



# 1<sup>st</sup> Quarter 2017 Earnings - Supplementary Information

April 20, 2017

# Safe Harbor Statement

This document may contain forward-looking statements that reflects management's expectations for the future. The Private Securities Litigation Reform Act of 1995 provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The Company desires to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and is including this cautionary statement in connection with this safe harbor legislation. The words "believe," "anticipate," "intend," "estimate," "forecast," "project," "plan," "potential," "may," "should," "expect," "pending" and similar expressions identify forward-looking statements.

The forward-looking statements in this document are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, our management's examination of historical operating trends, data contained in our records and other data available from third parties. Although we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections.

In addition to these important factors, other important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the failure of counterparties to fully perform their contracts with us, the strength of world economies and currencies, general market conditions, including fluctuations in charter rates and vessel values, changes in demand for dry bulk vessel capacity, changes in our operating expenses, including bunker prices, drydocking and insurance costs, the market for our vessels, availability of financing and refinancing, charter counterparty performance, ability to obtain financing and comply with covenants in such financing arrangements, changes in governmental rules and regulations or actions taken by regulatory authorities, potential liability from pending or future litigation, general domestic and international political conditions, potential disruption of shipping routes due to accidents or political events, vessels breakdowns and instances of off-hires and other factors. Please see our filings with the Securities and Exchange Commission for a more complete discussion of these and other risks and uncertainties.

# Corporate and Financial Highlights

<b>Q1 2017 Financial Results</b>	<ul style="list-style-type: none"><li>• GAAP Net Loss of \$34.6 million / Loss per Share of (\$0.48)</li><li>• Adjusted Net Loss of \$16.4 million / Loss per Share of (\$0.23)</li></ul>
<b>Fleet Development</b>	<ul style="list-style-type: none"><li>• All 48 vessels in the Company's newbuilding program have been successfully delivered<ul style="list-style-type: none"><li>• 2 Ultramax and 3 Kamsarmax vessels were delivered in Q1</li><li>• 1 Kamsarmax vessel was delivered since April 1</li></ul></li><li>• 1 time chartered-in vessel was redelivered to its owner in Q1</li></ul>
<b>Sale of Vessels</b>	<ul style="list-style-type: none"><li>• We agreed to sell 2 Kamsarmax vessels for a total of \$45.0 million</li><li>• As a result of the sale, \$20.1 million of debt will be repaid</li></ul>

# Pro-forma Liquidity

Liquidity position as of April 19, 2017	US\$m
<b>Cash Position</b>	<b>\$135.3</b>
Proceeds from vessel sale	\$19.7*
<b>Pro-forma Liquidity Position after vessel sales</b>	<b>\$155.0</b>

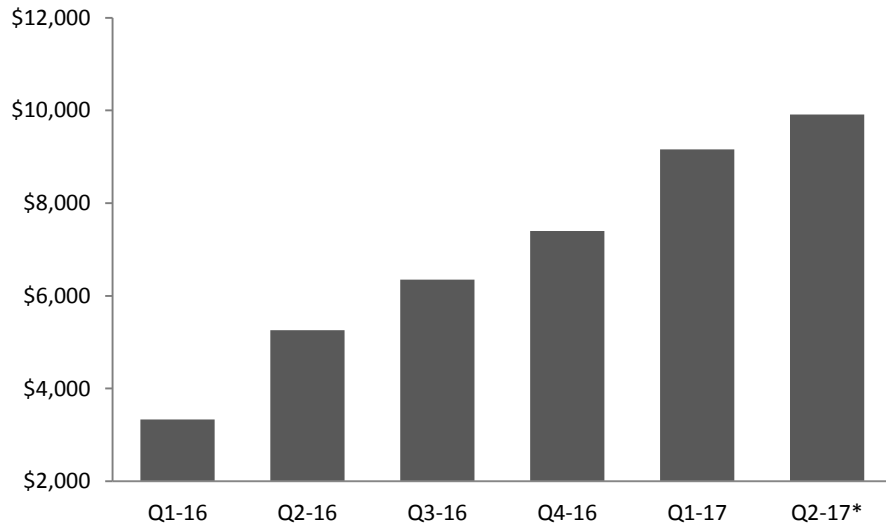
\*Deposit of 10% of the aggregate sales price, \$4.5m, received and accounted for in current cash position (as of April 19, 2017)

# Sequential Five Quarter Increase in TCE

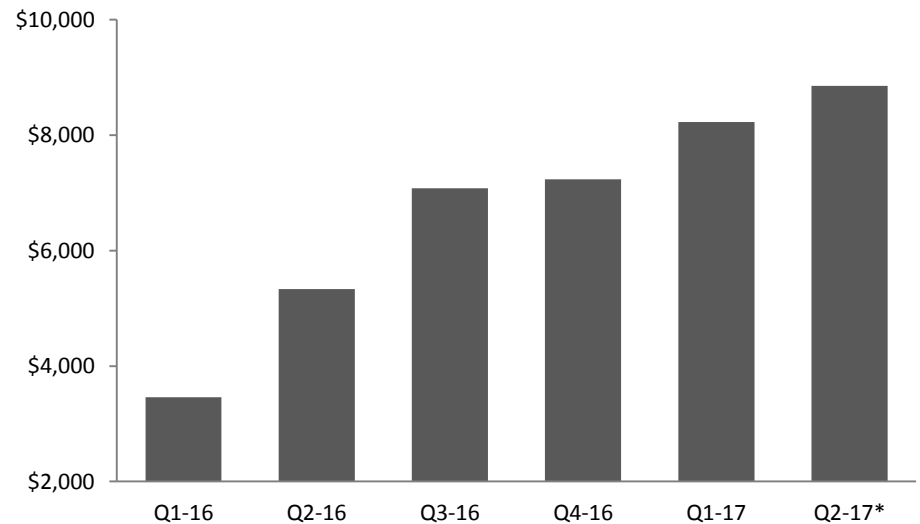
Vessel	Q1-16	Q2-16	Q3-16	Q4-16	Q1-17	Q2-17*
Kamsarmax	\$3,331	\$5,263	\$6,349	\$7,401	\$9,164	\$9,914
Ultramax	\$3,462	\$5,335	\$7,083	\$7,238	\$8,230	\$8,852

\* 59% and 57% of the days for the Kamsarmax fleet and Ultramax fleet, respectively.

Kamsarmax



Ultramax



## Daily Costs for Q1 2017

- Opex is \$5,019 per day
- Cash G&A is \$982 per day
- Cash Interest Costs are \$1,825 per day
- **Opex + Cash G&A + Interest is \$7,826 per day**

# *Appendix*



# Owned Fleet List

Ultramax			
#	Name	Year	Yard
1	SBI Athena	2015	Chengxi
2	SBI Bravo	2015	Nacks
3	SBI Antares	2015	Nacks
4	SBI Leo	2015	Dacks
5	SBI Echo	2015	Imabari
6	SBI Lyra	2015	Dacks
7	SBI Subaru	2015	Dacks
8	SBI Tango	2015	Imabari
9	SBI Maia	2015	Nacks
10	SBI Hydra	2015	Nacks
11	SBI Pegasus	2015	Chengxi
12	SBI Ursa	2015	Dacks
13	SBI Thalia	2015	Chengxi
14	SBI Cronos	2015	Imabari
15	SBI Orion	2015	Chengxi
16	SBI Achilles	2016	Imabari
17	SBI Hercules	2016	Chengxi
18	SBI Perseus	2016	Chengxi
19	SBI Hermes	2016	Imabari
20	SBI Zeus	2016	Mitsui
21	SBI Hera	2016	Mitsui
22	SBI Hyperion	2016	Nacks
23	SBI Tethys	2016	Nacks
24	SBI Phoebe	2016	Chengxi
25	SBI Poseidon	2016	Mitsui
26	SBI Apollo	2016	Mitsui
27	SBI Samson	2017	Chengxi
28	SBI Phoenix	2017	Chengxi

*Vessel size 60,200-64,000 DWT*

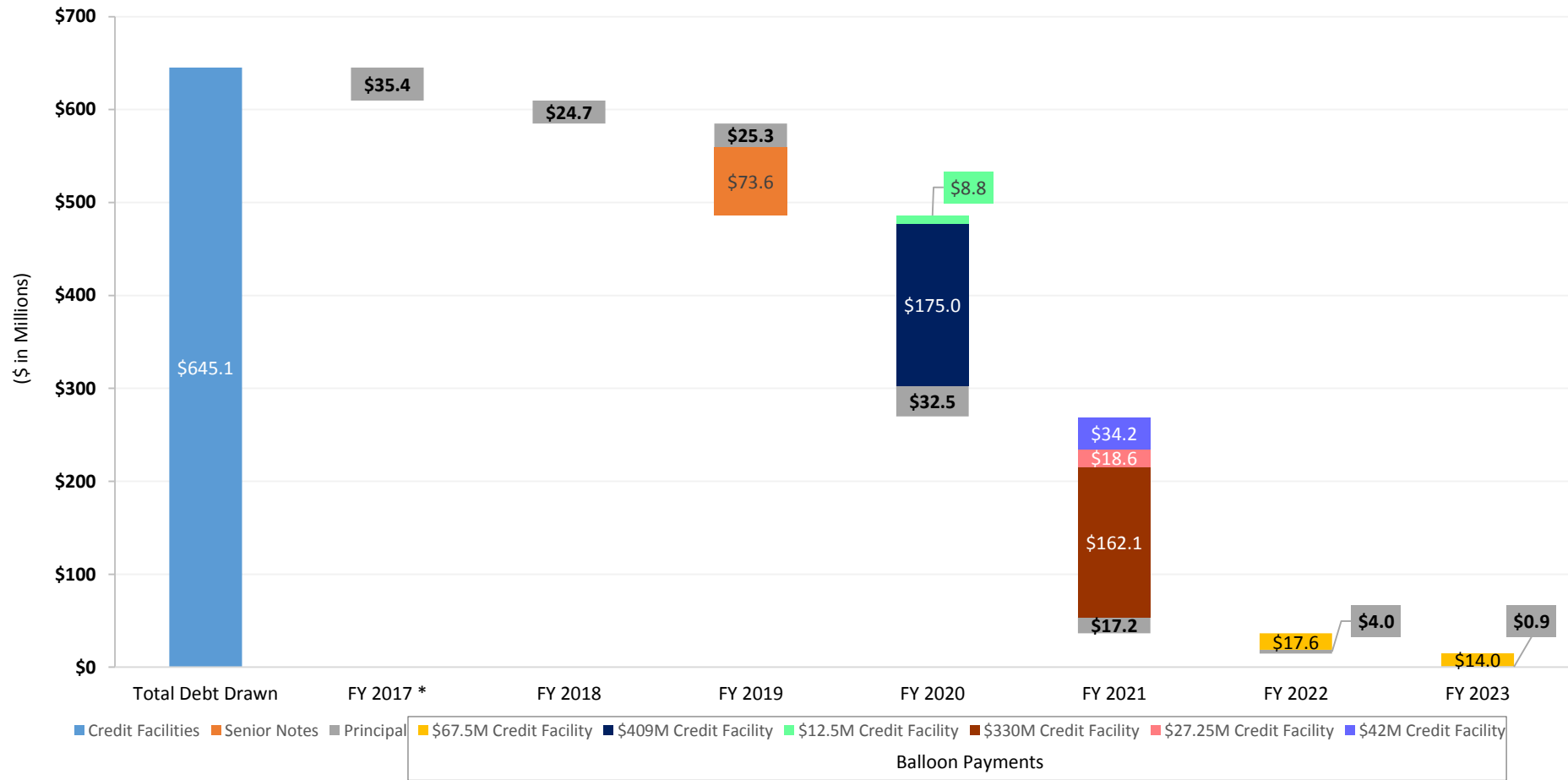
Kamsarmax			
#	Name	Year	Yard
1	SBI Cakewalk	2014	SWS
2	SBI Charleston	2014	SWS
3	SBI Samba	2015	Imabari
4	SBI Rumba	2015	Imabari
5	SBI Capoeira	2015	Hudong
6	SBI Electra	2015	Yangzijiang
7	SBI Carioca	2015	Hudong
8	SBI Conga	2015	Hudong
9	SBI Flamenco	2015	Hudong
10	SBI Bolero	2015	Hudong
11	SBI Sousta	2016	Yangzijiang
12	SBI Rock	2016	Yangzijiang
13	SBI Lambada	2016	Hudong
14	SBI Reggae	2016	Hudong
15	SBI Zumba	2016	Hudong
16	SBI Macarena	2016	Hudong
17	SBI Parapara	2017	Hudong
18	SBI Mazurka	2017	Hudong
19	SBI Swing	2017	Hudong
20	SBI Jive	2017	Hudong

Pending Sale

*Vessel size 82,000-84,000 DWT*



# Projected Debt Amortization



\* Relates to payments expected to be made from April 19, 2017 to December 31, 2017, including \$20.1 million of repayment in full under the \$39.6 Million Credit Facility

# Strong Collateral Coverage

Debt	As of Mar 31, 2017 Amount Outstanding (\$000's)	# of delivered vessels	Collateral Maintenance Test		
			Coverage Ratio *	Minimum Level	Compliance
Senior Notes	\$73,625	N/A	Unsecured	N/A	N/A
<b>Bank Loans:</b>					
\$330 Million Credit Facility	\$263,122	21	181%	140%	PASS
\$409 Million Credit Facility	\$179,473	15	202%	140%	PASS
\$67.5 Million Credit Facility	\$40,461	4	221%	115%	PASS
\$42 Million Credit Facility	\$38,512	3	207%	140%	PASS
\$27.3 Million Credit Facility	\$19,375	2	255%	140%	PASS
\$39.6 Million Credit Facility **	\$20,144	2	228%	140%	PASS
\$12.5 Million Credit Facility	\$10,379	1	229%	140%	PASS
Total	\$645,091	48			

\* Based on assumed vessel values as estimated by Scorpio Bulkers on slide# 11

\*\* To be repaid in Q2-17

# Assumed Vessel Values

(\$ in millions)

Assumed Vessel Values (Company Estimates)			
	<u>2015</u>	<u>2016</u>	<u>2017</u>
Kamsarmax	\$24.00	\$25.00	\$26.00
Kamsarmax (Japan)	\$28.00	N/A	N/A
Ultramax	\$19.80	\$20.80	\$21.80
Ultramax (NACKS/DACKS)	\$21.90	\$22.90	N/A
Ultramax (Japan)	\$23.75	\$24.75	N/A