

**THE GREAT EASTERN
SHIPPING COMPANY LIMITED**
CIN: L35110MH1948PLC006472



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Our Ref.: S/2022/JMT

November 12, 2022

BSE Limited

1st Floor, Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

National Stock Exchange of India Limited

Exchange Plaza, 5th Floor, Plot No. C/1,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051

BSE Scrip code: **500620**

Trading Symbol - **GESHIP**

Dear Sir,

We enclose herewith Investor Presentation pertaining to the Financial Results for the quarter and half year ended September 30, 2022.

You are requested to take note of the above.

Thanking You,
Yours faithfully,

For The Great Eastern Shipping Co. Ltd.

Jayesh M. Trivedi

President (SecI. & Legal) & Company Secretary

Email Id : jayesh_trivedi@greatship.com

Q2 & H1 FY23 Earnings Presentation 14 November 2022



THE GREAT EASTERN
SHIPPING CO. LTD.

DISCLAIMER

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.

H1FY23 HIGHLIGHTS

- Highest ever half yearly profits for our company
- Highest ever Net Asset Value (both Standalone and Consolidated)
- First time ever: Balance sheet to have more cash than debt

REPORTED HIGHLIGHTS

- GE Shipping H1FY23 consolidated Net Profit at INR 1,226 Cr
- Declared 2nd interim dividend of INR 7.20/Share for FY2023

	Standalone			Consolidated		
	Q2	Q2	H1	Q2	Q2	H1
Fig in INR Crores	FY23	FY22	FY23	FY23	FY22	FY23
Income Statement						
Revenue*	1,402	788	2,567	1,700	953	3,098
EBITDA*	878	461	1,494	1,046	501	1,769
Net Profit	688	273	1,116	769	223	1,226
Balance Sheet						
Total Assets	11,757	10,845	11,757	14,993	13,947	14,993
Equity	7,500	6,356	7,500	9,134	7,838	9,134
Gross Debt	3,014	3,550	3,014	4,204	4,794	4,204
Net Debt	(812)	544	(812)	(575)	976	(575)
Cash Flows						
- From Operating Activities	745	294	1,191	927	336	1,400
- From Investing Activities	166	39	142	118	5	84
- From Financing Activities	(286)	(254)	(694)	(354)	(303)	(814)
Net Cash Inflow/Outflow	625	79	639	691	38	670

* Including Other Income

NORMALISED FINANCIALS

- The impact of the exchange rate on foreign currency loans and current assets and liabilities, including cash and bank balances, has been removed
- NCD & Currency Swap:
 - Funds raised through NCDs have been swapped into USD using INR-FCY swaps, thus creating synthetic fixed rate USD loans.
 - The MTM change of these swaps impacts the reported numbers.
 - Normalized numbers are worked out after making necessary adjustments to reported numbers to reflect the effective cost of the synthetic USD loans.

NORMALISED FINANCIAL HIGHLIGHTS

- GE Shipping H1FY23 consolidated Net Profit at INR 1,240 Cr
- Declared 2nd interim dividend of INR 7.20/Share for FY2023

	Standalone			Consolidated		
	Q2	Q2	H1	Q2	Q2	H1
Fig in INR Crores	FY23	FY22	FY23	FY23	FY22	FY23
Income Statement						
Revenue*	1,402	788	2,567	1,700	953	3,098
EBITDA*	838	413	1,450	969	441	1,690
Net Profit	680	249	1,145	731	206	1,240
Balance Sheet						
Total Assets	11,757	10,845	11,757	14,993	13,947	14,993
Equity	7,500	6,356	7,500	9,134	7,838	9,134
Gross Debt	3,633	3,910	3,633	4,823	5,153	4,823
Net Debt	(193)	903	(193)	44	1,336	44

* Including Other Income

NORMALISED FINANCIAL HIGHLIGHTS

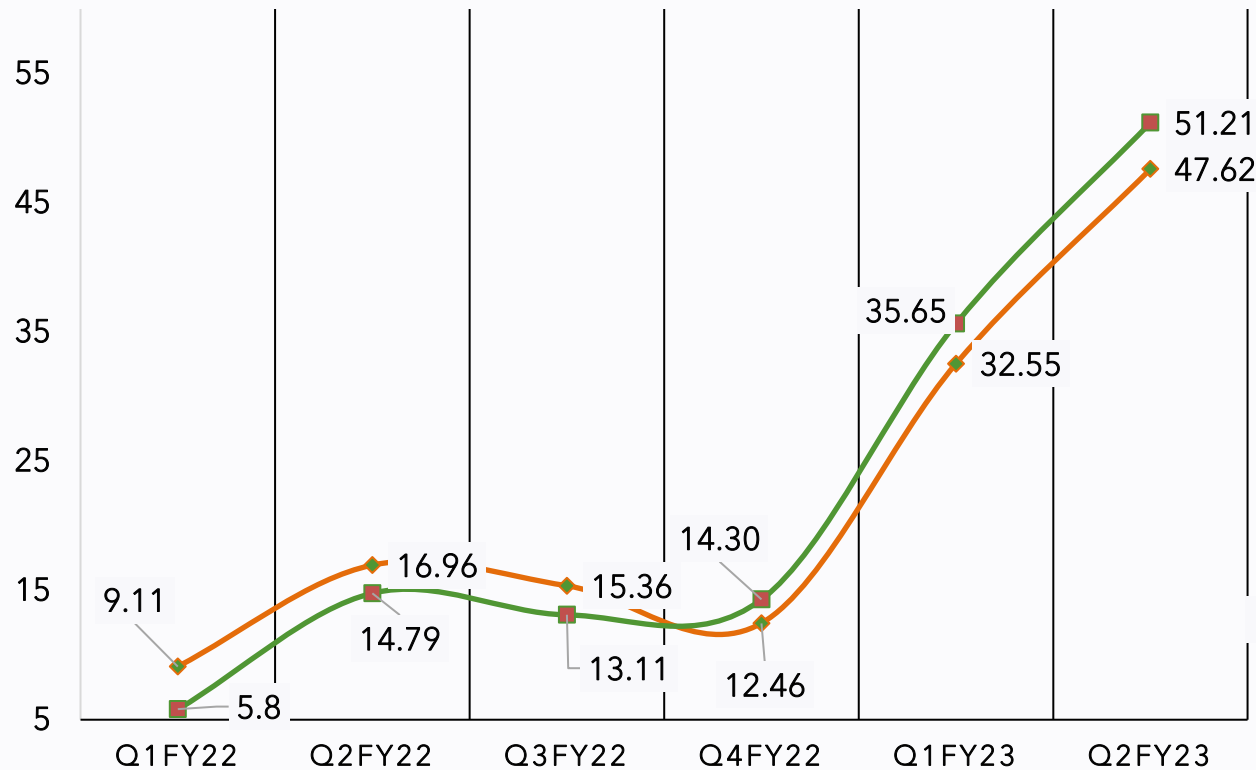
	Standalone			Consolidated		
	Q2 FY23	Q2 FY22	H1 FY23	Q2 FY23	Q2 FY22	H1 FY23
Key Financial Figure						
Return on Equity (ROE%)**	38%	16%	33%	33%	11%	29%
Return on Capital Employed (ROCE%)**	26%	11%	22%	23%	8%	20%
Gross Debt/Equity (x)	0.48	0.62	0.48	0.53	0.66	0.53
Net Debt/Equity (x)	(0.03)	0.14	(0.03)	0.00	0.17	0.00
Earnings Per Share (EPS - INR/Share)	47.62	16.96	80.17	51.21	14.02	86.86
Cash Profit Per Share (INR/Share)	55.65	24.96	96.20	63.89	27.07	112.09
Dividend Per Share (INR/Share)	7.20	4.50	12.60	7.20	4.50	12.60
Net Asset Value Per Share (INR/Share)	809	569	809	901-968	594-643	901-968

***Annualised*

NORMALISED FINANCIALS - KEY RATIOS

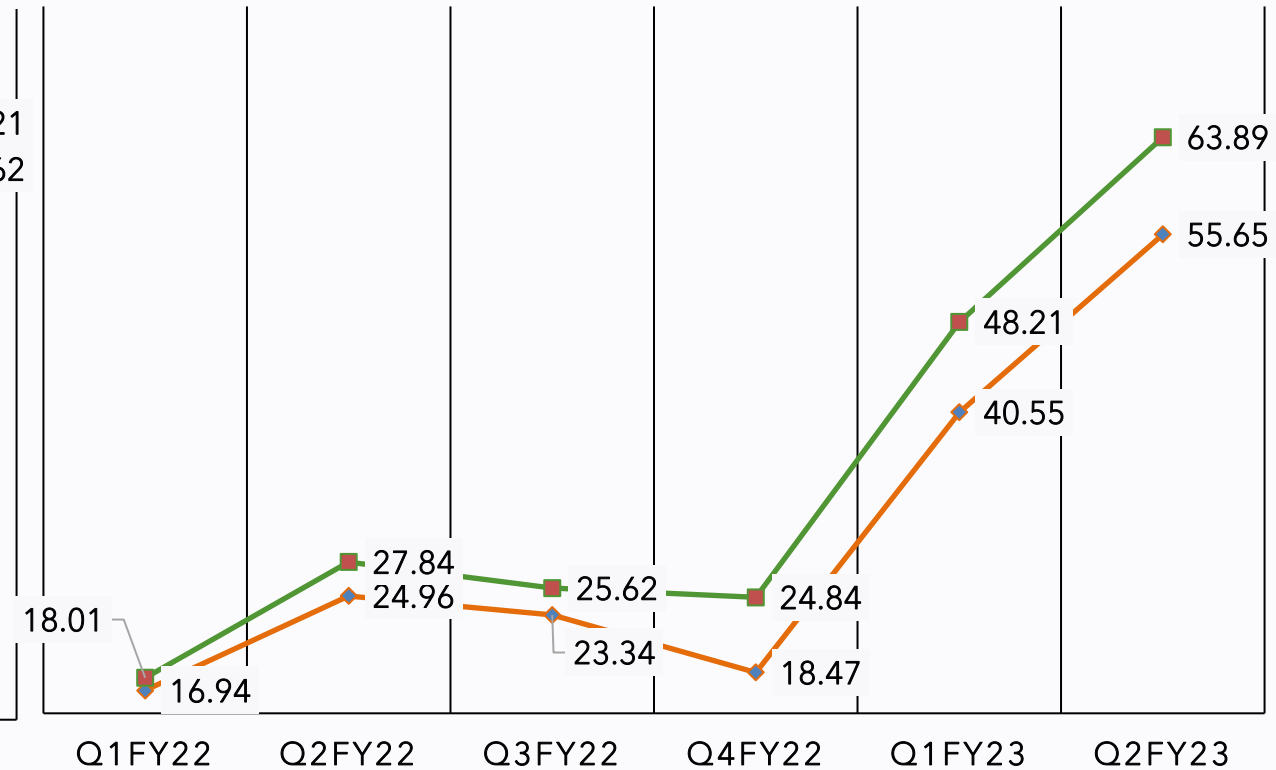
Earnings per Share (INR/Share)

—◆— Standalone —■— Consolidated

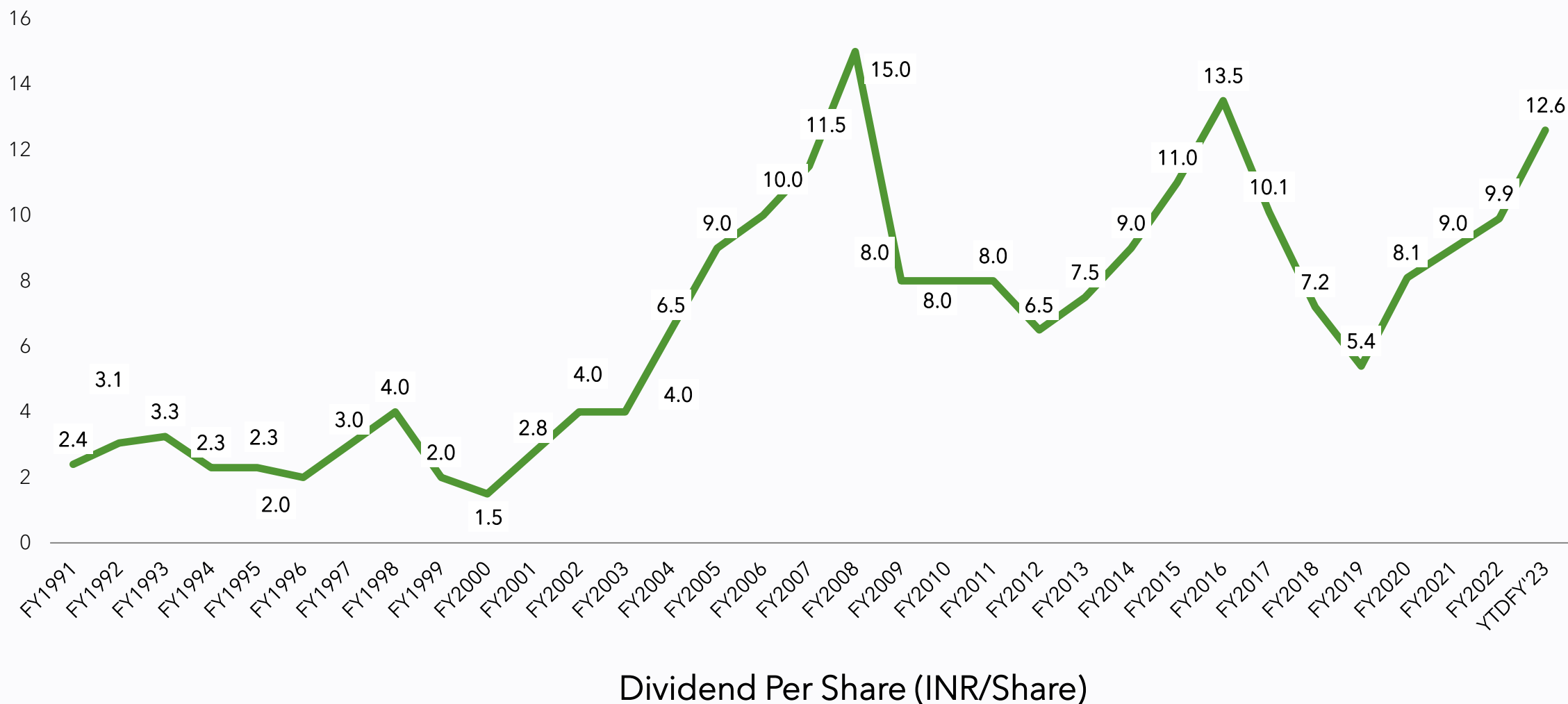


Cash Profit per Share (INR/Share)

—◆— Standalone —■— Consolidated



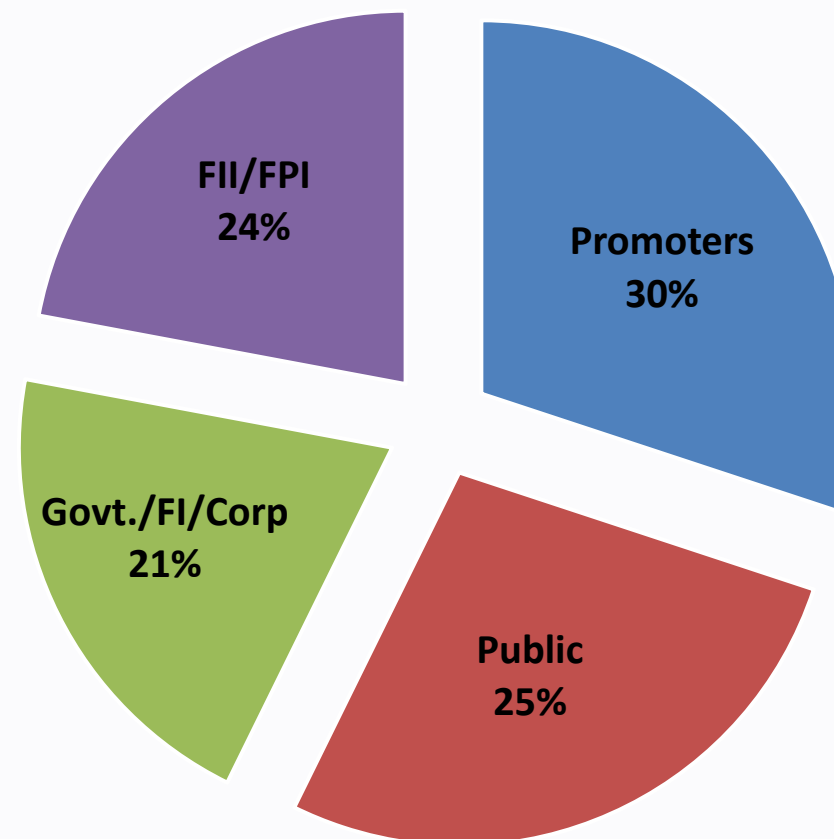
CONSISTENT DIVIDEND PAYOUTS



PROFIT & LOSS STATEMENT - INDUSTRY FORMAT

	Standalone			Consolidated		
Figures in INR Crores	Q2 FY23	Q2 FY22	H1 FY23	Q2 FY23	Q2 FY22	H1 FY23
Operating Revenue	1,239	705	2,396	1,440	866	2,799
Less: Direct Operating Expenses/Voyage Expenses	311	168	633	317	178	645
Time Charter Equivalent (A)	928	537	1,763	1,123	689	2,154
Profit on Sale of Ships and Other Assets	117	35	117	117	36	117
Other Income	46	48	54	143	51	182
Total Other Income (B)	163	83	171	260	86	299
Other Operating Expense	202	168	379	292	262	555
Administrative and General Expense	51	40	105	72	60	149
Total Expense (C)	253	208	484	364	322	704
EBITDA D = (A+B+C)	838	413	1,450	1,019	453	1,749
Depreciation and Amortisation (E)	115	118	229	181	184	360
Impairment (F)	-	-	-	-	8	-
Operating Profit Including Other Income G= (D-E-F)	723	295	1,221	838	261	1,389
Finance Expense (H)	67	62	138	88	85	181
Derivative Losses Gains (I)	23	(49)	85	18	(35)	65
Foreign Currency Exchange Losses/(Gains) (J)	(63)	0	(129)	(45)	(12)	(85)
Income Tax Expense (K)	9	9	11	8	1	1
Net Profit (G-H-I-J)	688	273	1,116	769	223	1,226

SHAREHOLDING PATTERN



30-SEPTEMBER-2022

MANAGEMENT COMMENTARY



Mr. Bharat K Sheth
Deputy Chairman & Managing Director

"In the first quarter, we mentioned that all four of our shipping sectors did well. In this quarter, the crude and product tanker freight markets became even stronger, which more than compensated for lower dry bulk rates. This enabled the Company to post its best ever quarterly profit. With the very strong cash flows for the quarter, the Company's net debt turned negative for the first time!

Asset values reflected the trend in freight market sentiment, with tanker prices continuing to rise and dry bulk prices falling by approximately 15 to 20%.

The continuing strengthening in oil prices coupled with low level of inventory has supported the offshore business and here too the asset values are on the rise. As stated in the previous quarter, we continue to believe that the worst in this sector is behind us.

A word of caution - with continuing high inflation and high interest rates, a global recession is possible. This would impact demand for multiple commodities, threatening our market."

PERFORMANCE REVIEW

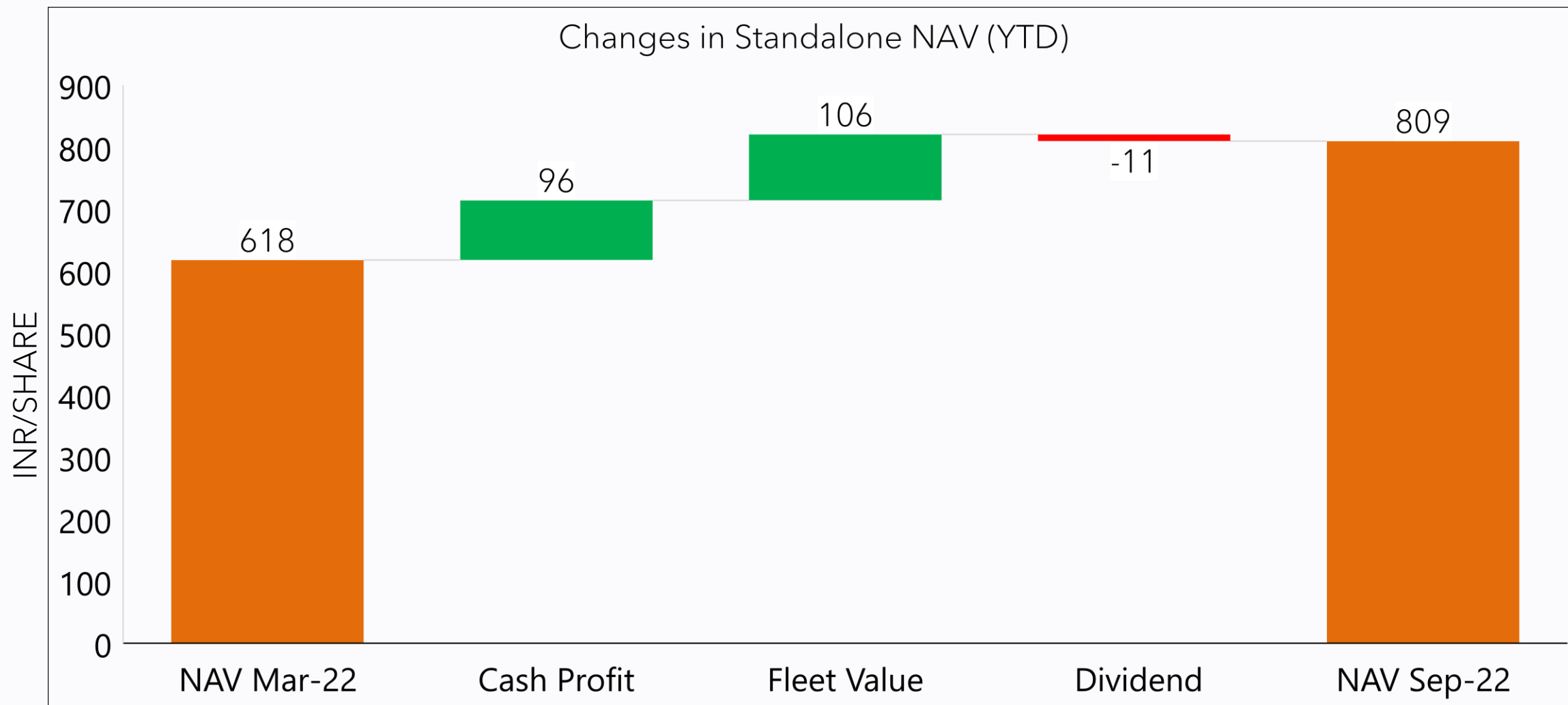
Breakup of Revenue Days (Shipping)	Q2	Q2
Revenue Days	FY23	FY22
Owned Tonnage	3,761	4,028
Inchartered Tonnage	267	-
Total Revenue Days	4,028	4,028
Total Owned Tonnage (mn.dwt)	3.44	3.57

Breakup of Revenue Days (Offshore)	Q2	Q2
Revenue Days	FY23	FY22
Offshore Logistics	1,523	1,227
Drilling Services	339	275
Total	1,862	1,502

PERFORMANCE REVIEW

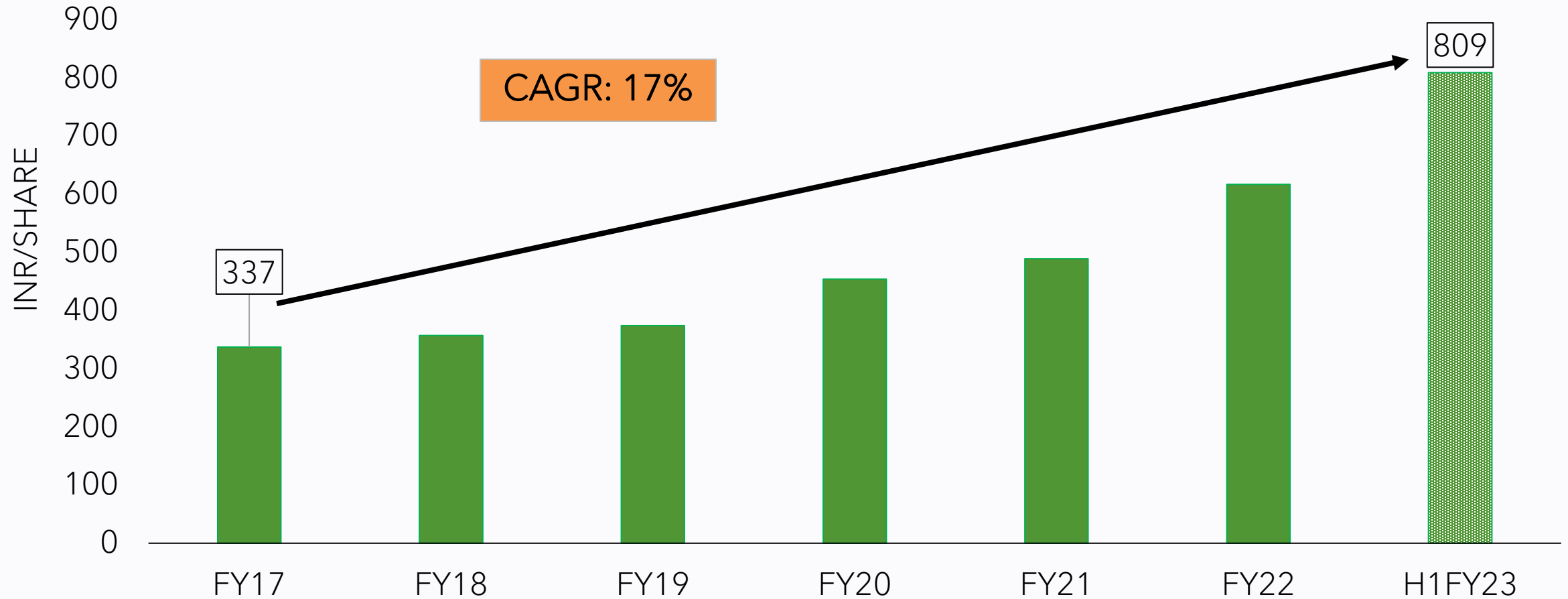
Avg TCYs in Various Categories Avg (TCYs USD/Day)	Q2 FY23	Q1 FY23	QoQ %	Q2 FY22	YOY %
Crude Carriers	33,076	28,852	15%	10,515	215%
Product Carriers	35,691	25,745	39%	8,198	335%
LPG Carriers	31,235	26,196	19%	28,789	8%
Dry Bulk	21,882	27,235	-20%	30,117	-27%

CHANGES IN STANDALONE NAV (YTD)



5 YEARS MOVEMENT IN STANDALONE NAV

Standalone NAV - Continue to touch new highs



REVENUE COVERAGE

Coverage of Operating Days (Shipping)

Category	H1 FY23
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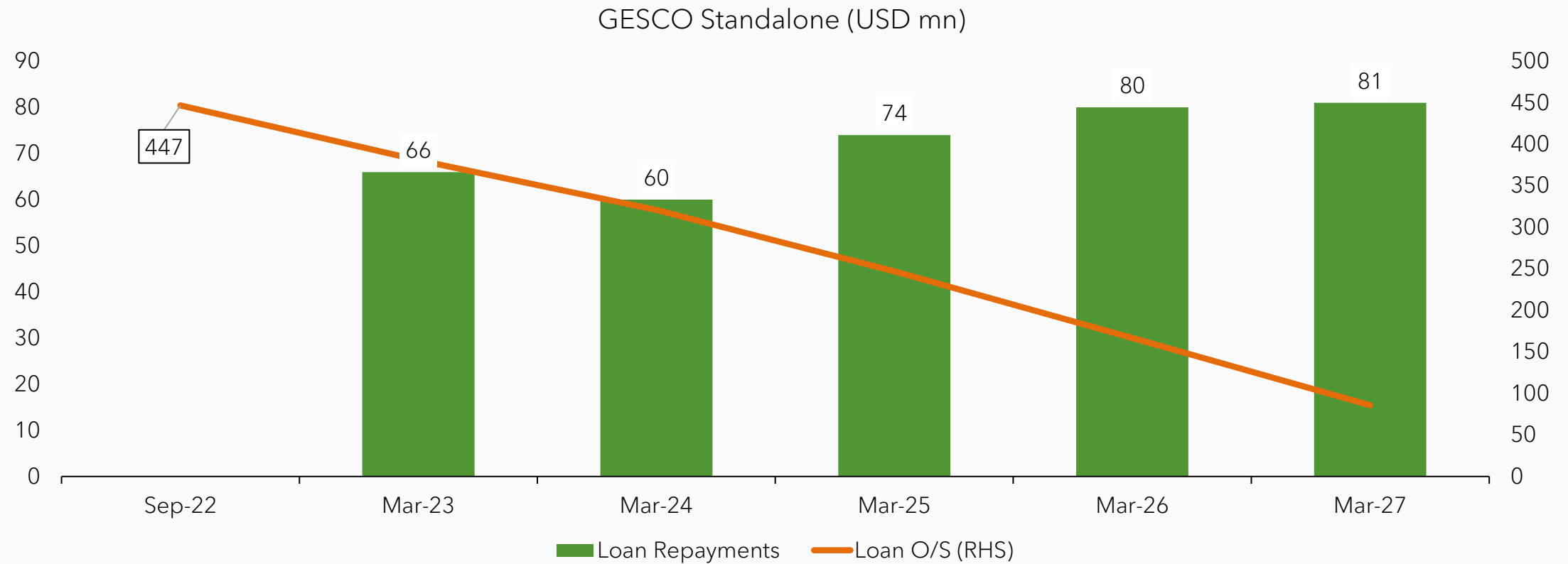
Crude Carriers	26%
Product Carriers	27%
LPG Carriers	100%
Dry Bulk	41%

Coverage of Operating Days (Off-Shore)

Revenue Days	H1 FY23
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Jack Up Rigs	89%
AHTSV	84%
MPSV	13%
PSV/ROVSV	89%

STANDALONE DEBT REPAYMENT SCHEDULE



- 1) Prepaid USD 45 Mn of ECB debt in H1FY23.
- 2) Effective all-in USD cost of debt of about 4.00% (Sep-22)
- 3) 90% of debt portfolio is fixed.

FLEET PROFILE

Fleet Profile - Shipping

Fleet	DWT FY23	Fleet (11 Nov'22)	
		No	Avg Age
Crude Carriers*	947,968	7	14.50
Product Carriers	1,092,465	18	14.67
Gas Carriers*	185,363	4	16.99
Dry Bulk Carriers	1,210,805	14	9.59
Total	3,436,601	43	12.96

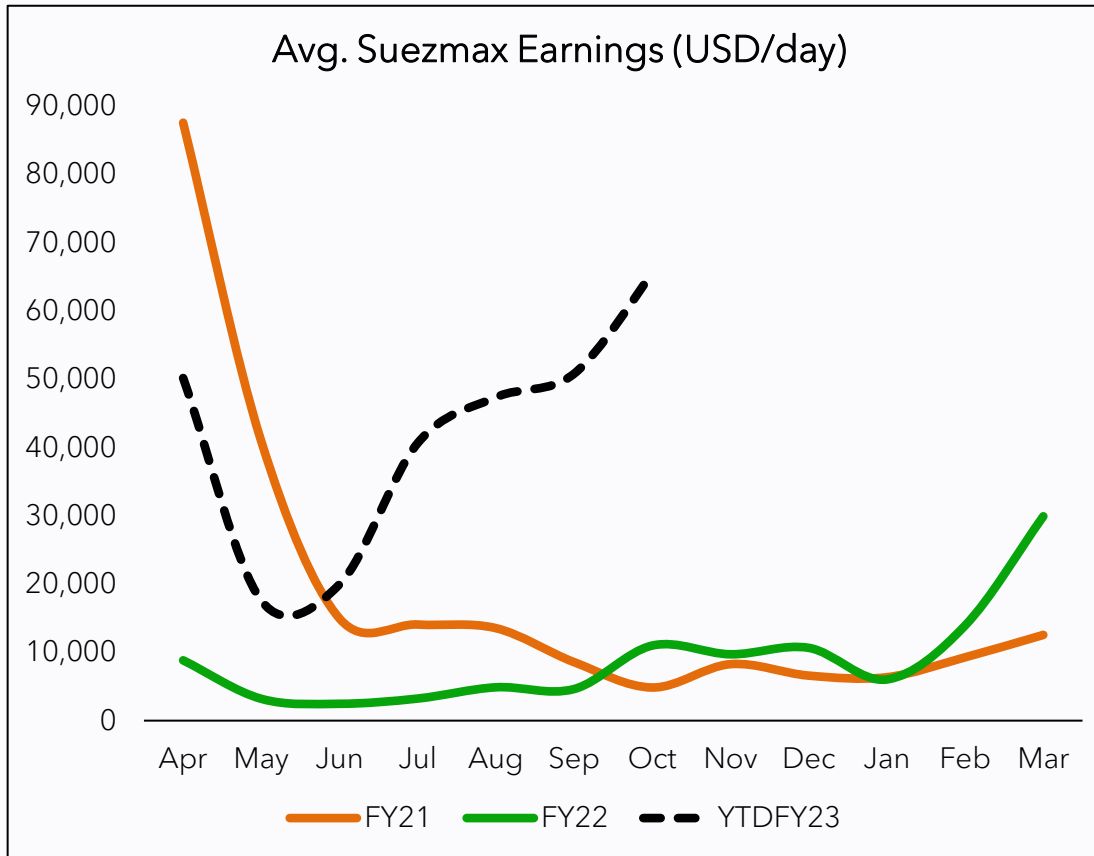
Fleet Profile - Offshore

Fleet	No. of Units	Avg Years Yrs.
Jack Up Rigs	4	10.81
Platform Supply Vessels	4	12.98
Anchor Handling Tug cum Supply Vessels	8	12.44
Multipurpose Platform Supply & Support Vessels	2	12.29
ROV Support Vessels	4	10.83

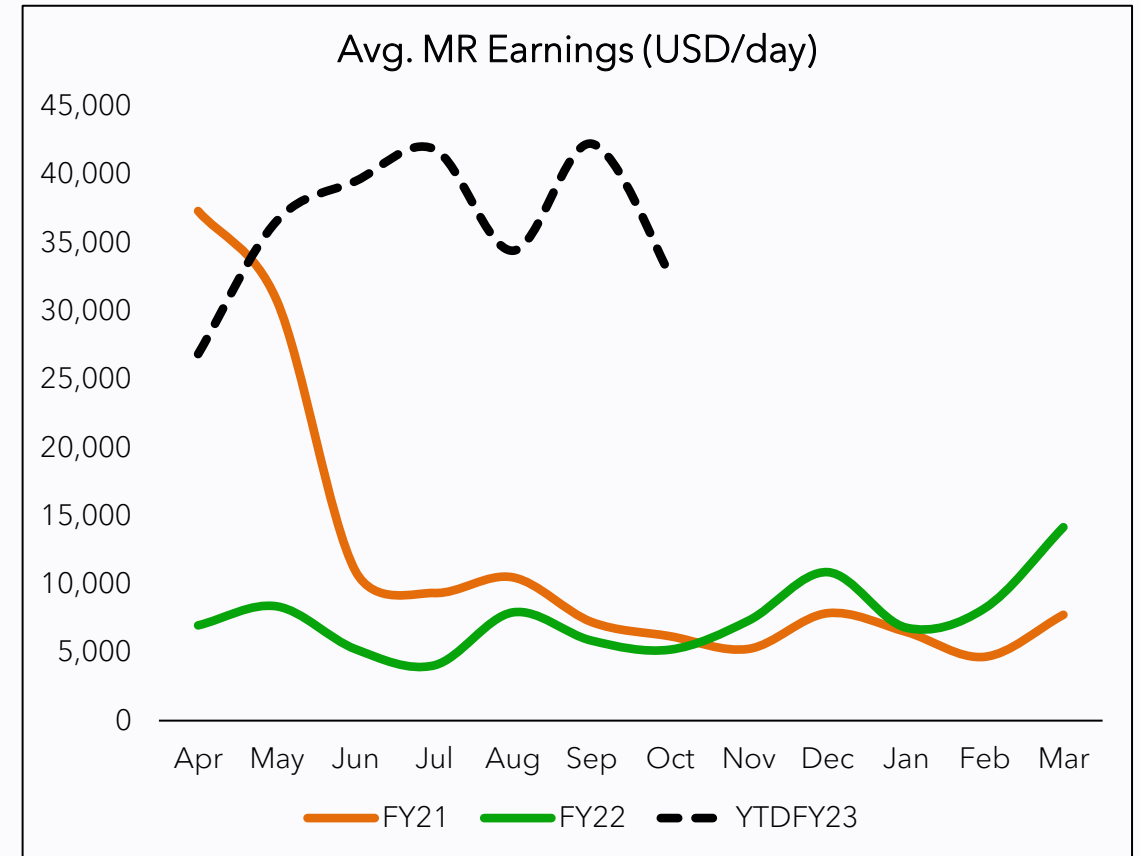


SHIPPING MARKET

CRUDE AND PRODUCT TANKERS



USD/day	YTD FY22	YTD FY23	% change
7M	5,499	41,744	659%



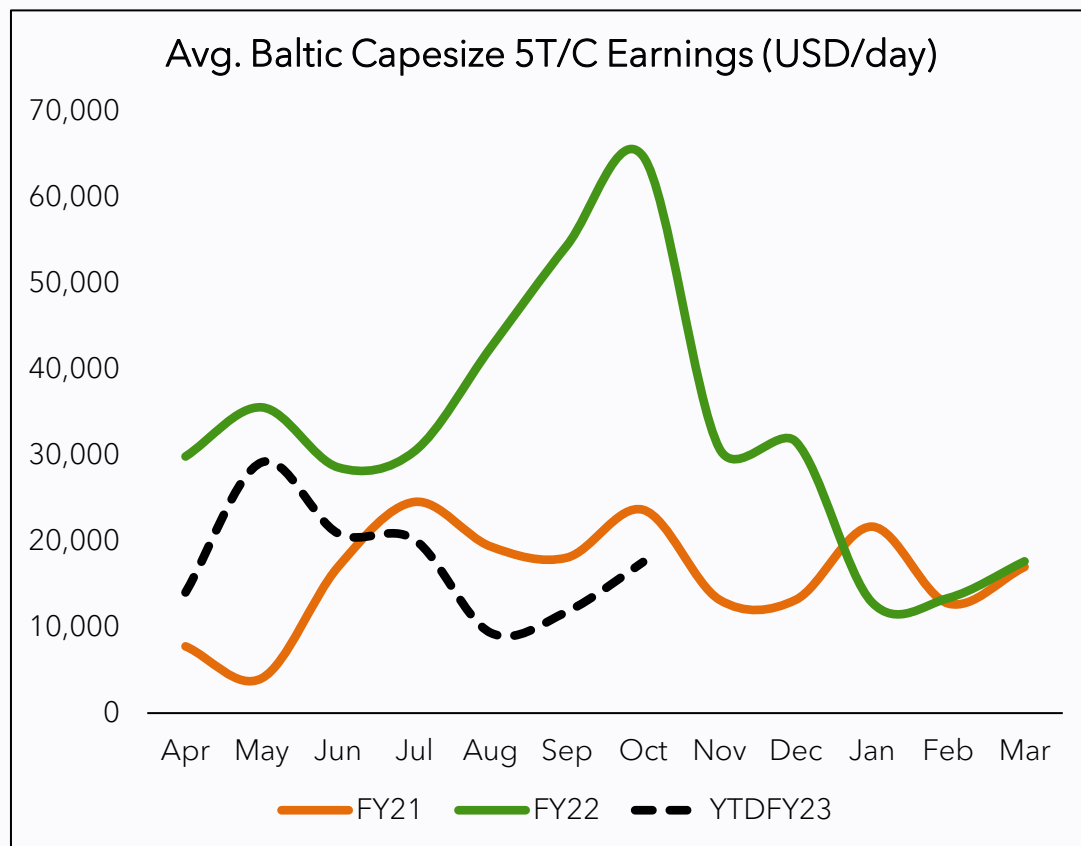
USD/day	YTD FY22	YTD FY23	% change
7M	6,241	36,307	481%

CRUDE AND PRODUCT TANKERS

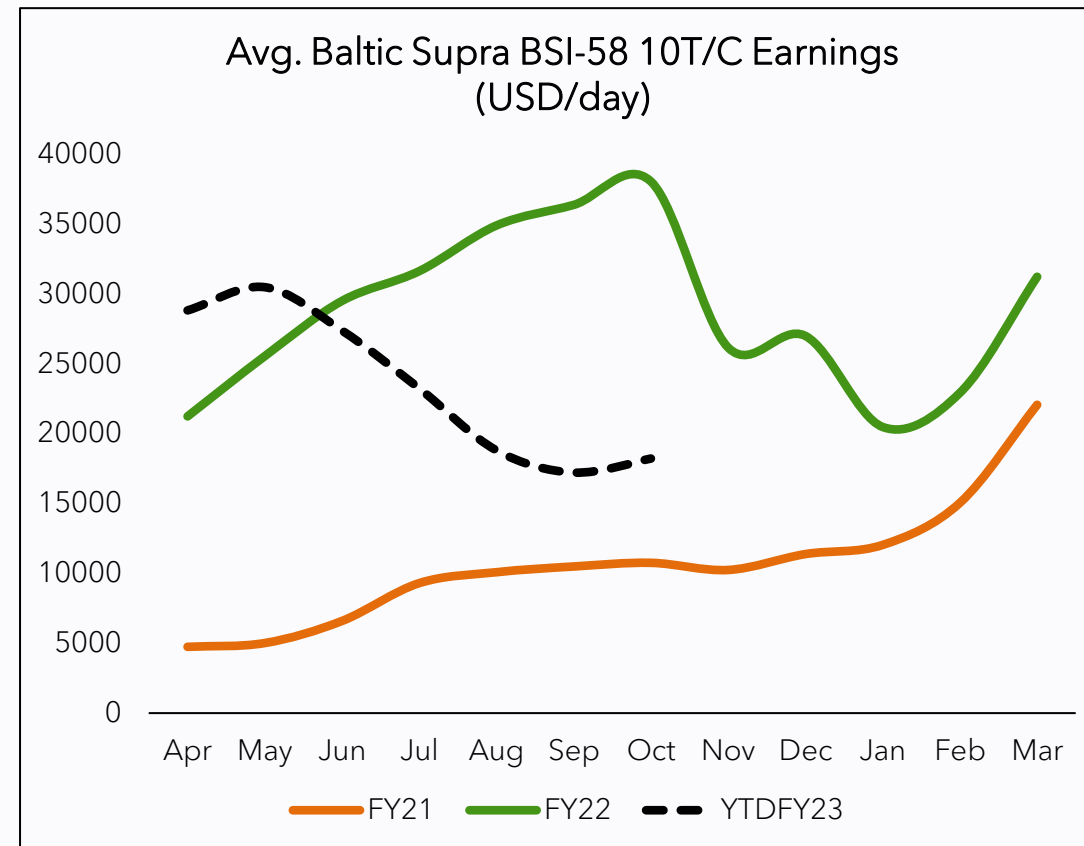
- Crude tanker earnings have trended upwards in Q2 with increase in crude production from US/MEG and shifts in Russian exports (away from EU and towards Asia) and European imports (increased purchases from the MEG/US/WAF)
- Product tanker market earnings remained at very attractive levels (6x y-o-y in Q2) due to trade dislocation driven by Ukraine conflict and supply tightness in middle distillates (esp. jet fuel)
- During the quarter, crude trade increased by 11% y-o-y while product trade improved 4% y-o-y. Both crude & product trade are now back to pre-pandemic levels. Refinery runs also improved by 4% y-o-y in 2Q and are close to pre-pandemic levels.
- Crude & Product tanker fleet grew by 2.4% and 1.8% y-o-y resp. Fleet supply growth is likely to remain muted with order books at record lows for tankers going forward (4.50%- 5.25% range for both crude and product tankers)

DRY BULK

DB Freight softened in H1FY23 Y-O-Y, but Sub-Capes outperformed Capes



USD/day	YTD FY22	YTD FY23	% change
7M	40,807	17,556	-57%

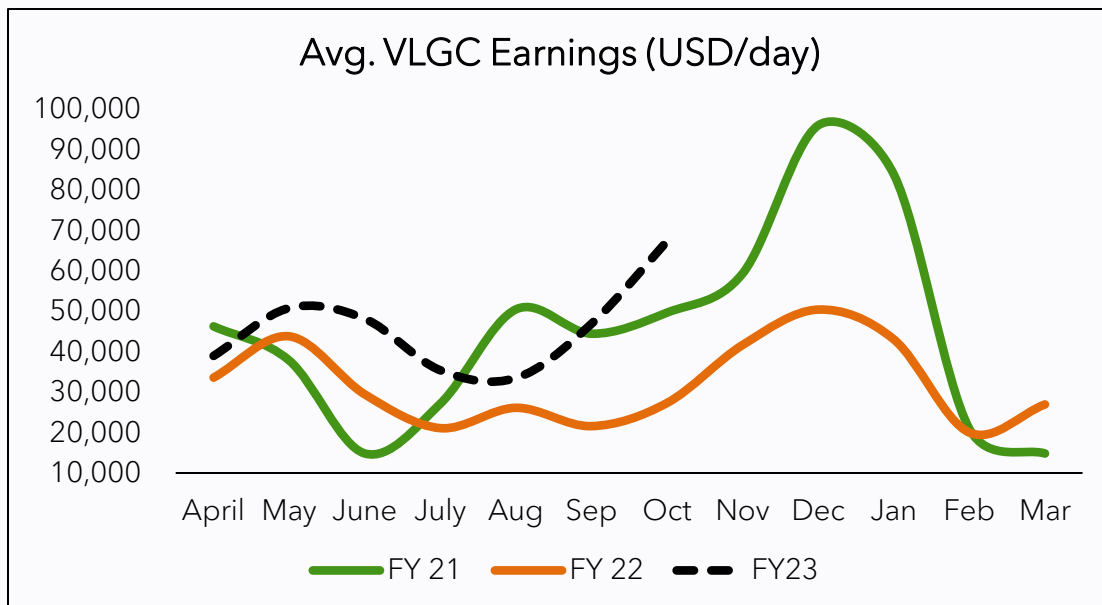


USD/day	YTD FY22	YTD FY23	% change
7M	31,010	23,437	-24%

DRY BULK

- During the quarter, spot earnings for both Capes (down 68 %) & Sub - Capes (down 45 %) were significantly lower on a y-o-y basis. Sub capes continued to outperform the Capesize earnings on an absolute basis. On a q-o-q basis, spot earnings across all asset categories dropped 35 % mainly due to lower congestion.
- Overall, Dry bulk trade growth was flat (0 - + 0.5 % YoY) during the quarter as the marginal decrease in Iron Ore & Grain trade was offset by increase in Coal & Minor Bulk Trade.
- The dry bulk fleet grew by 3 % y-o-y. Lower y-o-y congestion for Capes further added to effective fleet supply growth. Congestion for Sub - Capes continued to be higher y-o-y during the quarter.
- Current orderbook to fleet ratio @ 7 % continues to be at very low levels.

LPG GAS



VLGC Spot earnings sustained healthy levels during H1 FY-23 and were higher YoY in comparison to H1 FY-22.

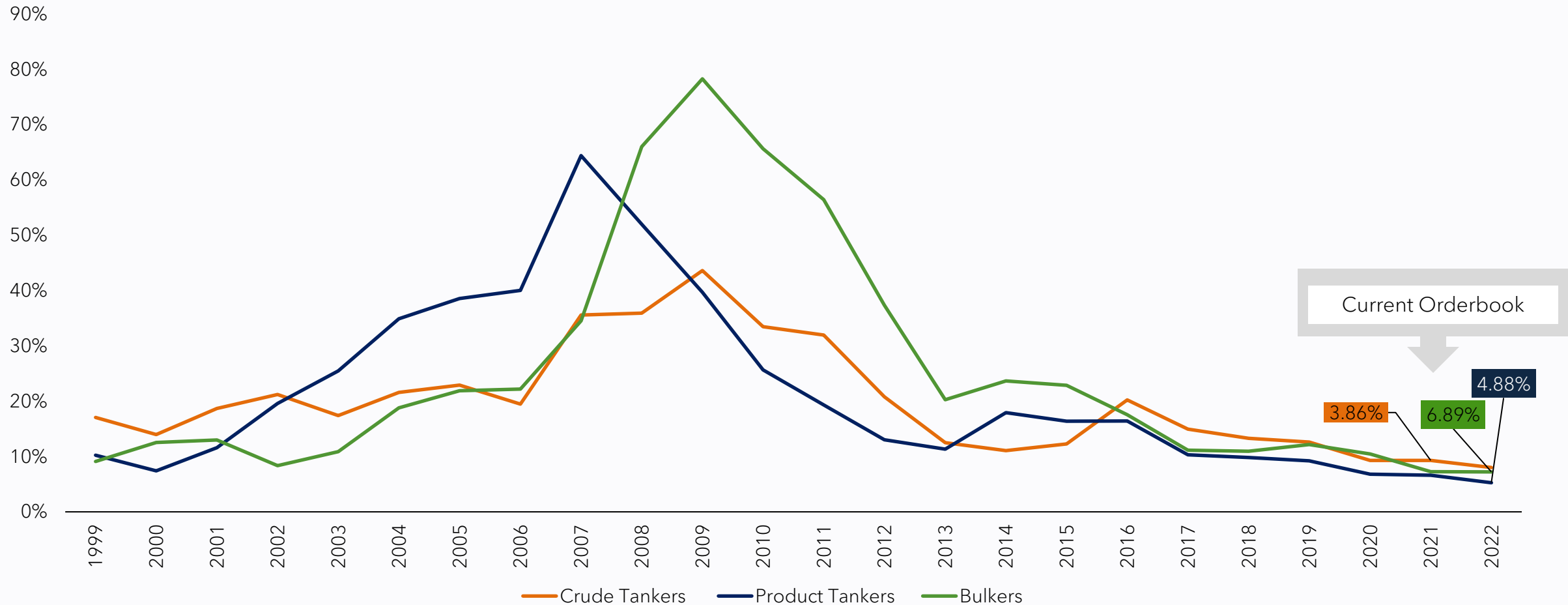
USD/day	YTD FY22	YTD FY23	% change
7M	29,028	45,899	58%

- VLGC spot earnings averaged USD 38,600 / day during Q2 FY-23 up 68 % on a y-o-y basis.
- Global VLGC trade grew 13 % y-o-y mainly on the back of increase in LPG exports from Middle East.
- VLGC fleet supply was up 5 % y-o-y during the quarter.

FLEET SUPPLY

LOWEST ORDER BOOK TO FLEET RATIO

Historic Order Book as a % of fleet

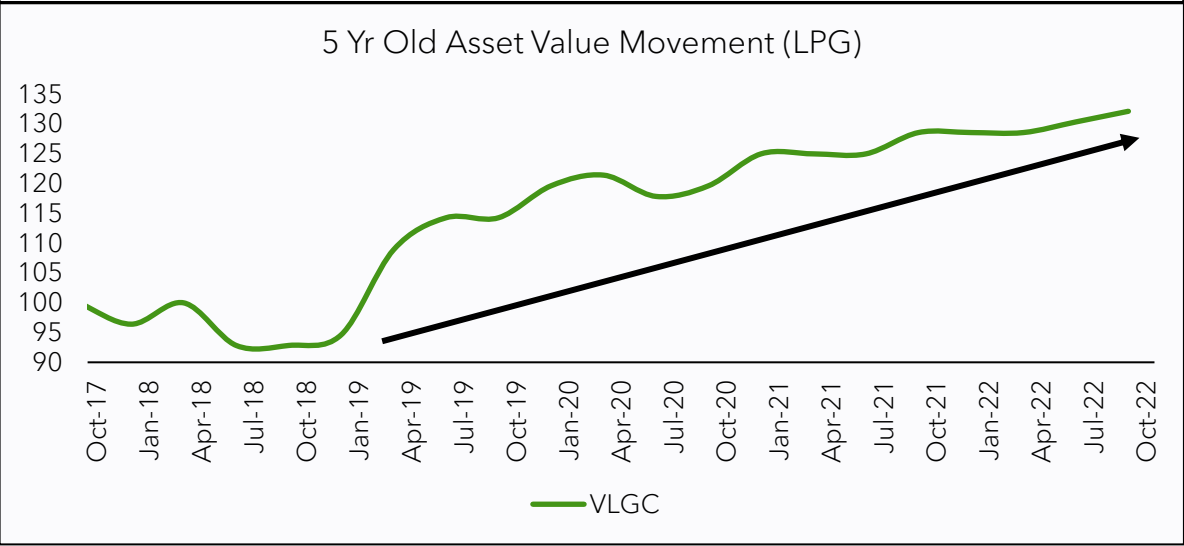
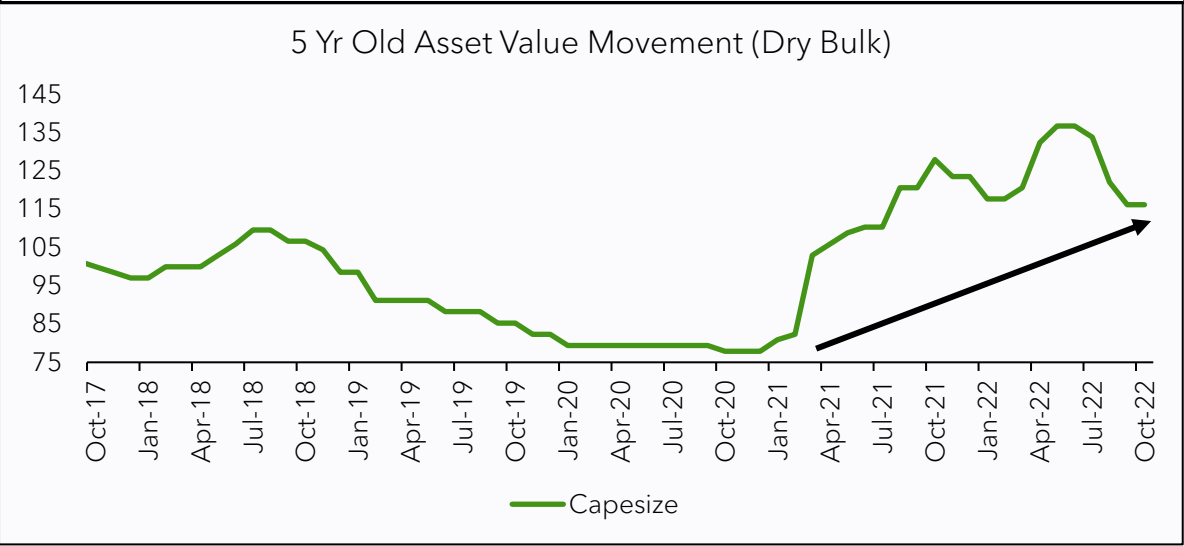
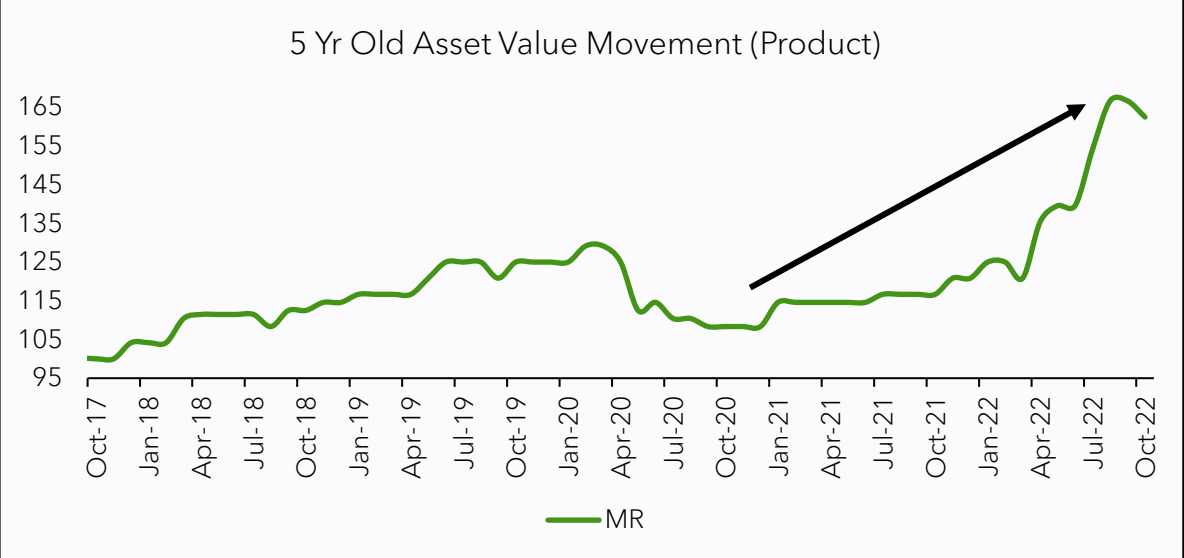
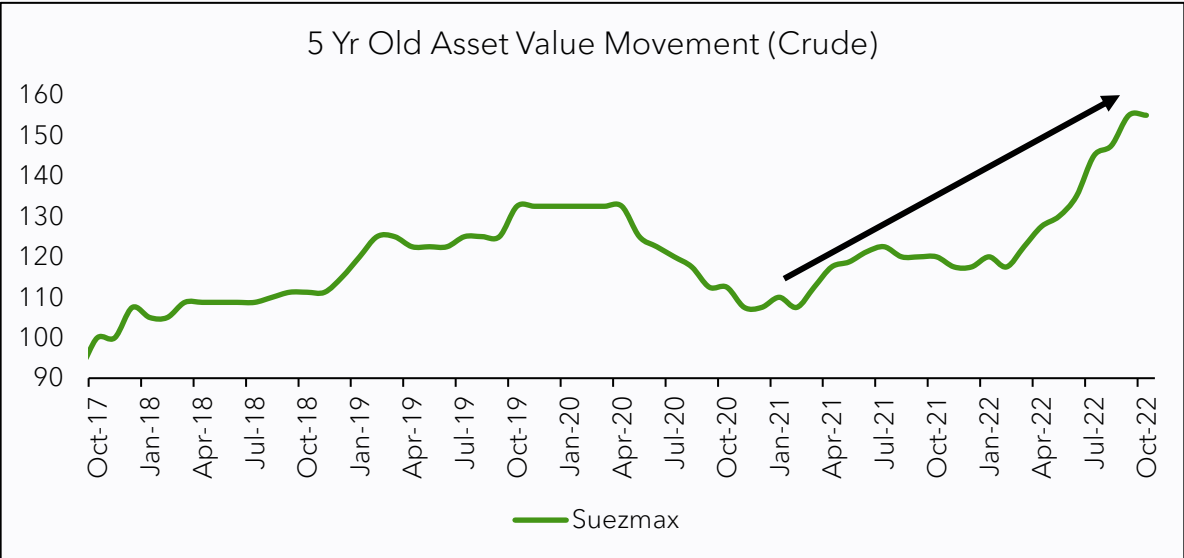


ASSET PRICE MOVEMENT



THE GREAT EASTERN
SHIPPING CO. LTD.

ASSET PRICE MOVEMENT (INDEXED OVER LAST 5 YRS)



SCRAPPING

Vessel Category	Fleet (Mn Dwt) Oct'22								
Crude	450								
Product	180								
Dry Bulk	967								
Scraping (% Beginning world fleet)	9M	CY	CY	CY	CY	CY	CY	CY	CY
Vessel Category	CY2022	2021	2020	2019	2018	2017	2016	2015	2014
Crude	0.74	2.47	0.53	0.55	4.39	2.43	0.39	0.38	1.75
Product	0.88	2.11	0.57	0.60	1.72	1.22	0.54	0.62	1.10
Dry Bulk	0.35	0.56	1.74	0.93	1.85	1.85	3.78	4.02	2.24

- Scrapping for crude and product tankers was limited due to strong earnings recovery in Q2/Q3 of Cal 2022.
- Relatively healthy spot freight rates in the dry bulk market have capped scrapping during this period.

GREATSHIP (INDIA) LIMITED

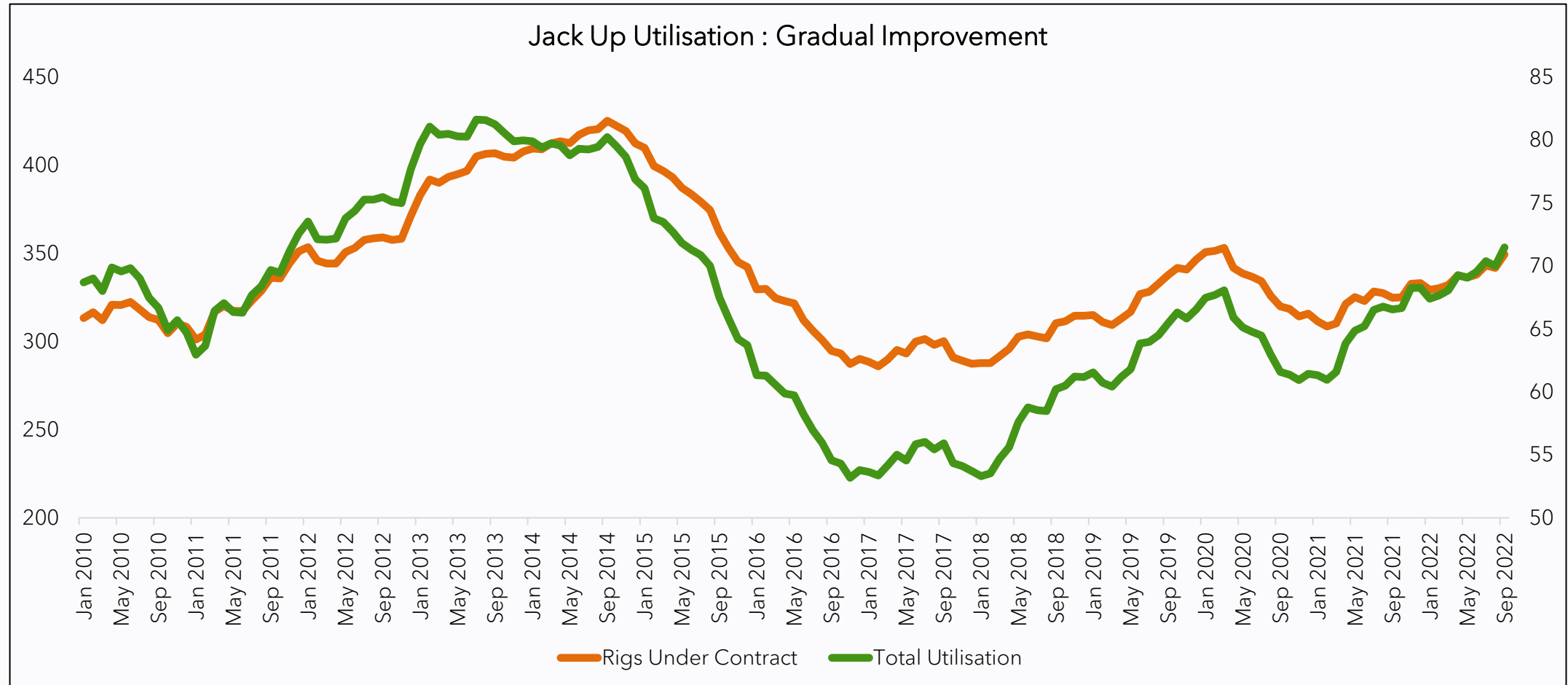
100% SUBSIDIARY

FLEET SUPPLY – INCREASING NUMBER OF COLD STACKED RIGS

Number	Jack-up Rigs	PSV+AHTSV
Current Fleet	489	3,471
Under Contract Fleet	356	2,187
Order Book	25	106
O/B to Current Fleet	5.1%	3.1%
Total Scrapping since Jan 2016 (Nos)	143	574
No of Vessels/Rigs more than 20/30 years old (% Fleet)	33%	19%
Cold stacked more than 3 years	45	586

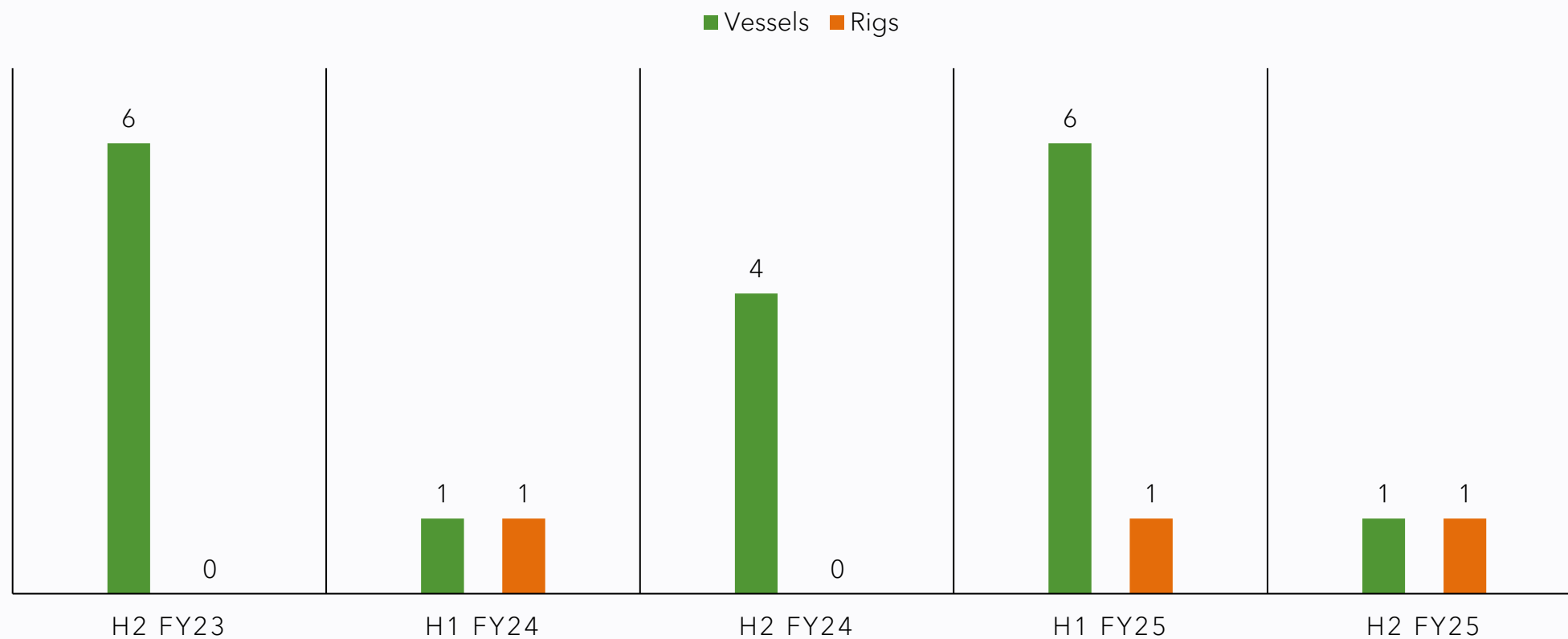
There is a large potential for scrapping over next few years if the market continues to remain weak.

MARKET TRENDS: UTILISATION

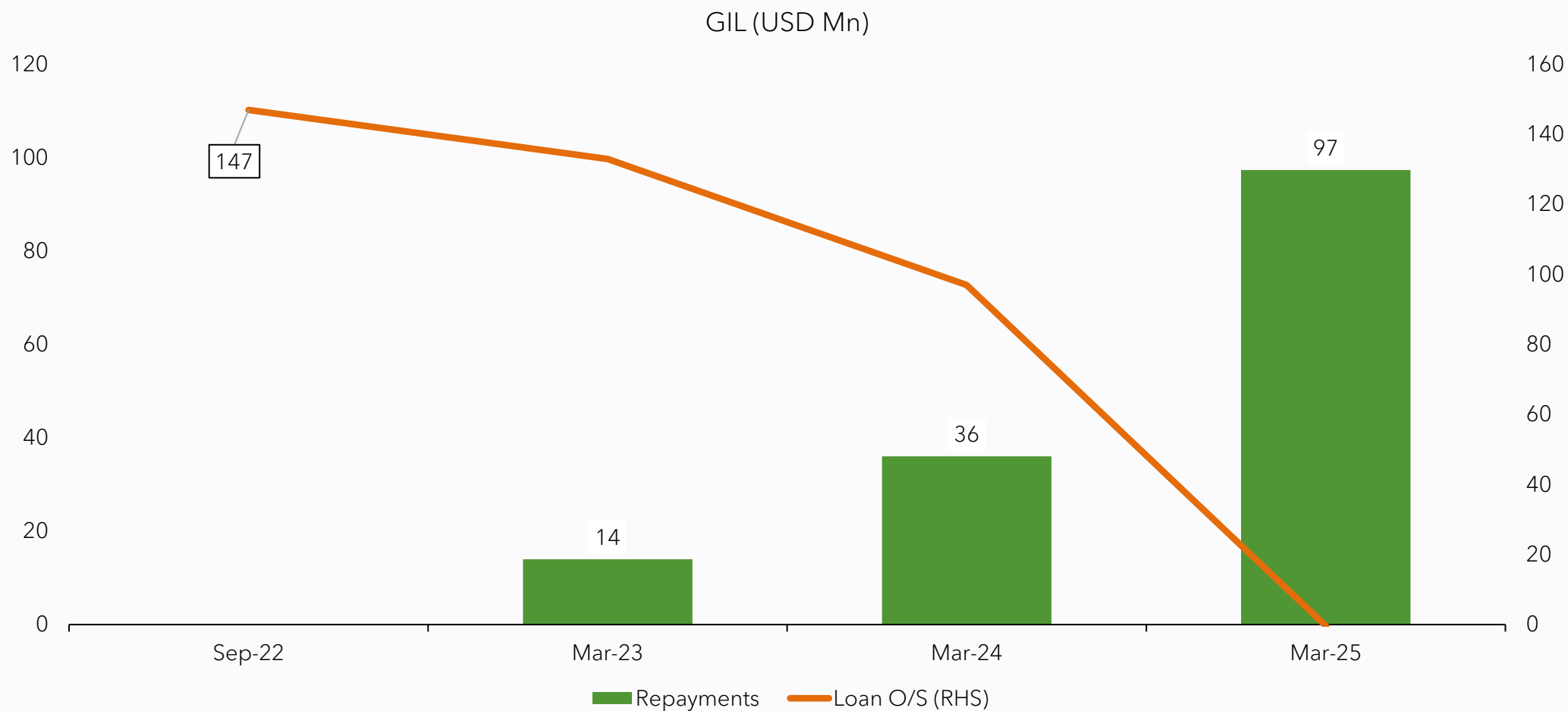


REPRICING

One JU Rig will start her new 3-year contract in Q3FY23 and will come up for repricing only in H2FY26



DEBT REPAYMENT SCHEDULE

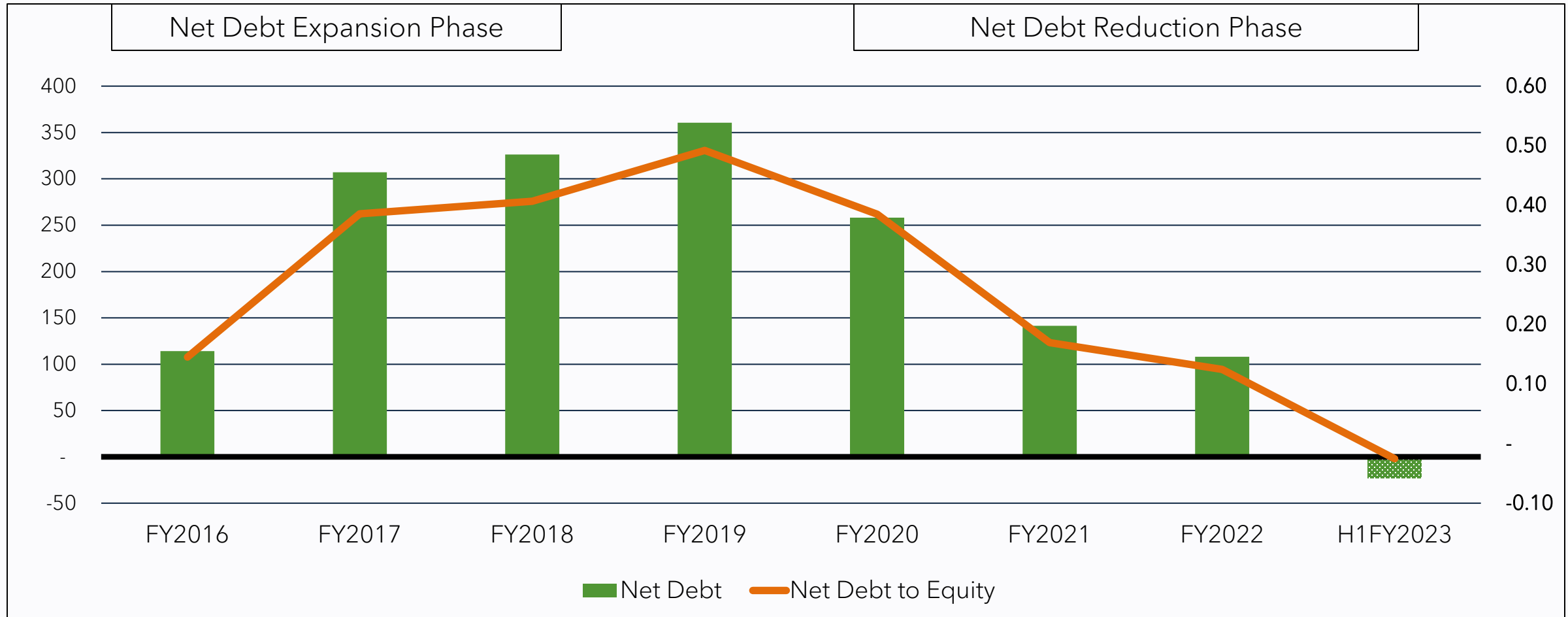




FINANCIALS

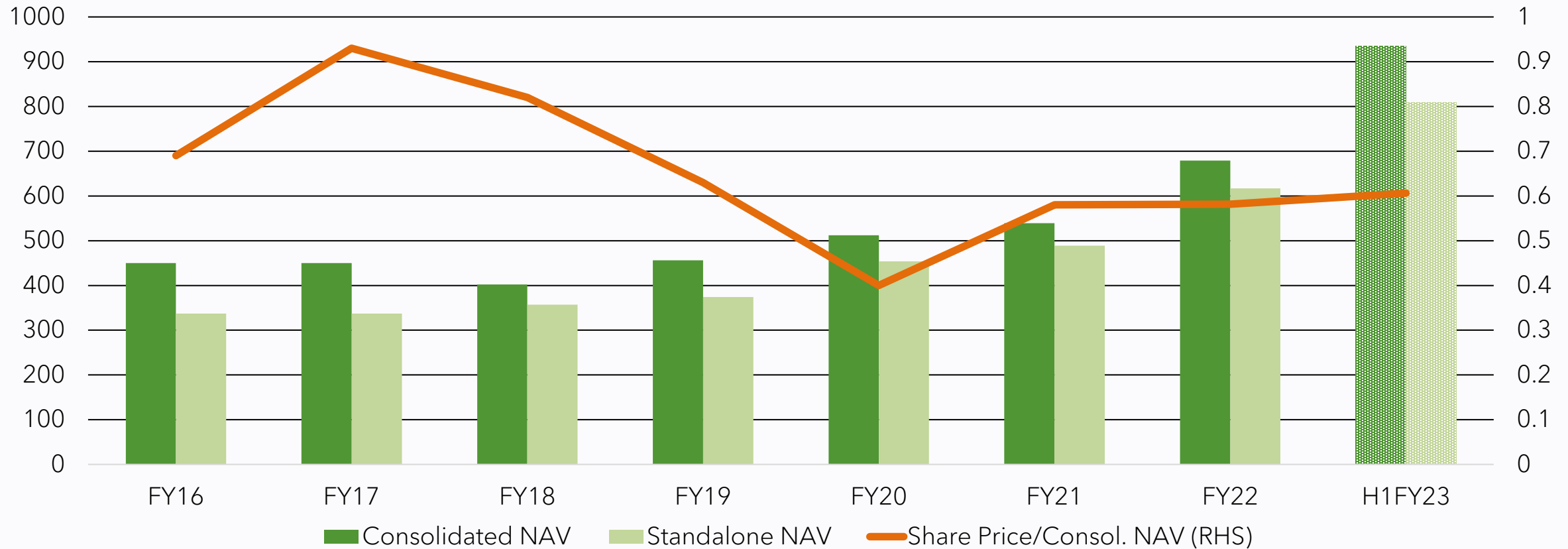
COUNTER CYCLICAL INVESTMENTS GENERATED STRONG CASH FLOWS

USD Mn



SHARE PRICE TO CONSOLIDATED NAV

INR/Share



* For H1FY23 we have taken share price as on 11th November 2022

GREAT EASTERN CSR FOUNDATION

GECSRF supports NGOs working under health, education and livelihoods



CURRENT PARTNERS

EDUCATION



HEALTH



LIVELIHOODS



INITIATIVES ON ENVIRONMENT

- Reduced our annual CO2 emissions by about 40,000 tons between FY2019 and FY2022, by investing in various energy saving technologies.
- Created an ESG profile of our company based certain ESG metric. The profile is available on our website under "SUSTAINABILITY" tab
- Voluntarily published our first Environment Social Governance (ESG) report
- Established a working group for feasibility study on alternate fuels and fuel optimisation technologies in view of the IMO emission reduction targets.

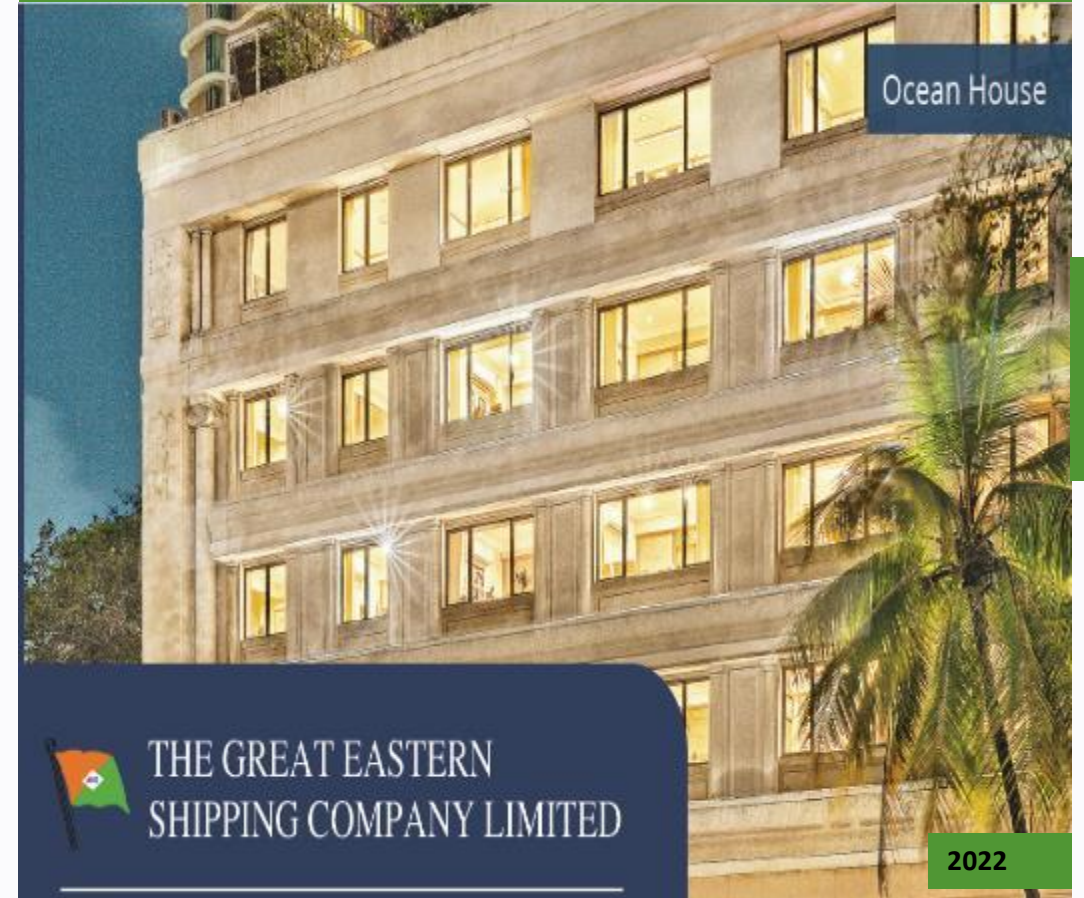
THANK YOU

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From a modest beginning...



...to most admired globally



Read the Story of GE Shipping - [Coffee Table Book](#)