

# SAFEBULKERS

## Second Quarter & Six Months 2021 Financial Results Presentation July 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*

# Safe Bulkers Synopsis

## Profitability

- **\$81.6** million Net Revenues
- **\$50.2** million EBITDA
- **31c** Adj. EPS

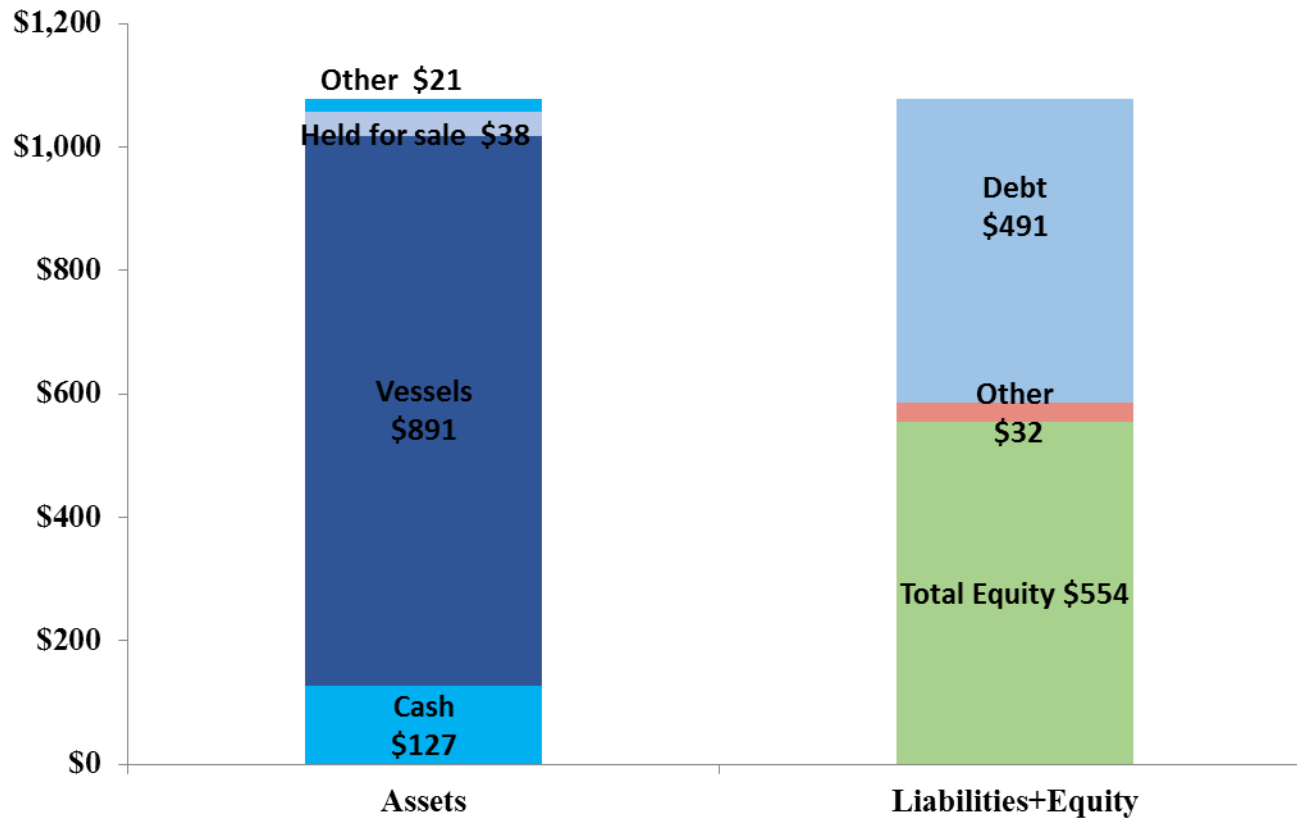
## Fleet renewal

- Ordered **8 GHG -EEDI Phase 3, NOx-Tier III** compliant Japanese newbuilds
- Early deliveries: 2 in 2022, 4 in 2023, 2 in Q1 2024
- Sold 6 vessels, 3 of which yet to be delivered with **\$47.6** million o/s sale proceeds
- Acquired 2 second-hand Panamax
- 25% of fleet will be renewed by Q1 2024

## Deleverage (July 23, 2021)

- **\$125.5** million decrease in debt from **\$607.7** as of Dec. 31, 2020 to **\$482.2**
- **\$115.6** million in cash and cash equivalents and time deposits and restricted cash
- **\$67.0** million undrawn borrowing capacity available under revolving reducing credit facilities

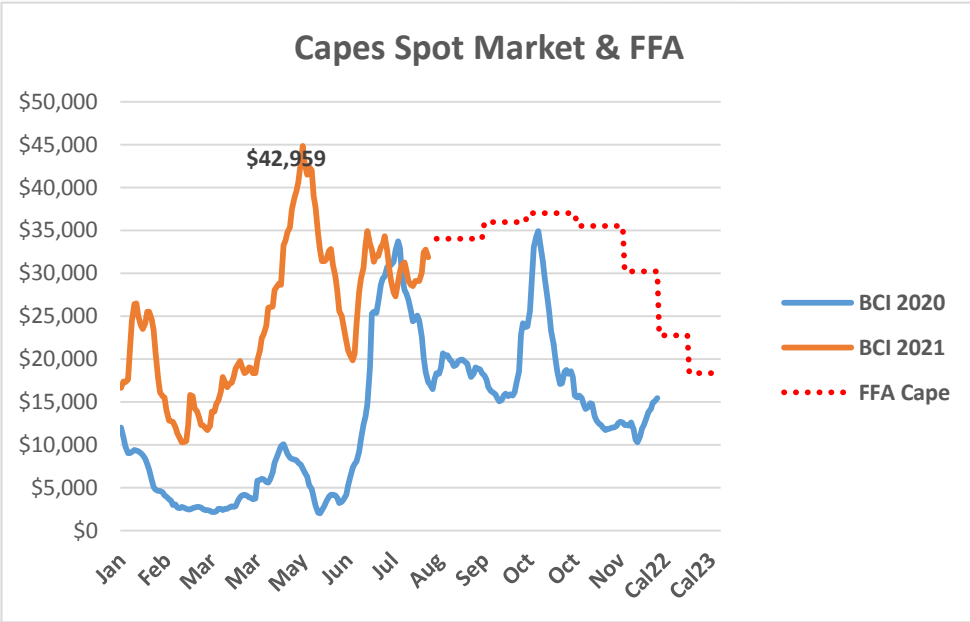
# Balance Sheet Analysis



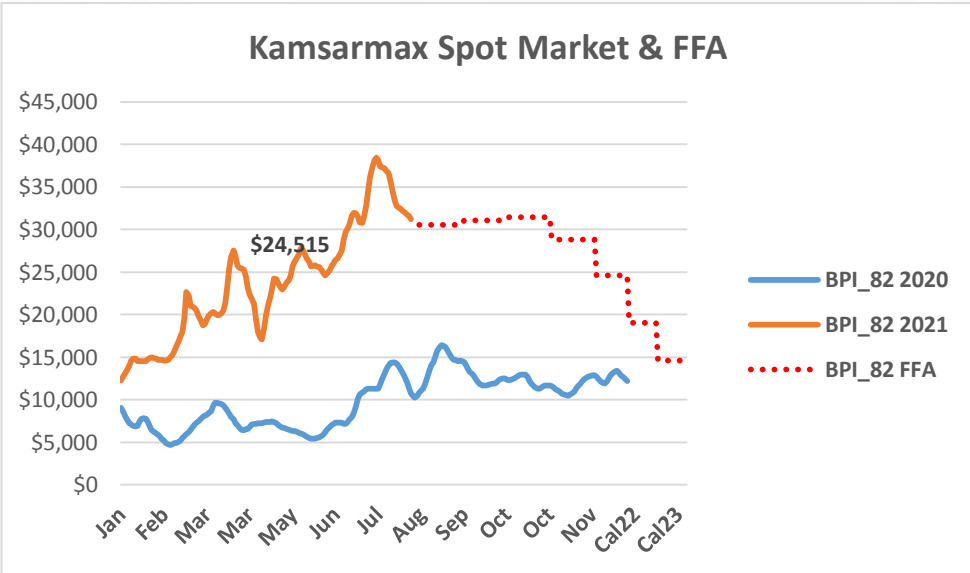
**\*Total assets are presented as of June 30, 2021 and are based on the book value of all vessels owned or leased on a finance lease, and the book value of all other assets.**

# INDUSTRY SECTION

# CHARTER MARKET CONDITIONS



- **Strong start for 2021:**  
Capes spot: ~ \$32k  
Kamsarmaxes: ~32k
- **Capes: 2021 YTD \$24.8k vs. 2020 YTD \$9.6k**
- **Kamsarmax: 2021 YTD \$23.9k vs. 2020 YTD \$7.9k**



- **FFA current market levels forecast sustainability of charter rates at healthy levels.**
- **Gradual control of COVID-19 and opening of the economies is expected.**
- **Surge in commodities prices reflects the increase in the underlying demand.**

## IRON ORE



## STEEL REBAR



Commodities prices surge:

- Strong demand from China continues
- Further increase of demand by opening of economies
- Post-pandemic plans will boost economies (US, China etc.)

## SOYBEANS



## COPPER

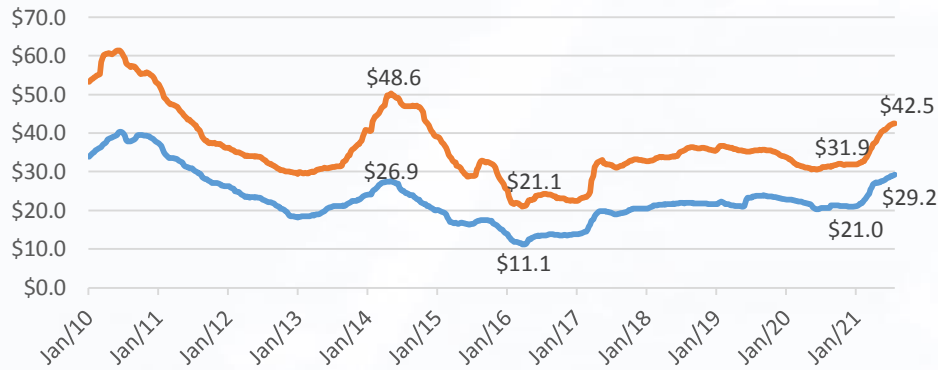


- Commodities Prices continue to trade at highest levels
- Indicative of industrial growth



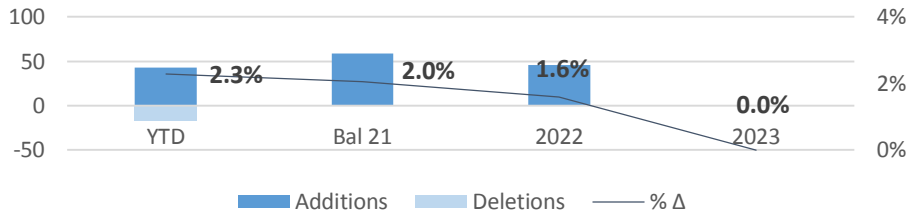
# SUPPLY SIDE – FLEET STATUS

5-Years Vessels Value (in \$million)

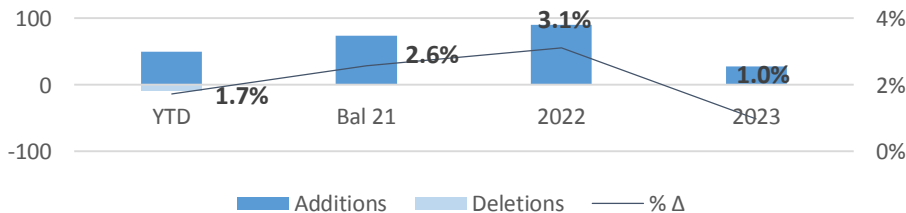


- Sharp increase on vessel values
- 5 year old Capes have surged by ~40% since same period in 2020 and have gained ~\$21mill since 2016 lows
- 5 year old Panamaxs have surged by ~45% since same period in 2020 and have gained ~\$18mil since 2016 lows
- 2022 onwards minimal orderbook
- Shipyard building 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

Capes Orderbook (no of vessels) additions and deletions



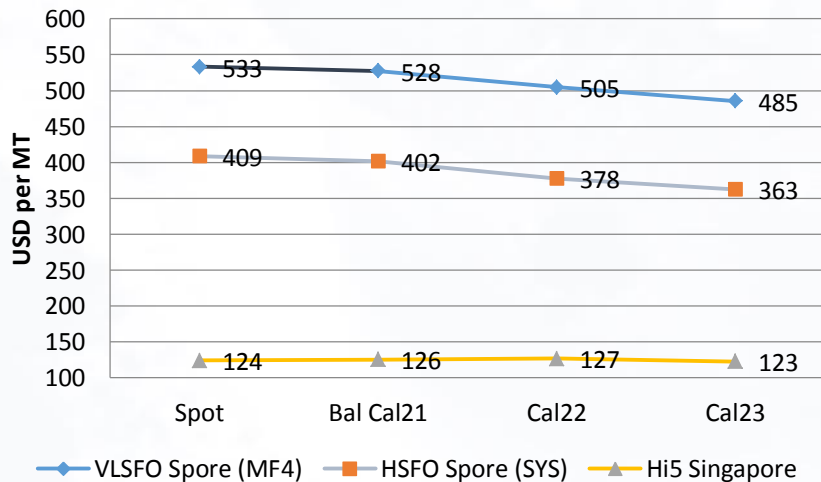
Panamax Orderbook (no of vessels) additions and deletions



## CRUDE OIL BRENT



### Futures Bunkers Prices – Hi5 Singapore



Source: ICE Report Centre, Trading Economics

## Futures Bunkers Prices & Hi5

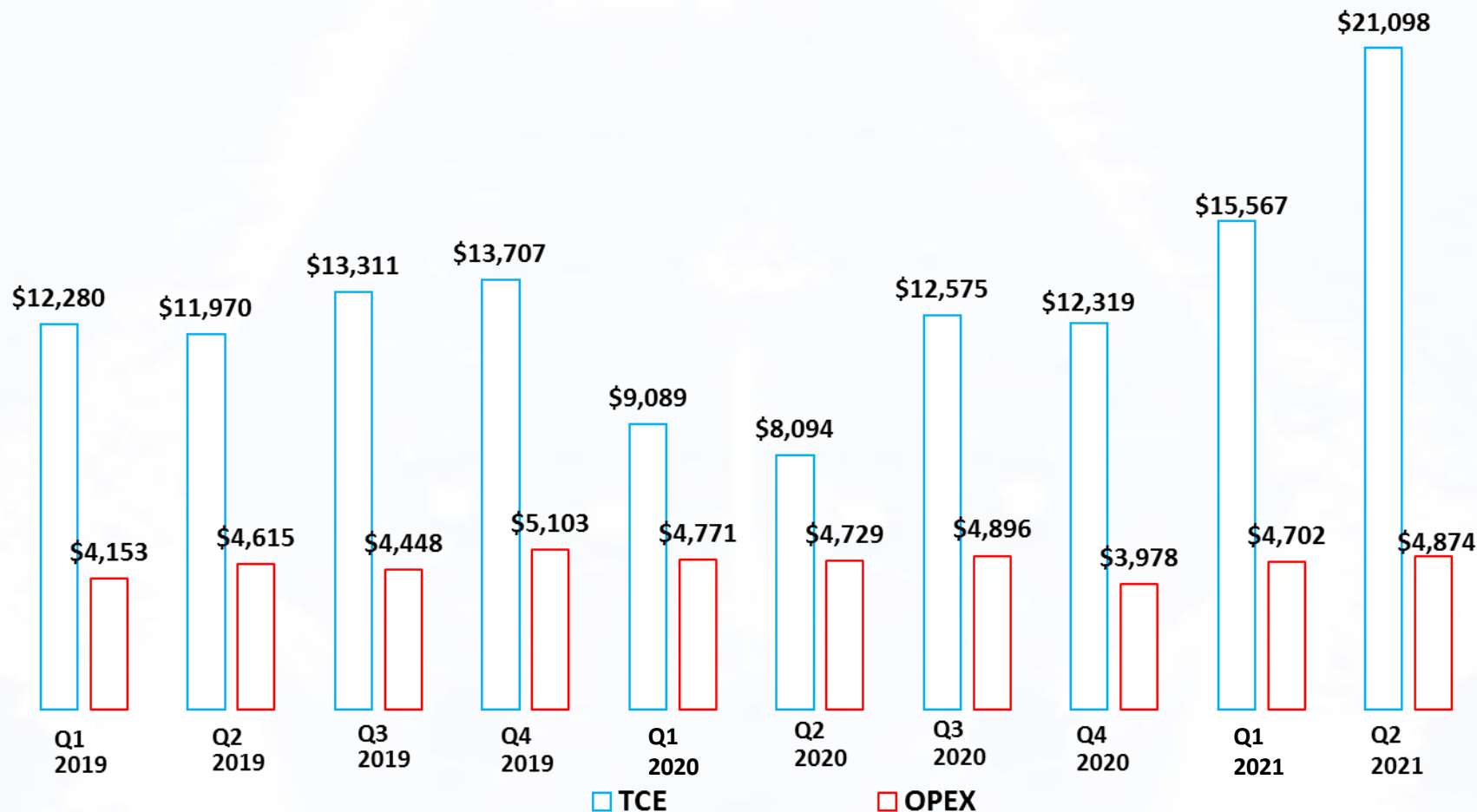
- Brent Prices at pre-pandemic levels and at the highs of the last 5 years
- Gradual re-opening of the economies stimulate demand for distillate products and lead to recovering oil prices
- Futures market indicates sustainable spread differential of VLSFO vs 3.5% HSFO (Hi5)
- Spot Hi5 ~\$120 expected to remain in the region of \$120-\$130
- Post-Panamax consumption ~7,500 MT/year. Scrubber fitted gain ~7,500x\$120= \$900k/year or ~\$2,500/day
- Recovery of global economies, restoration of mobility and 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;**
- **Brent prices recovery may lead to even wider Hi5 spread differential;**
- **Ageing fleet and enhanced environmental restrictions may increase scrapping;**

# FINANCIAL OVERVIEW

# CHARTERING PERFORMANCE

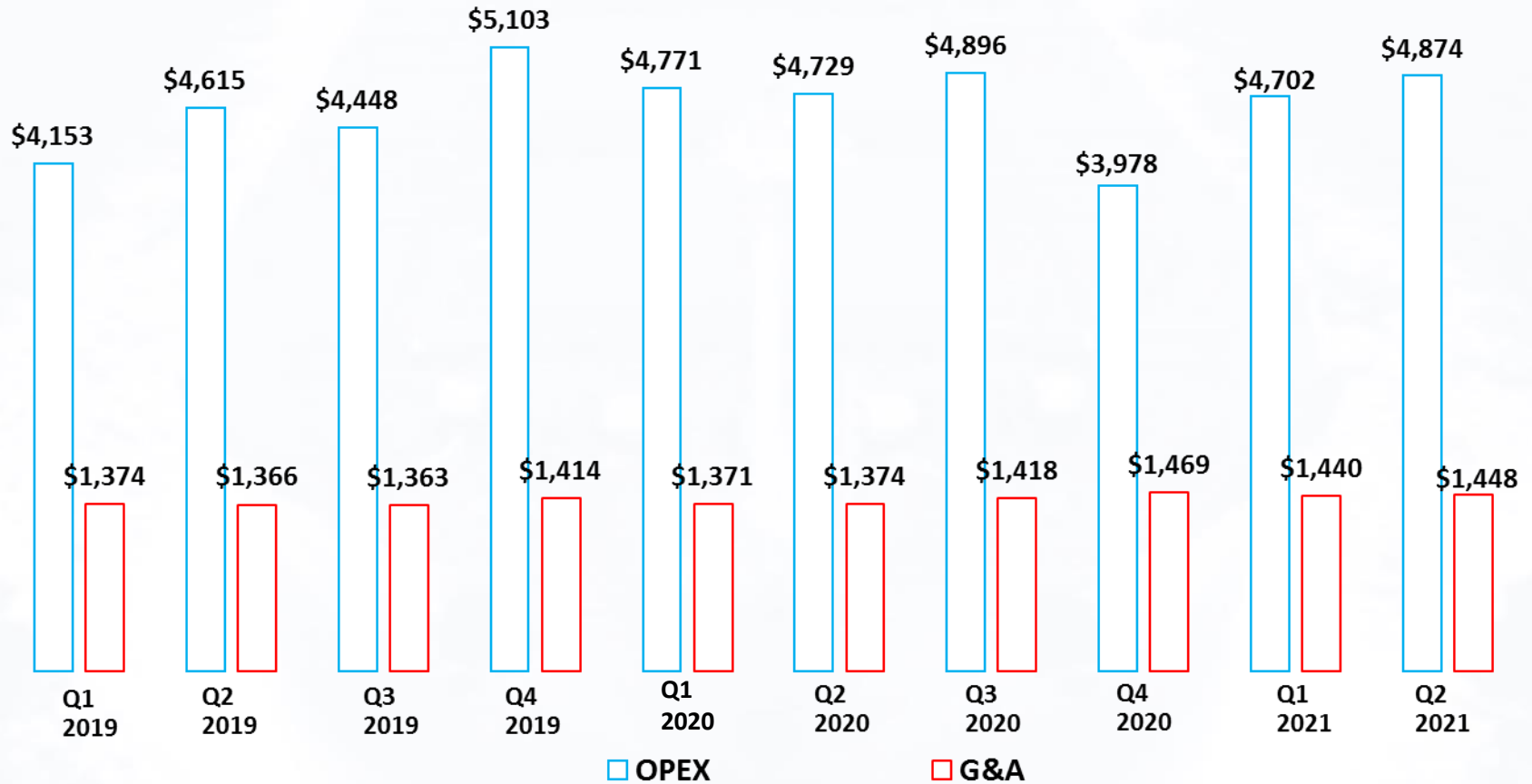


1. Time charter equivalent rate, or TCE rate, represents our charter revenues less commissions and voyage expenses during a period divided by the number of available days during such period. TCE rate is a standard shipping industry performance measure used primarily to compare daily earnings generated 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

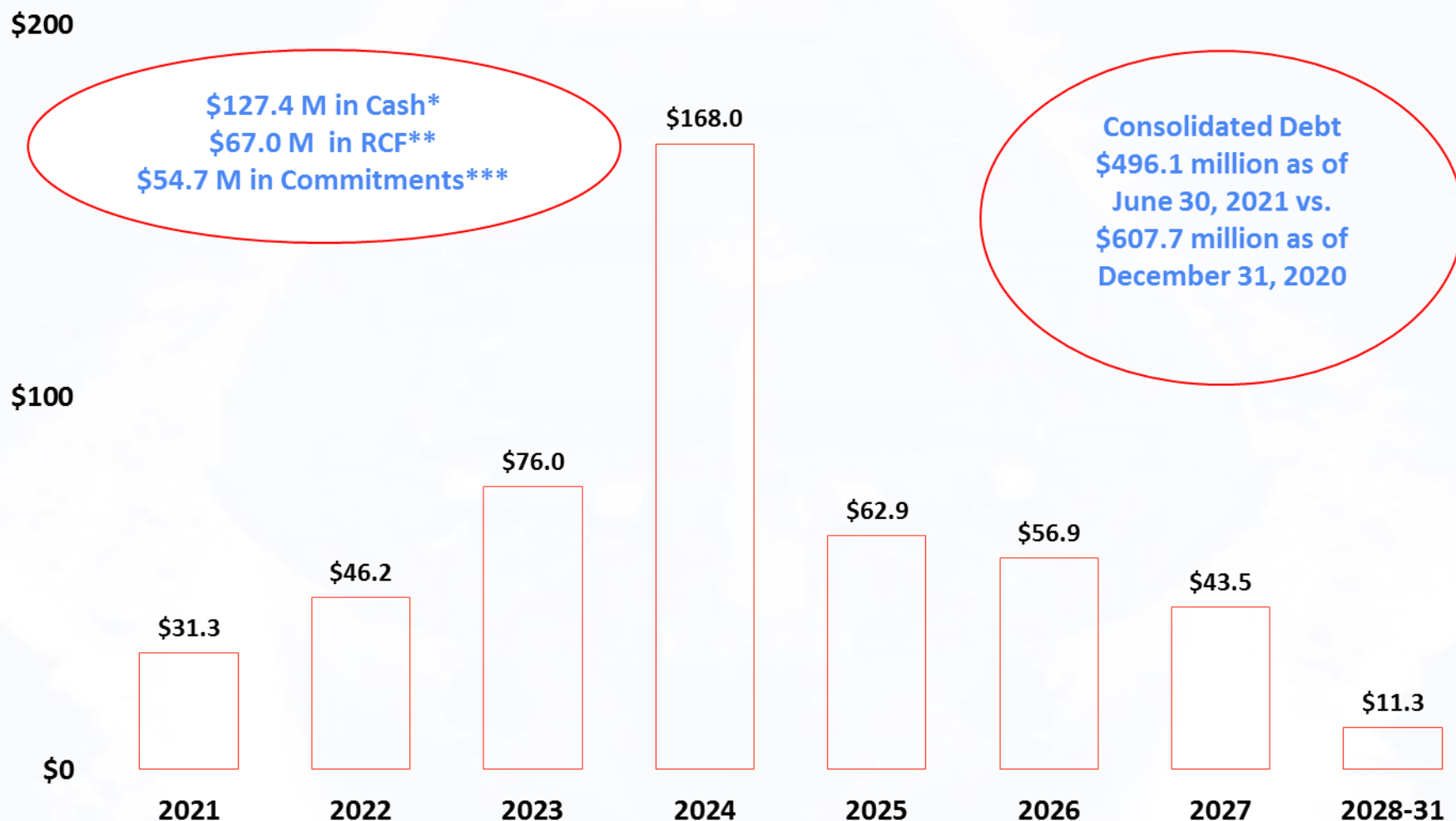
**Our Operating expenses include our dry-docking and pre-delivery expenses**

**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

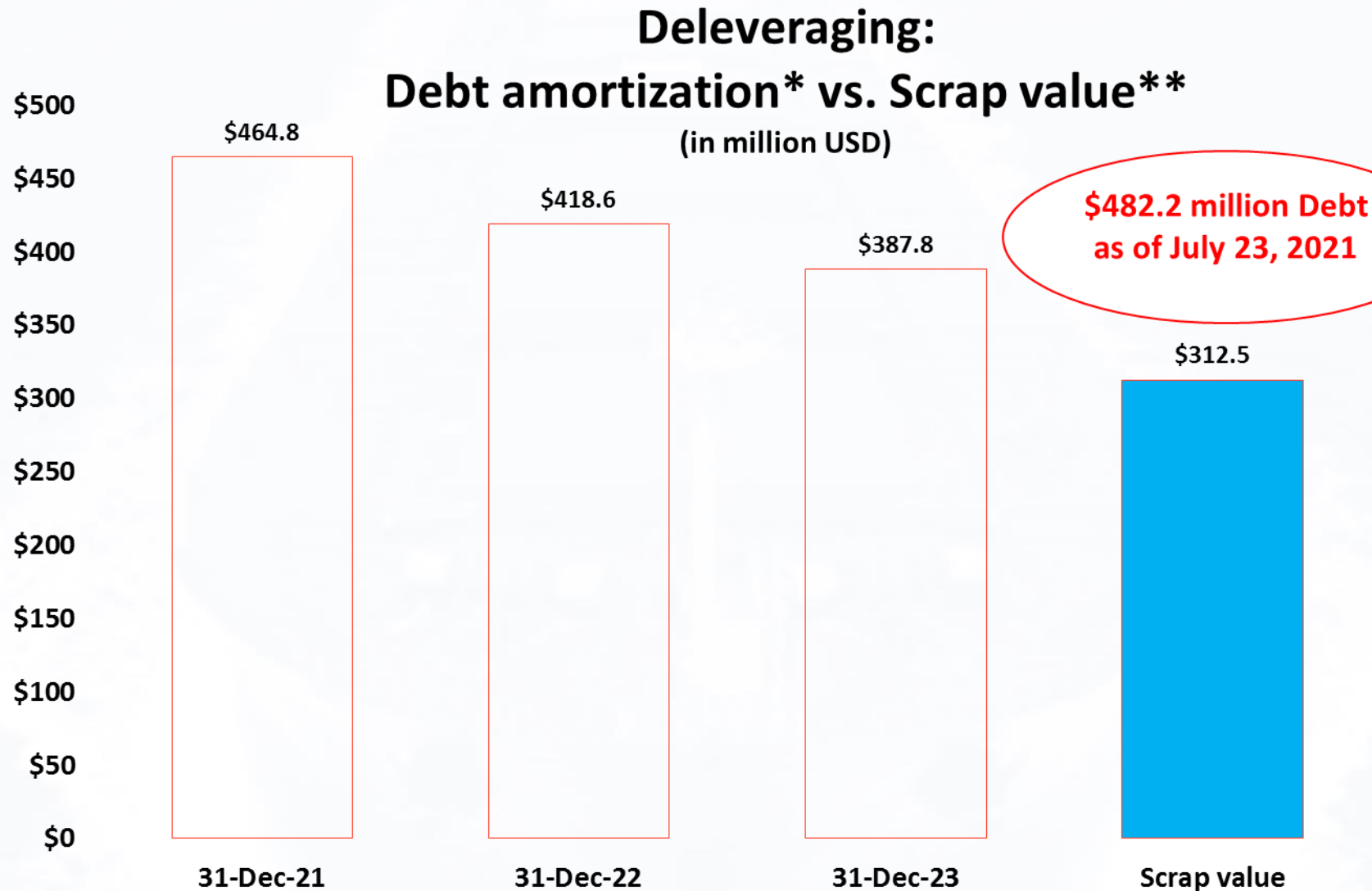


All data presented as of June 30, 2021.

\* 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.

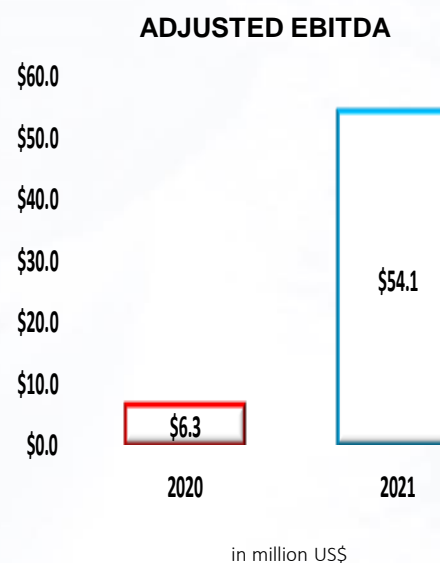
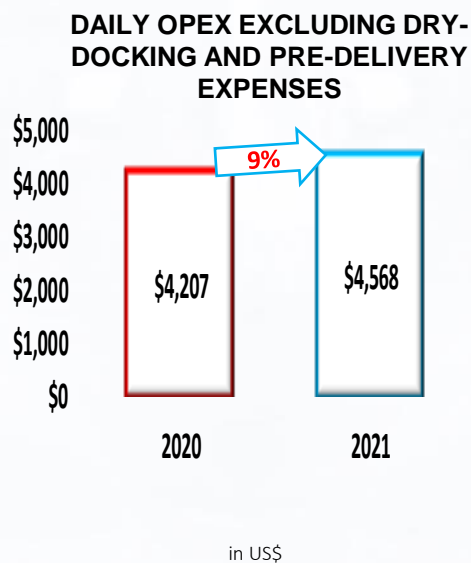
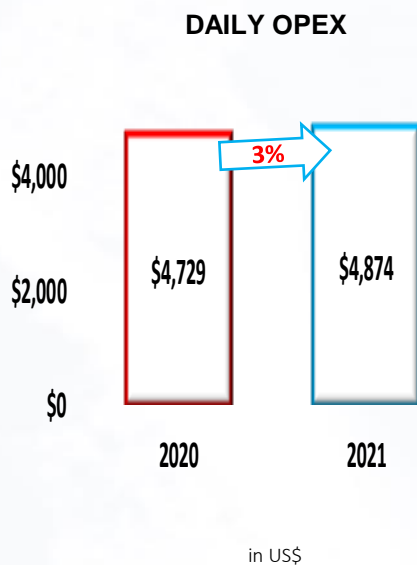
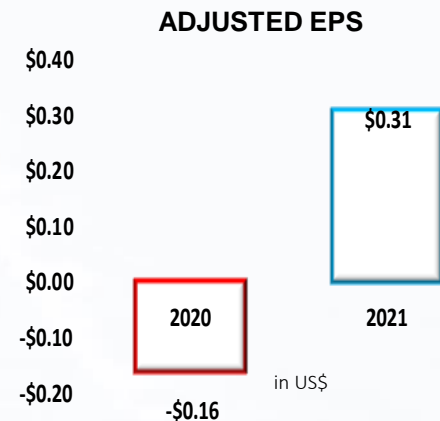
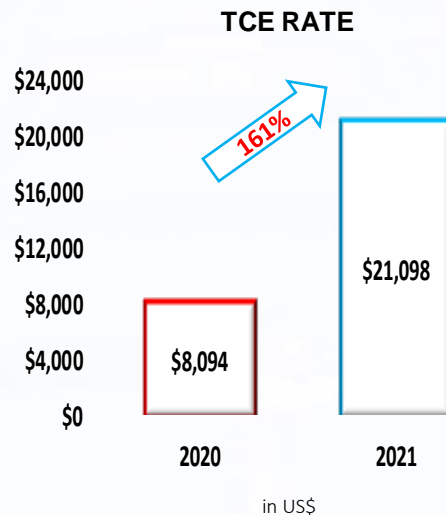
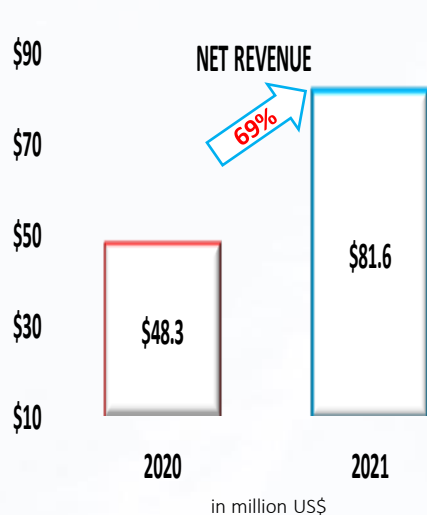


\*Debt profile amortization presented as of each year end based on: i) Our June 30, 2021 consolidated debt profile before deferred financing costs of \$496.1 million plus ii) drawdown of the secured commitments including sale and lease back financing, of the ordered vessels in 2022, iii) no other new financing or refinancing of debt.

\*\*Scrap value calculated based on: i) fleet of 40 vessels as of July 23, 2021 ii) 3 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 \$500/ton as of Q2 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 April 23, 2021.

FLEET DATA	Three-Months Period Ended June 30,		Six-Months Period Ended June 30,	
	2020	2021	2020	2021
Number of vessels at period's end	42	40	42	40
Average age of fleet (in years)	9.6	10.27	9.6	10.27
Ownership days	3,806	3,776	7,537	7,580
Available days	3,669	3,704	7,246	7,439
Operating days	3,375	3,644	6,492	7,275
Average number of vessels in the period	41.82	41.49	41.41	41.88
<b>AVERAGE DAILY RESULTS</b>				
Time charter equivalent rate	8,094	21,098	8,585	18,321
Daily vessel operating expenses	4,729	4,874	4,750	4,788
Daily vessel operating expenses excluding dry-docking and pre-delivery expenses	4,207	4,568	4,246	4,463
Daily general and administrative expenses	1,374	1,488	1,373	1,464
<b>TIME CHARTER EQUIVALENT RATE RECONCILIATION</b>				
(In thousands of U.S. Dollars except for available days and Time charter equivalent rate)				
Revenues	50,054	84,963	97,640	150,185
Less commissions	-1,773	-3,385	-3,644	-6,089
Less voyage expenses	-18,583	-3,430	-31,787	-7,806
Time charter equivalent revenue	29,698	78,148	62,209	136,290
Available days	3,669	3,704	7,246	7,439
Time charter equivalent rate	8,094	21,098	8,585	18,321

For definitions of daily fleet data , average daily results and Time charter equivalent rate reconciliation please refer to the earnings press release issued July 28, 2021.



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on Seafarer Wellbeing and Crew Change

## Company Contact

Dr. Loukas Barmparis

President

Safe Bulkers, Inc.

Tel: +30 2111 888 400

+357 25 887 200

E-mail:

[directors@safebulkers.com](mailto:directors@safebulkers.com)

## Investor Relations/Media Contact

Daniela Guerrero

Investor Relations Advisor

Capital Link Inc.

New York, USA

Tel: +1 (212) 661-7566

Fax:+1 (212) 661-7526

E-mail:

[safebulkers@capitallink.com](mailto:safebulkers@capitallink.com)

