

# SAFE BULKERS INC

Q4 2021 EARNINGS PRESS RELEASE PRESENTATION  
MARCH 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



- As a result of the war between Russia and Ukraine, Switzerland, the US, the EU, the UK and others have announced unprecedented levels of sanctions and other measures against Russia and certain Russian entities and nationals. We intend on complying with these requirements and addressing their potential consequences.
- We do not have any Ukrainian or Russian crew on board our vessels;
- Our vessels currently do not sail in the Black Sea;
- We otherwise conduct limited operations in Russia and Ukraine;
- We will continue to monitor closely the situation to assess the impact of the war on the global economy and on the dry bulk shipping.

## Russian – Ukrainian conflict possible effects

- Russia and Ukraine are significant producers and exporters for a series of energy, raw materials and agricultural commodities.
- Russia and Ukraine are home countries to about 14% of seamen globally which may affect crew availability;
- The situation remains very fluid, generating significant tensions in food and energy markets, causing uncertainty in a tight global marketplace affected by sanctions imposed on energy which pushes commodities and energy prices higher.

## Certain information for Russia and Ukraine commodity market share

- 12% of global oil production has Russian origin, 60% of which to OECD Europe, and 20% go to China (2);
- 30% of wheat, 32% of barley, 17% of corn, 17% of potash fertilizer global exports is of Russian or Ukrainian origin (3);
- 16% of natural gas, 5% of coal and 10% of copper global production is of Russian origin (4);
- 6% of global iron ore production is of Russian or Ukrainian origin (4)
- Russia is a major producer of nickel, palladium, neon and platinum (5);

# SB Quarterly Results Synopsis

**\$92.4 million  
Net Revenues**

**\$65.2 million  
Net Income**

**\$82.4 million EBITDA**  
**\$67.6 million  
Adjusted EBITDA**

**\$0.51 EPS**  
**\$0.39 Adjusted EPS**

**Daily TCE \$26,180**

**Daily OPEX \$5,149**  
**Daily G&A \$1,517**

**\$387.9 million  
Liquidity as of  
March 4, 2022**

**Additional borrowing  
capacity on 4 existing  
and 7 on order  
unencumbered  
vessels**

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

**Secured debt  
\$329.4 million  
as of March 4, 2022**

**\$125.3 mil. purchase price  
of five 2<sup>nd</sup> hand vessels of  
8.8 years average age vs.  
\$109.8 mil. sale proceeds  
of seven vessels of 14.3  
years average age**

**\$0.05 DIVIDEND  
PER SHARE**

# SB Key Investment highlights

**SB a 'top 10' pure dry bulk vessel owner in Panamax segment  
60+ years track record experience**

**~40% owned by Polys V. Hajioannou  
aligned interests  
strong support  
hands-on management**

**Strong Balance sheet fundamentals  
Ample Liquidity  
Low Leverage**

**Secured cash flows  
reliable counterparties  
fleet expansion & renewal ahead of peers**

**9 Japanese newbuilds  
IMO GHG EEDI Phase 3 - NOX TIER III  
ESG-based competitiveness**

**Additional revenue capacity of ~\$20+ million from scrubbers due to fuel price differential**

**17 Scrubber installed vessels inherent fuel price revenue generation advantage**

**Fleet renewal  
seven vessels sold and five younger second-hands vessels acquired**

**40 dry bulk vessels  
80%+ Japanese-built  
substantial premium both in chartering and resale value**

**- Positive market fundamentals  
- Historically low orderbook**

**23% fleet renewal by Q1 2024  
~10-years average fleet age through Q1-2024**

**Compete on the basis of renewed environmentally advanced fleet**



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USA \$1 trillion stimulus program infrastructure spending

2

CHINA \$120 billion approximate yearly spent on infrastructure projects

3

EU overall recovery package of €2.4 billion 2021-27

4

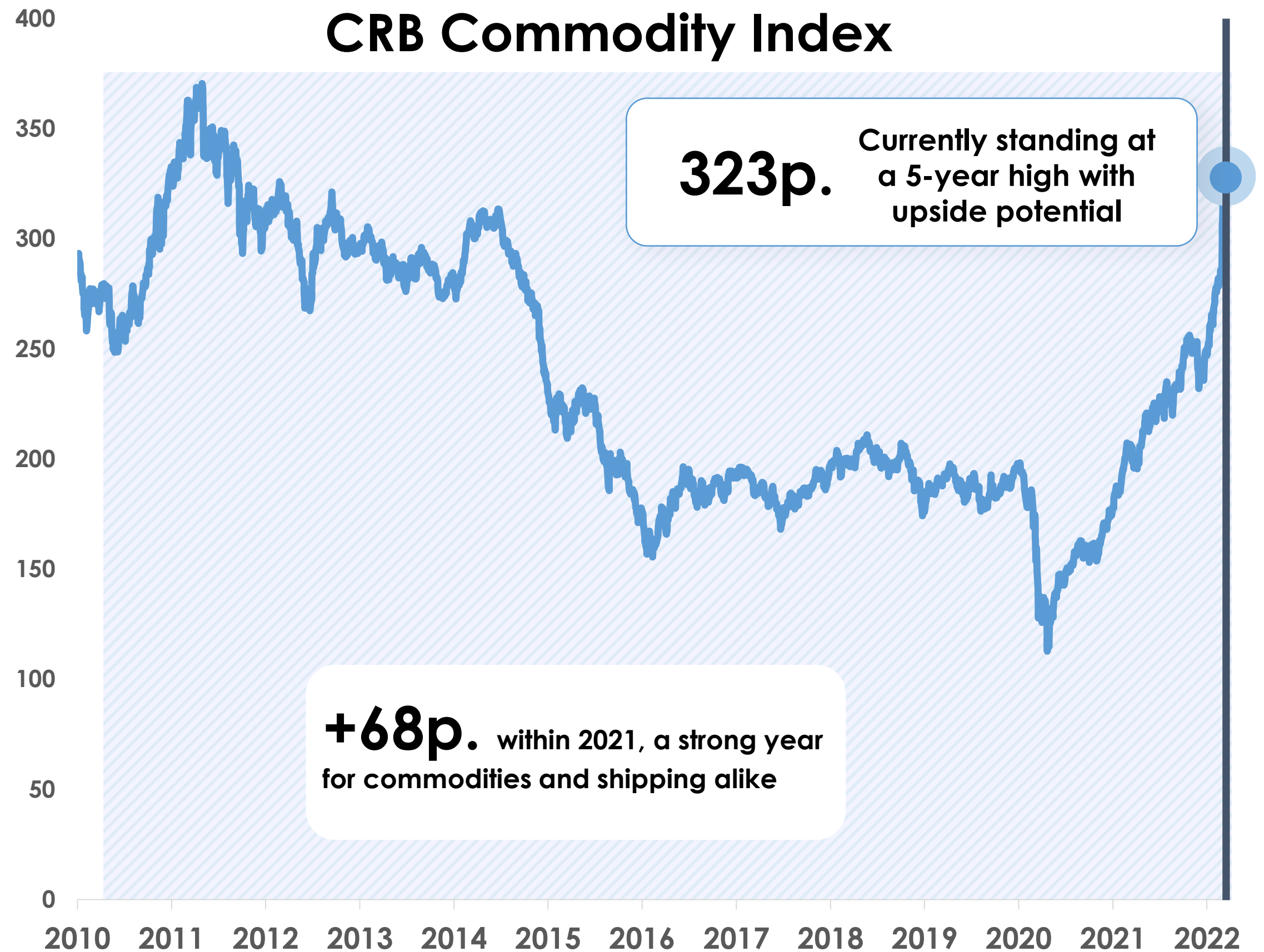
China 2021 GDP grew 8.1%, best growth pace since 2011, 4.8% forecast growth for 2022 & 5.2% for 2023

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Global dry bulk tonne-mile demand expected increase by 2.2% in 2022, supported by recovery-related industrial materials (iron ore, coal, agricultural). Expected dry bulk fleet growth at 2% for 2022

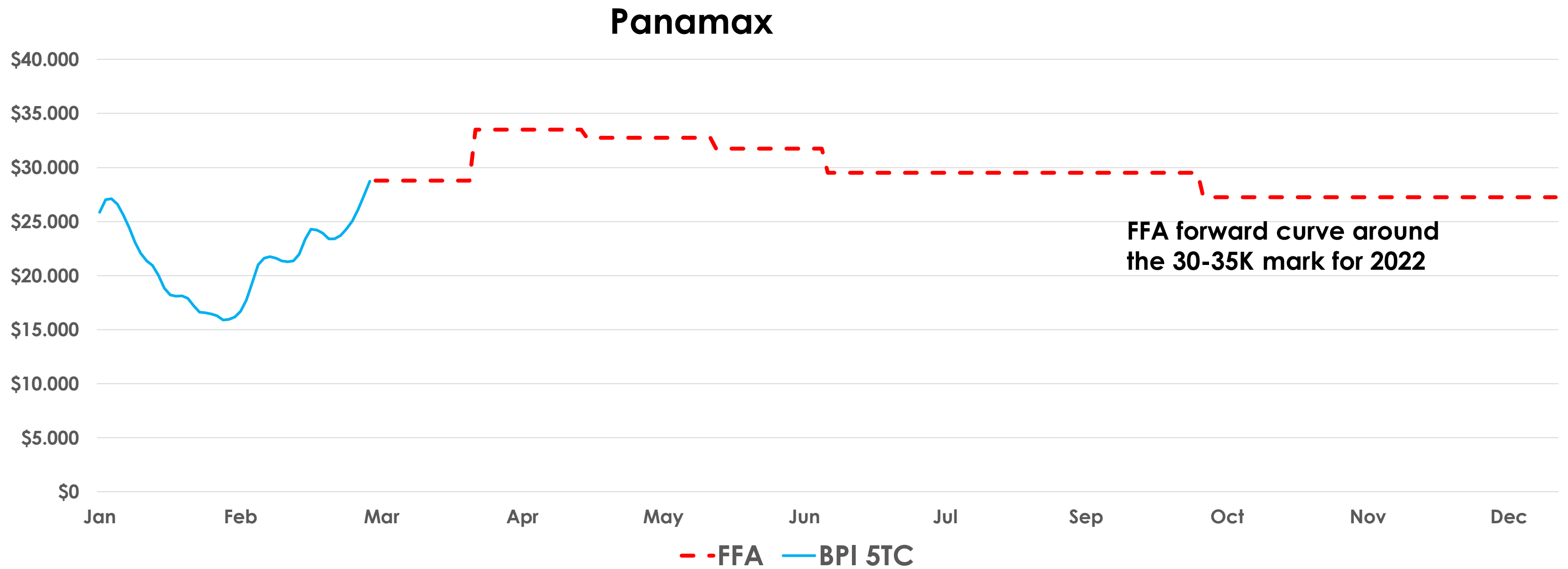
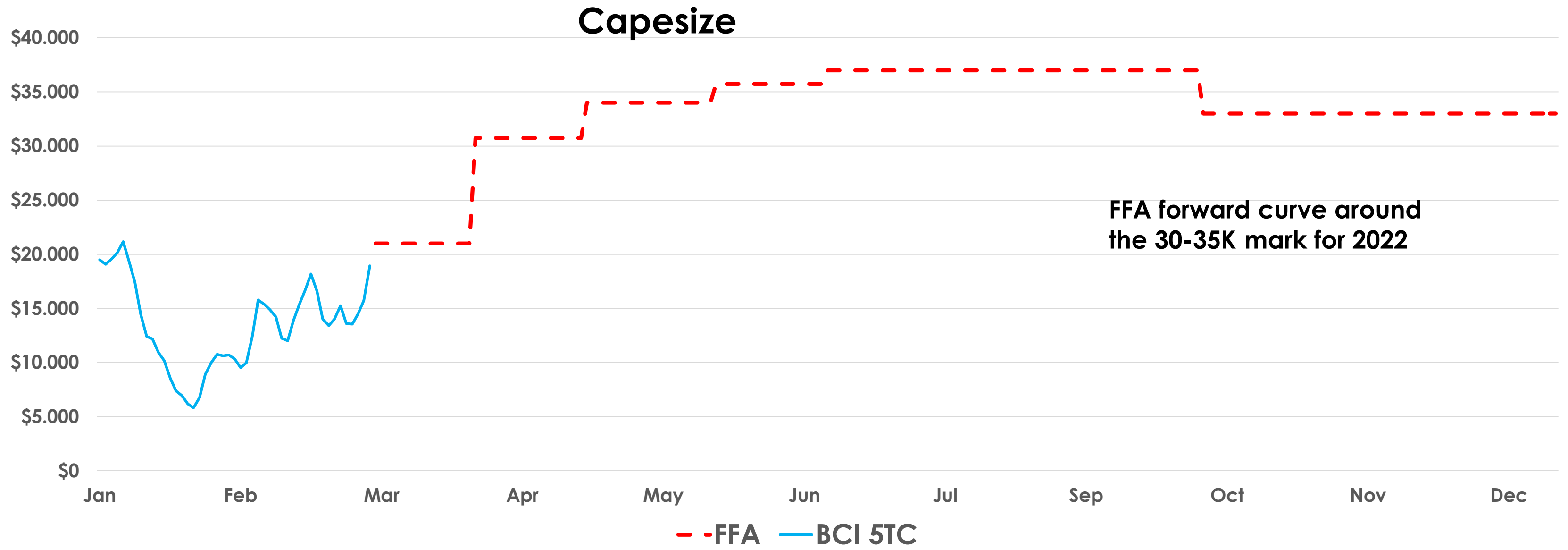
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Global GDP expected growth by 4.4% in 2022 and 3.8% for 2023 as per IMF revised 2022 forecast



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%.

# Market Performance & FFA curve





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## SB Orderbook deliveries

2 vessels in 2022

5 vessels in 2023

2 vessels in 2024

Fleet average age

Q4 2021 10.4 Years

Q1 2024 10.4 years

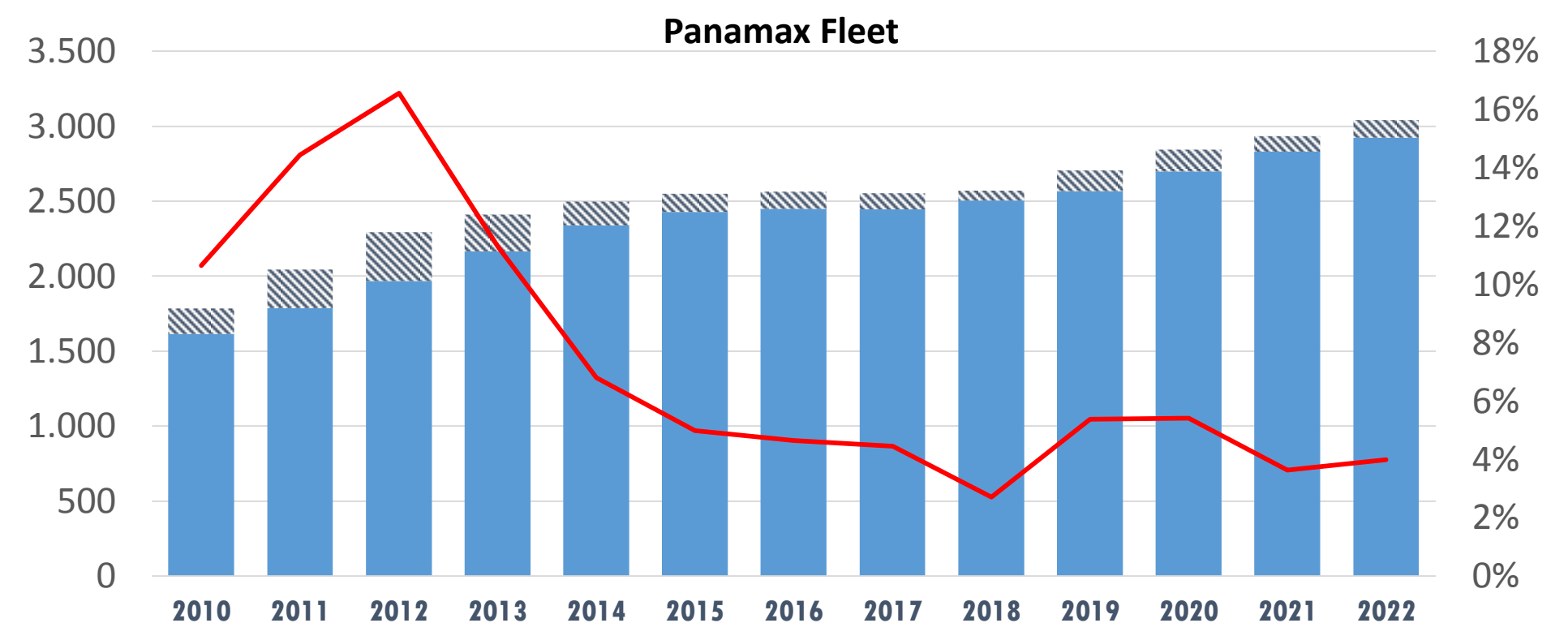
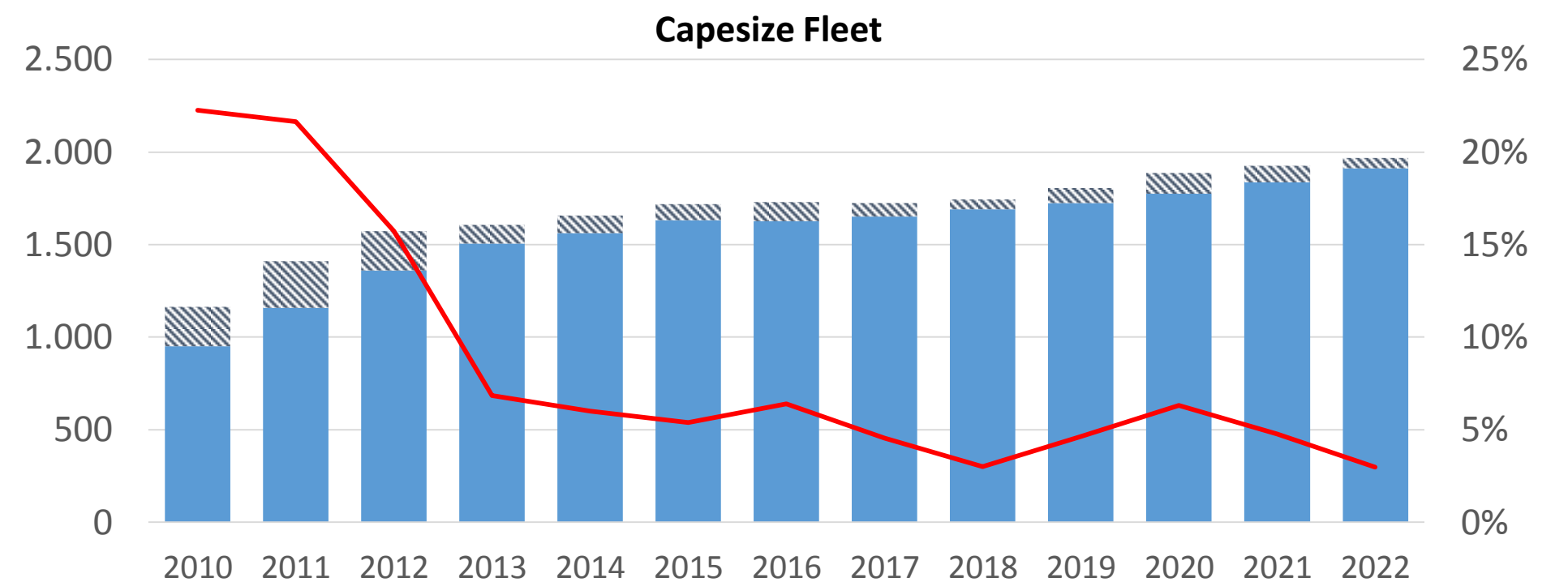
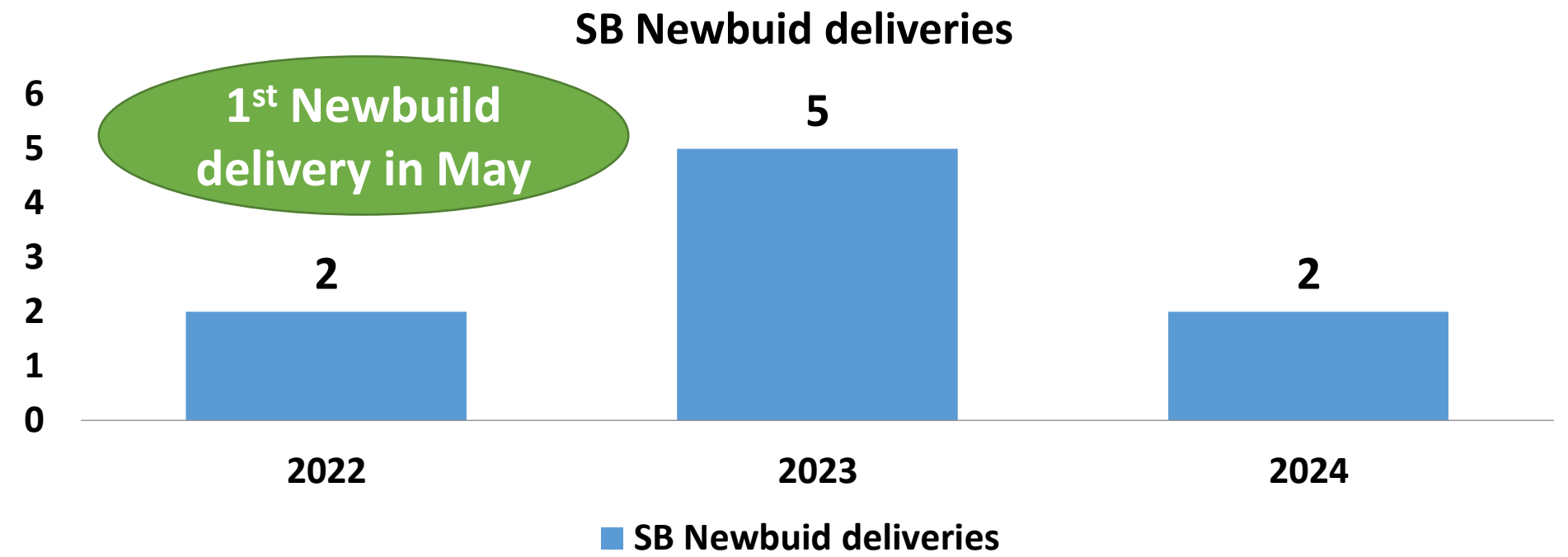
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## Historically low orderbook

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

Only a handful of shipyards have developed new environmental efficient designs

Ongoing environmental discussions for emissions do not favor new orders



Fleet at the year start      Deliveries within the year

Historically low orderbook as a percentage of current fleet on both segments

Source: SSY Consultancy & Research Ltd, The Baltic Exchange

1

## Vessels Acquisitions:

Recent investments in top designs of 9xNBs and 5x modern 2<sup>nd</sup> hands vessels, capture market valuation increase of ~\$100 million

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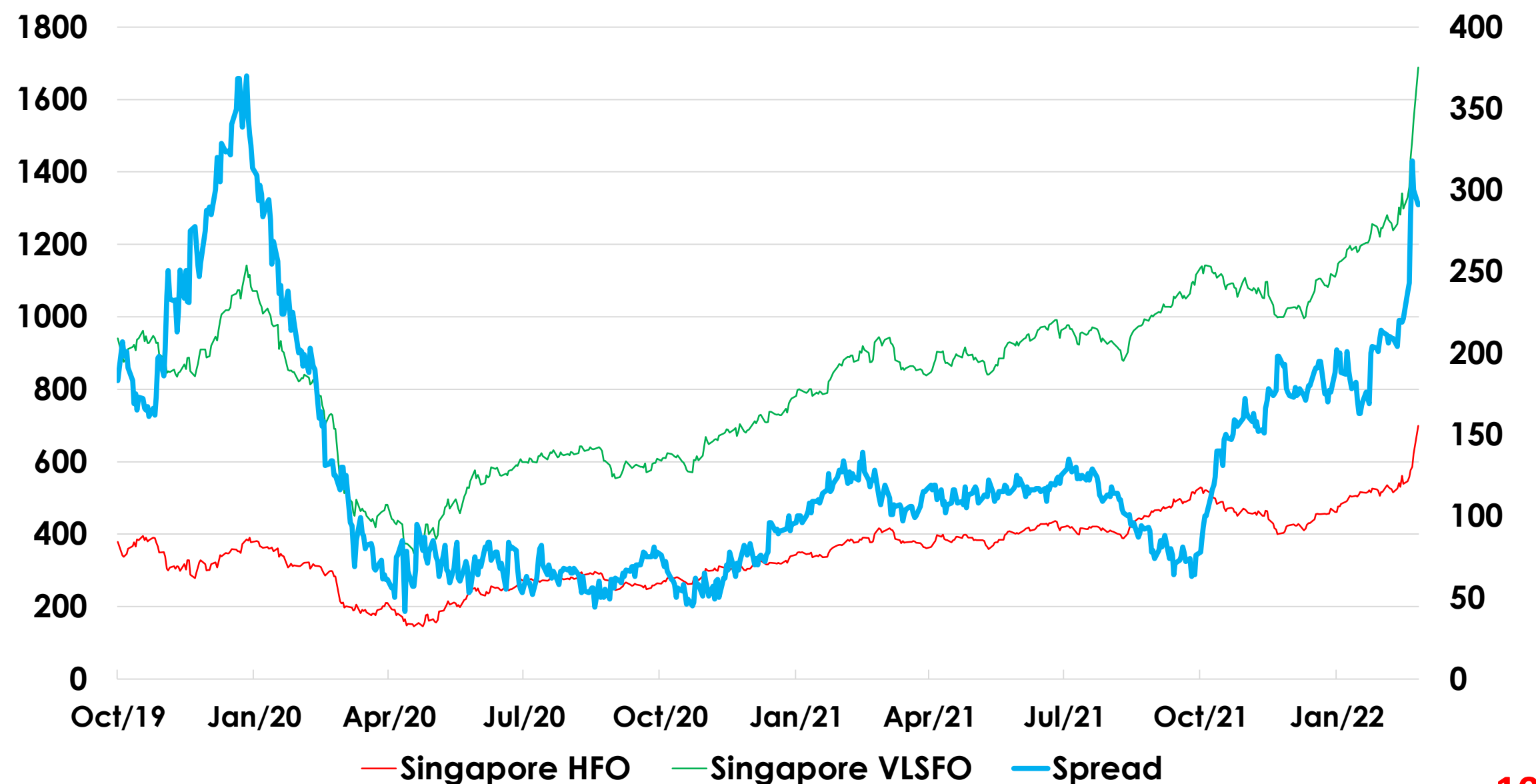
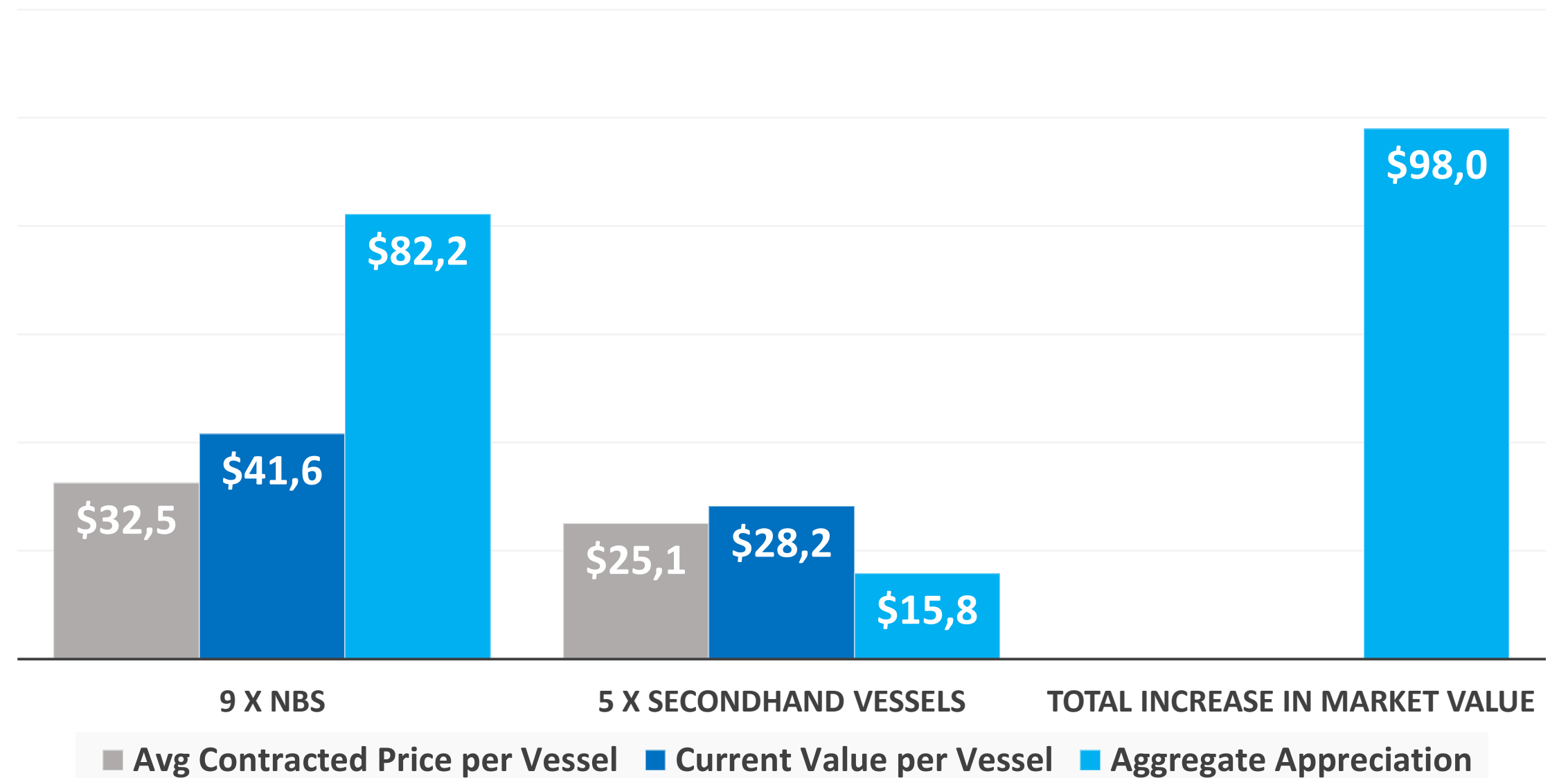
## Scrubbers investments:

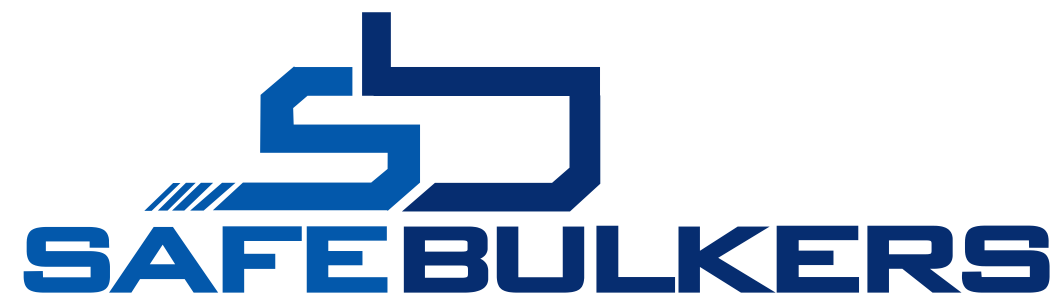
Current ΔVLSFO- HSFO (Hi5) at ~\$270. Futures market for Hi5 Bal2022 at ~\$190. With an average yearly fuel consumption of ~7,500MT our investment in x17 scrubber fitted vessels captures increased revenue generation capacity ~\$24 million per year

3

Intrinsic value of the Company from newbuild and scrubber investments at ~USD120 millions

## Aggregate market appreciation





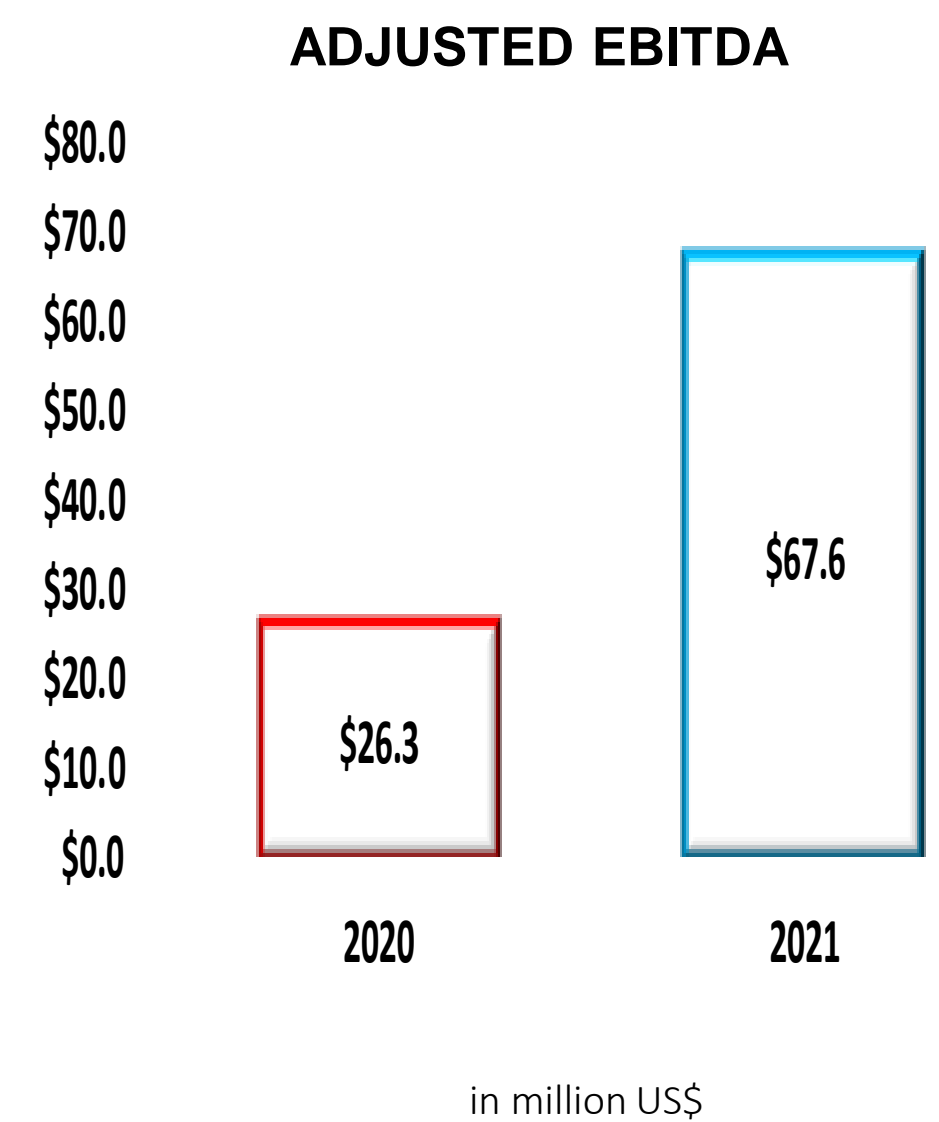
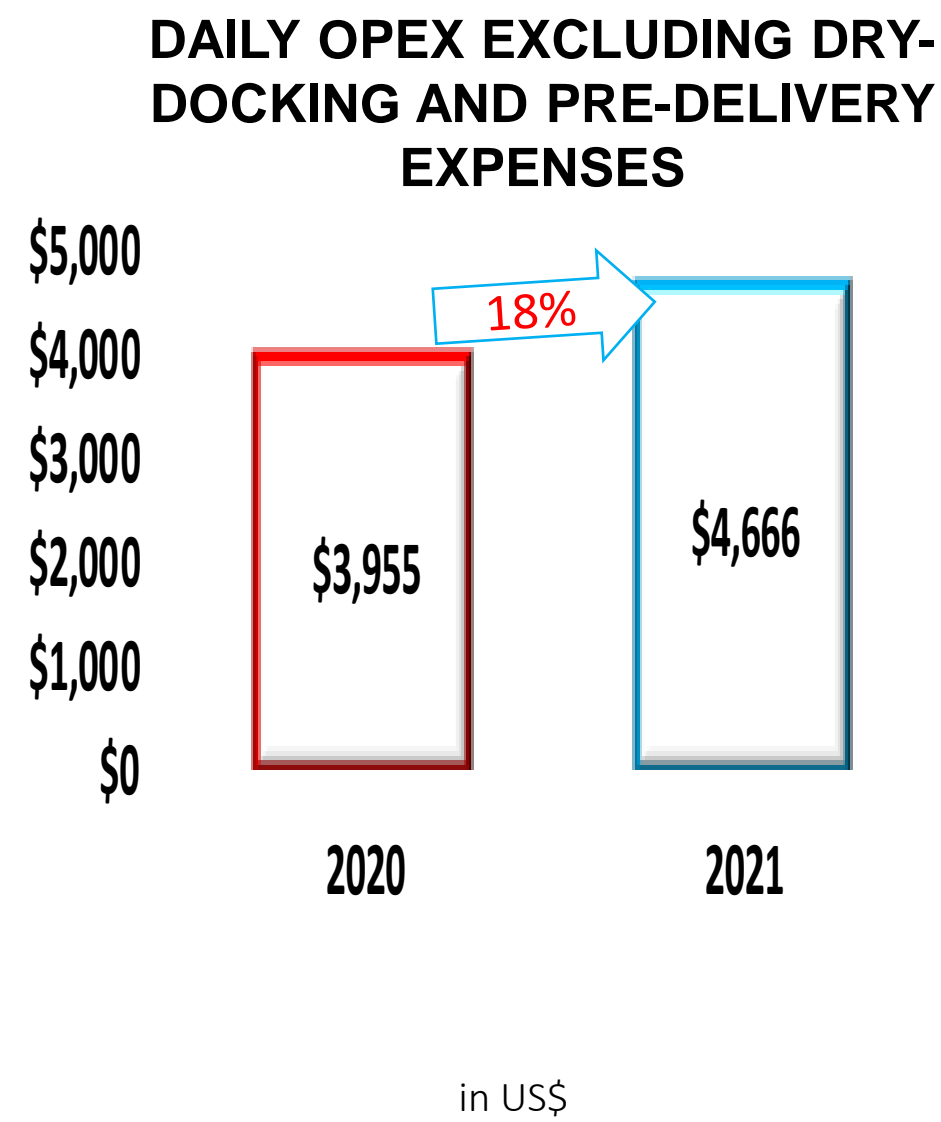
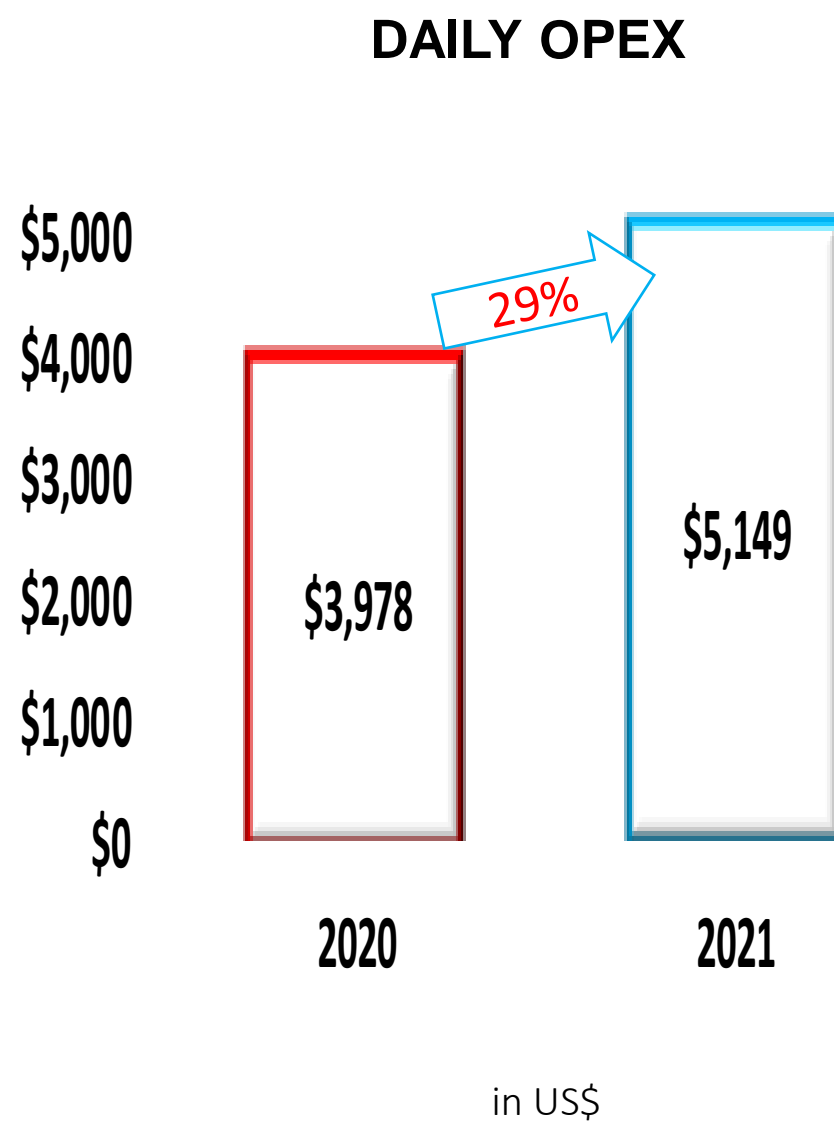
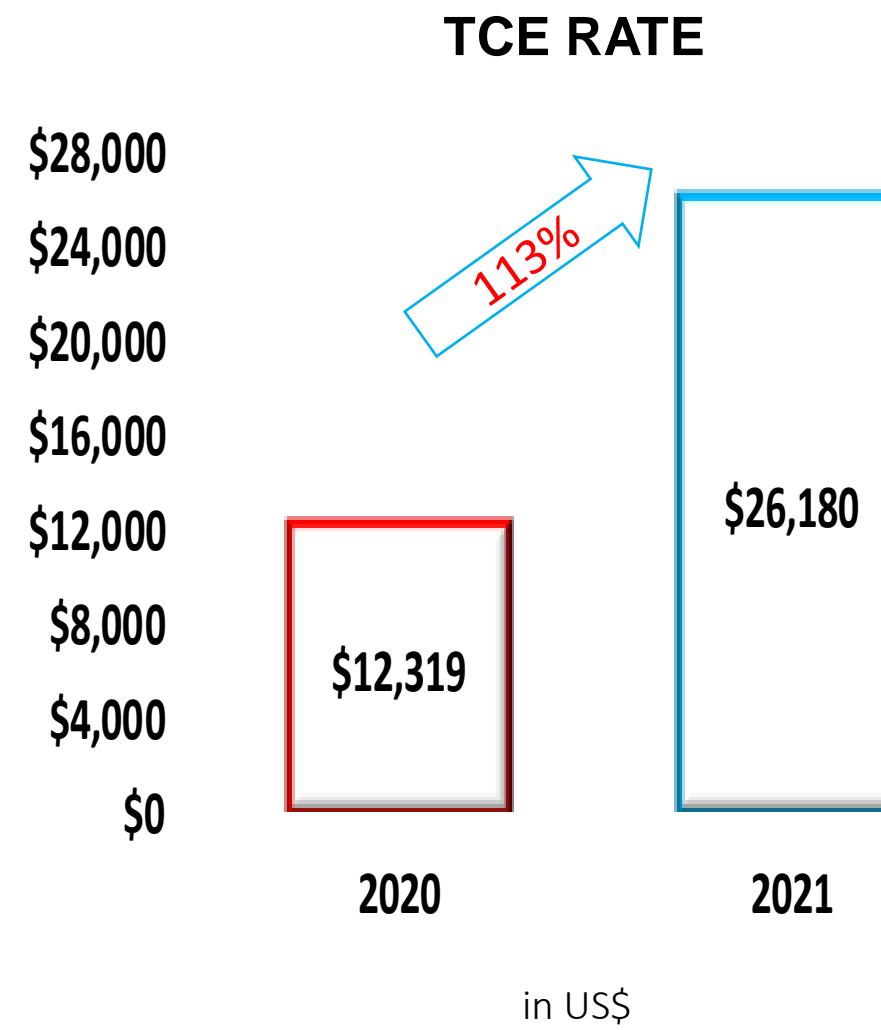
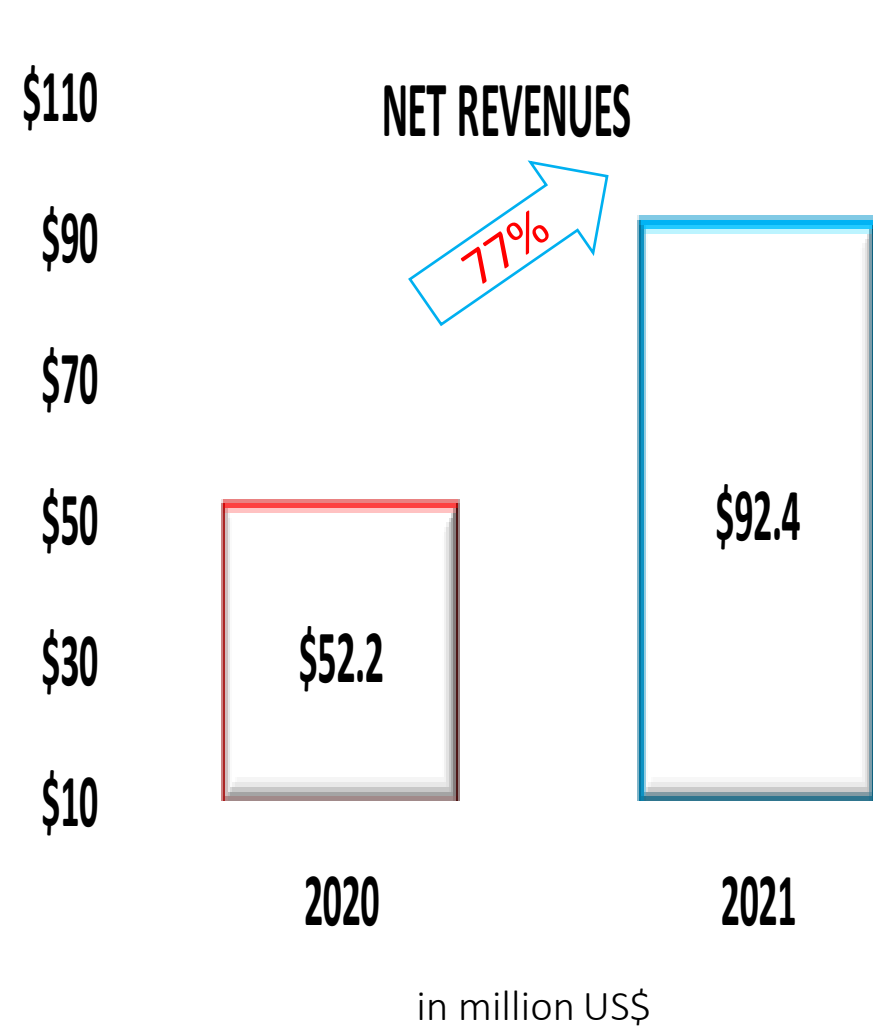
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# SB Quarterly Financial highlights



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 March 9, 2022.

# SB Quarterly Operational highlights

	Three-Months Period Ended December 31,		Twelve-Months Period Ended December 31,	
	2020	2021	2020	2021
<b><u>FLEET DATA, AVERAGE DAILY INDICATORS RECONCILIATION</u></b>				
<b><u>FLEET DATA</u></b>				
Number of vessels at period end	42	39	42	39
Average age of fleet (in years)	10.11	10.30	10.11	10.30
Ownership days	3,864	3,609	15,266	14,916
Available days	3,857	3,513	14,829	14,678
Average number of vessels in the period	42.00	39.23	41.71	40.87
<b><u>AVERAGE DAILY RESULTS</u></b>				
Time charter equivalent rate	\$ 12,319	\$ 26,180	\$ 10,559	\$ 21,752
Daily vessel operating expenses	\$ 3,978	\$ 5,149	\$ 4,591	\$ 4,830
Daily vessel operating expenses excluding dry-docking and pre-delivery expenses	\$ 3,955	\$ 4,666	\$ 4,226	\$ 4,529
Daily general and administrative expenses	\$ 1,469	\$ 1,517	\$ 1,408	\$ 1,508
<b><u>TIME CHARTER EQUIVALENT RATE RECONCILIATION</u></b>				
<small>(In thousands of U.S. Dollars except for available days and Time charter equivalent rate)</small>				
Revenues	\$ 54,403	\$ 96,442	\$ 206,035	\$ 343,475
Less commissions	(2,174)	(4,001)	(7,877)	(14,444)
Less voyage expenses	(4,716)	(469)	(41,582)	(9,753)
Time charter equivalent revenue	\$ 47,513	\$ 91,972	\$ 156,576	\$ 319,278
Available days	3,857	3,513	14,829	14,678
Time charter equivalent rate	\$ 12,319	\$ 26,180	\$ 10,559	\$ 21,752

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

# CONTACT US

## COMPANY CONTACT



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