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## Dry Bulk Shipping Panel

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Capital Link's 17th Annual International Shipping Forum

**Frode Mørkedal** | Managing Director

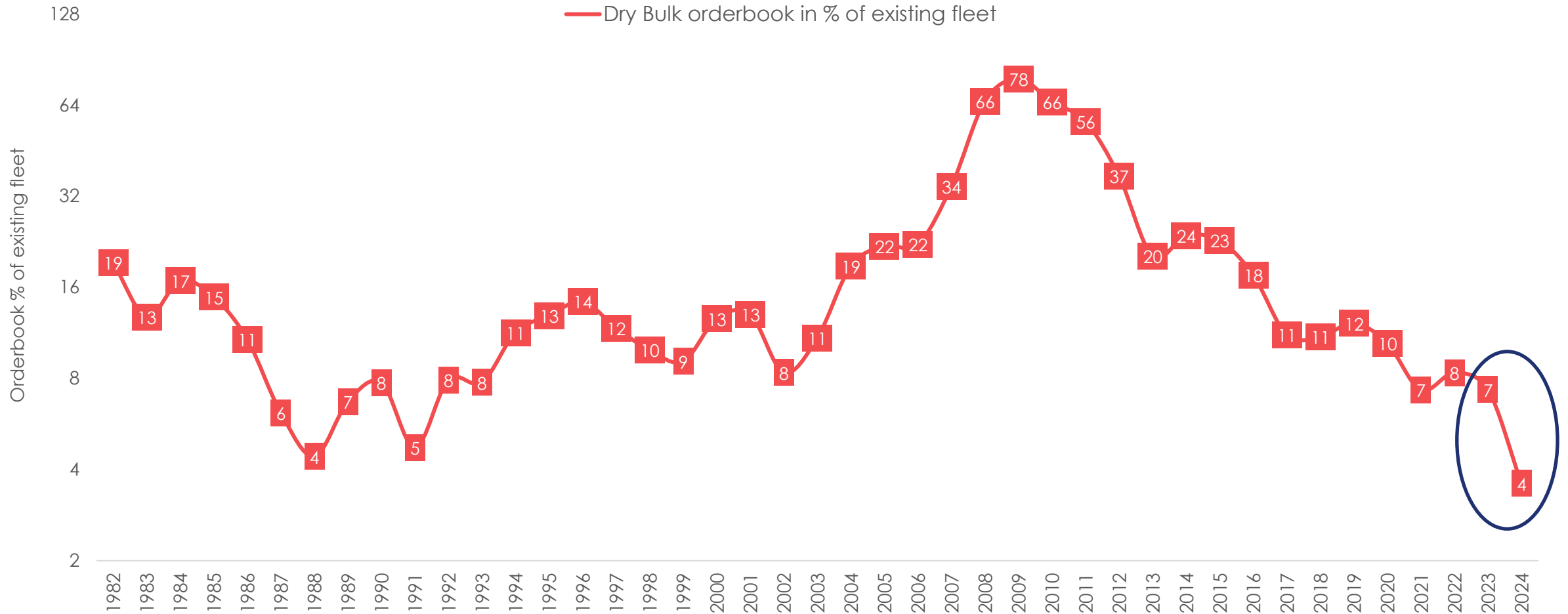
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Clarksons Securities

20 March 2023

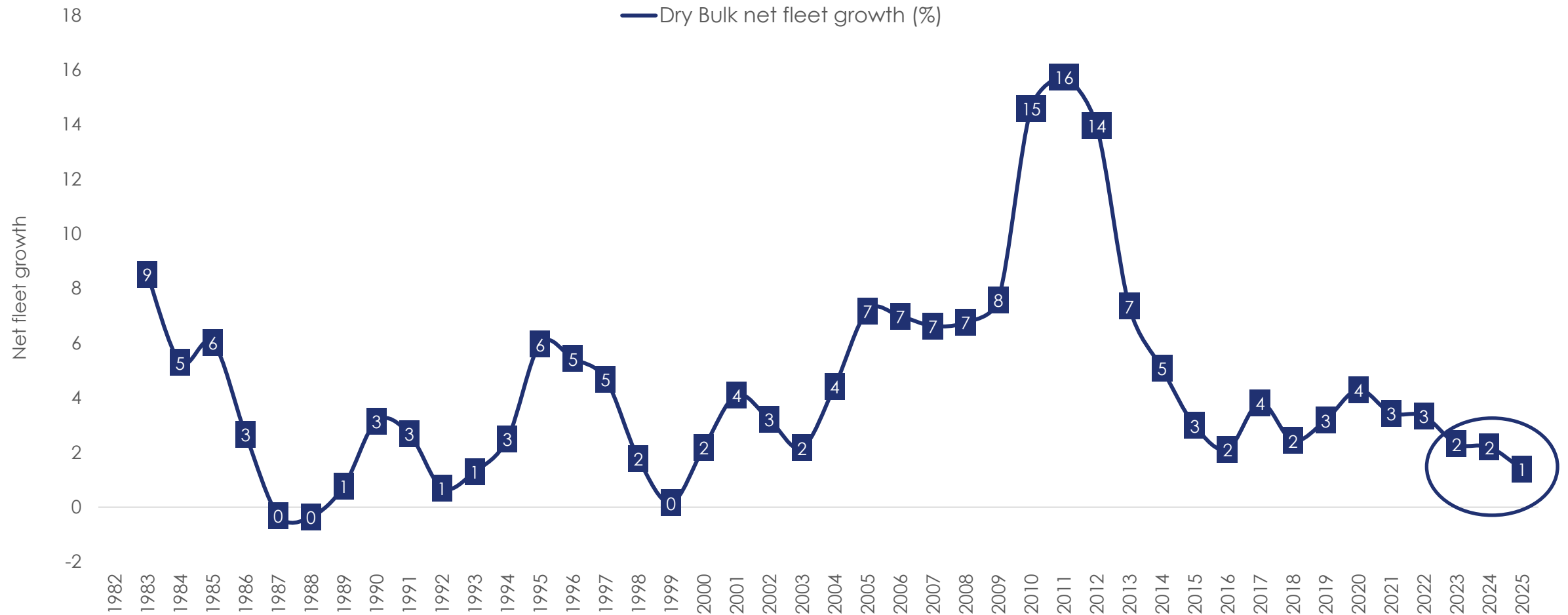
# Dry Bulk orderbook lowest since 1991

Without new orders, current orderbook of 7% of the fleet will drop to 5.4% in June 2023 and 3.6% by year-end 2023



Source: Clarkson Research Services Ltd

# Dry Bulk net fleet growth slowing to 1-2%

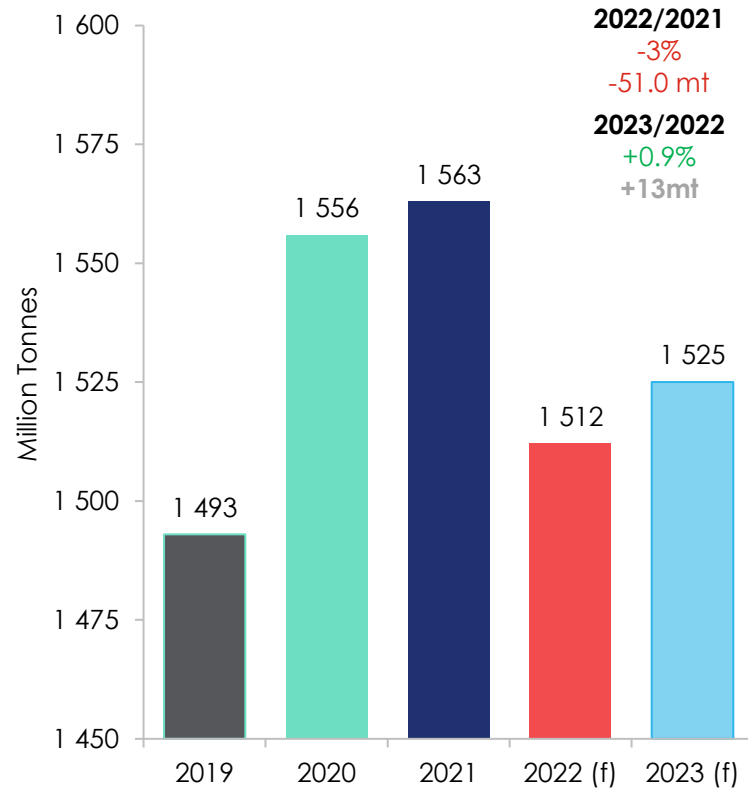


Source: Clarkson Research Services Ltd

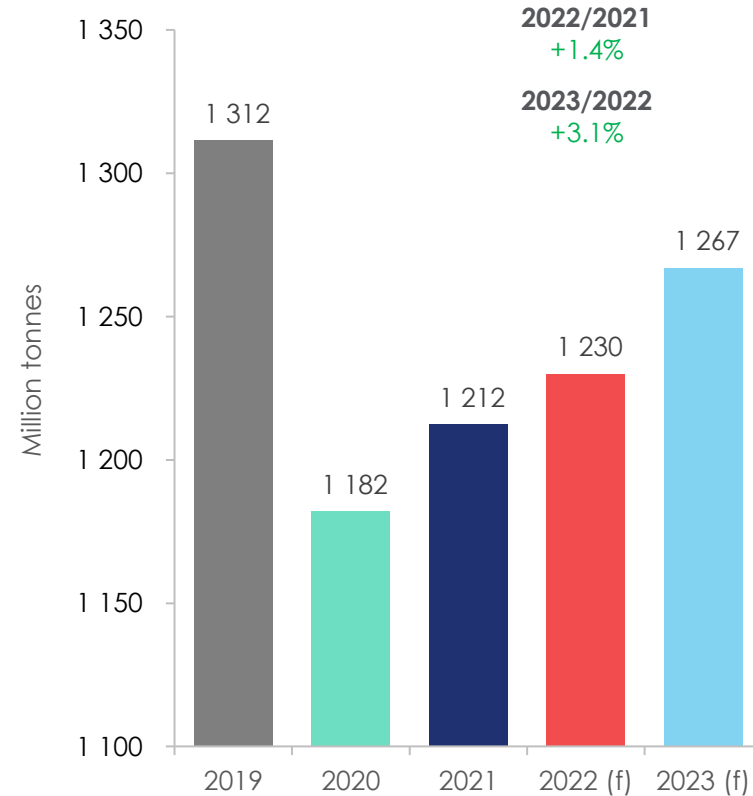
# Grain and coal trade growth sufficient to absorb fleet expansion

Not reliant on steel or iron ore to grow - but potential upside given China?

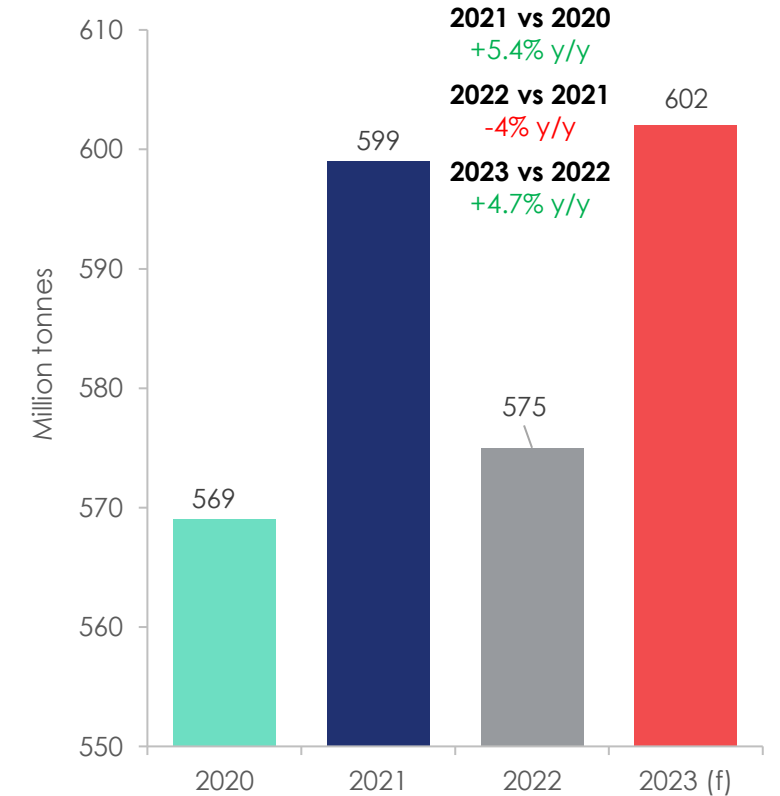
## Iron Ore Annual Seaborne Trade



## Coal Annual Seaborne Trade



## Grain Annual Seaborne Trade

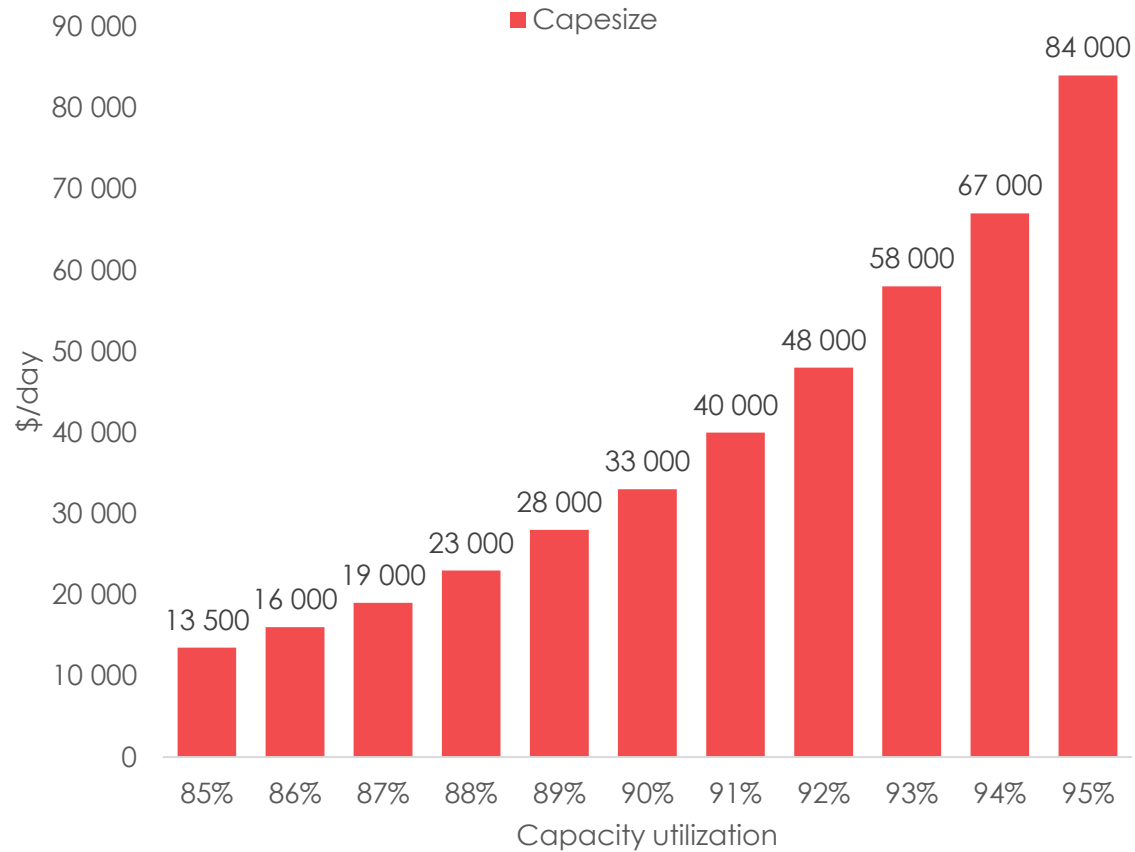


Source: H Clarkson & Company Limited

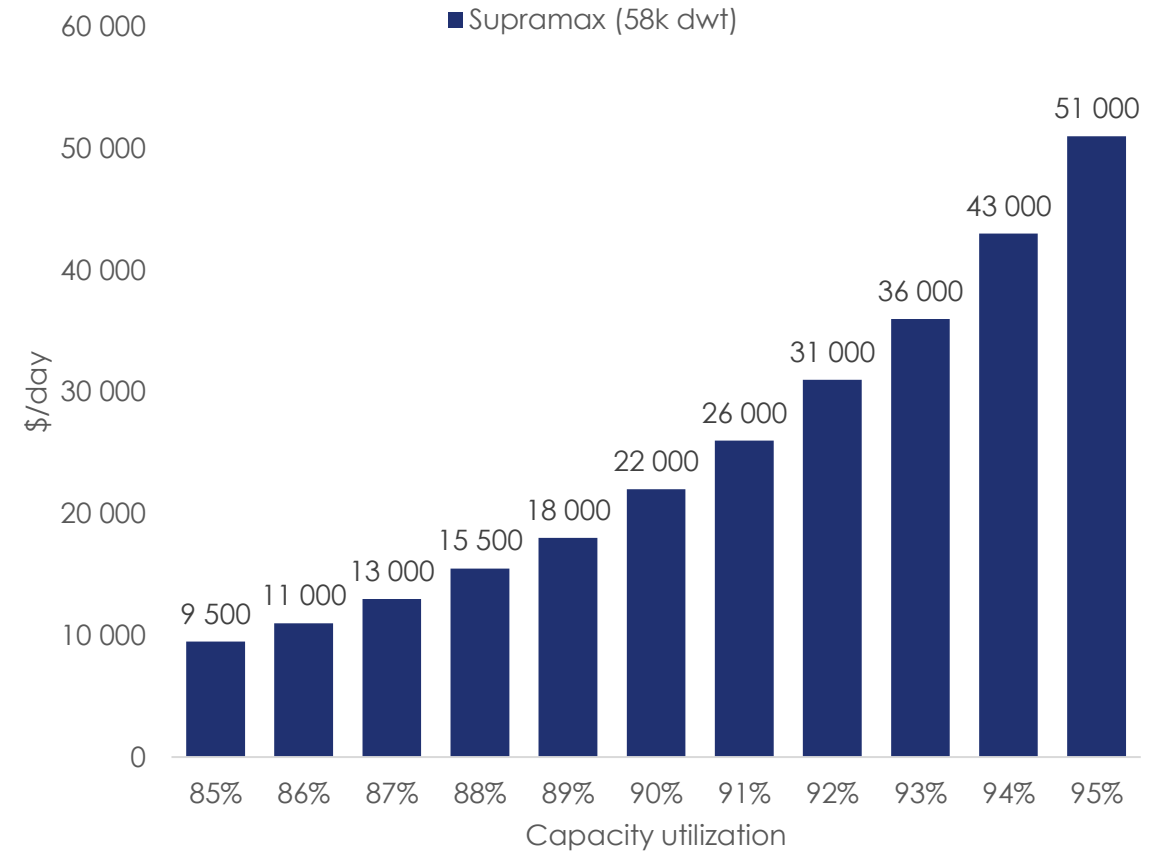
# Capacity Utilization and Charter Rates

Even minor improvements have a significant effect on freight rates

## Capesize



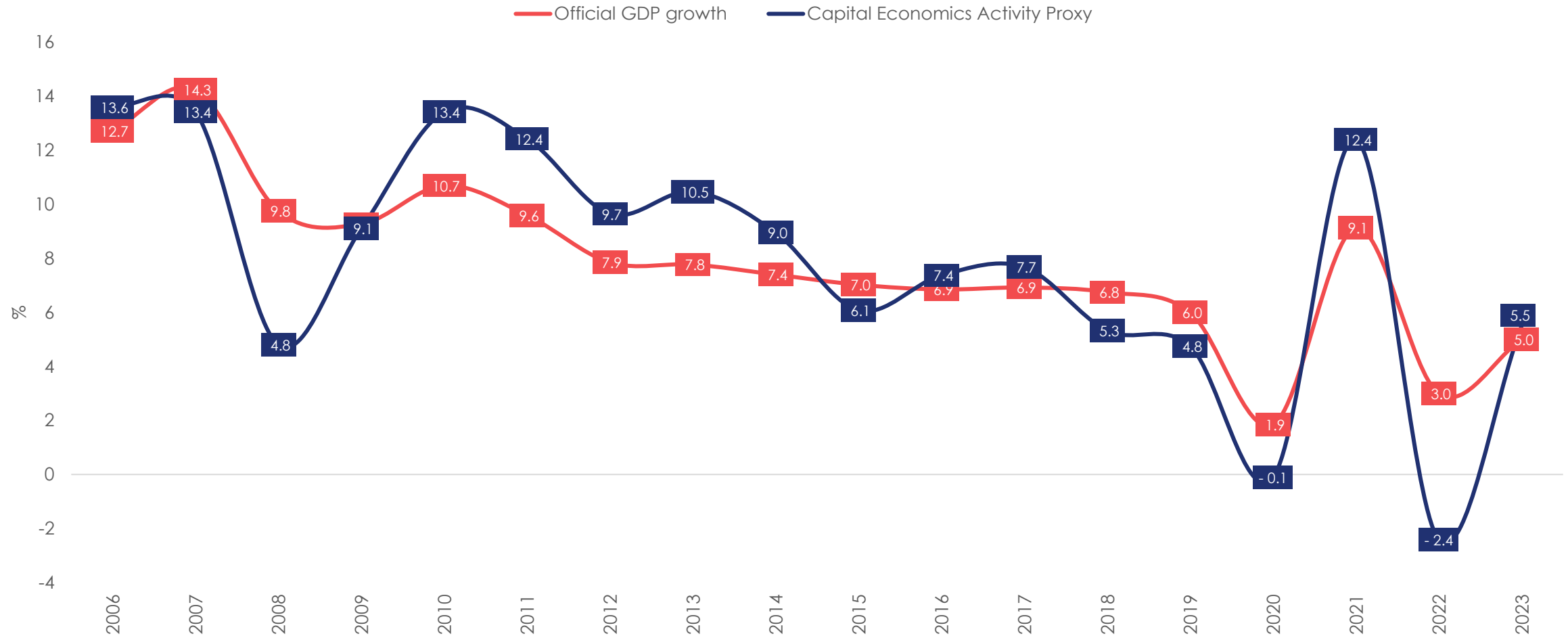
## Supramax



Source: Clarksons Securities AS

# China targets 5% GDP growth in 2023

Although a bit lower than expected, it is still a significant increase that will benefit all shipping, particularly dry bulk



Source: Capital Economics, Clarksons Securities AS

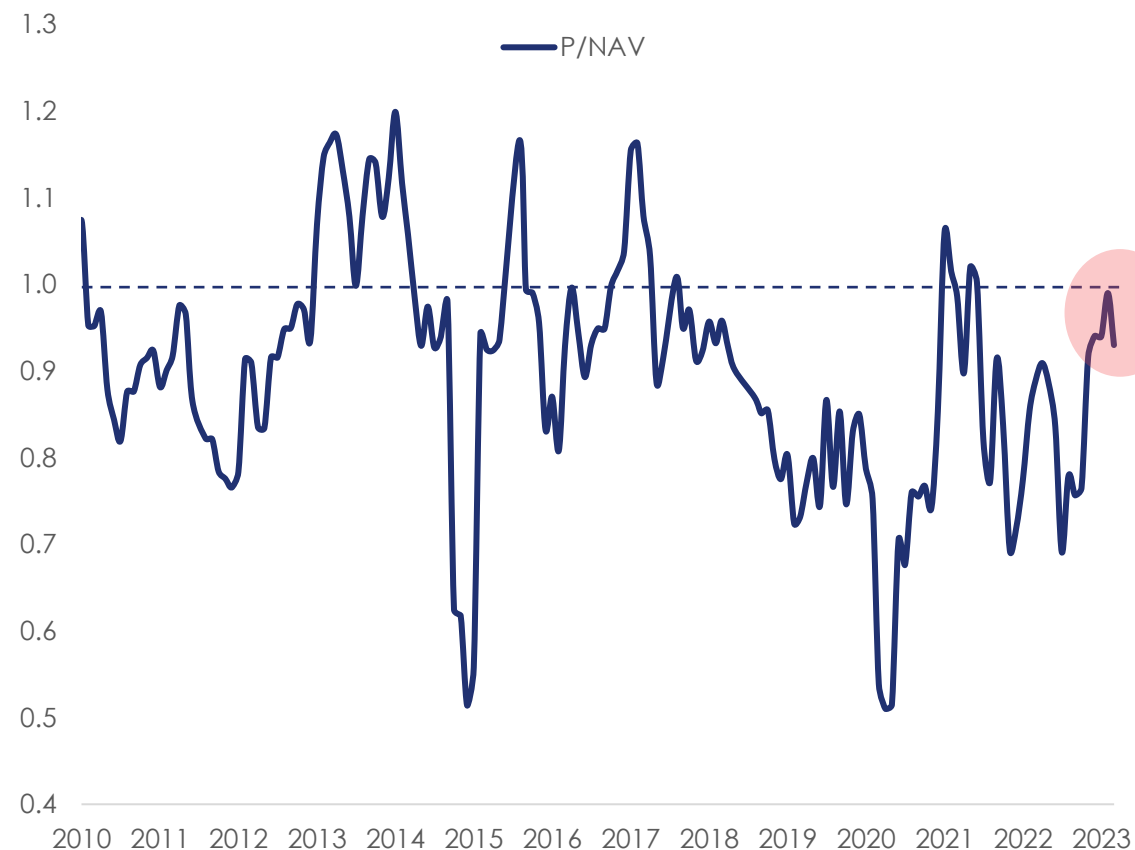
# Capital Allocation Policy

How to allocate capital between debt repayment, fleet investment, dividend distribution, and share repurchase

## Current Fleet and Orderbook

Segment	Number	% scrubber	Orderbook (number)				% of fleet	
			2023	2024	2025	2026	Total	
Valemax	68	100 %	-	-	-	-	-	-
VLOC	193	64 %	-	-	-	-	-	-
Converted VLOC	1	100 %	-	-	-	-	-	-
Newcastlemax	437	58 %	29	25	15	5	17.1%	
Capesize	1 099	34 %	19	11	2	-	3.0%	
Mini-Cape	156	38 %	6	-	-	-	3.8%	
<b>Total Capesize</b>	<b>1 954</b>	<b>45 %</b>	<b>54</b>	<b>36</b>	<b>17</b>	<b>5</b>	<b>5.7%</b>	
Post-Panamax	506	20 %	14	9	5	-	5.3%	
Kamsarmax	1 499	17 %	96	69	21	1	12.5%	
Panamax	1 045	3 %	9	11	9	2	2.9%	
<b>Total Panamax</b>	<b>3 050</b>	<b>13 %</b>	<b>119</b>	<b>89</b>	<b>35</b>	<b>3</b>	<b>8.1%</b>	
Ultramax	1 308	15 %	84	118	41	-	18.9%	
Supramax	1 905	5 %	15	10	1	-	1.4%	
Handymax	843	4 %	5	4	-	-	1.1%	
<b>Total Handymax</b>	<b>4 056</b>	<b>8 %</b>	<b>104</b>	<b>132</b>	<b>42</b>	<b>-</b>	<b>7.6%</b>	
<b>Total Handysize</b>	<b>4 152</b>	<b>2 %</b>	<b>117</b>	<b>98</b>	<b>44</b>	<b>-</b>	<b>7.5%</b>	
<b>Total Dry Bulk</b>	<b>13 212</b>	<b>13 %</b>	<b>394</b>	<b>355</b>	<b>138</b>	<b>8</b>	<b>7.0%</b>	
Deliveries in million dwt			36.52	26.25	10.76	1.28		

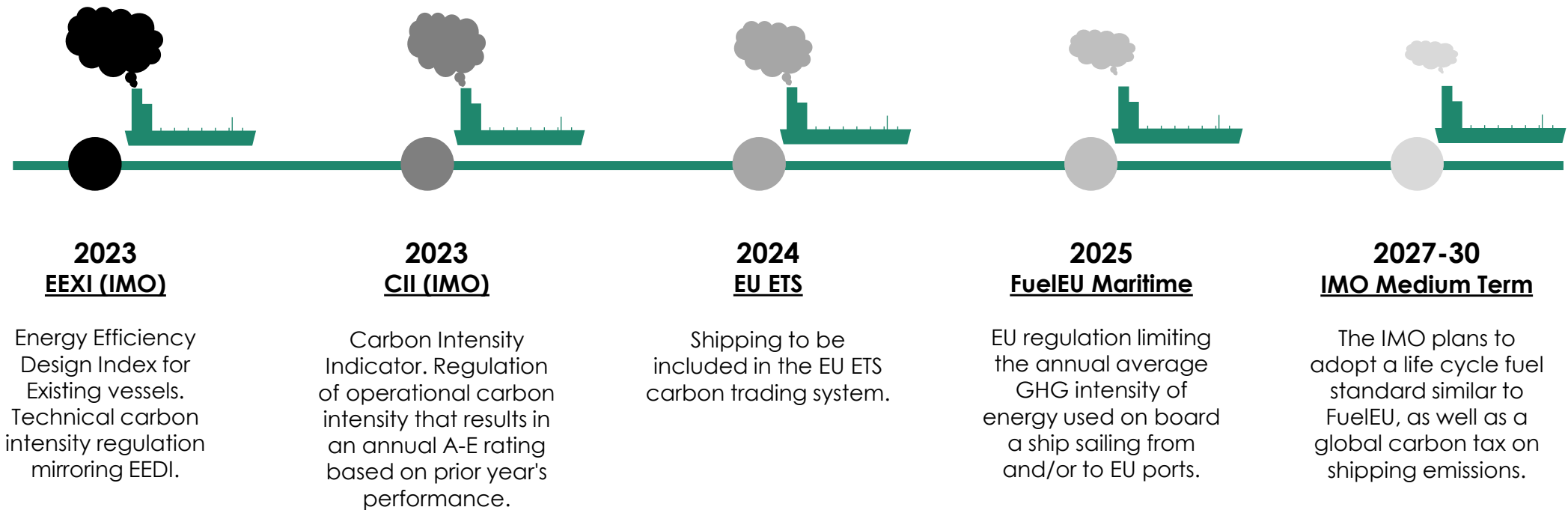
## Historical P/NAV (industry average)



Source: Clarkson Research Services Ltd, Clarksons Securities AS

# Carbon regulations aimed at shipping

The regulatory pressure to decarbonize is growing



Source: Clarksons Green Transition Team



# Disclosure Appendix

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Neutral	10	13.51%	0.00%
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Not Rated	0	0.00%	0.00%
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