

SCORPIO BULKERS INC.
Form 424B5
June 16, 2016
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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-201354

PROSPECTUS SUPPLEMENT

(To Prospectus dated January 2, 2015)

20,000,000 Common Shares

Scorpio Bulkers Inc.

We are offering 20,000,000 of our common shares pursuant to this prospectus supplement. Scorpio Services Holding Limited has agreed to purchase 5,250,000 common shares at the public offering price.

Our common shares are listed on the New York Stock Exchange, or the NYSE, under the symbol SALT. On June 13, 2016, the last reported sale price of our common shares on the NYSE was \$3.50 per share.

Investing in our common shares involves risks. You should carefully consider each of the factors described under Risk Factors beginning on page S-7 of this prospectus supplement, on page 6 of the accompanying base prospectus and in the documents incorporated by reference into this prospectus supplement and the accompanying base prospectus, before you make any investment in our common shares.

Neither the U.S. Securities and Exchange Commission, or the Commission, nor any state securities commission has approved or disapproved of these securities, or determined if this prospectus supplement or the accompanying base prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	PER SHARE	TOTAL
Public Offering Price	\$3.050	\$61,000,000
Underwriting Discounts(1)	\$0.137	\$ 2,020,750
Proceeds to Us (Before Expenses)	\$2.913	\$58,979,250

(1) See Underwriting for additional information about underwriter compensation.

We have granted the underwriters an option for a period of 30 days to purchase up to 3,000,000 additional common shares from us on the same terms and conditions as set forth above. If the underwriters exercise the option in full, the total underwriting discounts will be \$2,431,750, and the total proceeds to us before expenses will be \$67,718,250.

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The underwriters are offering the common shares as set forth in the section of this prospectus supplement entitled "Underwriting." Delivery of the common shares will be made on or about June 20, 2016.

Sole Bookrunner and Joint Lead Manager

Clarksons Platou Securities

Joint Lead Managers

BTIG

Pareto Securities

Stifel

Prospectus Supplement dated June 15, 2016

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IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering of common shares and also adds to and updates information contained in the accompanying base prospectus and the documents incorporated by reference into this prospectus supplement and the base prospectus. The second part, the base prospectus, gives more general information about securities we may offer from time to time, some of which does not apply to this offering. Generally, when we refer only to the prospectus, we are referring to both parts combined, and when we refer to the accompanying prospectus, we are referring to the base prospectus.

If the description of this offering varies between this prospectus supplement and the accompanying base prospectus, you should rely on the information in this prospectus supplement. This prospectus supplement, the accompanying base prospectus and the documents incorporated into each by reference include important information about us, the common shares being offered and other information you should know before investing. You should read this prospectus supplement and the accompanying base prospectus together with additional information described under the heading, "Where You Can Find Additional Information" before investing in our common shares.

We prepare our financial statements, including all of the financial statements incorporated by reference in this prospectus supplement, in U.S. dollars and in accordance with accounting principles generally accepted in the United States of America, or U.S. GAAP. We have a fiscal year end of December 31.

We have authorized only the information contained or incorporated by reference in this prospectus supplement, the accompanying base prospectus and any free writing prospectus prepared by or on behalf of us or to which we have referred you. We have not, and the underwriters have not, authorized anyone to provide you with information that is different. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any information that others may give you. We are offering to sell, and seeking offers to buy, our common shares only in jurisdictions where offers and sales are permitted. The information contained in or incorporated by reference in this document is accurate only as of the date such information was issued, regardless of the time of delivery of this prospectus supplement or any sale of our common shares.

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CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

We desire to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and are including this cautionary statement in connection therewith. This document and any other written or oral statements made by the Company or on its behalf may include forward-looking statements, which reflect its current views with respect to future events and financial performance. 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. This document includes assumptions, expectations, projections, intentions and beliefs about future events. These statements are intended as forward-looking statements. We caution that assumptions, expectations, projections, intentions and beliefs about future events may and often do vary from actual results and the differences can be material. When used in this document, the words believe, expect, anticipate, estimate, intend, plan, targets, projects, likely, will, would, could and similar expressions or phrases may identify forward-looking statements.

All statements in this prospectus supplement, the accompanying prospectus, and the documents incorporated into each by reference that are not statements of historical fact are forward-looking statements. Forward-looking statements include, but are not limited to, such matters as:

our future operating or financial results;

statements about planned, pending or recent acquisitions, business strategy and expected capital spending or operating expenses, including drydocking, surveys, upgrades and insurance costs;

the strength of world economies;

stability of Europe and the Euro;

fluctuations in interest rates and foreign exchange rates;

changes in the supply of drybulk vessels, including when caused by newbuilding vessel orders and older vessel scrapping levels;

general drybulk shipping market conditions, including fluctuations in charter hire rates and vessel values;

changes in demand in the drybulk shipping industry, including the market for our vessels;

changes in the value of our existing vessels and proposed newbuildings, which may impact the amount of available borrowings under our secured credit facilities;

changes in our operating expenses, including bunker prices, dry docking and insurance costs;

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;

our ability to procure or have access to financing, our liquidity and the adequacy of cash flows for our operations;

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our continued borrowing availability under our debt agreements and compliance with the covenants contained therein;

our ability to successfully employ our existing and newbuilding drybulk vessels;

our ability to fund future capital expenditures and investments in the construction, acquisition and refurbishment of our vessels (including the amount and nature thereof and the timing of completion thereof, the delivery and commencement of operations dates, expected downtime and lost revenue);

risks associated with vessel construction;

potential exposure or loss from investment in derivative instruments;

potential conflicts of interest involving members of our board and senior management;

our expectations regarding the availability of vessel acquisitions and our ability to complete acquisition transactions planned;

vessel breakdowns and instances of off-hire; and

statements about drybulk shipping market trends, charter rates and factors affecting supply and demand.

We have based these statements on assumptions and analyses formed by applying our experience and perception of historical trends, current conditions, expected future developments and other factors we believe are appropriate in the circumstances. All future written and verbal forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. We undertake no obligation, and specifically decline any obligation, except as required by law, to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this prospectus supplement, the accompanying base prospectus, and the documents incorporated into each by reference might not occur.

Please see the section entitled "Risk Factors" in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference for a more complete discussion of these risks and uncertainties and for other risks and uncertainties. These factors and the other risk factors described in this prospectus supplement, the accompanying prospectus, and the documents incorporated into each by reference are not necessarily all of the important factors that could cause actual results or developments to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors also could harm our results. Consequently, there can be no assurance that actual results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, us. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements.

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PROSPECTUS SUMMARY

This section summarizes some of the key information that is contained or incorporated by reference in this prospectus supplement. It may not contain all of the information that may be important to you in making an investment decision. You should carefully review the entire prospectus supplement and the accompanying base prospectus, any free writing prospectus that may be provided to you in connection with this offering of our common shares and the information incorporated by reference in this prospectus supplement, including the section entitled Risk Factors beginning on page S-7 of this prospectus supplement, on page 6 of the accompanying base prospectus, and in our Annual Report on Form 20-F for the year ended December 31, 2015, filed with the Commission on March 1, 2016.

Unless the context otherwise requires, when used in this prospectus supplement, the terms Company, we, our and us refer to Scorpio Bulkers Inc. and its subsidiaries. Scorpio Bulkers Inc. refers only to Scorpio Bulkers Inc. and not its subsidiaries. We use the term deadweight tons, or dwt, expressed in metric tons, each of which is equivalent to 1,000 kilograms, in describing the size of our vessels. Unless otherwise indicated, all references to dollars and \$ in this prospectus supplement are to, and amounts are presented in, United States dollars and the financial information presented in this prospectus supplement that is derived from financial statements incorporated herein by reference is prepared in accordance with U.S. GAAP.

As used in this prospectus supplement Chengxi refers to Chengxi Shipyard Co., Ltd., Hudong refers to Hudong-Zhonghua Shipbuilding (Group) Co., Inc., Mitsui refers to Mitsui Engineering & Shipbuilding Co. Ltd., and Nacks refers to Nantong COSCO KHI Ship Engineering Co., Ltd. The term Scorpio Group Pools refers to the Scorpio Kamsarmax Pool and the Scorpio Ultramax Pool, which are spot market-oriented pools operated by companies affiliated with us.

Unless otherwise indicated, all information in this prospectus supplement assumes that the underwriters have not exercised their option to purchase additional common shares.

Our Company

We are an international shipping company that was incorporated in the Republic of the Marshall Islands on March 20, 2013 for the purpose of acquiring and operating the latest generation of newbuilding drybulk carriers with fuel-efficient specifications and carrying capacities of greater than 30,000 dwt. Our vessels transport a broad range of major and minor bulk commodities, including ores, coal, grains, and fertilizers, along worldwide shipping routes, and are, or are expected to be, employed in spot market-oriented pools of similarly sized vessels. As of June 10, 2016, our operating fleet of 39 vessels consisted of 36 wholly-owned drybulk vessels (including 14 Kamsarmax vessels and 22 Ultramax vessels) and three chartered-in drybulk vessels (including one Kamsarmax vessel, one Panamax vessel and one Supramax vessel), which we refer to collectively as our Operating Fleet. All of the vessels in our Operating Fleet are employed in the Scorpio Group Pools. We also have contracts for the construction of 12 newbuilding drybulk vessels, including six Kamsarmax vessels scheduled to be delivered to us by the second quarter of 2017 and six Ultramax vessels scheduled to be delivered to us by the fourth quarter of 2016. We collectively refer to all of our newbuilding vessels that are currently under construction as our Newbuilding Program. Upon final delivery of all of the drybulk vessels in our Newbuilding Program, our owned fleet is expected to have a total carrying capacity of approximately 3.4 million dwt and all of our owned vessels will have carrying capacities of greater than 60,000 dwt.

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Recent and Other Developments

Credit Facility Amendments and Loan Prepayments

On May 12, 2016, we agreed in principle with our lenders to amend certain of our credit facilities (where relevant) such that the covenant to maintain a minimum interest coverage ratio, as defined in each agreement, will not be applicable until the first quarter of 2018, at which point such ratio will be 1.00 to 1.00 and will be calculated on a year-to-date basis for the first and second quarter of 2018. Thereafter, the interest coverage ratio covenant will revert to its original level of 2.50 to 1.00.

In addition, we agreed in principle with our lenders to amend each of our credit facilities such that the loan-to-value ratio be reduced to 140%, except in the case of our \$67.5 Million Credit Facility, for which we agreed with our lenders to reduce the loan-to-value ratio to 115%.

We also agreed in principle with all of our lenders to amend each of our credit facilities to exclude certain non-operating items from the calculations of the leverage ratio and consolidated net worth.

In addition, we agreed with certain of our lenders to prepay approximately \$14.5 million in aggregate of principal installments on outstanding borrowings, of which approximately \$12.1 million is to be applied against principal installments falling due between the second quarter of 2016 and the third quarter of 2018 (depending on the credit facility). As of the date of this prospectus supplement, such prepayments have been made.

We can provide you with no assurance that we may not be required to seek additional waivers from our lenders or to amend additional provisions in our debt agreements in the future. For additional information regarding our credit facilities and other debt arrangements, please see our Annual Report on Form 20-F for the year ended December 31, 2015, filed with the Commission on March 1, 2016, and our Report on Form 6-K containing our Management's Discussion and Analysis of Financial Condition and Results of Operations and unaudited consolidated financial statements and related notes thereto for the three months ended March 31, 2016, filed with the Commission on June 14, 2016, each of which is incorporated by reference herein.

Annual Meeting of Shareholders and Increase in Authorized Share Capital

At our annual meeting of shareholders held on June 1, 2016, our shareholders approved the re-election of Messrs. Christian Gut and James Nish, Class C Directors, ratified the appointment of PricewaterhouseCoopers Audit as our independent auditors for the fiscal year ending December 31, 2016, and approved an amendment to our Amended and Restated Articles of Incorporation to increase our authorized share capital to 162,500,000 registered shares, consisting of 112,500,000 common shares, par value \$0.01 per share, and 50,000,000 preferred shares, par value \$0.01 per share. The increase in authorized share capital became effective on June 2, 2016.

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The following tables set forth certain summary information regarding our Operating Fleet and Newbuilding Program as of June 10, 2016.

Operating Fleet**Owned vessels*

Vessel Name	Year Built	DWT	Vessel Type
SBI Cakewalk	2014	82,000	Kamsarmax
SBI Charleston	2014	82,000	Kamsarmax
SBI Samba	2015	84,000	Kamsarmax
SBI Rumba	2015	84,000	Kamsarmax
SBI Capoeira	2015	82,000	Kamsarmax
SBI Electra	2015	82,000	Kamsarmax
SBI Carioca	2015	82,000	Kamsarmax
SBI Conga	2015	82,000	Kamsarmax
SBI Flamenco	2015	82,000	Kamsarmax
SBI Bolero	2015	82,000	Kamsarmax
SBI Sousta	2016	82,000	Kamsarmax
SBI Rock	2016	82,000	Kamsarmax
SBI Lambada	2016	82,000	Kamsarmax
SBI Reggae	2016	82,000	Kamsarmax
Total Kamsarmax		1,152,000	
SBI Antares	2015	61,000	Ultramax
SBI Athena	2015	64,000	Ultramax
SBI Bravo	2015	61,000	Ultramax
SBI Leo	2015	61,000	Ultramax
SBI Echo	2015	61,000	Ultramax
SBI Lyra	2015	61,000	Ultramax
SBI Tango	2015	61,000	Ultramax
SBI Maia	2015	61,000	Ultramax
SBI Hydra	2015	61,000	Ultramax
SBI Subaru	2015	61,000	Ultramax
SBI Pegasus	2015	64,000	Ultramax
SBI Ursa	2015	61,000	Ultramax
SBI Thalia	2015	64,000	Ultramax
SBI Cronos	2015	61,000	Ultramax
SBI Orion	2015	64,000	Ultramax
SBI Achilles	2016	61,000	Ultramax
SBI Hercules	2016	64,000	Ultramax
SBI Perseus	2016	64,000	Ultramax
SBI Hermes	2016	61,000	Ultramax
SBI Zeus	2016	60,200	Ultramax
SBI Hyperion	2016	61,000	Ultramax
SBI Hera	2016	60,200	Ultramax
Total Ultramax		1,358,400	
Aggregate Owned DWT		2,510,400	

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Vessel Type	Year Built	DWT	Where Built	Daily Base Rate	Earliest Expiry
Kamsarmax	2012	82,000	South Korea	\$ 15,500	30-Jul-17(1)
Panamax	2004	77,500	China	\$ 14,000	03-Jan-17(2)
Supramax	2008	58,000	China	\$ 12,250	12-Jun-16(3)
Aggregate Time Chartered-in DWT		217,500			

* Our vessels are flagged in the Republic of the Marshall Islands or Liberia.

- (1) This vessel has been time chartered-in for 39 to 44 months, with such term to be determined at our option at \$15,500 per day. We have the option to extend this time charter for one year at \$16,300 per day. The vessel was delivered on April 23, 2014.
- (2) This vessel has been time chartered-in for 32 to 38 months, with such term to be determined at our option at \$14,000 per day. The agreement also contains a profit and loss sharing provision whereby, commencing upon the termination of the time charter-in agreement, we split all of the vessel's profits and losses with the vessel's owner for a period of two years. The vessel was delivered on May 3, 2014.
- (3) This vessel was time chartered-in for 21 months at \$12,250 per day. On June 12, 2016 this contract expired and was not renewed by us.

Newbuilding Program*Drybulk Vessels Under Construction**Kamsarmax Vessels*

	Vessel Name	Expected Delivery	DWT	Shipyard
1	Hull S1726A TBN SBI Zumba	Q3-16	82,000	Hudong
2	Hull S1231 TBN SBI Macarena	Q4-16	82,000	Hudong
3	Hull S1735A TBN SBI Parapara	Q4-16	82,000	Hudong
4	Hull S1736A TBN SBI Mazurka	Q4-16	82,000	Hudong
5	Hull S1232 TBN SBI Swing			