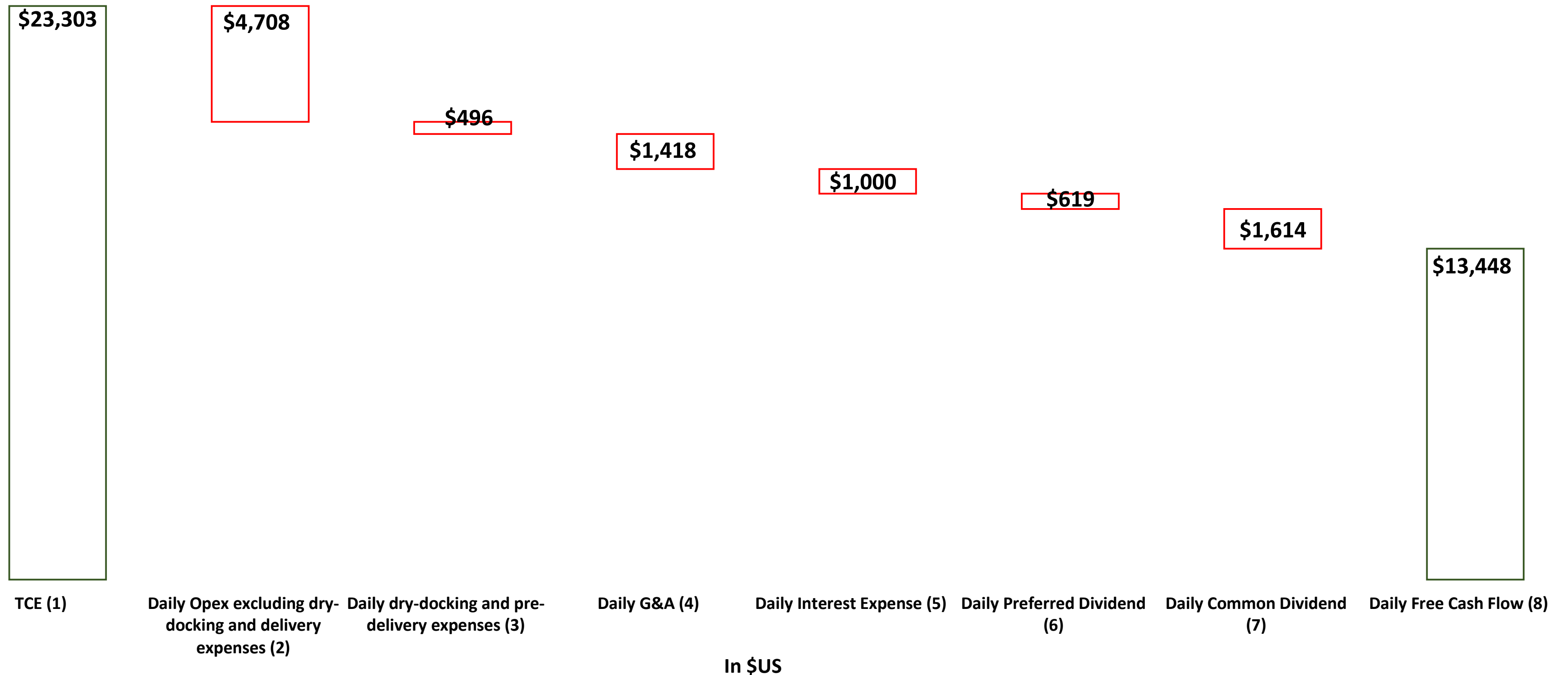


Time charter equivalent rate, or TCE rate, represents our charter revenues less commissions and voyage expenses during a period divided by the number of available days during such period. TCE rate is a standard shipping industry performance measure used primarily to compare daily earnings generated by 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. The Company expenses dry-docking and pre-delivery costs as incurred, which costs may vary from period to period. Other shipping companies may defer and amortize dry-docking expense and many do not include dry-docking expenses within vessel operating expenses costs but present these separately.

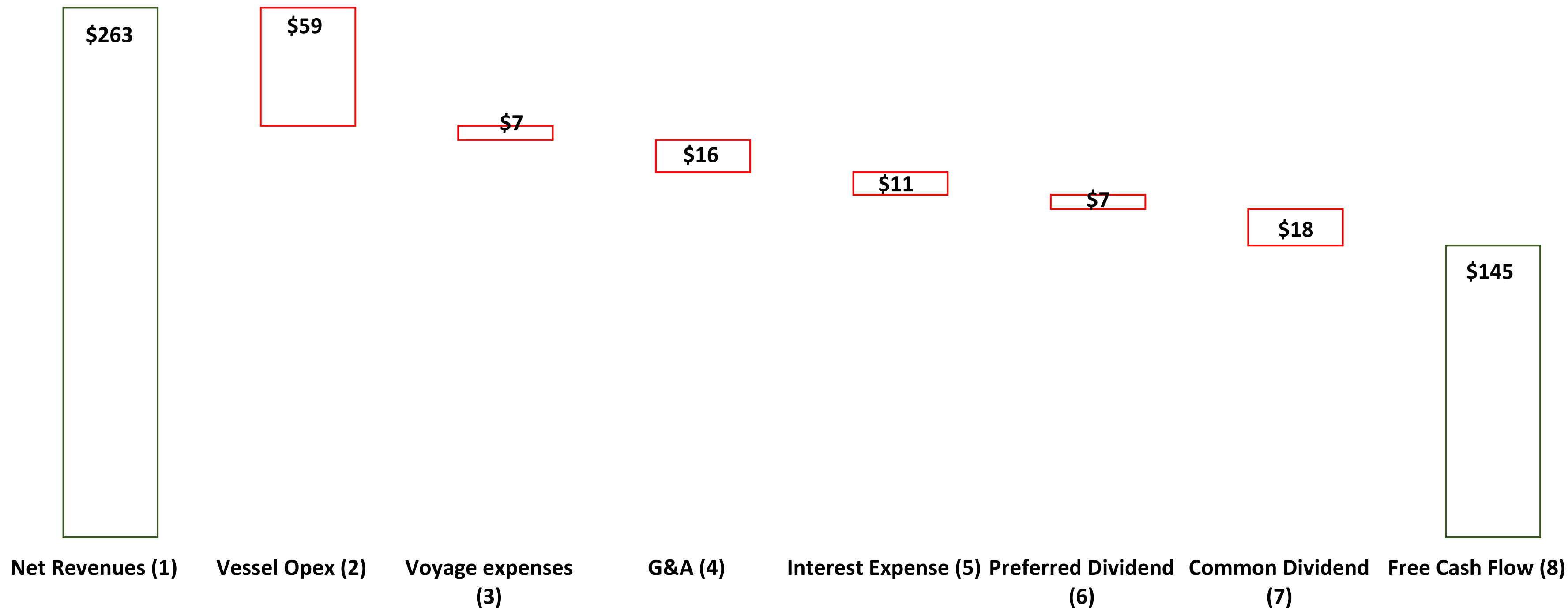
Average total chartering commission including 3RD party brokers was approximately 4% during 2022; lower than the standard industry average of 5%, as a result of our relations forged over the years with our Managers' counterparts.



As of November 4, 2022, our contracted fleet ownership days for the remainder of 2022, 2023 and 2024 were 81%, 37% and 25% respectively.

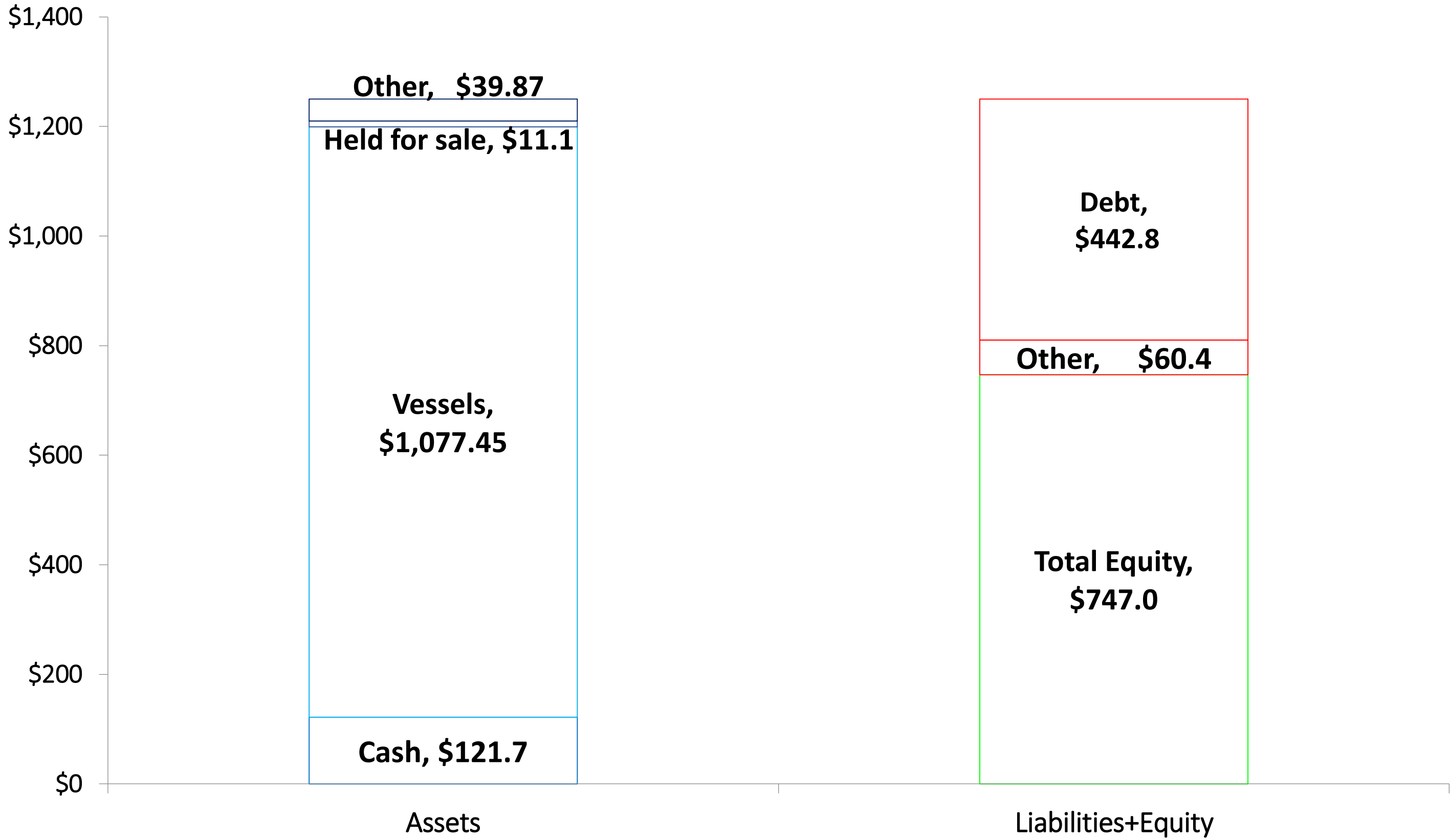


1. Time charter equivalent rate, or TCE rate, represents charter revenues less commissions and voyage expenses during a period divided by the number of available days during such period.
2. Daily vessel operating expenses excluding dry-docking and pre-delivery expenses are calculated by dividing vessel operating expenses excluding dry-docking and pre-delivery expenses for the relevant period by ownership days for such period. Dry-docking expenses include costs of shipyard, paints and agent expenses and pre-delivery expenses include initially supplied spare parts, stores, provisions and other miscellaneous items provided to a newbuild or second hand acquisition prior to their operation.
3. Daily dry-docking and pre-delivery expenses are calculated by dividing dry-docking and pre-delivery expenses for the relevant period by ownership days for such period. Dry-docking expenses include costs of shipyard, paints and agent expenses and pre-delivery expenses include initially supplied spare parts, stores, provisions and other miscellaneous items provided to a newbuild or second hand acquisition prior to their operation.
4. Daily general and administrative expenses include daily management fees and daily company administration expenses. Daily general and administrative expenses are calculated by dividing general and administrative expenses for the relevant period by ownership days for such period.
5. Daily interest expense includes daily interest incurred on outstanding indebtedness under our existing loan and credit facilities. Daily interest expense is calculated by dividing interest expense for the relevant period by ownership days for such period.
6. Daily preferred dividend includes daily preferred stock dividend. Daily preferred dividend is calculated by dividing preferred dividend for the relevant period by ownership days for such period.
7. Daily common dividend includes daily common stock dividend. Daily common dividend is calculated by dividing common dividend declared and paid during the relevant period by ownership days for such period.
8. Daily Free Cash Flow represents TCE rate less Daily vessel operating expenses, daily general and administrative expenses, daily interest expense, daily preferred dividend and daily principal repayment.



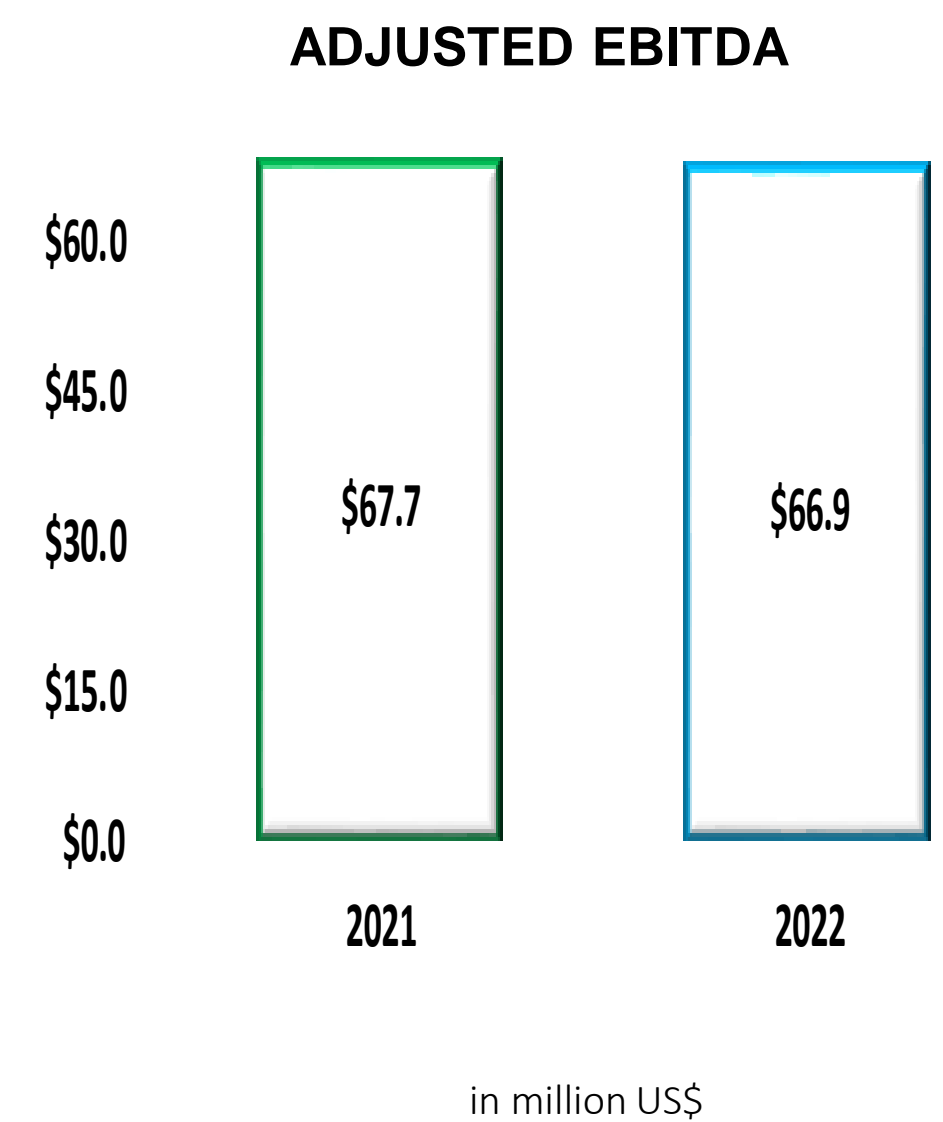
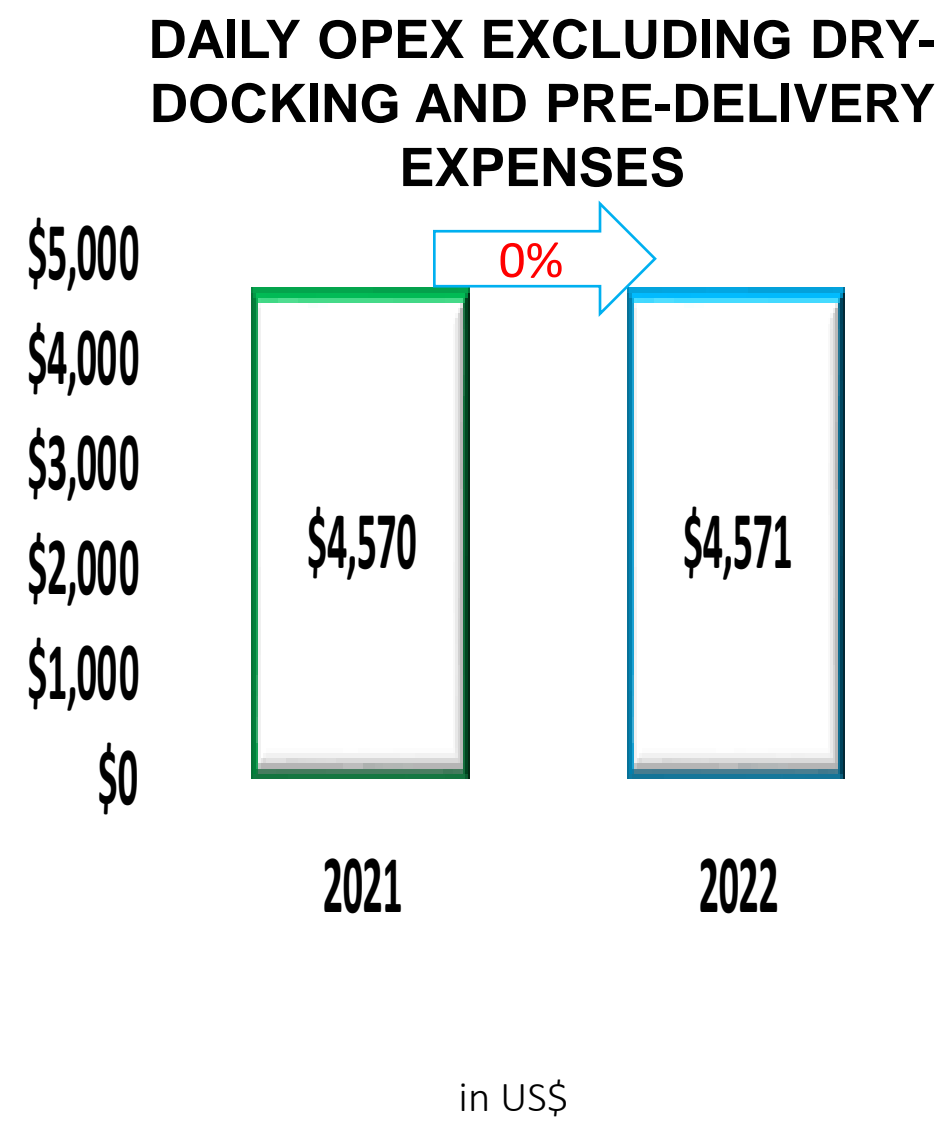
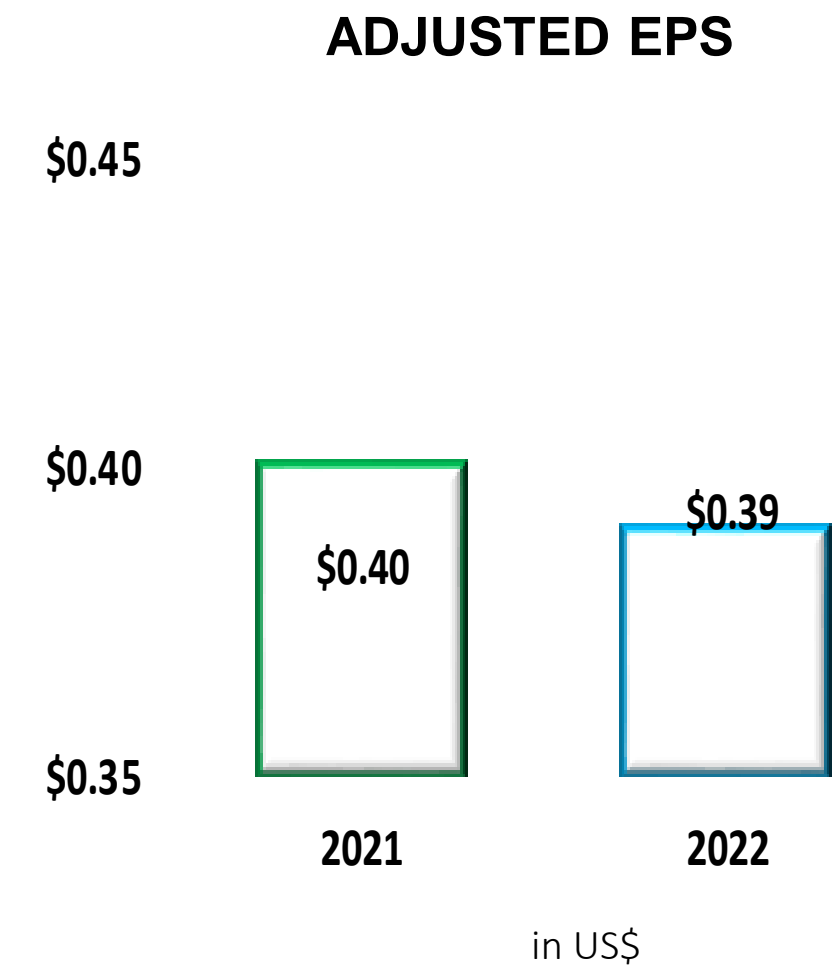
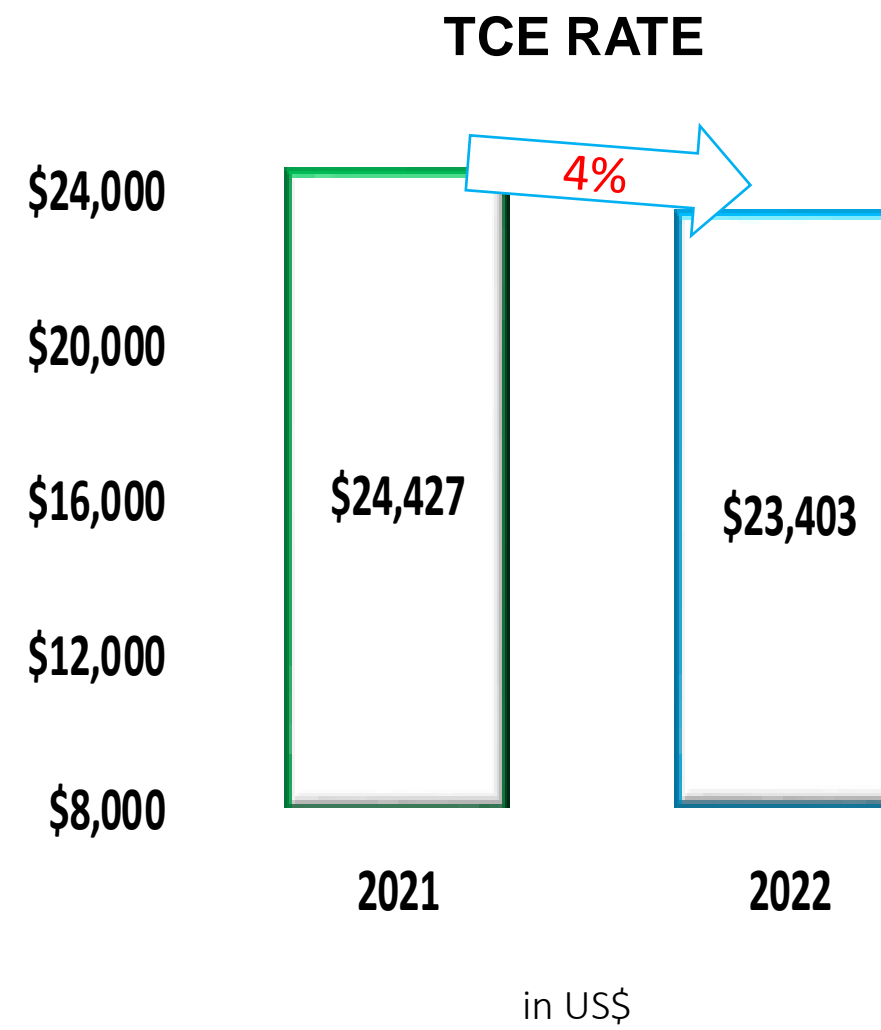
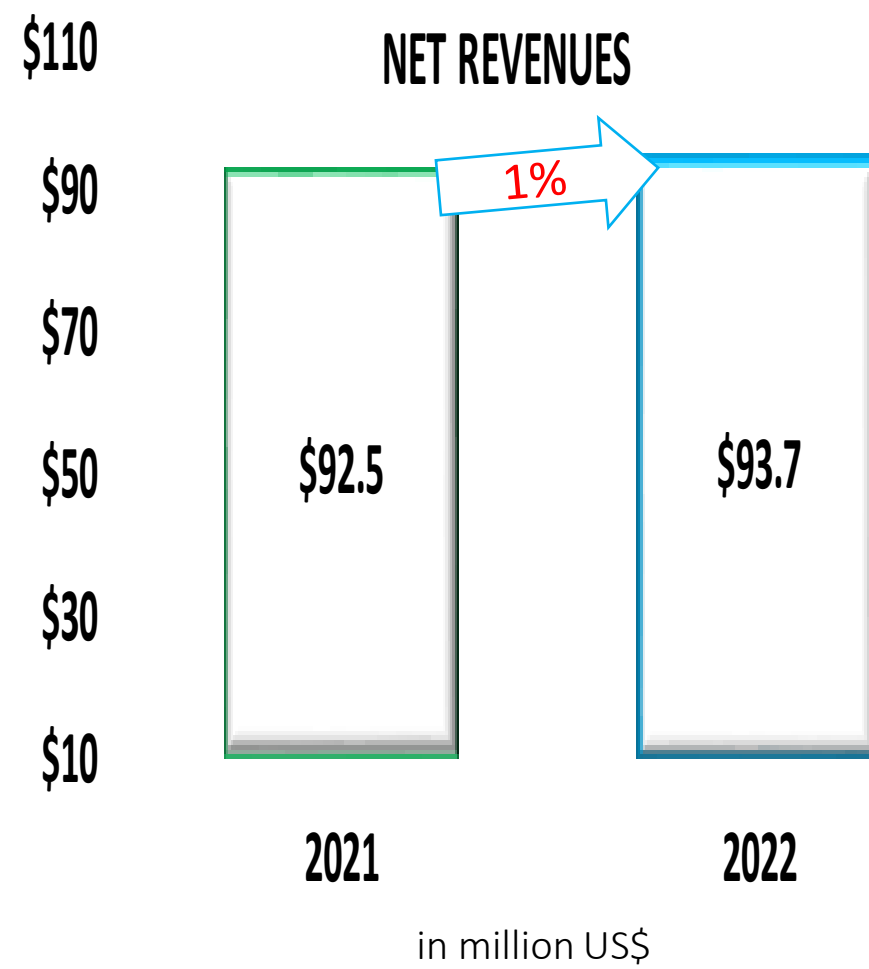
In \$US Million

1. Net revenues represent charter revenues earned during the relevant period less commissions during the relevant period.
2. Vessel operating expenses include dry-docking and pre-delivery expenses incurred during the relevant period. Dry-docking expenses include costs of shipyard, paints and agent expenses and pre-delivery expenses include initially supplied spare parts, stores, provisions and other miscellaneous items provided to a newbuild or second hand acquisition prior to their operation.
3. Voyage expenses represent repositioning, port and other voyage expenses incurred during the relevant period.
4. General and administrative expenses include daily management fees and daily company administration expenses incurred during the relevant period.
5. Interest expense represents interest incurred on outstanding indebtedness under our existing loan and credit facilities.
6. Preferred Dividend includes preferred stock dividend for the relevant period.
7. Common Dividend includes common stock dividend declared and paid during the relevant period.
8. Free Cash Flow represents Net Revenues less Vessel operating expenses, Voyage expenses, General and administrative expenses, Interest expense, Preferred and Common dividend..



\*Total assets are presented as of September 30, 2022 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.





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 9, 2022.

FLEET DATA, AVERAGE DAILY INDICATORS RECONCILIATION	Three-Months Period Ended		Nine-Months Period Ended	
	September 30,		September 30,	
	2021	2022	2021	2022
Number of vessels at period end	39	44	39	44
Average age of fleet (in years)	10.30	10.47	10.30	10.47
Ownership days	3,727	3,979	11,307	11,273
Available days	3,726	3,937	11,165	10,987
Average number of vessels in the period	40.51	43.25	41.42	41.29
<b><u>AVERAGE DAILY RESULTS</u></b>				
Time charter equivalent rate	\$ 24,427	\$ 23,403	\$ 20,359	\$ 23,303
Daily vessel operating expenses	\$ 4,608	\$ 4,949	\$ 4,729	\$ 5,204
Daily vessel operating expenses excluding dry-docking and pre-delivery expenses	\$ 4,570	\$ 4,571	\$ 4,486	\$ 4,708
Daily general and administrative expenses	\$ 1,590	\$ 1,360	\$ 1,506	\$ 1,418
<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	\$ 96,847	\$ 97,377	\$ 247,032	\$ 273,942
Less commissions	(4,353)	(3,663)	(10,442)	(10,881)
Less voyage expenses	(1,478)	(1,576)	(9,284)	(7,034)
Time charter equivalent revenue	\$ 91,016	\$ 92,138	\$ 227,306	\$ 256,027
Available days	3,726	3,937	11,165	10,987
Time charter equivalent rate	\$ 24,427	\$ 23,403	\$ 20,359	\$ 23,303

For definitions and reconciliation of average daily indicators please refer to the earnings press release issued November 9, 2022.

## COMPANY CONTACT

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## INVESTOR RELATIONS/MEDIA CONTACT

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