

Eagle Bulk Shipping Inc.
Form 10-Q
November 09, 2016

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934**

For the quarterly period ended September 30, 2016

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934**

For the transition period from _____ to _____

Commission File Number 001-33831

EAGLE BULK SHIPPING INC.

(Exact name of Registrant as specified in its charter)

Republic of the Marshall Islands 98-0453513

(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

300 First Stamford Place, 5th floor

Stamford, Connecticut 06902

(Address of principal executive offices)(Zip Code)

Registrant's telephone number, including area code: **(203) 276-8100**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

YES NO

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated Accelerated Filer Non-accelerated Filer Smaller reporting company

Filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES NO

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

YES NO

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, par value \$0.01 per share, 48,106,827 shares outstanding as of November 9, 2016.

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Part 1: FINANCIAL INFORMATION**Item 1: Financial Statements****EAGLE BULK SHIPPING INC. AND SUBSIDIARIES****Condensed Consolidated Balance Sheets as of September 30, 2016 and December 31, 2015****(Unaudited)**

	September 30, 2016	December 31, 2015
ASSETS:		
Current assets:		
Cash and cash equivalents	\$98,568,795	\$24,896,161
Accounts receivable	6,453,806	7,076,528
Prepaid expenses	2,637,907	3,232,763
Inventories	6,995,819	5,574,406
Other assets	151,925	245,569
Total current assets	114,808,252	41,025,427
Noncurrent assets:		
Vessels and vessel improvements, at cost, net of accumulated depreciation of \$69,972,688 and \$49,148,080, respectively	688,421,196	733,960,731
Other fixed assets, net of accumulated depreciation of \$264,201 and \$159,827, respectively	572,261	220,509
Restricted cash	74,917	141,161
Deferred drydock costs	12,529,591	11,146,009
Other assets	54,705	109,287
Total noncurrent assets	701,652,670	745,577,697
Total assets	\$816,460,922	\$786,603,124
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$6,459,022	\$8,216,473
Accrued interest	-	401,232
Other accrued liabilities	10,893,665	10,827,075
Fair value below contract value of time charters acquired	820,313	1,283,926
Unearned charter hire revenue	4,827,883	1,560,402
Fair value of derivative instruments	15,150	-
Current portion of long-term debt	-	15,625,000
Total current liabilities	23,016,033	37,914,108
Noncurrent liabilities:		
First Lien Facility, net of debt discount and debt issuance costs	198,914,435	225,577,491

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Second Lien Facility, net of debt discount and debt issuance costs	43,280,278	-
Payment-in-kind interest on Second Lien Facility	4,782,863	-
Fair value below contract value of time charters acquired	4,101,560	4,094,122
Other liabilities	767,106	672,941
Total noncurrent liabilities	251,846,242	230,344,554
Total liabilities	274,862,275	268,258,662
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$.01 par value, 700,000,000 shares authorized, 48,106,827 and 1,883,303 shares issued and outstanding, respectively*	481,069	18,833
Additional paid-in capital*	782,096,558	678,171,322
Accumulated deficit	(240,978,980)	(159,845,693)
Total stockholders' equity	541,598,647	518,344,462
Total liabilities and stockholders' equity	\$816,460,922	\$786,603,124

*Adjusted to give effect for the 1 for 20 reverse stock split that became effective as of the opening of trading on August 5, 2016, see Note 1.

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.