

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13A-16 OR 15D-16 OF THE
SECURITIES EXCHANGE ACT OF 1934

For the month of May 2020

Commission File Number: 001-36231

SCORPIO BULKERS INC.

(Translation of registrant's name into English)

9, Boulevard Charles III, Monaco 98000

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐.

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐.

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's "home country"), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

INFORMATION CONTAINED IN THIS FORM 6-K REPORT

Attached as Exhibit 99.1 is a copy of the press release of Scorpio Bulkers Inc. (the "Company"), dated May 11, 2020, announcing the Company's financial results for the first quarter of 2020.

The information contained in this Report on Form 6-K, with the exception of the comments of the Company's Chairman and Chief Executive Officer on page one of Exhibit 99.1 and the information contained on page 15 of Exhibit 99.1 under the heading "Conference Call on Results", is hereby incorporated by reference into the Company's registration statement on Form F-3 (File No. 333-217445), the Company's registration statement on Form F-3 (File No. 333-221441), the Company's registration statement on Form F-3 (File No. 333-222013) and the Company's registration statement on Form F-3 (File No. 333-222448).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SCORPIO BULKERS INC.
(registrant)

Dated: May 11, 2020

By: /s/ Hugh Baker

Hugh Baker
Chief Financial Officer



Scorpio Bulk Inc. Announces Financial Results for the First Quarter of 2020 and Declares a Quarterly Cash Dividend

MONACO - May 11, 2020 (GLOBE NEWSWIRE) - Scorpio Bulk Inc. (NYSE: SALT) ("Scorpio Bulk" or the "Company"), today reported its results for the three months ended March 31, 2020.

The Company also announced that on May 11, 2020, its Board of Directors declared a quarterly cash dividend of \$0.05 per share on the Company's common shares.

Share and per share results included herein have been retroactively adjusted to reflect the one-for-ten reverse stock split of the Company's common shares, which took effect on April 7, 2020.

Results for the Three Months Ended March 31, 2020 and 2019

For the first quarter of 2020, the Company's GAAP net loss was \$124.7 million, or \$18.12 per diluted share, including:

- a non-cash loss of approximately \$89.1 million and cash dividend income of \$0.4 million, or \$12.88 loss per diluted share, from the Company's equity investment in Scorpio Tankers Inc.; and
- a write-down of assets held for sale of approximately \$17.0 million, or \$2.47 per diluted share, related to the classification of two Ultramax vessels and one Kamsarmax vessel as held for sale.

Emanuele A. Lauro, Chairman and Chief Executive Officer, commented "Our first priority is to ensure the safety of our seafarers and shore staff during the COVID-19 pandemic. Beyond that, we have strengthened our balance sheet by vessel sales and sale leasebacks, we have reduced our capital expenditures by adjusting our scrubber installation schedule, we have reduced our quarterly cash dividend, and we have sold a portion of our shareholding in Scorpio Tankers for net proceeds amounting to \$42.7 million. At present, we do not expect to sell any more vessels beyond those assets previously announced as held for sale. We expect to retain our remaining holding of 2.16 million shares in Scorpio Tankers. While the dry bulk market is weak at present, we are confident that rates will strengthen over the remainder of the year and have not hedged or time chartered any of our forward days. We are optimistic about the future of our Company."

For the same period in 2019, the Company's GAAP net loss was \$3.5 million, or \$0.51 per diluted share. These results include a non-cash gain of approximately \$15.0 million and cash dividend income of \$0.5 million, or \$2.30 per diluted share, from the Company's equity investment in Scorpio Tankers Inc. and a write-down of assets held for sale of approximately \$7.5 million, or \$1.11 per diluted share.

Total vessel revenues for the first quarter of 2020 were \$40.8 million, compared to \$50.4 million for the same period in 2019. Earnings before interest, taxes, depreciation and amortization ("EBITDA") for the first quarter of 2020 was a loss of \$100.1 million and EBITDA for the first quarter of 2019 was \$25.3 million, respectively (see Non-GAAP Financial Measures below).

For the first quarter of 2020, the Company's adjusted net loss was \$107.7 million, or \$15.65 adjusted per diluted share, which excludes the impact of the write-down of assets held for sale of approximately \$17.0 million relating to the classification of two Ultramax vessels and one Kamsarmax vessel as held for sale. Adjusted EBITDA for the first quarter of 2020 was a loss of \$83.1 million (see Non-GAAP Financial Measures below).

For the first quarter of 2019, the Company's adjusted net income was \$4.0 million, or \$0.60 adjusted per diluted share, which excludes the impact of the write-down of assets held for sale of \$7.5 million. Adjusted EBITDA for the first quarter of 2019 was \$32.8 million (see Non-GAAP Financial Measures below).

TCE Revenue

TCE Revenue Earned during the First Quarter of 2020 (see Non-GAAP Financial Measures)

- Our Kamsarmax fleet (which includes both scrubber fitted and non-scrubber fitted vessels) earned an average of \$9,316 revenue per day.
- Our Ultramax fleet (which includes both scrubber fitted and non-scrubber fitted vessels) earned an average of \$8,713 revenue per day.

Voyages Fixed thus far for the Second Quarter of 2020, as of the date hereof

- Kamsarmax fleet (which includes both scrubber fitted and non-scrubber fitted vessels): approximately \$7,149 revenue per day on average for 64% of the days
- Ultramax fleet (which includes both scrubber fitted and non-scrubber fitted vessels): approximately \$4,076 revenue per day on average for 69% of the days

Cash and Cash Equivalents

As of May 8, 2020, the Company had approximately \$100.8 million in cash and cash equivalents, excluding proceeds from the sale of 0.5 million shares of Scorpio Tankers Inc. for which the trades are expected to settle on May 12, 2020.

Recent Significant Events

COVID-19

The outbreak of the novel COVID-19 virus (“coronavirus”) that originated in China in December 2019 and that has spread to most developed nations of the world has resulted in the implementation of numerous actions taken by governments and governmental agencies in an attempt to control or mitigate the spread of the virus. These measures have resulted in a significant reduction in global economic activity and extreme volatility in the global financial markets. A significant reduction in manufacturing and other economic activities has and is expected to continue to have a materially adverse impact on the global demand for raw materials, coal and other bulk cargoes that our customers transport on our vessels. This significant decline in the demand for dry bulk tonnage may materially and adversely impact our ability to profitably charter our vessels. When these measures and the resulting economic impact will end and what the long-term impact of such measures on the global economy will be are not known at this time. As a result, the extent to which Covid-19 will impact the Company’s results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted.

Quarterly Cash Dividend

In the first quarter of 2020, the Company’s Board of Directors declared and the Company paid a quarterly cash dividend of \$0.20 per share totaling approximately \$1.5 million.

On May 11, 2020, the Company’s Board of Directors declared a quarterly cash dividend of \$0.05 per share, payable on or about June 30, 2020, to all shareholders of record as of June 15, 2020. As of May 11, 2020, 7,247,580 shares were outstanding.

Reverse Stock Split

In April 2020, the Company effected a one-for-ten reverse stock split of the Company’s common shares, par value \$0.01 per share, reducing the number of outstanding common shares from approximately 72.5 million shares to approximately 7.2 million shares. The Company’s authorized common shares was approximately 31.9 million as of April 7, 2020.

IMO 2020

In April 2020, the Company reached an agreement with its counterparties to postpone the delivery of exhaust gas cleaning systems, or scrubbers, on thirteen of its vessels until at least 2021 at no additional cost to the Company. This is expected to delay the payment of between \$20.0 million and \$25.0 million of expenditures until 2021 at the earliest. Please see the revised estimated installation and payment schedules below.

Investment in Scorpio Tankers Inc.

In May 2020, the Company sold 2.25 million shares of Scorpio Tankers Inc. (NYSE: STNG) for aggregate net proceeds of approximately \$42.7 million, of which the trades of 0.5 million shares are expected to settle on May 12, 2020. Following the

completion of these sales, the Company will continue to own in aggregate approximately 2.16 million common shares of Scorpio Tankers Inc.

Vessel Sales

In March 2020, the Company entered into agreements with unaffiliated third parties to sell the SBI Jaguar and SBI Taurus, 2014 and 2015 built Ultramax vessels, respectively, and the SBI Bolero, a 2015 built Kamsarmax vessel, for approximately \$53.5 million in aggregate. Delivery of the SBI Jaguar and SBI Taurus to their buyers took place in April 2020, while the delivery of the SBI Bolero is expected to take place in May 2020.

It is estimated that the Company's liquidity will increase by approximately \$18.3 million upon the completion of all three sales and after the repayment of associated outstanding debt. The Company recorded a loss of approximately \$17.0 million in the first quarter of 2020 related to the sales and expects to write-off \$0.3 million of deferred finance charges upon the repayment of the related debt in the second quarter of 2020.

\$67.3 Million Lease Financing

During March 2020 and April 2020, the Company closed the transactions to sell and leaseback two Ultramax vessels (SBI Cronos and SBI Achilles) and one Kamsarmax vessel (SBI Lynx) to Ocean Yield ASA. As part of the transaction the Company agreed to bareboat charter-in the SBI Cronos for a period of nine years, the SBI Achilles for a period of ten years and the SBI Lynx for a period of 12 years. The Company has several purchase options during the charter period of each agreement, as well as a purchase option for each vessel upon the expiration of the relevant agreement.

\$12.5 Million Credit Facility

This credit facility was repaid in full and terminated upon the closing of the sale and leaseback transaction concerning the SBI Cronos under the \$67.3 Million Lease Financing in March 2020.

\$27.3 Million Credit Facility

This credit facility was repaid in full and terminated upon the closing of the sale and leaseback transaction concerning the SBI Achilles under \$67.3 Million Lease Financing in March 2020.

\$12.8 Million Credit Facility

This credit facility was repaid in full and terminated upon the closing of the sale and leaseback transaction concerning the SBI Lynx under \$67.3 Million Lease Financing in April 2020.

\$38.7 Million Credit Facility

This credit facility was repaid in full and terminated in April 2020 due to the sale of the SBI Jaguar.

\$85.5 Million Credit Facility

The Company repaid approximately \$11.1 million of this credit facility in April 2020 due to the sale of the SBI Taurus.

Debt Overview

The Company's outstanding debt balances, gross of unamortized deferred financing costs as of March 31, 2020 and May 8, 2020, are as follows (dollars in thousands):

| | As of March 31, 2020 | As of May 8, 2020 | As of May 8, 2020 |
|--|-------------------------|-------------------|-------------------------|
| Credit Facility | Amount Outstanding | | Amount Committed (1) |
| \$85.5 Million Credit Facility | \$ 45,404 | \$ 37,044 | \$ 1,464 |
| \$38.7 Million Credit Facility | 9,900 | — | — |
| \$12.8 Million Credit Facility | 11,475 | — | — |
| \$30.0 Million Credit Facility | 26,642 | 26,642 | — |
| \$60.0 Million Credit Facility | 26,008 | 26,008 | 2,862 |
| \$184.0 Million Credit Facility ⁽²⁾ | 161,374 | 161,374 | 17,448 |
| \$34.0 Million Credit Facility | 33,714 | 33,714 | — |
| \$90.0 Million Credit Facility | 80,125 | 80,125 | 8,706 |
| \$19.6 Million Lease Financing - SBI Rumba | 16,570 | 16,464 | — |
| \$19.0 Million Lease Financing - SBI Tango | 17,008 | 16,908 | — |
| \$19.0 Million Lease Financing - SBI Echo | 17,116 | 17,021 | — |
| \$20.5 Million Lease Financing - SBI Hermes | 18,739 | 18,631 | — |
| \$21.4 Million Lease Financing - SBI Samba | 20,033 | 19,915 | — |
| CMBFL Lease Financing | 110,325 | 110,325 | 11,842 |
| \$45.0 Million Lease Financing - SBI Virgo & SBI Libra | 39,279 | 39,033 | 3,000 |
| AVIC Lease Financing | 109,077 | 107,931 | 8,200 |
| \$67.3 Million Lease Financing | 40,726 | 62,045 | \$ 4,500 |
| Total | \$ 783,515 | \$ 773,180 | \$ 58,022 |

(1) Includes the maximum loan amount available for the installation of scrubbers, following upsizes of certain credit facilities and lease financing arrangements and may not be drawn down in full.

(2) Due to the sale of the SBI Bolero, which is expected to take place in May 2020, approximately \$12.5 million of the \$184.0 Million Credit Facility is expected to be repaid and the amount of financing committed for the installation of scrubbers is expected to be reduced by approximately \$1.5 million.

The Company's projected quarterly debt repayments on its bank loans and lease financing arrangements through 2021 are as follows (dollars in thousands):

| | Principal on Bank Loans | Principal on Lease Financing Arrangements | Total ⁽¹⁾ |
|----------------------------|----------------------------|---|----------------------|
| Q2 2020 ^{(2) (3)} | \$ 21,182 | \$ 6,738 | \$ 27,920 |
| Q3 2020 | 8,805 | 9,611 | 18,416 |
| Q4 2020 | 9,066 | 9,630 | 18,696 |
| Q1 2021 | 9,066 | 9,619 | 18,685 |
| Q2 2021 | 9,066 | 9,653 | 18,719 |
| Q3 2021 | 8,884 | 9,801 | 18,685 |
| Q4 2021 | 9,486 | 10,026 | 19,512 |
| Total | \$ 75,555 | \$ 65,078 | \$ 140,633 |

(1) Includes estimated repayments on the upsizings of certain credit facilities and lease financing arrangements for the installation of scrubbers, for which the timing of the drawdowns and repayment schedules set forth are estimates only and may vary as the timing of the related installations finalizes.

(2) Relates to payments expected to be made from May 9, 2020 to June 30, 2020.

(3) Includes the repayment of approximately \$12.5 million of the \$184.0 Million Credit Facility due to the sale of the SBI Bolero, which is expected to take place in May 2020.

IMO 2020

The Company's projected schedule and estimated payments for the installation of scrubbers on all the owned and finance leased vessels in its fleet is as follows (dollars in thousands). Through May 8, 2020, the Company has completed the installation of scrubbers on 22 (including 9 Kamsarmax vessels and 13 Ultramax vessels) of its vessels.

| Completed Scrubber Installation by Vessel Type | | | |
|---|------------------------|-------------------------|---|
| | <u>Ultramax</u> | <u>Kamsarmax</u> | <u>Estimated Payments</u> ⁽¹⁾ |
| Q2 2020 ⁽²⁾ | 4 | 1 | 14,115 |
| Q3 2020 | 1 | — | 7,631 |
| Q4 2020 | — | — | 2,126 |
| Q1 2021 | — | — | — |
| Q2 2021 | 2 | 1 | 9,145 |
| Q3 2021 | 2 | 3 | 8,613 |
| Q4 2021 | 3 | 2 | 5,113 |
| Total | 12 | 7 | \$ 46,743 |

(1) Includes estimated cash payments for scrubbers that are due in advance of the scheduled service and may be scheduled to occur in quarters prior to the actual installation. In addition to these installment payments, these amounts also include estimates of the installation costs of such systems. The timing of the payments set forth are estimates only and may vary as the timing of the related installations finalizes.

(2) Relates to installations expected to be completed and payments expected to be made from May 9, 2020 to June 30, 2020.

Financial Results for the Three Months Ended March 31, 2020 Compared to the Three Months Ended March 31, 2019

For the first quarter of 2020, the Company's GAAP net loss was \$124.7 million, or \$18.12 per diluted share, compared to a net loss of \$3.5 million, or \$0.51 per diluted share, for the same period in 2019. Results for the first quarter of 2020 include: a non-cash loss of approximately \$89.1 million and cash dividend income of \$0.4 million, or \$12.88 loss per diluted share, from the Company's equity investment in Scorpio Tankers Inc., and charges of approximately \$17.0 million, or \$2.47 per diluted share, related to the classification of two Ultramax vessels and one Kamsarmax vessel as held for sale. Results for the first quarter of 2019 include non-cash gain of approximately \$15.0 million and cash dividend income of \$0.5 million, or \$2.30 per diluted share, from the Company's equity investment in Scorpio Tankers Inc. and a write-down of assets held for sale of approximately \$7.5 million, or \$1.11 per diluted share.

EBITDA for the first quarters of 2020 and 2019 were a loss of \$100.1 million and a gain of \$25.3 million, respectively (see Non-GAAP Financial Measures below).

For the first quarter of 2020, the Company's adjusted net loss was \$107.7 million, or \$15.65 adjusted per diluted share, which excludes the impact of the write-down of assets held for sale of approximately \$17.0 million. Adjusted EBITDA for the first quarter of 2020 was a loss of \$83.1 million (see Non-GAAP Financial Measures below).

For the first quarter of 2019, the Company's adjusted net income was \$4.0 million, or \$0.60 adjusted per diluted share, which excludes the impact of the write-down of assets held for sale of \$7.5 million. Adjusted EBITDA for the first quarter of 2019 was \$32.8 million (see Non-GAAP Financial Measures below).

Total vessel revenues have been negatively impacted by the significant decline in the demand for dry bulk tonnage and related volatility in dry bulk charter spot rates, resulting from the reduction in global economic activity and demand for raw materials that our customers transport on our vessels. This significant decline in the demand for dry bulk tonnage has resulted in a 19% decrease in the Company's revenues for the first quarter of 2020 to \$40.8 million from \$50.4 million in the first quarter of 2019. The Company's TCE revenue (see Non-GAAP Financial Measures below) for the first quarter of 2020 was \$39.5 million, a decrease of \$10.8 million from the prior year period.

Total operating expenses for the first quarter of 2020 were \$66.6 million, including the charge related to the classification of vessels as held for sale of approximately \$17.0 million, compared to \$56.6 million in the first quarter of 2019, which also included a charge related to the classification of vessels as held for sale of \$7.5 million.

Ultramax Operations

| | Three Months Ended March 31, | | | |
|---|------------------------------|------------------|--------------------|--------------|
| <i>Dollars in thousands</i> | 2020 | 2019 | Change | % Change |
| TCE Revenue: | | | | |
| Vessel revenue | \$ 24,931 | \$ 31,282 | \$ (6,351) | (20) |
| Voyage expenses | 874 | 61 | 813 | 1,333 |
| TCE Revenue | \$ 24,057 | \$ 31,221 | \$ (7,164) | (23) |
| Operating expenses: | | | | |
| Vessel operating costs | 16,624 | 17,637 | (1,013) | (6) |
| Charterhire expense | 1,137 | 870 | 267 | 31 |
| Vessel depreciation | 7,940 | 9,197 | (1,257) | (14) |
| General and administrative expense | 1,116 | 1,027 | 89 | 9 |
| Loss / write-down on assets held for sale | 7,615 | — | 7,615 | NA |
| Total operating expenses | \$ 34,432 | \$ 28,731 | \$ 5,701 | 20 |
| Operating (loss) income | \$ (10,375) | \$ 2,490 | \$ (12,865) | (517) |

Vessel revenue for the Company's Ultramax Operations decreased to \$24.9 million for the first quarter of 2020 from \$31.3 million in the prior year period.

TCE revenue (see Non-GAAP Financial Measures below) for the Company's Ultramax Operations was \$24.1 million for the first quarter of 2020 compared to \$31.2 million for the prior year period. The Company's Ultramax fleet consisted of a day-weighted average of 35 vessels owned or finance leased and one vessel time chartered-in during the first quarter of 2020 and 37 vessels owned or finance leased and one vessel time chartered-in during the first quarter of 2019. TCE revenue per day was \$8,713 and \$9,177 for the first quarters of 2020 and 2019, respectively.

| | Three Months Ended March 31, | | Change | % Change |
|-----------------------------------|------------------------------|-----------|------------|----------|
| | 2020 | 2019 | | |
| Ultramax Operations: | | | | |
| TCE Revenue <i>(in thousands)</i> | \$ 24,057 | \$ 31,221 | \$ (7,164) | (23) |
| TCE Revenue / Day | \$ 8,713 | \$ 9,177 | \$ (464) | (5) |
| Revenue Days | 2,761 | 3,402 | (641) | (19) |

The Company's Ultramax Operations vessel operating costs were \$16.6 million for the first quarter of 2020, including approximately \$0.8 million of takeover costs and contingency expenses, compared with vessel operating costs of \$17.6 million in the prior year period, relating to the 35 and 37 vessels owned or finance leased on average, respectively, during the periods. The year over year decrease is due to the reduction in fleet size. Daily operating costs excluding takeover costs and contingency expenses for the first quarter of 2020 decreased to \$4,955 from \$5,005 in the prior year period due primarily to the timing of certain crew costs.

Charterhire expense for the Company's Ultramax Operations was approximately \$1.1 million and \$0.9 million for the first quarters of 2020 and 2019, respectively and relates to the vessel the Company time chartered-in at \$10,125 per day until September 2019, when the Company exercised its option to extend the time charter for one year at \$10,885 per day.

Ultramax Operations depreciation decreased from \$9.2 million to \$7.9 million as a total of six vessels were classified as held for sale or sold since the end of the first quarter of 2019.

General and administrative expense for the Company's Ultramax Operations, which consists primarily of administrative service fees, which are incurred on a per vessel per day basis, and bank charges, which are incurred based on the number of transactions, was approximately \$1.1 million for the first quarter of 2020 and \$1.0 million in the prior year period.

During the first quarter of 2020, the Company recorded a write-down on assets held for sale of \$7.6 million related to the classification of two Ultramax vessels, the SBI Jaguar and SBI Taurus, as held for sale. The sales were completed in April 2020.

Kamsarmax Operations

| | Three Months Ended March 31, | | | |
|---|------------------------------|-------------------|-------------------|--------------|
| <i>Dollars in thousands</i> | 2020 | 2019 | Change | % Change |
| TCE Revenue: | | | | |
| Vessel revenue | \$ 15,894 | \$ 19,069 | \$ (3,175) | (17) |
| Voyage expenses | 486 | 47 | 439 | 934 |
| TCE Revenue | \$ 15,408 | \$ 19,022 | \$ (3,614) | (19) |
| Operating expenses: | | | | |
| Vessel operating costs | 8,060 | 8,633 | (573) | (7) |
| Charterhire expense | 3,561 | 109 | 3,452 | 3,167 |
| Vessel depreciation | 4,403 | 4,722 | (319) | (7) |
| General and administrative expense | 549 | 288 | 261 | 91 |
| Loss / write-down on assets held for sale | 9,394 | 7,509 | 1,885 | 25 |
| Total operating expenses | \$ 25,967 | \$ 21,261 | \$ 4,706 | 22 |
| Operating loss | \$ (10,559) | \$ (2,239) | \$ (8,320) | (372) |

Vessel revenue for the Company's Kamsarmax Operations decreased to \$15.9 million in the first quarter of 2020 from \$19.1 million in the prior year period.

TCE revenue (see Non-GAAP Financial Measures) for the Company's Kamsarmax Operations was \$15.4 million for the first quarter of 2020 associated with a day-weighted average of 17 vessels owned or finance leased and five vessels time chartered-in, compared to \$19.0 million for the prior year period associated with a day-weighted average of 19 vessels owned or finance leased. TCE revenue per day was \$9,316 and \$11,176 for the first quarters of 2020 and 2019, respectively.

| | Three Months Ended March 31, | | | |
|-------------------------------------|------------------------------|-----------|------------|----------|
| <u>Kamsarmax Operations:</u> | 2020 | 2019 | Change | % Change |
| TCE Revenue <i>(in thousands)</i> | \$ 15,408 | \$ 19,022 | \$ (3,614) | (19) |
| TCE Revenue / Day | \$ 9,316 | \$ 11,176 | \$ (1,860) | (17) |
| Revenue Days | 1,654 | 1,702 | (48) | (3) |

Kamsarmax Operations vessel operating costs were \$8.1 million for the first quarter of 2020, including approximately \$0.2 million of takeover costs and contingency expenses, compared with vessel operating costs of \$8.6 million in the prior year period, relating to 17 and 19 vessels owned or finance leased on average, respectively, during the periods. The year over year decrease is due to the reduction in fleet size. Daily operating costs excluding takeover costs and contingency expenses for the first quarter of 2020 decreased to \$5,047 from \$5,111 in the prior year period due primarily to the timing of certain crew costs.

Kamsarmax Operations charterhire expense was \$3.6 million in the first quarter of 2020, relating to five vessels the Company has time chartered-in, the first of which was time chartered-in at the end of the first quarter of 2019.

Kamsarmax Operations depreciation was \$4.4 million and \$4.7 million in the first quarters of 2020 and 2019, respectively, as the number of vessels owned or finance leased on average decreased to 17 in the first quarter of 2020 from 19 in the first quarter of 2019 due to the sale of two vessels in the third quarter of 2019.

General and administrative expense for the Company's Kamsarmax Operations was \$0.5 million for the first quarter of 2020 and \$0.3 million in the first quarter of 2019. The expense consists primarily of administrative services fees, which are incurred on a per vessel per day basis, and bank charges, which are incurred based on the number of transactions.

During the first quarter of 2020, the Company recorded a write down on assets held for sale of \$9.4 million related to the classification of the SBI Bolero as held for sale. In the first quarter of 2019, \$7.5 million was written down related to the sale of the SBI Electra and SBI Flamenco.

Corporate

Certain general and administrative expenses the Company incurs, as well as all of its financial expenses and investment income or losses, are not attributable to a specific segment. Accordingly, these costs are not allocated to the Company's segments. These general and administrative expenses, including compensation, audit, legal and other professional fees, as well as the costs of being a public company, such as director fees, were \$4.9 million and \$6.5 million in the first quarters of 2020 and 2019, respectively. The decrease from the prior year is due primarily to a reduction in compensation costs.

The Company recorded a non-cash loss of approximately \$89.1 million for the first quarter of 2020 and received cash dividend income of \$0.4 million from its equity investment in Scorpio Tankers Inc. During the first quarter of 2019, the Company recorded a non-cash gain of approximately \$15.0 million as well as cash dividend income of \$0.5 million also related to its equity investment in Scorpio Tankers Inc.

Financial expenses, net of interest income decreased to \$10.2 million in the first quarter of 2020 from \$12.7 million in the prior year period due to lower LIBOR rates and the redemption of our 7.50% Senior Unsecured Notes during the third quarter of 2019. The Company expects to write-off \$0.3 million of deferred finance charges upon the repayment of the debt related to vessel sales in the second quarter of 2020.

Scorpio Bulkers Inc. and Subsidiaries
Consolidated Statements of Operations
(Amounts in thousands, except per share data)

| | Unaudited | |
|--|-------------------------------------|-------------------|
| | Three Months Ended March 31, | |
| | 2020 | 2019 |
| Revenue: | | |
| Vessel revenue | \$ 40,824 | \$ 50,351 |
| Operating expenses: | | |
| Voyage expenses | 1,360 | 108 |
| Vessel operating costs | 24,684 | 26,270 |
| Charterhire expense | 4,698 | 979 |
| Vessel depreciation | 12,343 | 13,919 |
| General and administrative expenses | 6,528 | 7,829 |
| Loss / write-down on assets sold or held for sale | 17,009 | 7,509 |
| Total operating expenses | 66,622 | 56,614 |
| Operating loss | (25,798) | (6,263) |
| Other income (expense): | | |
| Interest income | 123 | 344 |
| Income from equity investments | (88,631) | 15,503 |
| Foreign exchange loss | (54) | (4) |
| Financial expense, net | (10,343) | (13,049) |
| Total other (expense) income | (98,905) | 2,794 |
| Net loss | \$ (124,703) | \$ (3,469) |
| | | |
| Loss per share: | | |
| Basic | \$ (18.12) | \$ (0.51) |
| Diluted | \$ (18.12) | \$ (0.51) |
| | | |
| Basic weighted average number of common shares outstanding | 6,883 | 6,746 |
| Diluted weighted average number of common shares outstanding | 6,883 | 6,746 |

Scorpio Bulkers Inc. and Subsidiaries
Consolidated Balance Sheets
(Dollars in thousands)

| | Unaudited March 31, 2020 | December 31, 2019 |
|---|-----------------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 50,209 | \$ 42,530 |
| Accounts receivable | 21,940 | 13,209 |
| Prepaid expenses and other current assets | 9,290 | 9,547 |
| Total current assets | 81,439 | 65,286 |
| Non-current assets | | |
| Vessels, net | 1,208,105 | 1,271,993 |
| Assets held for sale | 130,054 | 77,536 |
| Equity investments | 84,226 | 173,298 |
| Deferred financing costs, net | 2,781 | 2,982 |
| Other assets | 67,502 | 74,464 |
| Total non-current assets | 1,492,668 | 1,600,273 |
| Total assets | \$ 1,574,107 | \$ 1,665,559 |
| Liabilities and shareholders' equity | | |
| Current liabilities | | |
| Bank loans, net | \$ 36,634 | \$ 44,956 |
| Capital lease obligations | 32,779 | 29,159 |
| Accounts payable and accrued expenses | 43,230 | 49,718 |
| Total current liabilities | 112,643 | 123,833 |
| Non-current liabilities | | |
| Bank loans, net | 352,943 | 332,613 |
| Capital lease obligations | 351,207 | 321,646 |
| Other liabilities | 6,418 | 12,500 |
| Total non-current liabilities | 710,568 | 666,759 |
| Total liabilities | 823,211 | 790,592 |
| Shareholders' equity | | |
| Preferred shares, \$0.01 par value per share; 50,000,000 shares authorized; no shares issued or outstanding | — | — |
| Common shares, \$0.01 par value per share; authorized 21,250,000 shares as of March 31, 2020 and December 31, 2019; outstanding 7,247,580 shares as of March 31, 2020 and 7,248,180 as of December 31, 2019 | 809 | 809 |
| Paid-in capital | 1,717,776 | 1,717,144 |
| Common shares held in treasury, at cost; 856,785 shares at March 31, 2020 and December 31, 2019 | (56,720) | (56,720) |
| Accumulated deficit | (910,969) | (786,266) |
| Total shareholders' equity | 750,896 | 874,967 |
| Total liabilities and shareholders' equity | \$ 1,574,107 | \$ 1,665,559 |

Scorpio Bulkers Inc. and Subsidiaries
Consolidated Statements of Cash Flows (unaudited)
(Amounts in thousands)

| | Three Months Ended March 31, | |
|--|-------------------------------------|------------------|
| | 2020 | 2019 |
| Operating activities | | |
| Net loss | \$ (124,703) | \$ (3,469) |
| Adjustment to reconcile net income (loss) to net cash provided by operating activities: | | |
| Restricted share amortization | 2,082 | 2,175 |
| Vessel depreciation | 12,343 | 13,919 |
| Amortization of deferred financing costs | 1,013 | 1,270 |
| Write-off of deferred financing costs | — | — |
| Loss / write-down on assets held for sale | 16,077 | 6,649 |
| Net unrealized (gains) losses on investments | 89,072 | (14,962) |
| Dividend income on equity investment | (441) | (541) |
| Drydocking expenditure | (2,207) | — |
| Changes in operating assets and liabilities: | | |
| (Decrease) increase in accounts receivable | (8,731) | 1,770 |
| Decrease in prepaid expenses and other assets | 5,877 | 50 |
| Decrease in accounts payable and accrued expenses | (11,638) | (2,316) |
| Net cash (used in) provided by operating activities | (21,256) | 4,545 |
| Investing activities | | |
| Dividend income on equity investment | 441 | 541 |
| Scrubber payments | (14,874) | (4,325) |
| Net cash used in investing activities | (14,433) | (3,784) |
| Financing activities | | |
| Proceeds from issuance of long-term debt | 79,000 | — |
| Repayments of long-term debt | (34,182) | (16,011) |
| Dividends paid | (1,450) | (1,424) |
| Net cash provided by (used in) financing activities | 43,368 | (17,435) |
| Increase (decrease) in cash and cash equivalents | 7,679 | (16,674) |
| Cash and cash equivalents, beginning of period | 42,530 | 67,495 |
| Cash and cash equivalents, end of period | \$ 50,209 | \$ 50,821 |

Scorpio Bulkera Inc. and Subsidiaries
Other Operating Data (unaudited)

| | Three Months Ended March 31, | |
|--|-------------------------------------|------------------|
| | 2020 | 2019 |
| Time charter equivalent revenue (\$000's) ⁽¹⁾ : | | |
| Vessel revenue | \$ 40,824 | \$ 50,351 |
| Voyage expenses | (1,360) | (108) |
| Time charter equivalent revenue | <u>\$ 39,464</u> | <u>\$ 50,243</u> |
| Time charter equivalent revenue attributable to: | | |
| Kamsarmax | \$ 15,408 | \$ 19,022 |
| Ultramax | 24,057 | 31,221 |
| | <u>\$ 39,465</u> | <u>\$ 50,243</u> |
| Revenue days: | | |
| Kamsarmax | 1,654 | 1,702 |
| Ultramax | 2,761 | 3,402 |
| Combined | <u>4,415</u> | <u>5,104</u> |
| TCE per revenue day ⁽¹⁾ : | | |
| Kamsarmax | \$ 9,316 | \$ 11,176 |
| Ultramax | \$ 8,713 | \$ 9,177 |
| Combined | <u>\$ 8,939</u> | <u>\$ 9,844</u> |

- (1) The Company defines Time Charter Equivalent (TCE) revenue as vessel revenues less voyage expenses. Such TCE revenue, divided by the number of the Company's available days during the period, or revenue days, is TCE per revenue day, which is consistent with industry standards. TCE per revenue day is a common shipping industry performance measure used primarily to compare daily earnings generated by vessels on time charters with daily earnings generated by vessels on voyage charters, because charter hire rates for vessels on voyage charters are generally not expressed in per-day amounts while charter hire rates for vessels on time charters generally are expressed in such amounts.

The Company reports TCE revenue, a non-GAAP financial measure, because (i) the Company believes it provides additional meaningful information in conjunction with vessel revenues and voyage expenses, the most directly comparable U.S. GAAP measures, (ii) it assists the Company's management in making decisions regarding the deployment and use of its vessels and in evaluating their financial performance, (iii) it is a standard shipping industry performance measure used primarily to compare period-to-period changes in a shipping company's performance irrespective of changes in the mix of charter types (i.e., spot charters, time charters and bareboat charters) under which the vessels may be employed between the periods, and (iv) the Company believes that it presents useful information to investors. See Non-GAAP Financial Measures below.

Fleet List as of May 8, 2020

| Vessel Name | Year Built | DWT | Vessel Type | Scrubber Installed ? |
|------------------------|-------------------|------------------|--------------------|-----------------------------|
| SBI Samba | 2015 | 84,000 | Kamsarmax | Yes |
| SBI Rumba | 2015 | 84,000 | Kamsarmax | No |
| SBI Capoeira | 2015 | 82,000 | Kamsarmax | No |
| SBI Carioca | 2015 | 82,000 | Kamsarmax | Yes |
| SBI Conga | 2015 | 82,000 | Kamsarmax | No |
| SBI Bolero | 2015 | 82,000 | Kamsarmax | No |
| SBI Sousta | 2016 | 82,000 | Kamsarmax | No |
| SBI Rock | 2016 | 82,000 | Kamsarmax | No |
| SBI Lambada | 2016 | 82,000 | Kamsarmax | No |
| SBI Reggae | 2016 | 82,000 | Kamsarmax | No |
| SBI Zumba | 2016 | 82,000 | Kamsarmax | Yes |
| SBI Macarena | 2016 | 82,000 | Kamsarmax | Yes |
| SBI Parapara | 2017 | 82,000 | Kamsarmax | Yes |
| SBI Mazurka | 2017 | 82,000 | Kamsarmax | Yes |
| SBI Swing | 2017 | 82,000 | Kamsarmax | Yes |
| SBI Jive | 2017 | 82,000 | Kamsarmax | Yes |
| SBI Lynx | 2018 | 82,000 | Kamsarmax | Yes |
| Total Kamsarmax | | 1,398,000 | | |
| | | | | |
| SBI Antares | 2015 | 61,000 | Ultramax | Yes |
| SBI Athena | 2015 | 64,000 | Ultramax | Yes |
| SBI Bravo | 2015 | 61,000 | Ultramax | Yes |
| SBI Leo | 2015 | 61,000 | Ultramax | Yes |
| SBI Echo | 2015 | 61,000 | Ultramax | Yes |
| SBI Lyra | 2015 | 61,000 | Ultramax | No |
| SBI Tango | 2015 | 61,000 | Ultramax | No |
| SBI Maia | 2015 | 61,000 | Ultramax | No |
| SBI Hydra | 2015 | 61,000 | Ultramax | No |
| SBI Subaru | 2015 | 61,000 | Ultramax | No |
| SBI Pegasus | 2015 | 64,000 | Ultramax | No |
| SBI Ursa | 2015 | 61,000 | Ultramax | No |
| SBI Thalia | 2015 | 64,000 | Ultramax | No |
| SBI Cronos | 2015 | 61,000 | Ultramax | No |
| SBI Orion | 2015 | 64,000 | Ultramax | No |
| SBI Achilles | 2016 | 61,000 | Ultramax | No |
| SBI Hercules | 2016 | 64,000 | Ultramax | No |
| SBI Perseus | 2016 | 64,000 | Ultramax | No |
| SBI Hermes | 2016 | 61,000 | Ultramax | No |
| SBI Zeus | 2016 | 60,200 | Ultramax | No |
| SBI Hera | 2016 | 60,200 | Ultramax | No |
| SBI Hyperion | 2016 | 61,000 | Ultramax | No |
| SBI Tethys | 2016 | 61,000 | Ultramax | Yes |
| SBI Phoebe | 2016 | 64,000 | Ultramax | Yes |
| SBI Poseidon | 2016 | 60,200 | Ultramax | Yes |
| SBI Apollo | 2016 | 60,200 | Ultramax | Yes |
| SBI Samson | 2017 | 64,000 | Ultramax | No |
| SBI Phoenix | 2017 | 64,000 | Ultramax | No |
| SBI Gemini | 2015 | 64,000 | Ultramax | Yes |
| SBI Libra | 2017 | 64,000 | Ultramax | Yes |
| SBI Aries | 2015 | 64,000 | Ultramax | Yes |

| Vessel Name | Year Built | DWT | Vessel Type | Scrubber Installed ? |
|--|------------|------------------|-------------|----------------------|
| SBI Pisces | 2016 | 64,000 | Ultramax | No |
| SBI Virgo | 2017 | 64,000 | Ultramax | Yes |
| Total Ultramax | | 2,051,800 | | |
| Total Owned or Finance Leased Vessels DWT | | 3,449,800 | | |

Time chartered-in vessels

The Company currently time charters-in one Ultramax vessel and five Kamsarmax vessels. The terms of the contracts are summarized as follows:

| Vessel Type | Year Built | DWT | Country of Build | Daily Base Rate | Earliest Expiry | |
|---------------------|------------|----------------|------------------|-----------------|-----------------|-----|
| Ultramax | 2017 | 62,100 | Japan | \$ 10,885 | 30-Sep-20 | (1) |
| Kamsarmax | 2019 | 81,100 | China | Variable | 10-Mar-21 | (2) |
| Kamsarmax | 2019 | 81,100 | China | Variable | 7-Apr-21 | (3) |
| Kamsarmax | 2018 | 82,000 | China | \$ 12,000 | 25-June-21 | (4) |
| Kamsarmax | 2018 | 81,100 | China | Variable | 13-Jul-21 | (5) |
| Kamsarmax | 2015 | 81,100 | China | Variable | 22-Jul-21 | (6) |
| Total TC DWT | | 468,500 | | | | |

- (1) This vessel was originally time chartered-in for 22 to 24 months at the Company's option at \$10,125 per day. In September 2019, the Company exercised its option to extend the time charter for one year at \$10,885 per day. The vessel was delivered to the Company in September 2017.
- (2) This vessel has been time chartered-in for 24 to 27 months at the Company's option at 118% of the Baltic Exchange's 74,000 DWT Panamax Index, or the BPI. The vessel was delivered to the Company in March 2019.
- (3) This vessel has been time chartered-in for 24 to 27 months at the Company's option at 118% of the BPI. The vessel was delivered to the Company in May 2019.
- (4) This vessel has been time chartered-in for 24 months at \$12,000 per day for the first 12 months and at \$12,500 per day for the second 12 months. The Company has the option to extend this time charter for 12 months at \$13,000 per day and an additional 12 months at \$14,500 per day. The vessel was delivered to the Company in July 2019.
- (5) This vessel has been time chartered-in for 24 to 27 months at the Company's option at 118% of the BPI. The vessel was delivered to the Company in July 2019.
- (6) This vessel has been time chartered-in for 24 to 27 months at the Company's option at 118% of the BPI. The vessel was delivered to the Company in August 2019.

Conference Call on Results:

A conference call to discuss the Company's results will be held today, May 11, 2020, at 9:00 AM Eastern Daylight Time / 3:00 PM Central European Summer Time. Those wishing to listen to the call should dial 1 (866) 219-5268 (U.S.) or 1 (703) 736-7424 (International) at least 10 minutes prior to the start of the call to ensure connection. The conference participant passcode is 3965438.

There will also be a simultaneous live webcast over the internet, through the Scorpio Bulkera Inc. website www.scorpiobulkers.com. Participants to the live webcast should register on the website approximately 10 minutes prior to the start of the webcast.

Webcast URL: <https://edge.media-server.com/mmc/p/uydsfgt8>

About Scorpio Bulkera Inc.

Scorpio Bulkera Inc. is a provider of marine transportation of dry bulk commodities. The Company currently has five vessels held for sale. Upon the completion of the sale of the five vessels, Scorpio Bulkera Inc. will have an operating fleet of 51 vessels consisting of 45 wholly-owned or finance leased drybulk vessels (including 16 Kamsarmax vessels and 29 Ultramax vessels), and six time chartered-in vessels (including five Kamsarmax vessels and one Ultramax vessel). The Company's owned and finance leased fleet will have a total carrying capacity of approximately 3.1 million dwt and all of the Company's owned vessels will have carrying capacities of greater than 60,000 dwt. Additional information about the Company is available on the Company's website www.scorpiobulkers.com, which is not a part of this press release.

Non-GAAP Financial Measures

To supplement the Company's financial information presented in accordance with accounting principles generally accepted in the U.S. ("GAAP") management uses certain "non-GAAP financial measures" as such term is defined in Regulation G promulgated by the U.S. Securities and Exchange Commission (the "SEC"). Generally, a non-GAAP financial measure is a numerical measure of a company's operating performance, financial position or cash flows that excludes or includes amounts that are included in, or excluded from, the most directly comparable measure calculated and presented in accordance with GAAP. Management believes the presentation of these measures provides investors with greater transparency and supplemental data relating to the Company's financial condition and results of operations, and therefore a more complete understanding of factors affecting its business than GAAP measures alone. In addition, management believes the presentation of these matters is useful to investors for period-to-period comparison of results as the items may reflect certain unique and/or non-operating items such as asset sales, write-offs, contract termination costs or items outside of management's control.

Earnings before interest, taxes, depreciation and amortization ("EBITDA"), adjusted net income (loss) and related per share amounts, as well as adjusted EBITDA and TCE Revenue are non-GAAP financial measures that the Company believes provide investors with a means of evaluating and understanding how the Company's management evaluates the Company's operating performance. These non-GAAP financial measures should not be considered in isolation from, as substitutes for, nor superior to financial measures prepared in accordance with GAAP. Please see below for reconciliations of EBITDA, adjusted net income (loss) and related per share amounts, and adjusted EBITDA. Please see "Other Operating Data" for a reconciliation of TCE revenue.

EBITDA (unaudited)

| In thousands | Three Months Ended March 31, | |
|--|------------------------------|---------------|
| | 2020 | 2019 |
| Net loss | \$ (124,703) | (3,469) |
| Add Back: | | |
| Net interest expense | 9,206 | 11,436 |
| Depreciation and amortization ⁽¹⁾ | 15,438 | 17,363 |
| EBITDA | \$ (100,059) | 25,330 |

⁽¹⁾ Includes depreciation, amortization of deferred financing costs and restricted share amortization.

Adjusted net income (loss) (unaudited)

| In thousands, except per share data | Three Months Ended March 31, | | Three Months Ended March 31, | |
|---|------------------------------|-------------------|------------------------------|----------------|
| | 2020 | | 2019 | |
| | Amount | Per share | Amount | Per share |
| Net loss | \$ (124,703) | \$ (18.12) | \$ (3,469) | \$ (0.51) |
| Adjustments: | | | | |
| Loss / write-down on assets sold or held for sale | 17,009 | 2.47 | 7,509 | 1.11 |
| Total adjustments | \$ 17,009 | \$ 2.47 | \$ 7,509 | \$ 1.11 |
| Adjusted net (loss) income | \$ (107,694) | \$ (15.65) | \$ 4,040 | \$ 0.60 |

Adjusted EBITDA (unaudited)

| | Three Months Ended March 31, | Three Months Ended March 31, |
|--|---------------------------------|---------------------------------|
| In thousands | 2020 | 2019 |
| Net loss | \$ (124,703) | \$ (3,469) |
| Impact of adjustments | 17,009 | 7,509 |
| Adjusted net (loss) income | (107,694) | 4,040 |
| Add Back: | | |
| Net interest expense | 9,206 | 11,436 |
| Depreciation and amortization ⁽¹⁾ | 15,438 | 17,363 |
| Adjusted EBITDA | \$ (83,050) | \$ 32,839 |

⁽¹⁾ Includes depreciation, amortization of deferred financing costs and restricted share amortization.

Forward-Looking Statements

Matters discussed in this press release may constitute forward-looking statements. 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 press release 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, the length and severity of the recent novel coronavirus (COVID-19) outbreak, changes in our operating expenses, including bunker prices, drydocking and insurance costs, the market for our vessels, availability of financing and refinancing, counterparty performance, ability to obtain financing (including for capital expenditures) and comply with covenants in such financing arrangements, fluctuations in the value of our investments, 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 SEC for a more complete discussion of these and other risks and uncertainties.

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