



The Great Eastern
Shipping Co. Ltd.

BUSINESS OVERVIEW



14 February 2020

FORWARD LOOKING STATEMENT

Except for historical information, the statements made in this presentation constitute forward looking statements. These include statements regarding the intent, belief or current expectations of GE Shipping and its management regarding the Company's operations, strategic directions, prospects and future results which in turn involve certain risks and uncertainties. Certain factors may cause actual results to differ materially from those contained in the forward looking statements; including changes in freight rates; global economic and business conditions; effects of competition and technological developments; changes in laws and regulations; difficulties in achieving cost savings; currency, fuel price and interest rate fluctuations etc. The Company assumes no responsibility with regard to publicly amending, modifying or revising the statements based on any subsequent developments, information or events that may occur.

CORPORATE PROFILE



Shipping (Bulk)

Offshore

(Through wholly-owned subsidiary
Greatship (India) Limited)

Tankers

- Crude
- Products/LPG

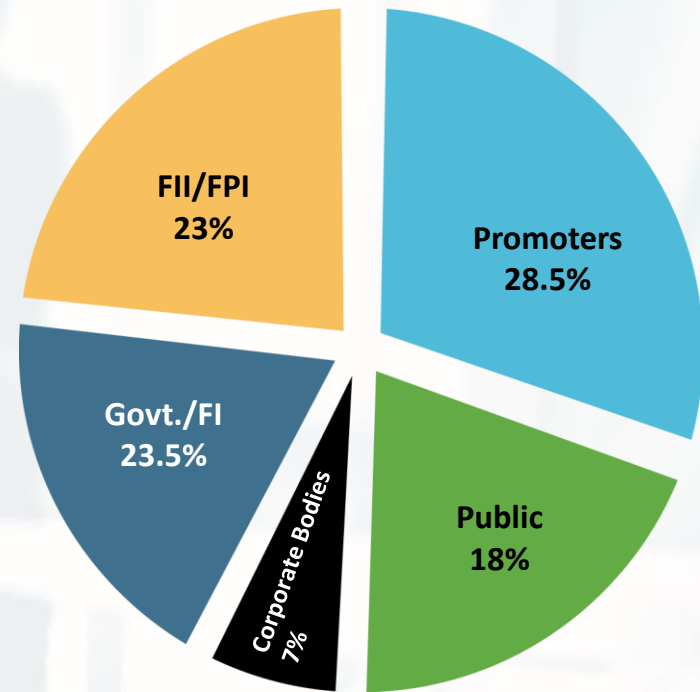
Dry Bulk

Logistics

Drilling

India's largest private sector shipping company over 71 years of
experience

SHAREHOLDING PATTERN



Shareholding Pattern as on 31 December 2020

FLEET PROFILE

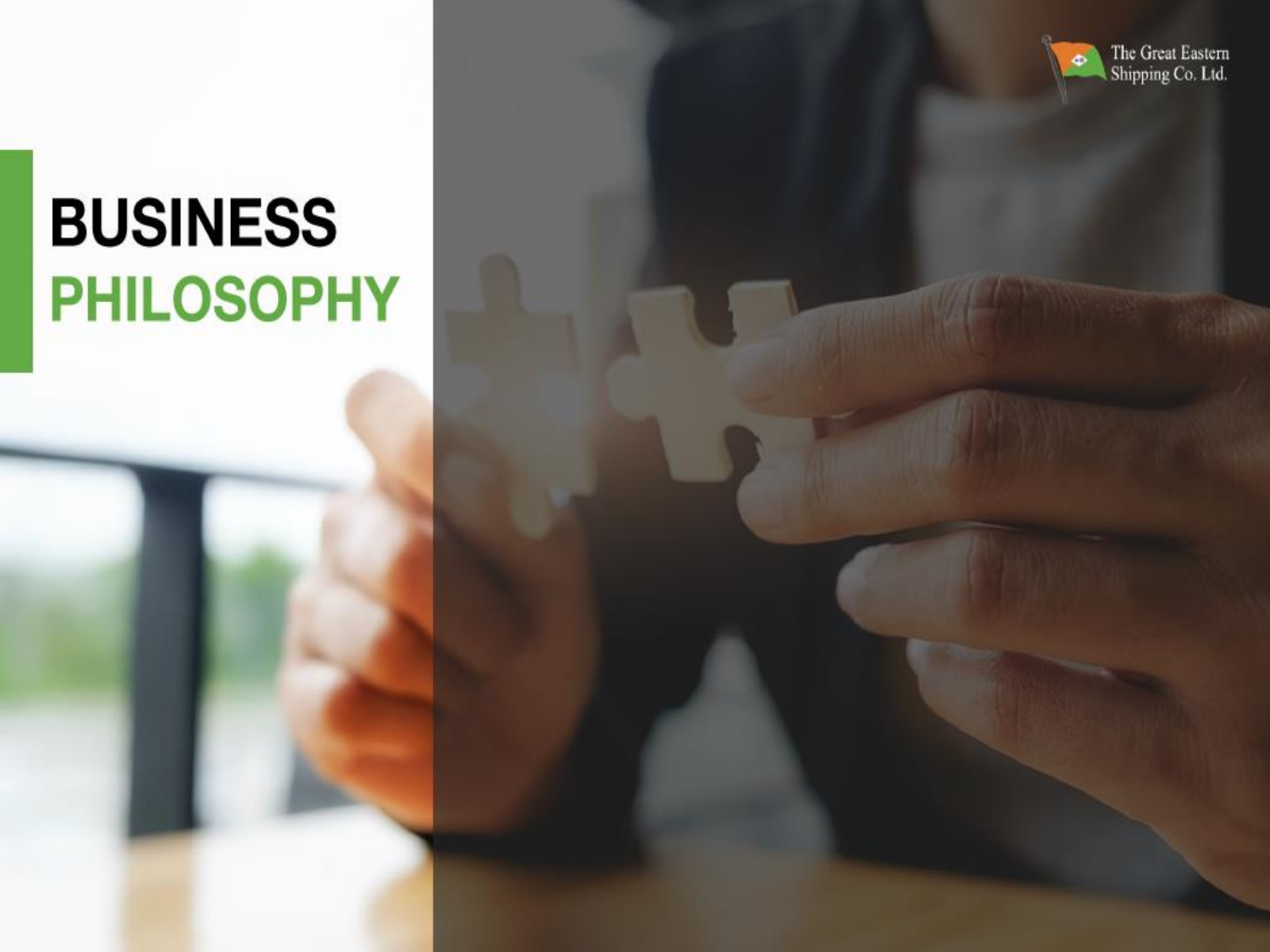
SHIPPING

Fleet	DWT	Number of Ships	Average Age (Yrs.)
Crude Carriers	1,461,591	11	13.86
Product Carriers	987,207	17	12.31
Gas Carriers	224,113	5	18.43
Dry Bulk Carriers	1,026,462	13	7.32
Total	3,699,373	46	11.94

OFFSHORE

Fleet	Number of Units	Average Age (Yrs.)
Jack Up Rigs	4	8.35
Platform Supply Vessels	4	10.50
Anchor handling Tug Cum Supply Vessels	8	10.36
Multipurpose Platform Supply & Support Vessels	2	9.82
ROV Support Vessels	5	8.52

BUSINESS **PHILOSOPHY**



4 KEYS TO OUR SUCCESS



**Dynamically
managing
cycles**



**Diversified
Fleet**



**In-House
technical &
commercial
management**

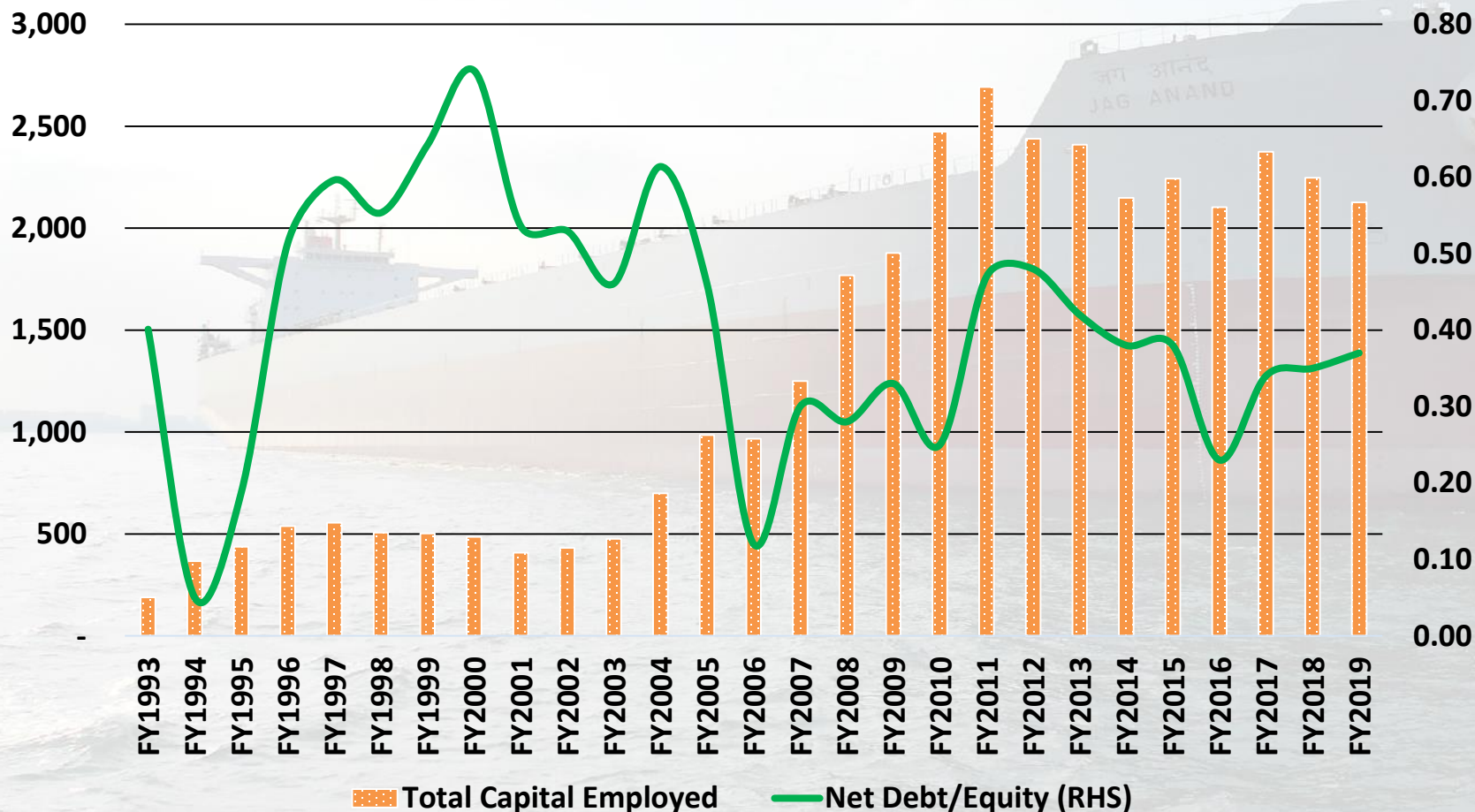


**Strong
balance
sheet**



NET DEBT/EQUITY & TOTAL CAPITAL EMPLOYED (CONSOLIDATED)

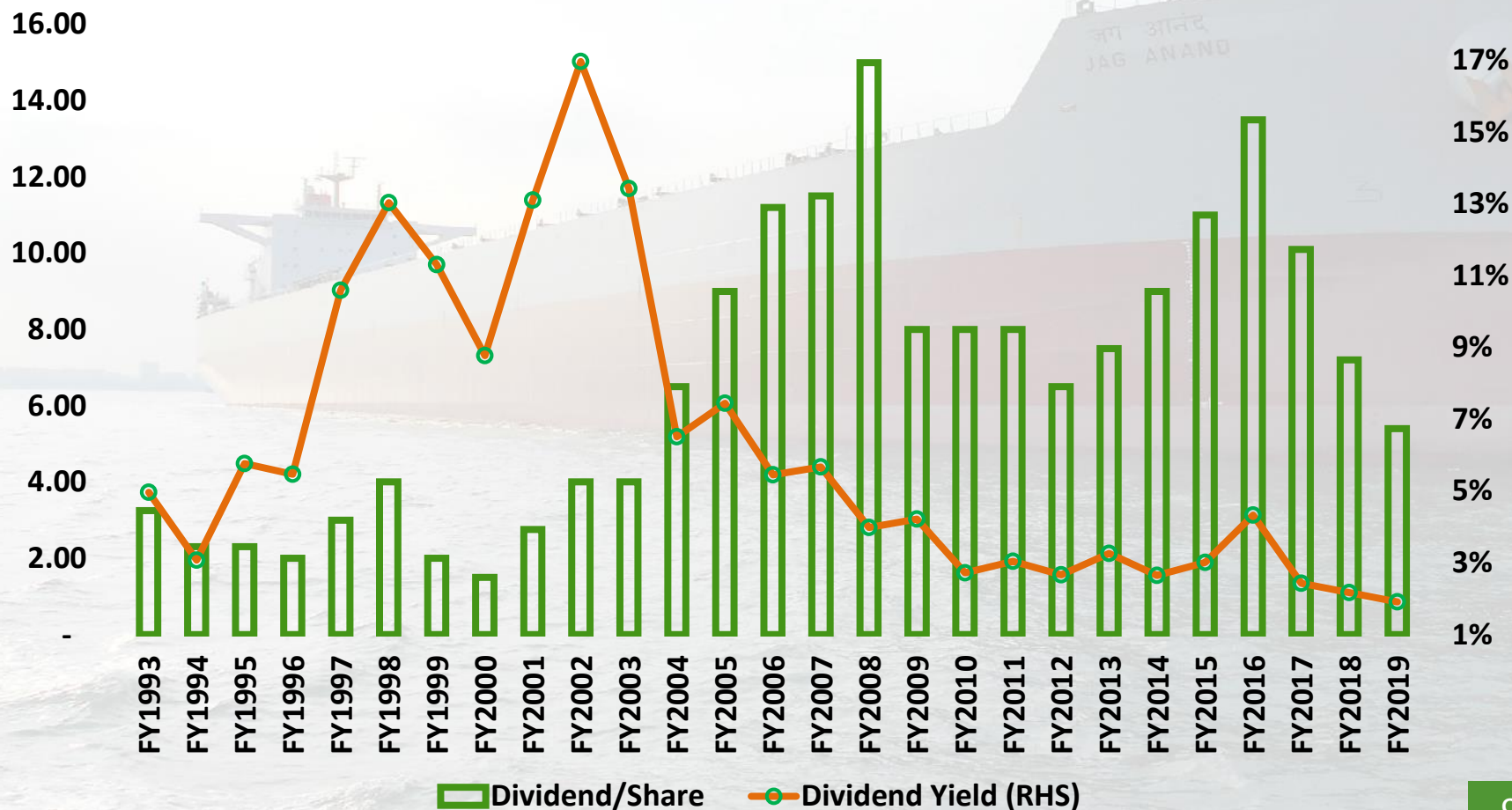
USD Mn



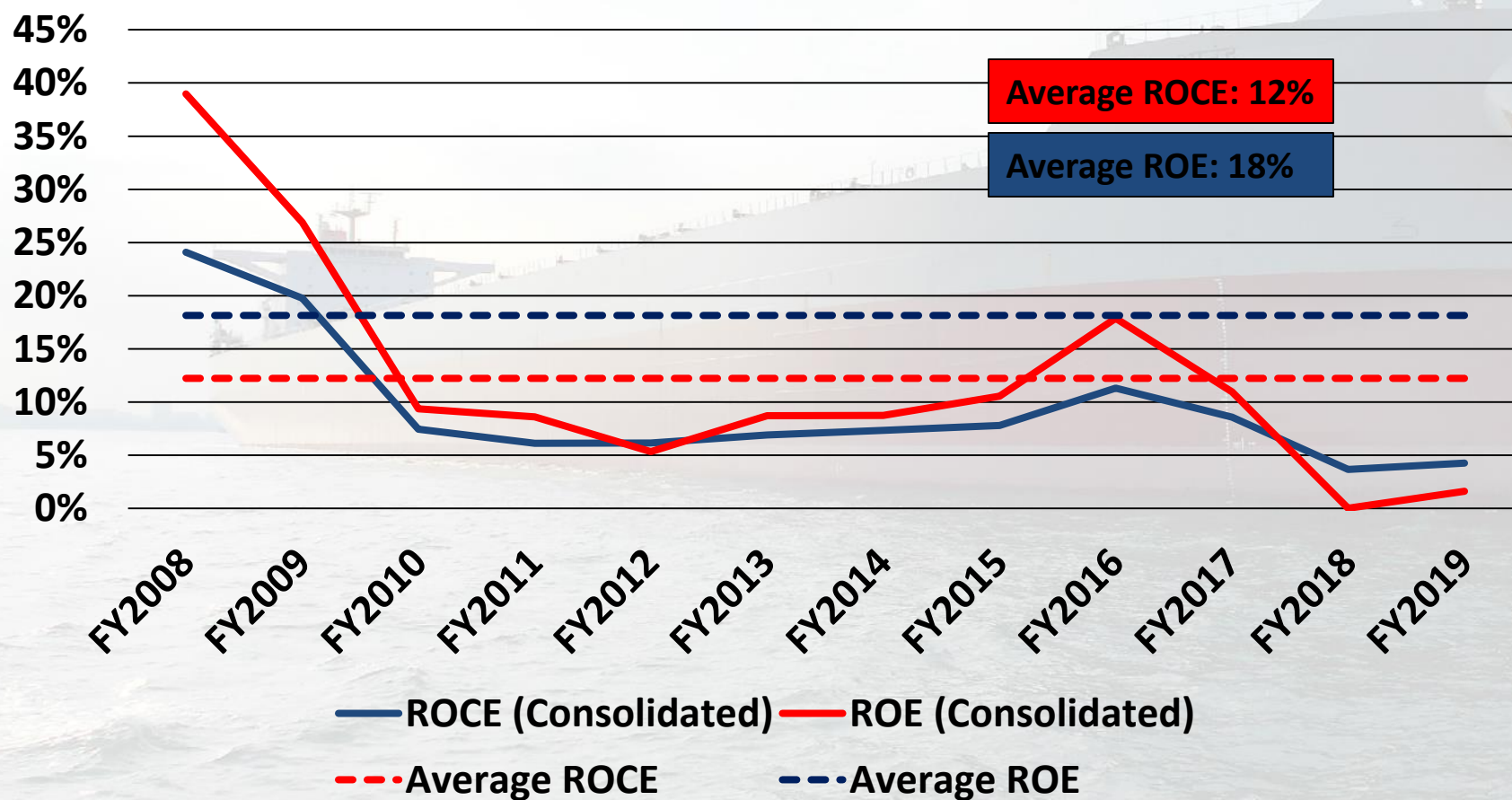
DIVIDEND/SHARE

(30+ YEARS CONTINUOUS DIVIDEND)

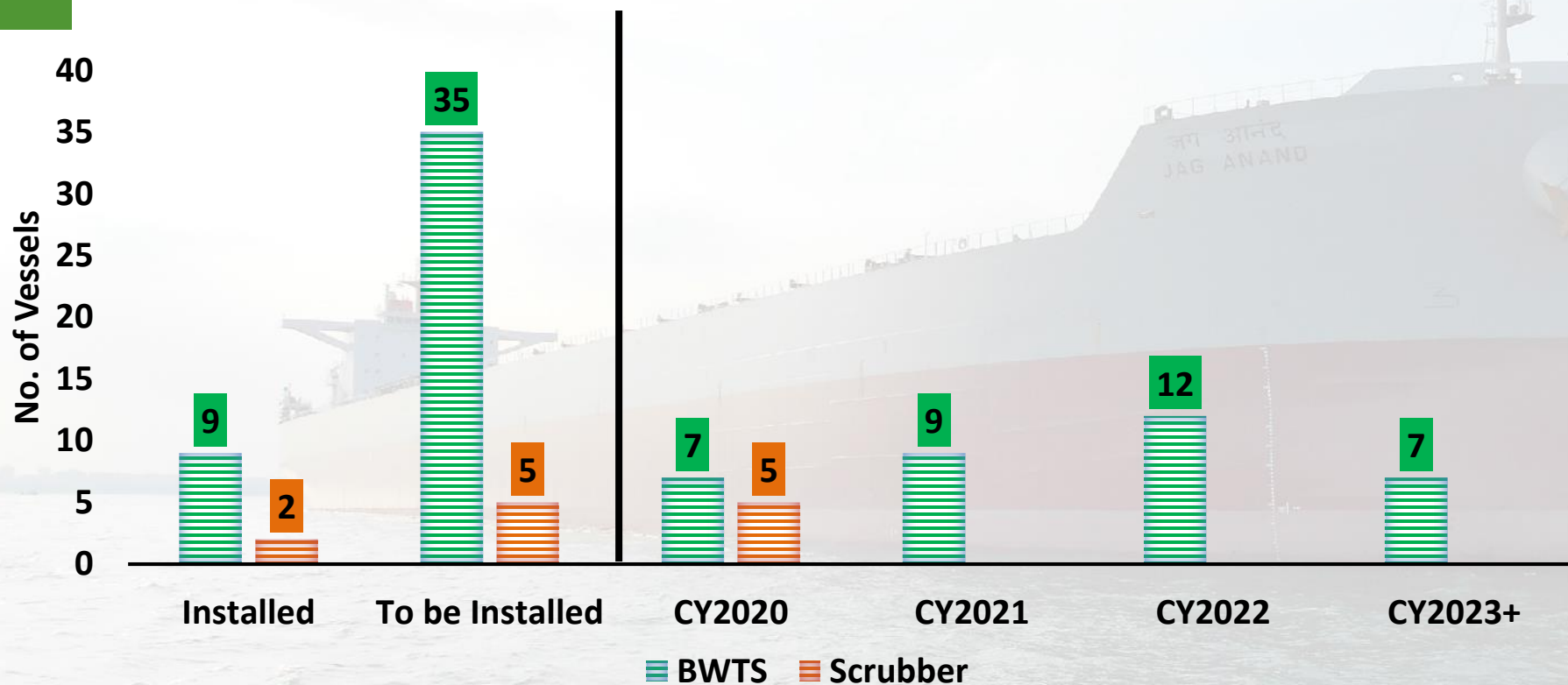
INR/Share



ROE & ROCE (CONSOLIDATED)



BWTS & SCRUBBER INSTALLATION SCHEDULE



- Total 9 Vessels have been fitted with BWTS and 35 vessels are scheduled to be installed with BWTS
- 2 Vessels have been fitted with Scrubbers and 5 Vessels are scheduled to be installed with Scrubbers in CY2020

SHIPPING MARKET



IMO REGULATIONS ON BALLAST WATER TREATMENT SYTEM

What is Ballast Water Treatment System(BWTS) IMO regulations?

1. Ballast water has to be taken onboard by ships for stability and can contain thousands of aquatic or marine microbes, plants and animals, which are then carried across the globe. Untreated ballast water released at the ship's destination could potentially introduce a new invasive marine species.
2. The International Convention for the Control and Management of Ships' Ballast Water and Sediments was adopted in 2004 to introduce global regulations to control the transfer of potentially invasive species. With the treaty in force from September 2019, ships need to manage their ballast water.
3. Under the Convention, all ships in international traffic are required to manage their ballast water to a certain standard which can be done by installing a Ballast Water Treatment system onboard.

4. The Compliance Date:

New Vessels	On delivery (post September 2019)
Existing Vessels	First scheduled drydocking after September 2019

IMO 2020

What is IMO 2020?

- 1) The International Maritime Organization (IMO) will require shipowners to reduce sulfur emissions from 3.5% currently to 0.5% starting 1st January, 2020.
- 2) There are two options for shipowners to comply with IMO 2020 sulfur regulations:
 - Installing a scrubber to enable the vessel to continue to burn High Sulfur Fuel Oil (HSFO)
 - Change to burning 0.5% compliant fuel which may be Very Low Sulfur Fuel Oil (VLSFO) or Marine Gas Oil (MGO)
- 3) HSFO market for bunker fuels is currently at 3.5-4 million barrels a day. Of which, approximately 2-2.5 million barrels a day may need to be replaced by MGO or VLSFO.
- 4) Scrubbers can cost \$2-\$5 million to install depending on the size of the ship.
- 5) Scrubber Economics favors larger vessels that consume more fuel and have trading patterns consisting of more time at sea.

IMO 2020

Type of Fuel	Sulfur Content	Composition	2020	Possible issues post 2020
HSFO	3.5%	Fuel oil from refinery	Scrubber Installed Vessels	Low Availability, Higher CAPEX for scrubbers
MGO	0.1%	Diesel from the refinery	Allowed including ECA Areas	Expensive
LSFO	0.5%	Blends HSFO with a straight run LSFO or other low sulfur intermediate refinery fuels	Allowed in Non-ECA areas. Currently being tested.	Compatibility, Stability, Standardization & Availability

KEY POINTS ON **TANKER MARKET**

Asset Prices

- VLCC 5 yr old asset prices increased about 15% Y-O-Y Q4CY19*
- Suezmax 5 yr old asset prices increased about 15% Y-O-Y Q4CY19*

Freight Rates

- BCTI averaged 60% over Q3CY19 & BDTI averaged 90% over Q3CY19 during Q4CY19

Crude Market

- U. S. production is up about 1.2 million barrels a day year-on-year, U. S. exports were up about 0.90 million barrels a day, whereas, imports have been down 1 million barrels a day year-on-year CY19.
- In CY2019 Y-O-Y, overall crude loadings were largely flattish with MEG loadings down by 1.2 million barrels a day offset by Atlantic Basin by about 0.9 million barrels a day.

Product Market

- In CY2019 Y-O-Y, overall trade growth for Core Refined Products was higher by 0.35 million barrels a day.
- This was largely driven by middle distillate trade growth within Asia Pacific which has been partially offset by negative trade growth from MEG.

LPG Market

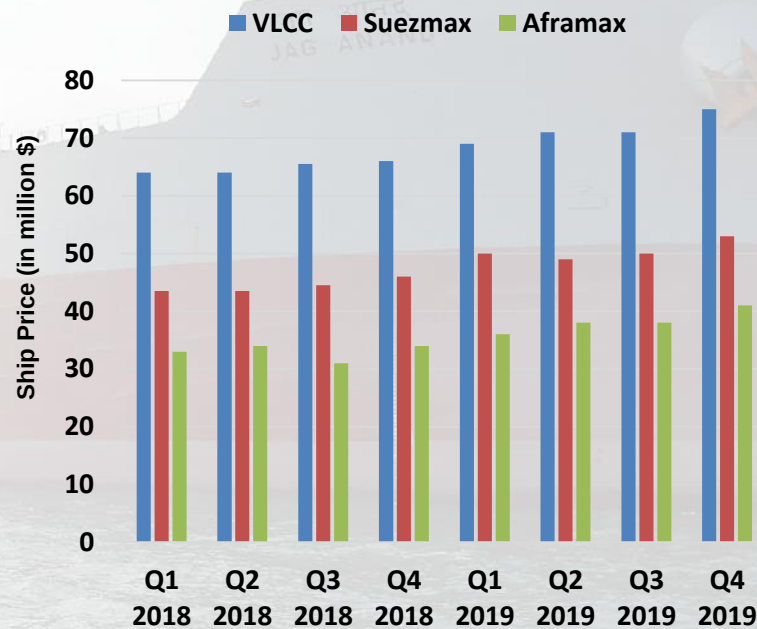
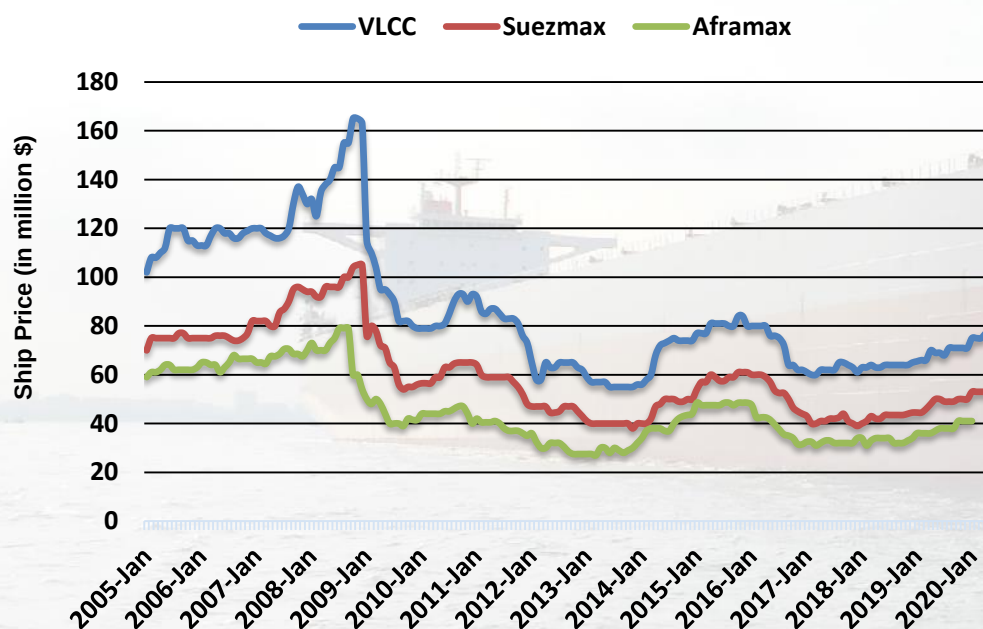
- US VLGC exports grew by 22% in Q4CY2019 Y-O-Y, due to trade arbitrage between US & Far East LPG Prices and increase in petchem demand in Asia
- Overall VLGC loadings is up by 10% Y-O-Y CY2019 largely driven by US. Fleet growth of 6% Y-O-Y. Baltic LPG index averaged US \$73/ton during Q4CY2019 up 73% Y-O-Y.

Fleet Growth

- Crude tankers net fleet growth in CY19 is 6%, product tankers net fleet growth is 4.5% and VLGC growth in net fleet is 6% sequentially

** 5 yr old prices in Q4CY2019 are for Eco Tankers whereas in Q4CY2018 for Non-Eco*

TANKERS – ASSET PRICE MOVEMENT (5-YEAR OLD)



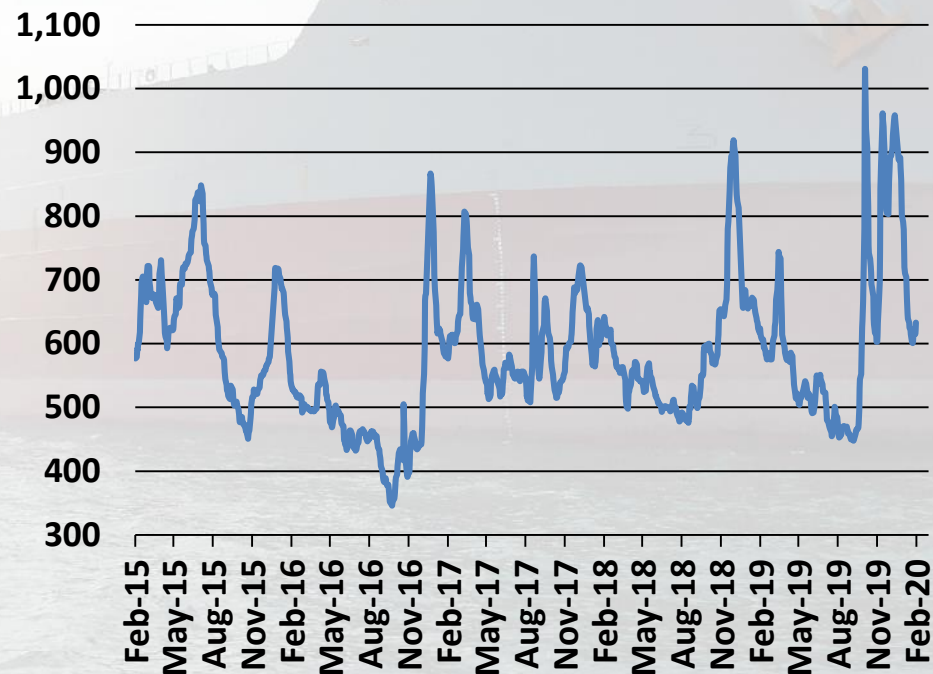
Wet Bulk asset prices has improved by 15% to 18% in Q4CY2019 Y-O-Y.

BALTIC DIRTY & CLEAN INDEX

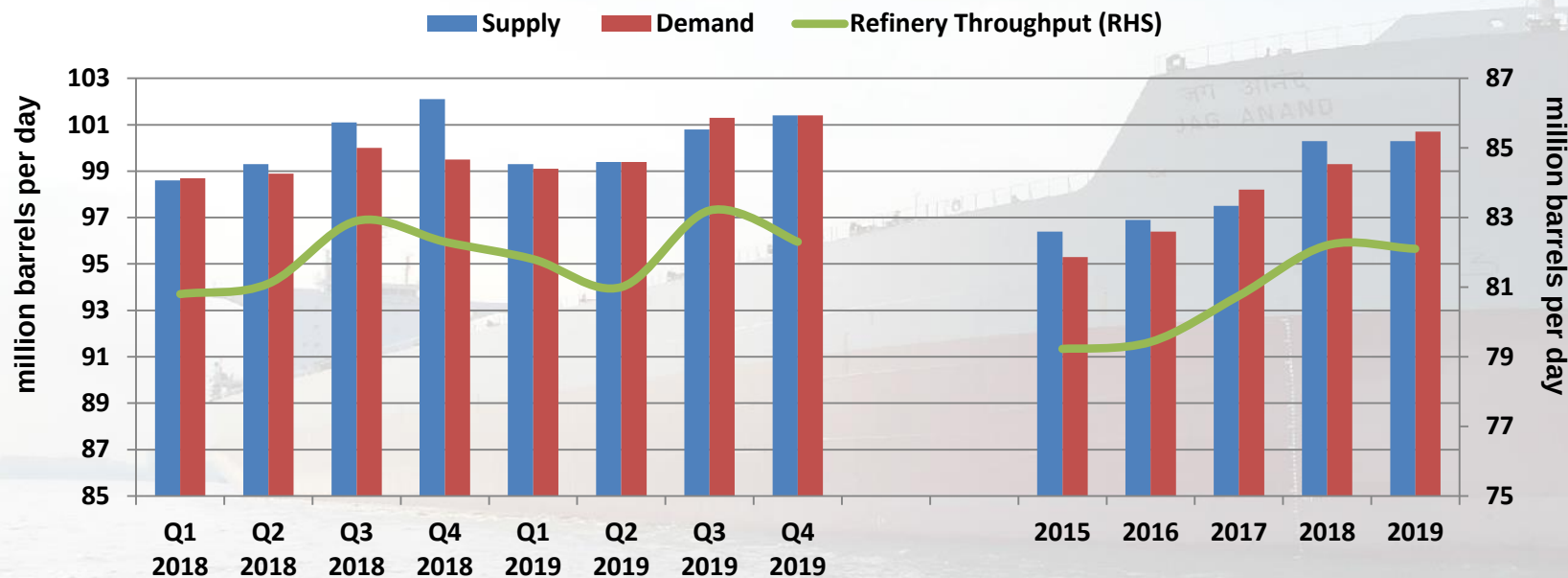
BALTIC DIRTY TANKER INDEX



BALTIC CLEAN TANKER INDEX

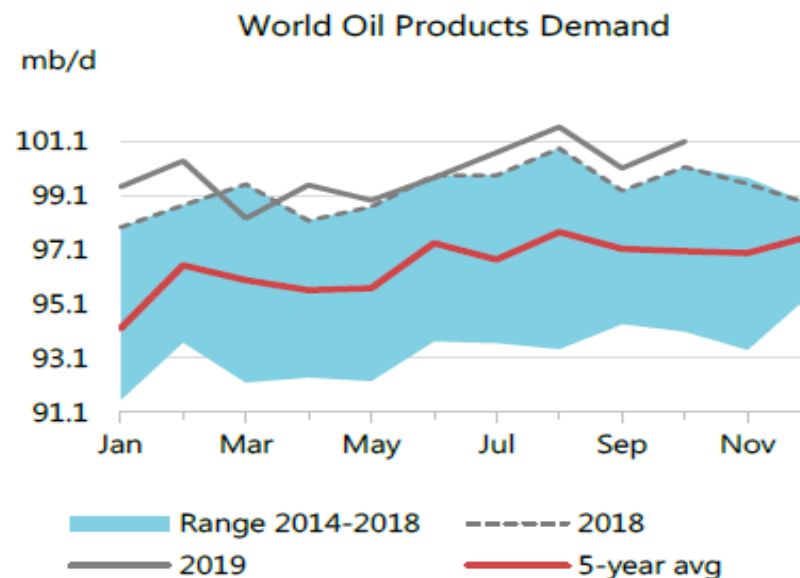
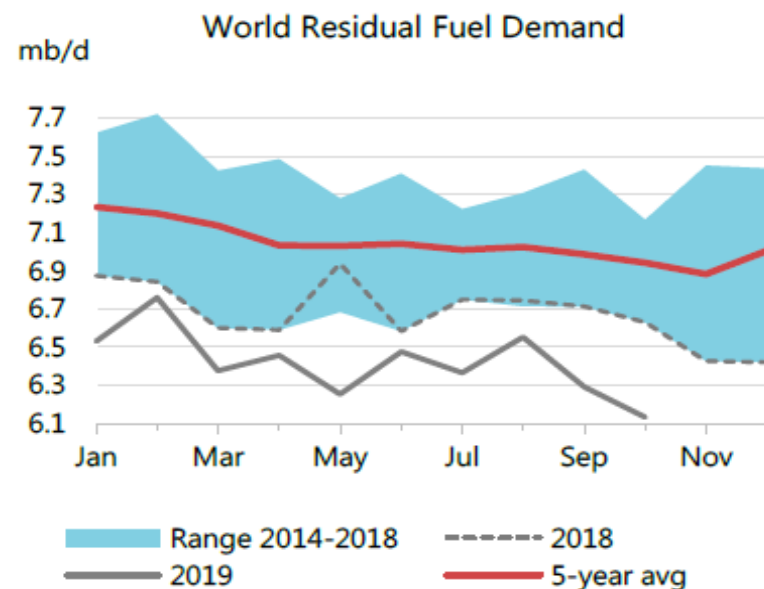


TOTAL OIL SUPPLY & DEMAND



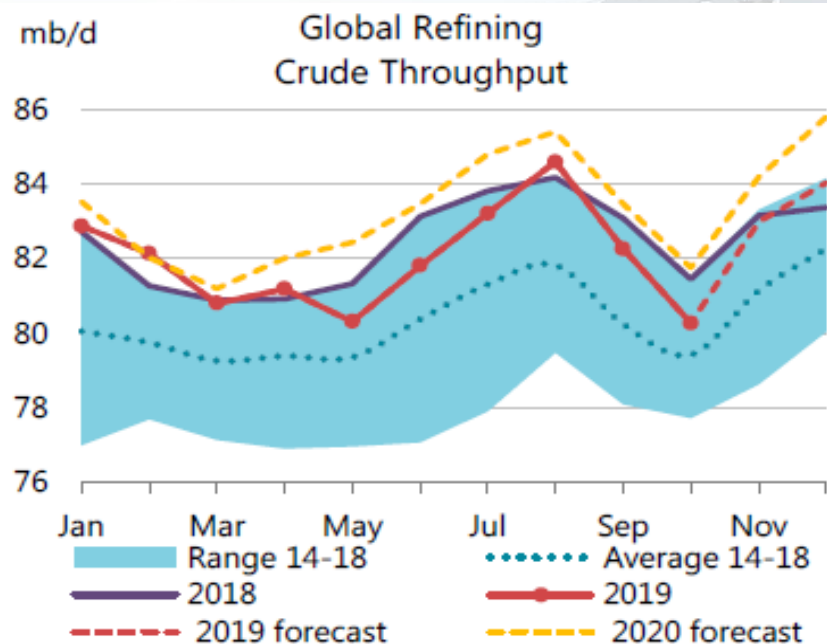
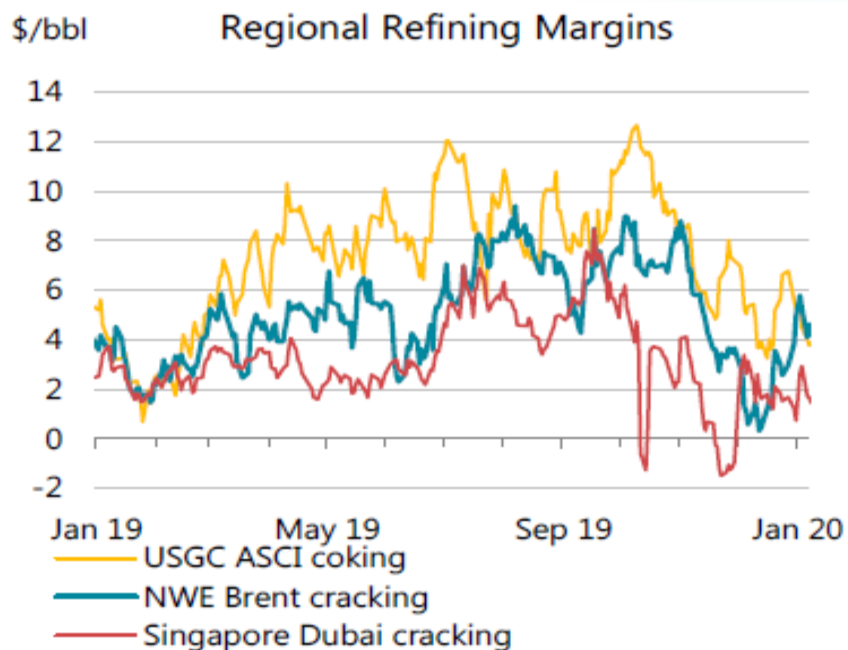
In Q4CY19 Y-O-Y, refinery throughput growth has been up by 0.2 mbd mainly due to Asian refineries' runs which grew by 1.3 mbd mostly offset by negative refinery runs' growth in other regions.

OIL PRODUCTS & RESIDUAL FUEL DEMAND GROWTH



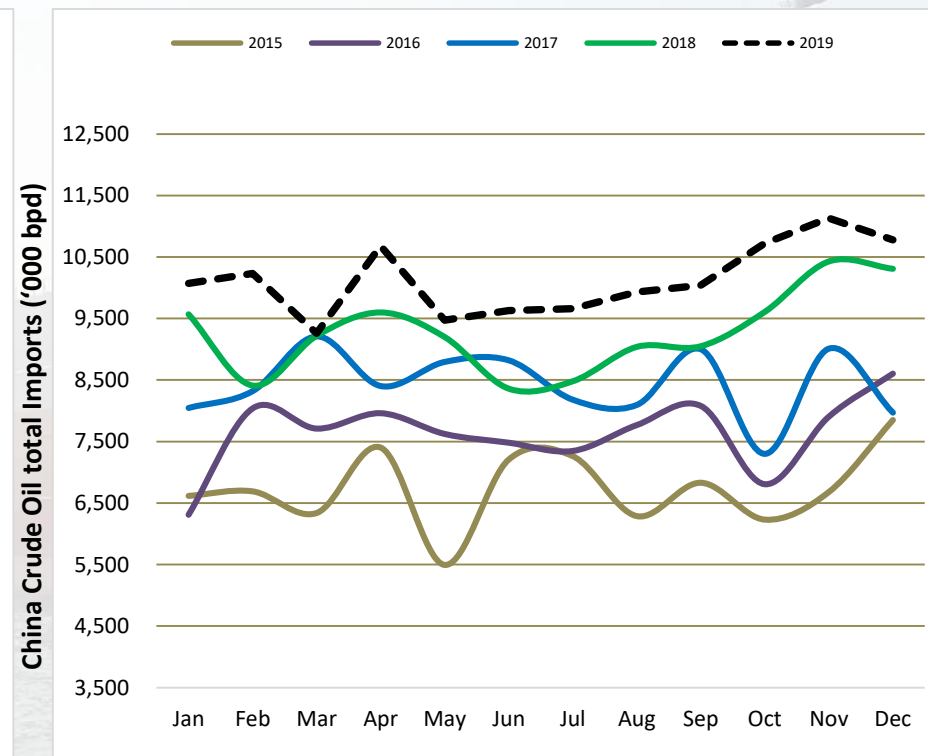
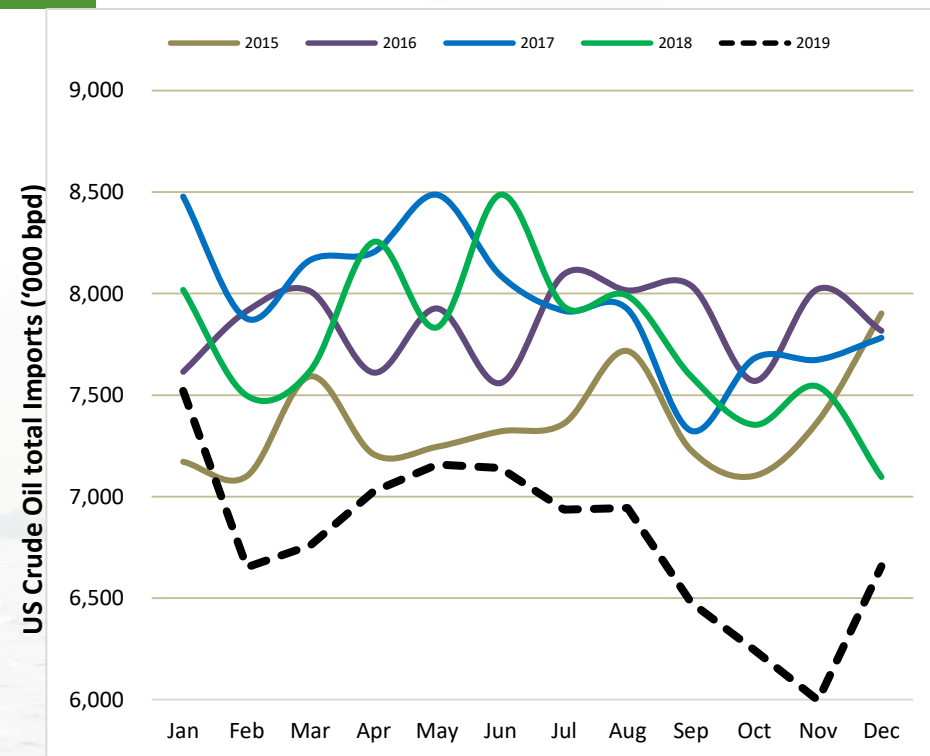
- In Q4CY2019, Core refined products demand growth was positive by approx. 0.6 Mn barrels a day largely due to demand growth in middle distillates.
- In Q4CY2019, Residual fuel demand growth was negative by approx. 0.5 Mn barrels a day.

REFINERY MARGINS



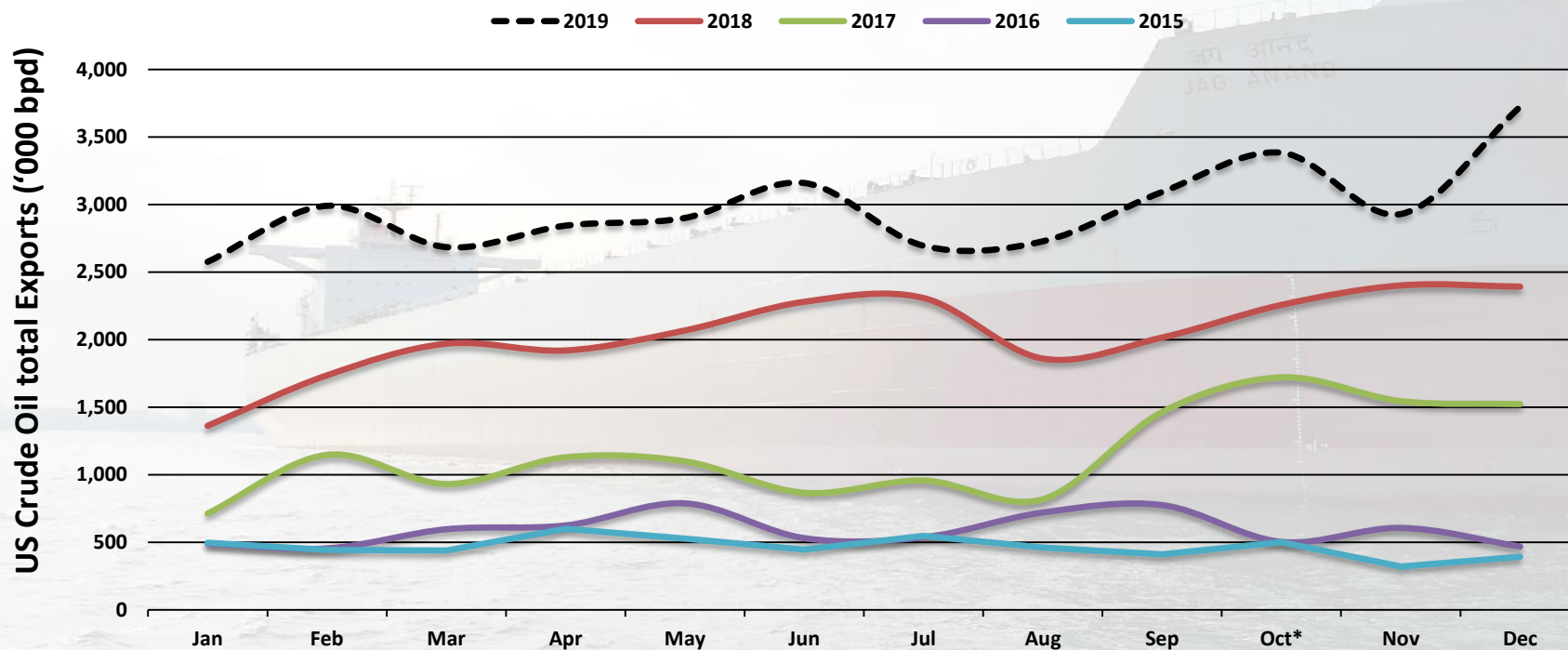
Refining Margins in Asia and Europe were negatively impacted due to sharp collapse in fuel oil cracks and new refining capacity additions. whereas in US it was stable.

CRUDE OIL IMPORTS (US & China)



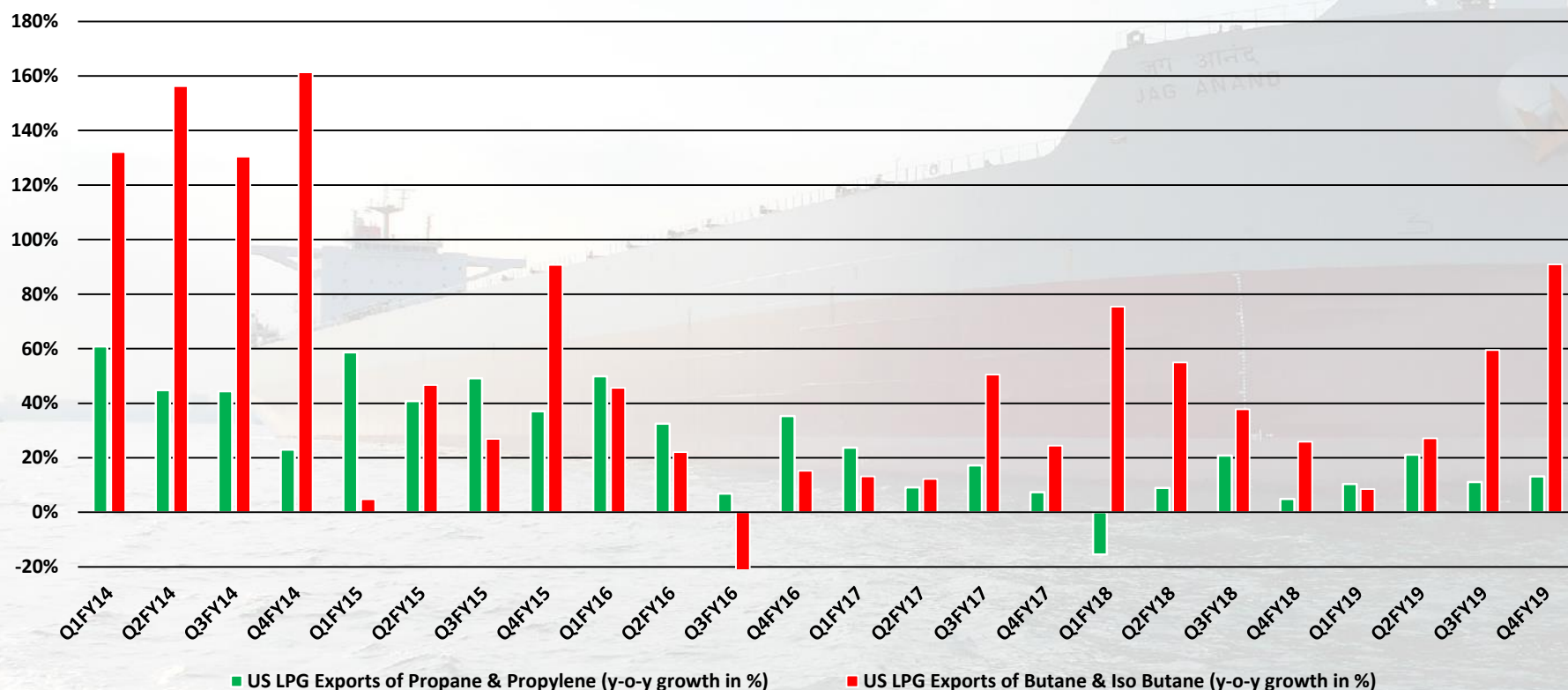
In CY2019, China imported 9% higher crude oil than CY2018 as new refineries were ramping up.

CRUDE OIL EXPORTS (US)



In CY2019, US exported 45% higher crude oil than CY2018

US LPG EXPORTS OF PROPANE, PROPYLENE, BUTANE & ISO BUTANE



US VLGC exports grew by 22% in Q4CY2019 Y-O-Y

WORLD FLEET GROWTH

CRUDE TANKERS

Tanker Fleet - mn Dwt	22-Jan-20	1-Jan-20	1-Jan-19	1-Jan-18	1-Jan-17
VLCC	248.20	247.33	227.42	225.10	213.80
Suezmax	85.20	85.00	81.86	80.60	74.60
Aframax	70.50	70.13	67.07	67.20	66.40
Total (80k+)*	409.53	408.06	381.69	378.90	355.00

**Includes panamax crude tankers*

Order Book (mn Dwt)	2020	2021	2022+	Total
Orderbook as % of current fleet	4.4%	3.7%	0.9%	8.9%

Slippage (CY2019)	About 0-5%
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WORLD FLEET GROWTH

PRODUCT TANKERS & VLGC

Product Fleet - mn Dwt	22-Jan-20	1-Jan-20	1-Jan-19	1-Jan-18
LR2	40.90	40.7	37.9	36.60
LR1	28.10	27.9	26.9	26.51
MR/Handy (35k+)	87.20	86.8	83.3	82.40
Total (35k+)*	159.51	158.65	150.93	147.61

*Suezmax Product Tankers included

Order Book(mn Dwt)	2020	2021	2022+	Total
<i>Orderbook as % of current fleet</i>	3.2%	2.5%	0.5%	6.3%

Slippage Product (CY2019)	About 0-5%
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Fleet - No. of Vessels	22-Jan-20	1-Jan-20	1-Jan-19
VLGC	286	282	265

Order Book (No. of Vessels)	2020	2021	2022+	Total
<i>Orderbook as % of current fleet</i>	6.3%	5.2%	2.1%	13.6%

KEY POINTS ON DRY BULK MARKETS

Asset Prices

- Capesize 5 yr old asset prices were down 20% in Q4CY2019 Y-O-Y
- Panamax & Supramax 5 yr old asset prices were flat to marginally up in Q4CY2019 Y-O-Y

Freight Rates

- BDI hits 411 on 10-Feb-20, 80% down from multi year high of 2,518 on 04-Sep-19
- In Q4CY2019, BDI averaged 23% below Q3CY19

Coal Market

- China total coal imports for CY2019 have risen by 6.8% Y-O-Y. Indian coal imports have risen 5.5% Y-O-Y in CY2019

Iron Ore

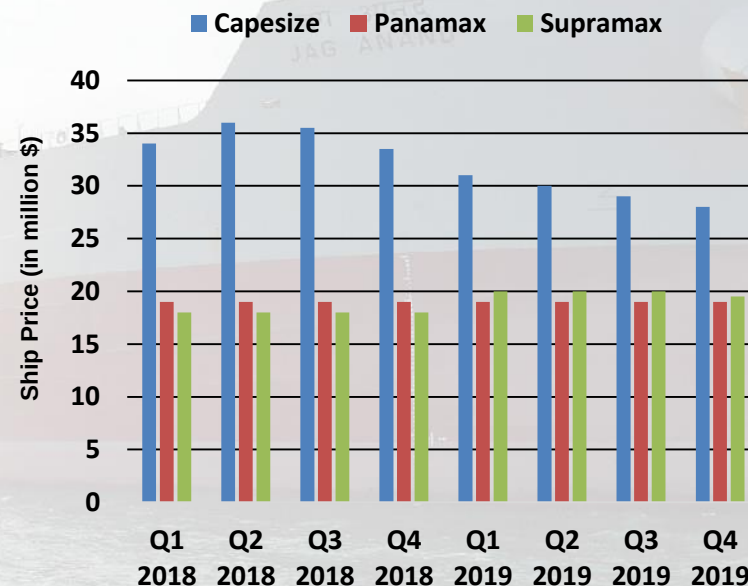
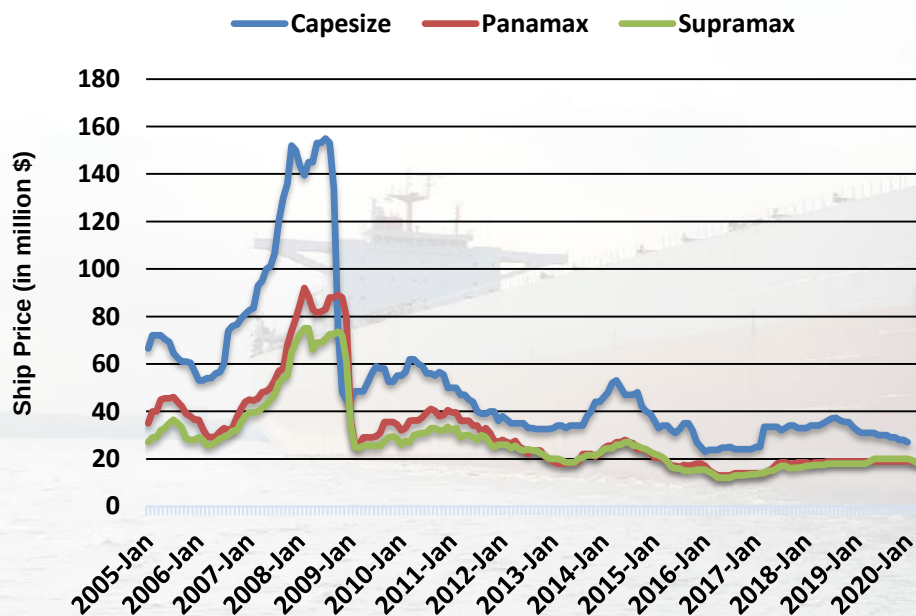
- China's Iron Ore imports increased by 0.5% in CY2019 Y-O-Y

Fleet Growth

- Dry Bulk net fleet growth in CY2019 was about 4% sequentially.

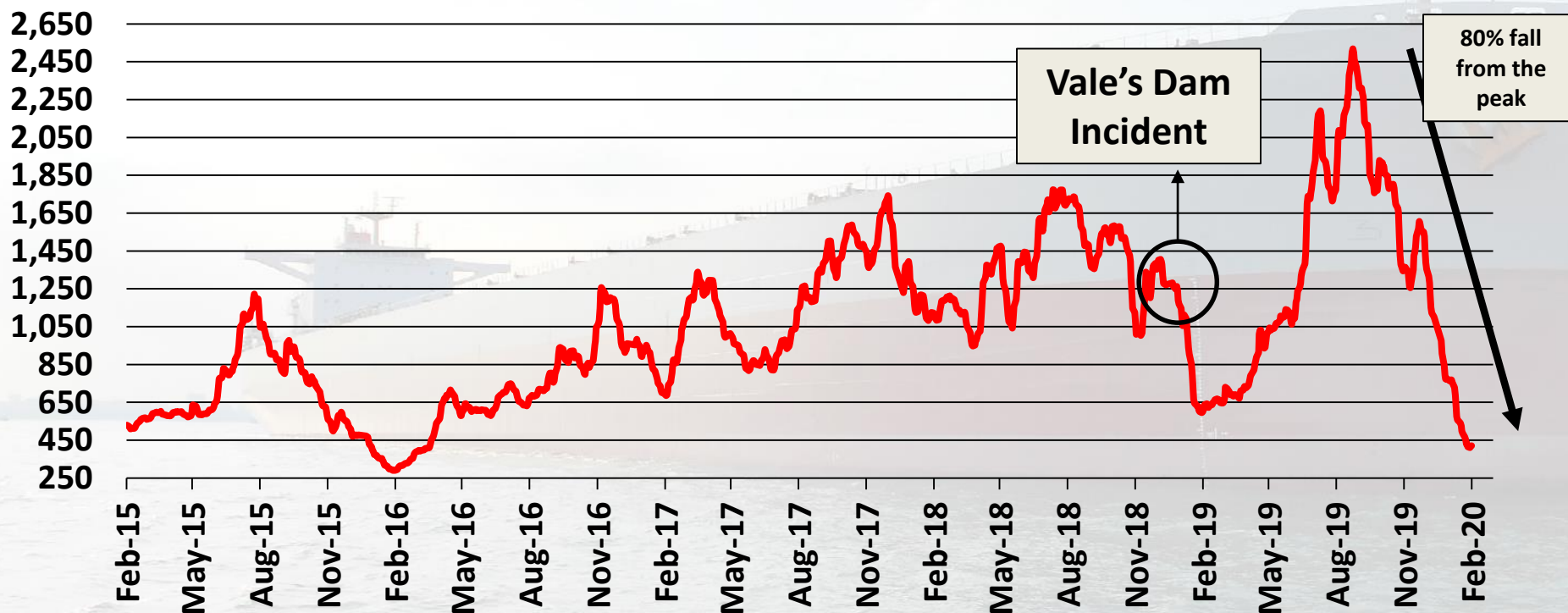
BULKER ASSET PRICES

5-YEAR OLD



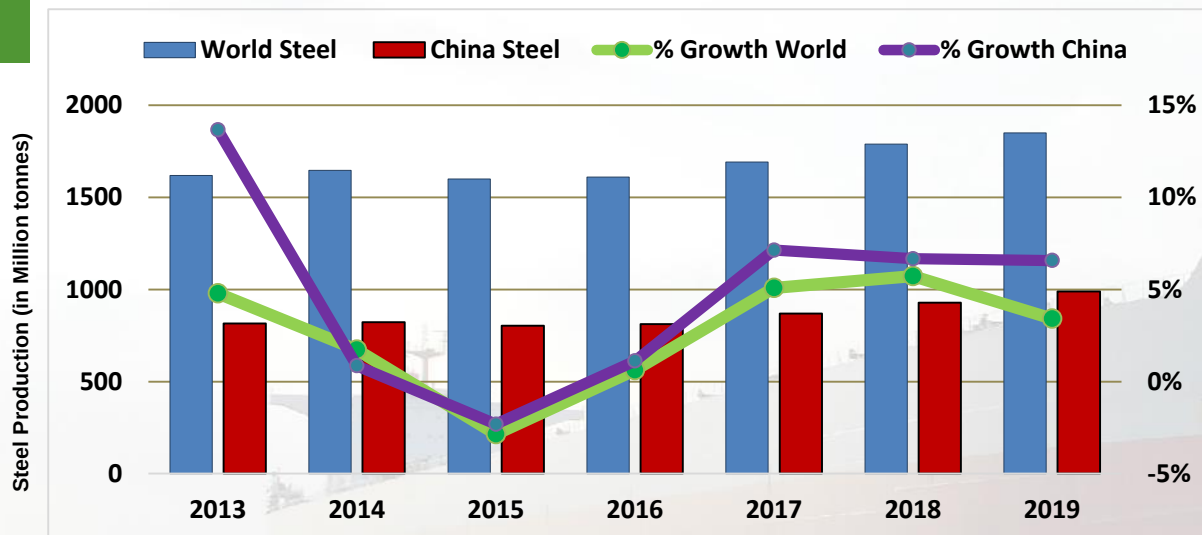
Capesize asset prices were down 20% in Q4CY2019 Y-O-Y. Panamax asset prices were flat Q4CY2019 Y-O-Y while Supramax asset prices were up 10% in Q4CY2019 Y-O-Y.

BALTIC DRY INDEX

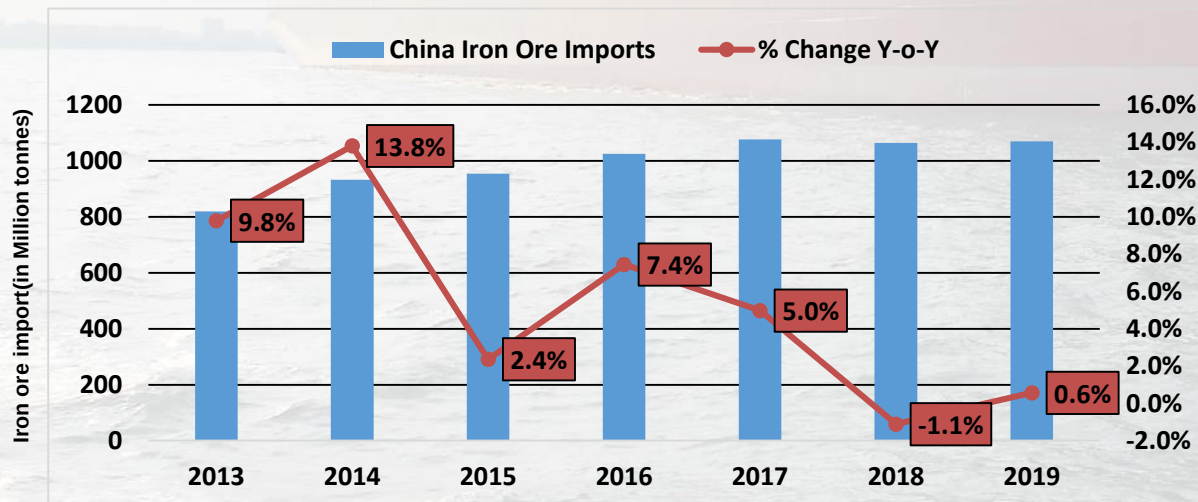


Baltic Dry Index hit multi year low of 411 since March 2016. The fall is 80% from multi year high of 2,518 on 4th September 2019.

CHINA IRON ORE & STEEL PRODUCTION



**China Steel Production
increased 7% in CY2019
Y-O-Y**

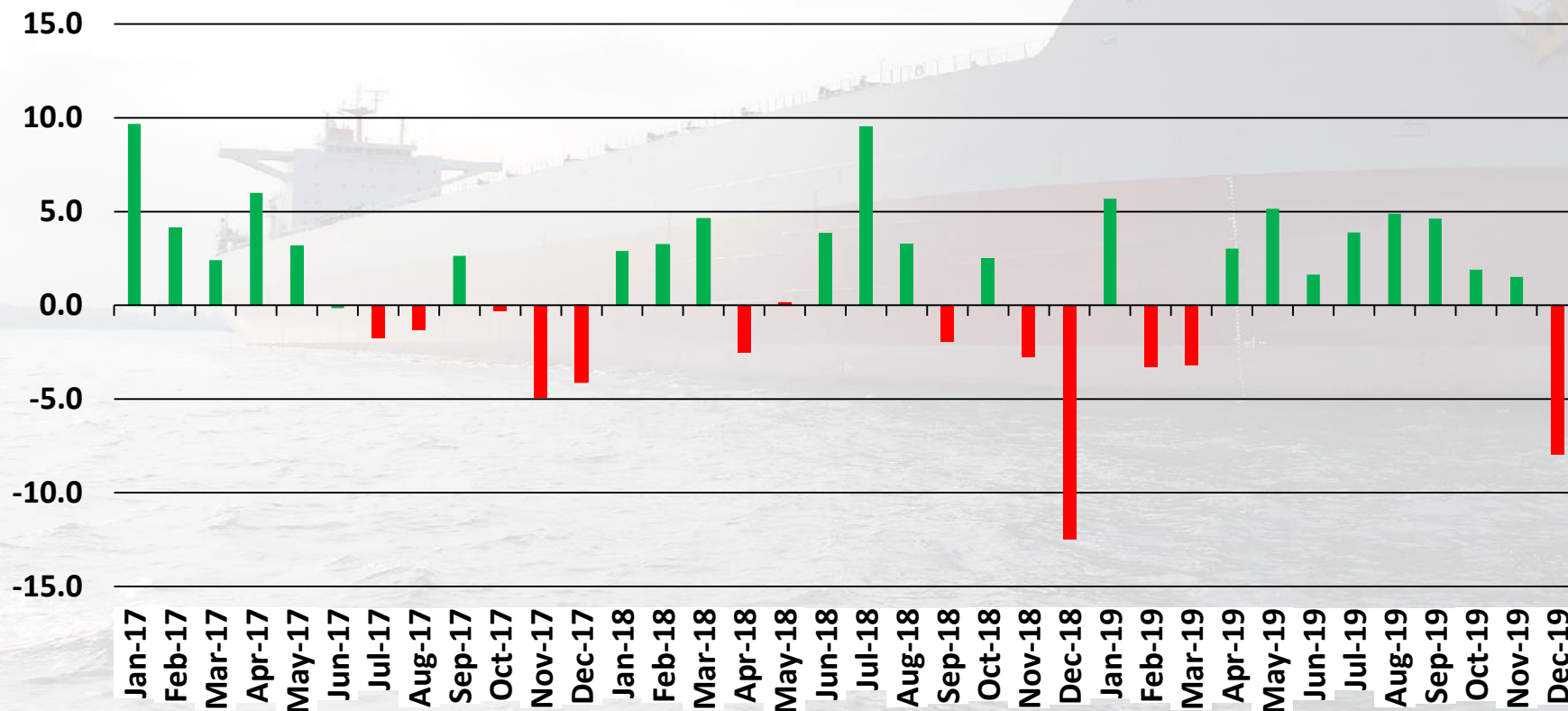


**China's iron ore import
was flat in CY2019
Y-O-Y**

CHINA COAL IMPORTS

China coal imports change (Y-O-Y)

Mn Tonnes



WORLD FLEET GROWTH

DRY BULK

Fleet - Mn Dwt	22-Jan-20	1-Jan-20	1-Jan-19	1-Jan-18
Capesize	350	348	335	324
Panamax	218	218	207	202
Handymax	209	208	201	196
Handysize	105	100	98	96
Total	882	875	841	818

Orderbook (mn Dwt)	2019	2020	2021	2022+	Total
Orderbook (%Fleet)	5.8%	3.0%	0.5%	0.0%	9.3%

Slippage (CY2019)	About 0-5%
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SCRAPPING

Vessel Category	Fleet (mn Dwt)	Scrapping (% of beginning world fleet)					
	22 Jan 20	2019	2018	2017	2016	2015	2014
Crude	409.53	0.61%	4.62%	2.35%	0.35%	0.23%	1.60%
Product	159.51	0.43%	1.64%	1.42%	0.62%	0.61%	1.19%
Dry Bulk	882.10	0.92%	0.54%	1.77%	3.67%	4.03%	2.25%

Scrapping was low for all the sectors in CY2019

**Greatship (India)
Limited**
(a 100% subsidiary)



OFFSHORE BUSINESS FLEET PROFILE

Fleet Utilization

Current Owned Fleet Type	Fleet Count
Jack Up Rigs (350ft)	4
Platform Supply Vessels (PSV)	4
Anchor Handling Tug cum Supply Vessels (AHTSV)	8
Multipurpose Platform Supply and Support Vessels (MPSSV)	2
Platform / ROV Support Vessels (ROVSV)	5

Category	Extent of coverage of fleet's operating days (FY20)
PSV	93%
ROVSV	100%
AHTSV	96%
MPSSV	60%
Jackup Rigs	93%

As on 31st December 2019

KEY POINTS ON E&P MARKETS

CY2019

Day Rates

- Charter rates and utilization have started to pickup from the lows in many geographies. We have seen this impact in Indian market as well.

Fleet Growth

- Rigs: Total fleet remains broadly same compared to last quarter and over one year.
- OSV's: Total fleet remains broadly same compared to last quarter however, there is a decline of about 1.15% over one year. .

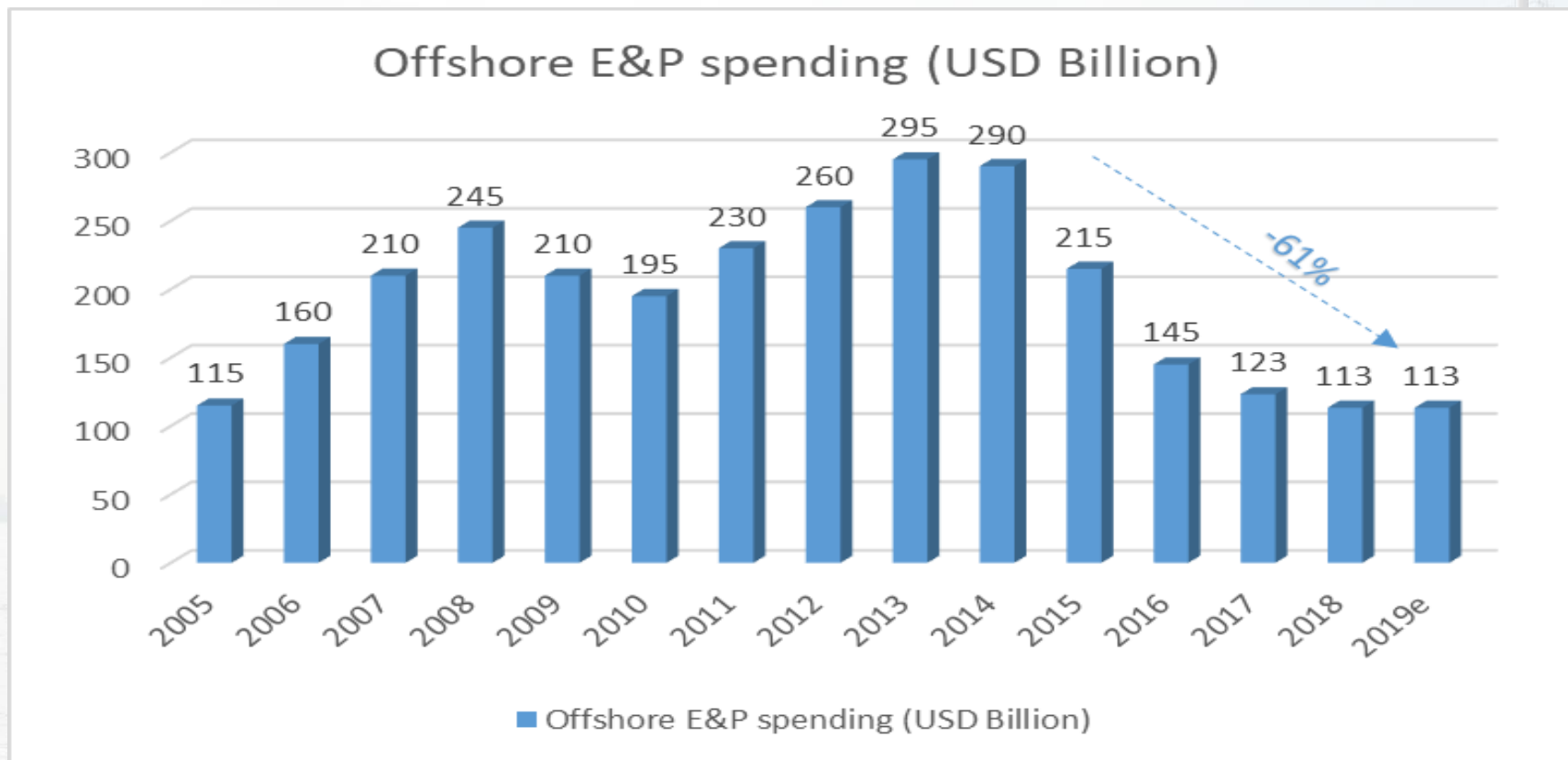
Fleet Utilization

- Rigs: 60-70% (Term) (Increased by about 7% over last 1 year)
- Vessels: 40-50% (Term) (Increased by about 3% over last 1 year)

Slippage

- OSVs: 80%-90%(CY2019)
- Rigs: 50% - 60%(CY2019)

OFFSHORE E&P SPENDING



The E&P spending after declining marginally in 2018 is expected to remain flattish in 2019.

GLOBAL FLEET SUPPLY

OFFSHORE

Fleet & Orderbook

Number	Jackup Rigs	AHTSVs	PSV
Current Fleet	525	1997	1615
Orderbook	49	68	115
<i>O/B to current fleet</i>	9.33%	3.41%	7.12%

- CY2019 actual deliveries have been far lower than scheduled. Due to bleak employment scenario owners have refrained from taking delivery. Going forward slippage is expected to remain high. About 40% of Jackup rig fleet is currently 25 years and above.
- The activity has started to pick up in the OSV space and we have seen improvement in the charter rates. Similarly, for Jackups, activity has improved and we have seen recent tenders being awarded at a significantly higher rate.
- In case of PSVs and AHTSVs more than half the fleet is either idle/stacked or working in spot market at a very low utilization.

FINANCIAL RESULTS

Q3 FY 2019-20

FINANCIAL HIGHLIGHTS

GE Shipping Q3FY20 consolidated **Net Profit at Rs. 330.71 Crores**

Standalone			Key Figures	Consolidated		
Q3FY20	Q3FY19	9M'FY20	(Amount in Rs. Crs)	Q3FY20	Q3FY19	9M'FY20
			Income Statement			
941.88	749.39	2252.23	Revenue (including other income)	1170.83	1036.47	2897.68
536.08	496.50	920.99	EBITDA (including other income)	637.87	675.15	1220.43
448.73	311.14	773.12	#EBITDA (including other income)	546.88	432.03	1056.10
338.70	264.01	293.24	Net Profit	330.71	298.63	257.82
			Balance Sheet			
9757.95	10608.10	9757.95	Total Assets	13529.24	14700.45	13529.24
5144.51	4909.66	5144.51	Equity	6900.13	6648.70	6900.13
3557.13	4341.84	3557.13	Total Debt (Gross)	5190.69	6311.75	5190.69
1576.35	1854.45	1576.35	Long Term Debt (Net of Cash)	2031.04	2535.46	2031.04
			Cash Flow**			
368.13	188.48	798.87	From operating activities	494.74	343.05	1076.09
39.94	116.34	100.05	From investing activities	95.43	110.45	148.41
(315.95)	(258.95)	(1249.40)	From financing activities	(434.29)	(336.29)	(1636.14)
92.12	45.87	(350.48)	Net cash inflow/(outflow)	155.88	117.21	(411.64)

Excluding Unrealized Gains/Losses on Derivatives and Foreign Exchange

FINANCIAL HIGHLIGHTS

Standalone			Key Figures	Consolidated		
Q3FY20	Q3FY19	9M'FY20		Q3FY20	Q3FY19	9M'FY20
			Key financial figures			
56.92%	66.25%	40.89%	EBITDA Margin	54.48%	65.14%	42.12%
20.64%	6.84%	4.28%	*#Return on Equity (ROE)	15.43%	4.63%	3.02%
15.34%	7.53%	6.01%	*#Return on Capital Employed (ROCE)	12.23%	6.47%	5.42%
0.69	0.88	0.69	Gross Debt/Equity Ratio	0.75	1.95	0.75
0.31	0.38	0.31	Net Debt/Equity Ratio	0.29	0.38	0.29
71.16	72.11	70.21	Average Exchange rate USD/INR	71.16	72.11	70.21
71.38	69.77	71.38	End of Period Exchange rate USD/INR	71.38	69.77	71.38
			Share related figures(in Rs.)			
22.98	17.51	19.66	Earnings per share, EPS	22.44	19.81	17.28
22.94	17.48	19.62	Diluted earnings per share	22.40	19.77	17.25
25.71	14.16	35.92	Cash Profit per share	30.43	18.14	48.87
-	-	-	Dividend per share	-	-	-

Excluding Unrealized Gains/Losses on Derivatives and Foreign Exchange

*Annualized figures

** Non GAAP Measures and Placement of Bank deposits and sale and purchase of Mutual Funds are not considered in Cash flow as they are considered as cash and cash equivalent

FINANCIAL HIGHLIGHTS

Breakup of Revenue Days

Revenue Days	Q3 FY20	Q3 FY19
Owned Tonnage	4,227	4,210
Inchartered Tonnage	-	16
Total Revenue Days	4,227	4,226
Total Owned Tonnage (mn.dwt)	3.70	3.90

Average TCY Details

Average (TCY \$ per day)	Q3'FY20	Q3'FY19	% Change
Crude Carriers	38,853	21,053	85%
Product Carriers	18,555	14,135	31%
LPG Carriers	22,847	18,682	22%
Dry Bulk	12,908	14,571	-11%

Mix of Spot & Time

Days (in %)	Q3'FY20	Q3'FY19
<u>Dry Bulk</u>		
Spot %	84%	93%
Time %	16%	07%
<u>Tankers</u>		
Spot %	71%	85%
Time %	29%	15%
<u>Total</u>		
Spot %	74%	87%
Time %	26%	13%

THANK YOU

THANK YOU

visit us at www.greatship.com