



The Great Eastern
Shipping Co. Ltd.

BUSINESS OVERVIEW

21st November 2018



The Great Eastern
Shipping Co. Ltd.

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

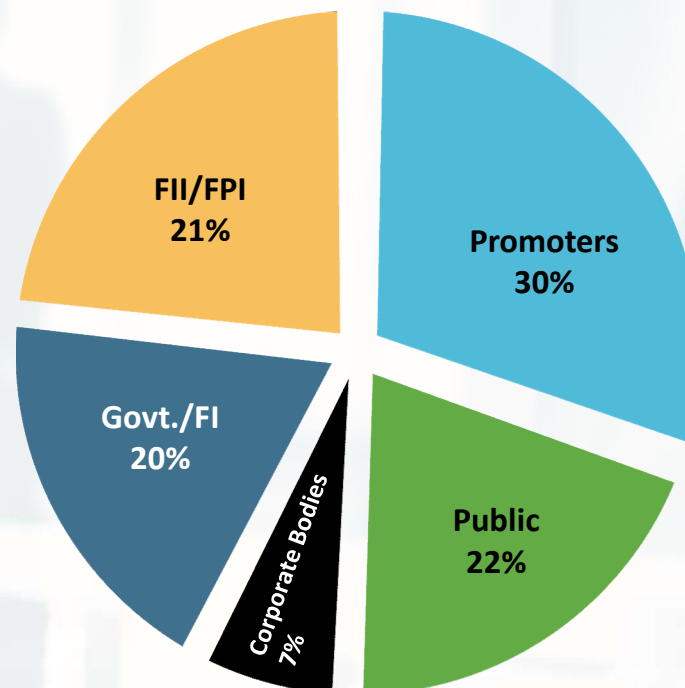
Dry Bulk

Logistics

Drilling

India's largest private sector shipping company over 70 years of
experience

SHAREHOLDING PATTERN



Shareholding Pattern as on 30 September 2018

FLEET PROFILE

SHIPPING

Fleet	DWT	Number of Ships	Average Age (Yrs.)
Crude Carriers	1,608,683	12	13.12
Product Carriers	987,207	17	11.03
Gas Carriers	273,466	6	18.50
Dry Bulk Carriers	1,106,942	14	6.12
Total	3,921,808	49*	11.02

OFFSHORE

Fleet	Number of Units	Average Age (Yrs.)
Jack Up Rigs	4	7.06
Platform Supply Vessels	4	9.23
Anchor handling Tug Cum Supply Vessels	8	9.08
Multipurpose Platform Supply & Support Vessels	2	8.54
ROV Support Vessels	5	7.25

**Contracted to sell Kamsarmax Dry Bulk Carrier named 'Jag Arya' built in 2011*



The Great Eastern
Shipping Co. Ltd.

BUSINESS **PHILOSOPHY**



4 KEYS TO OUR SUCCESS



**Dynamically
managing
cycles**



**Diversified
Fleet**



**In-House
technical &
commercial
management**

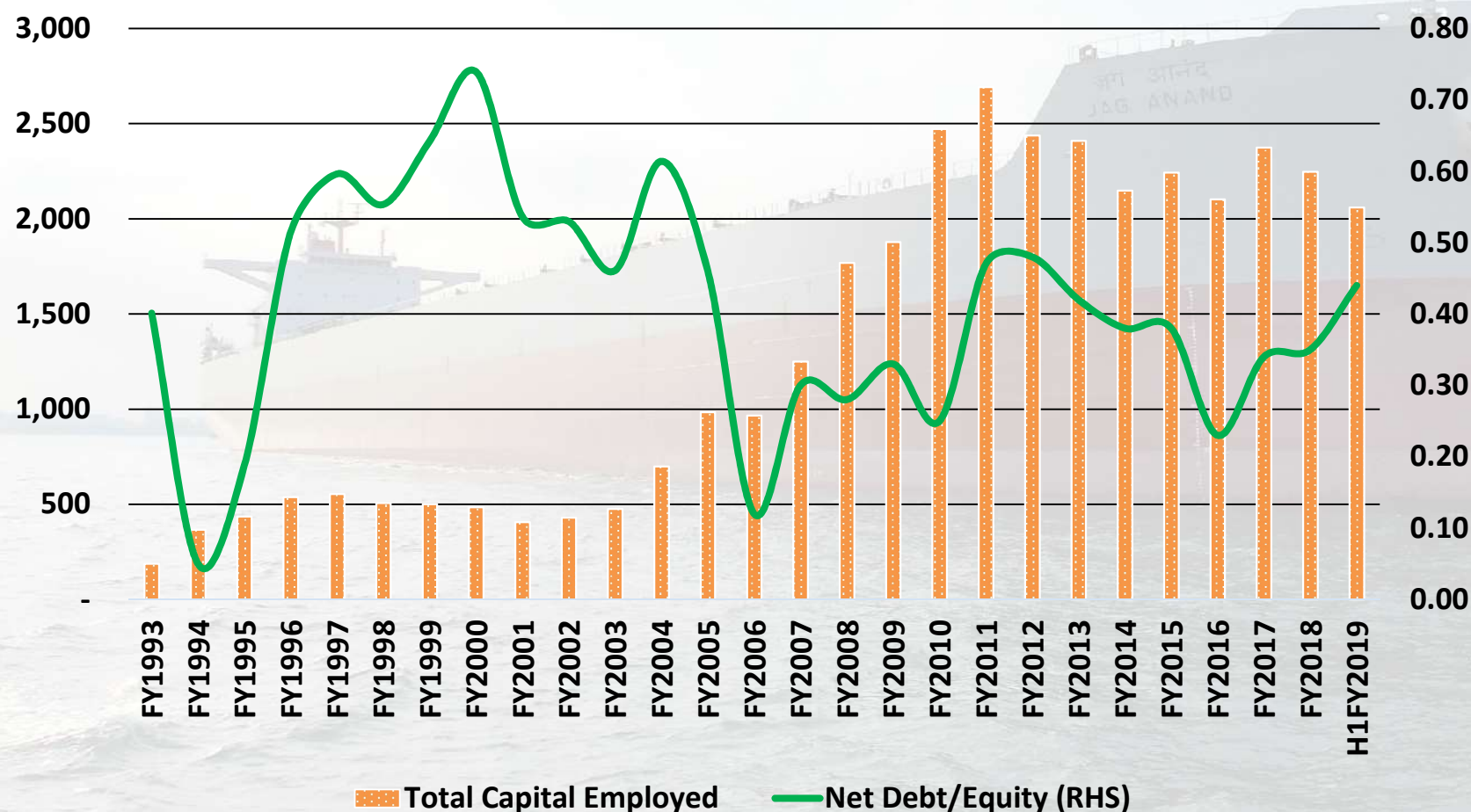


**Strong
balance
sheet**



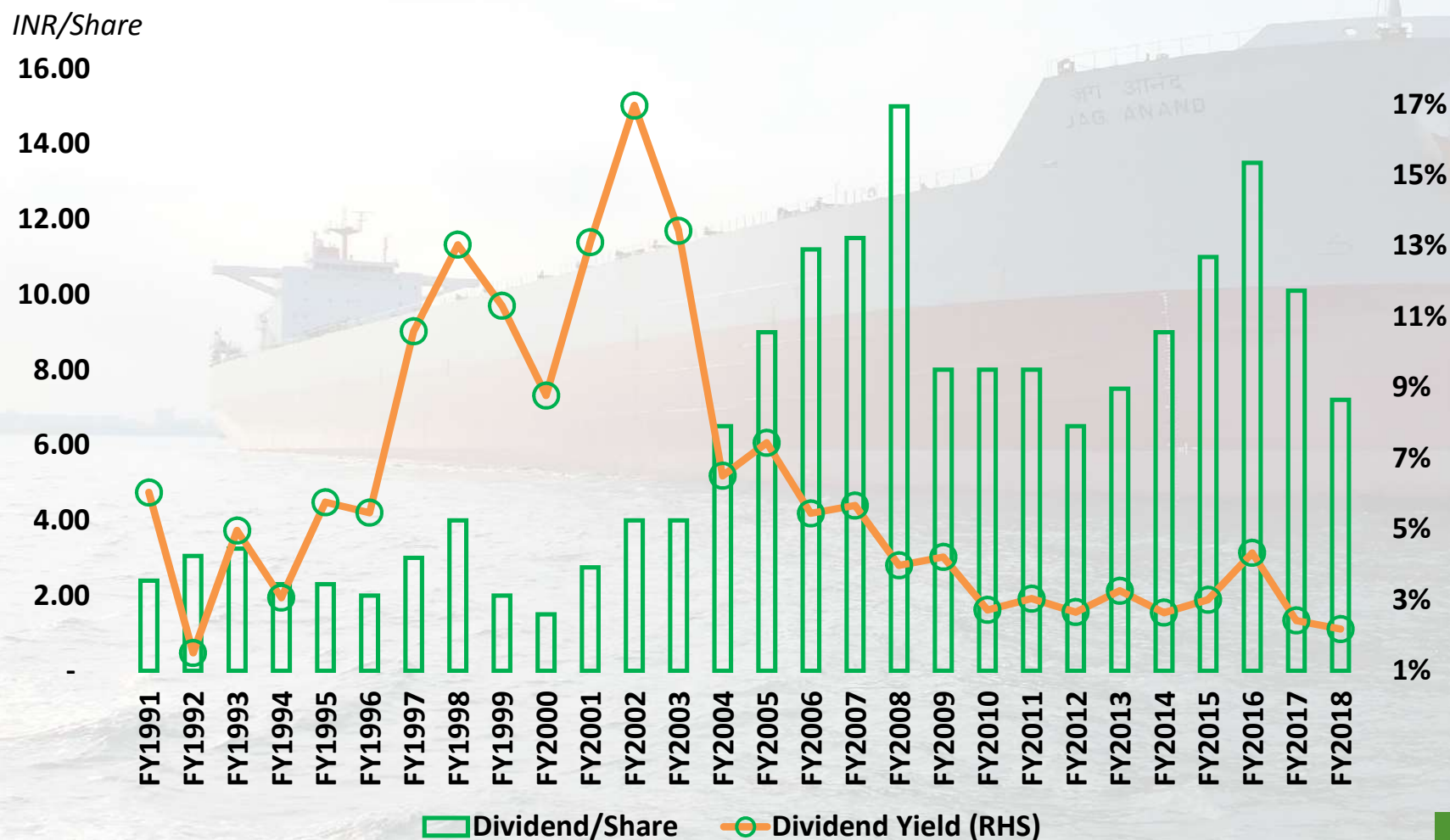
NET DEBT/EQUITY & TOTAL CAPITAL EMPLOYED (CONSOLIDATED)

USD Mn

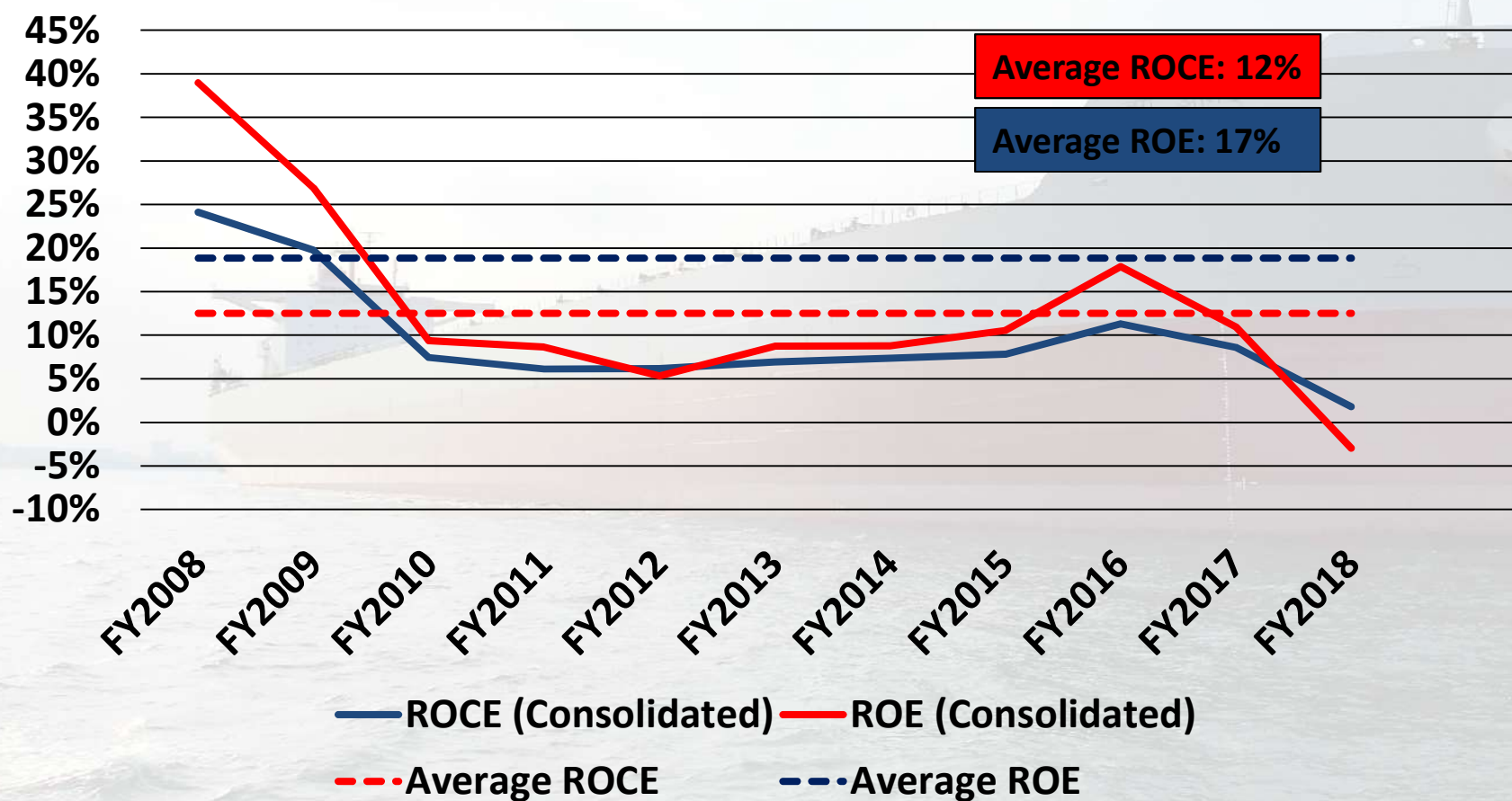


DIVIDEND/SHARE

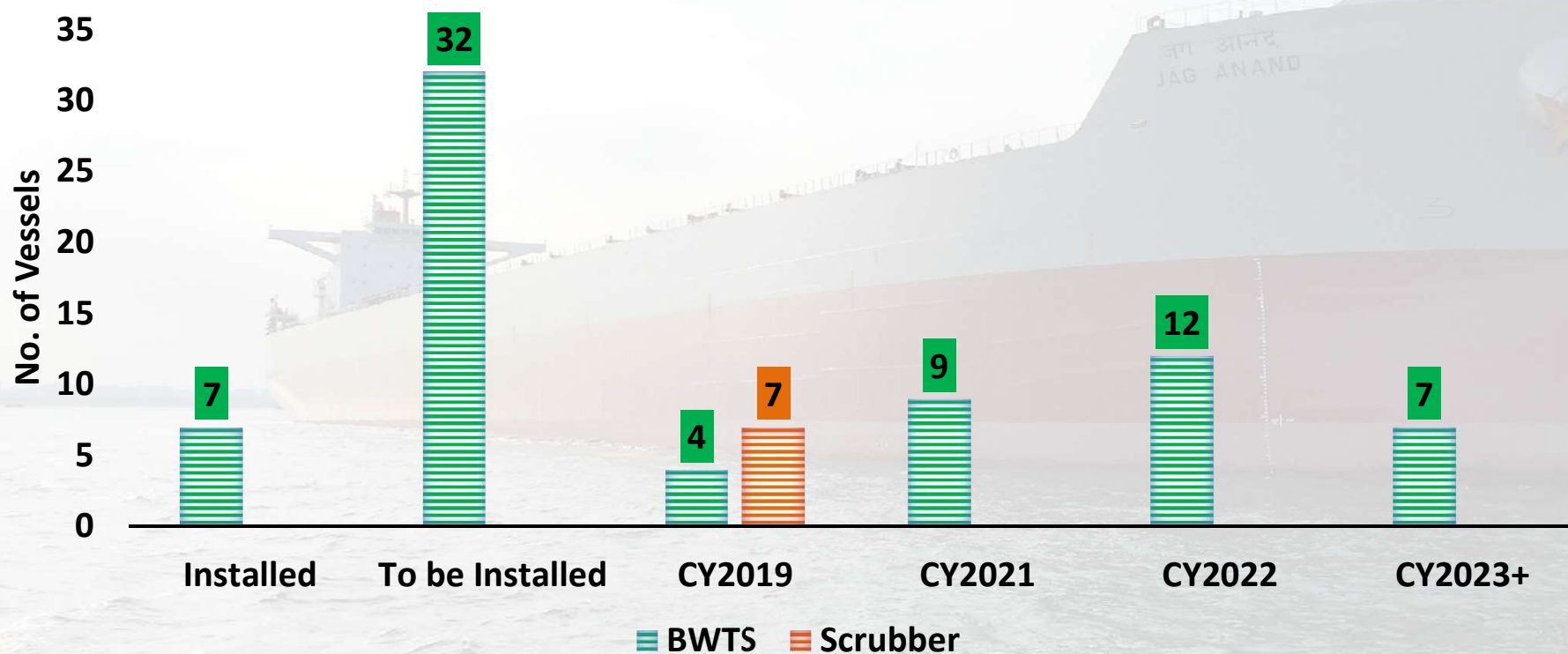
(30+ YEARS CONTINUOUS DIVIDEND)



ROE & ROCE (CONSOLIDATED)



BWTS & SCRUBBER INSTALLATION SCHEDULE



- Total 7 Vessels have been fitted with BWTS and 32 vessels are scheduled to be installed with BWTS
- 7 Vessels are scheduled to be installed with Scrubbers in CY2019

SHIPPING MARKET



KEY POINTS ON **TANKER MARKET**

Asset Prices

- VLCC 5 yr old asset prices increased about 8% Y-O-Y*
- Suezmax 5 yr old asset prices increased about 15% Y-O-Y*

Freight Rates

- BCTI rose by 12% & BDTI rose by about 6% during Q3CY18

Crude Market

- U. S. production is up about 1.5 million barrels a day year-on-year, U. S. exports were up about 0.94 million barrels a day, whereas, imports have been flat year-on-year Q3CY18.
- Further in Q3CY2018, OPEC Production was higher by 0.40 million barrels a day sequentially. Hence, global crude loading increased by average 1.6 Mn barrels a day Y-O-Y.

Product Market

- Overall trade growth for Core Refined Products was marginally negative. This trade growth was significantly lower when compared to growth volumes last couple of years.
- This was largely driven by drop in Gasoil loadings.

LPG Market

- High US export growth of 31% in Q3CY2018 Y-O-Y, due to higher US Production (10%) and limited domestic demand (5%).
- Overall VLGC loading grew by 5% amidst flat fleet growth. Correspondingly Baltic index was up 80% Y-O-Y in Q3CY2018

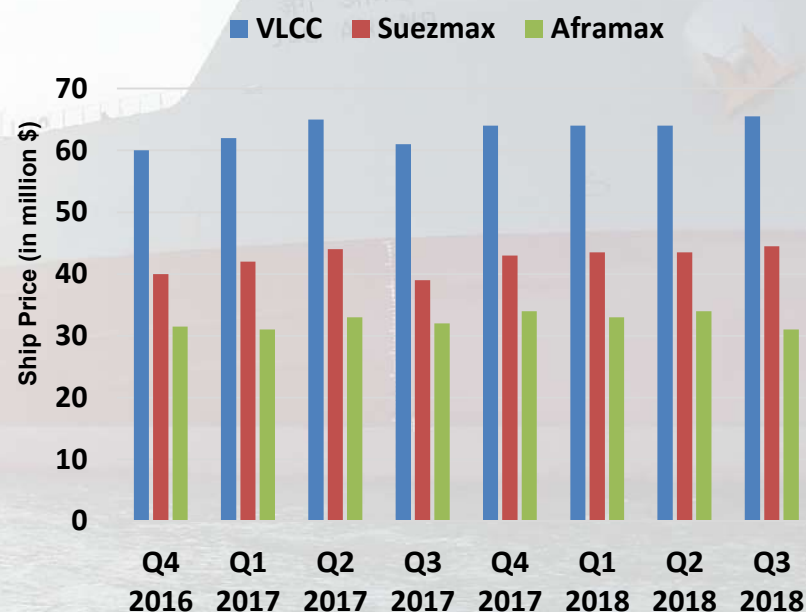
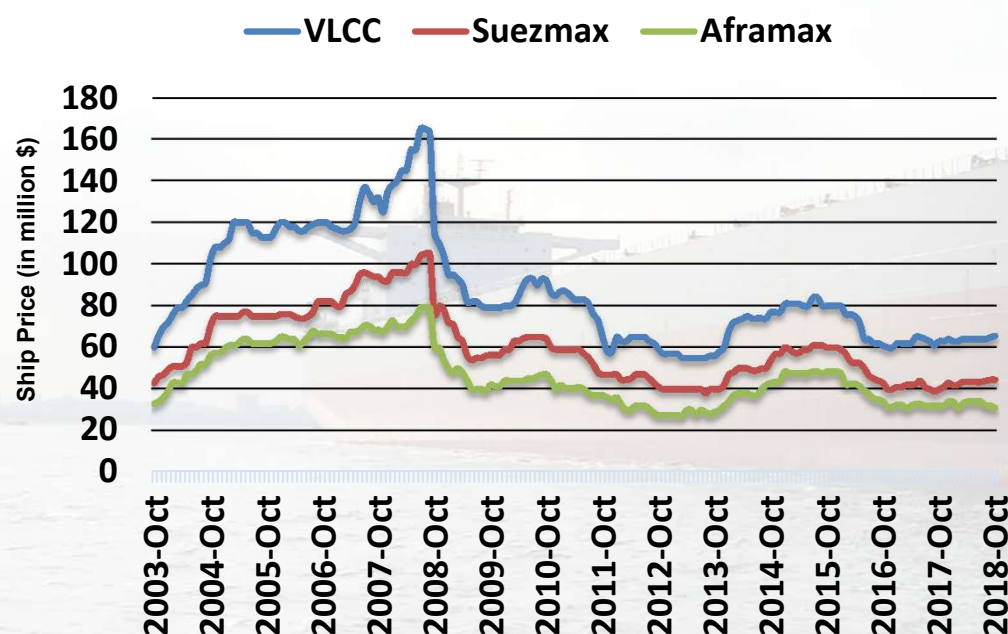
Fleet Growth

- Crude tankers net fleet growth in Q3CY18 is 0.60%, product tankers net fleet growth is 0.95% and VLGC growth in net fleet is flat.

** 5 yr old prices in Q3CY2018 are for Eco Tankers whereas in Q3CY2017 for Non-Eco*

Source – Industry Reports

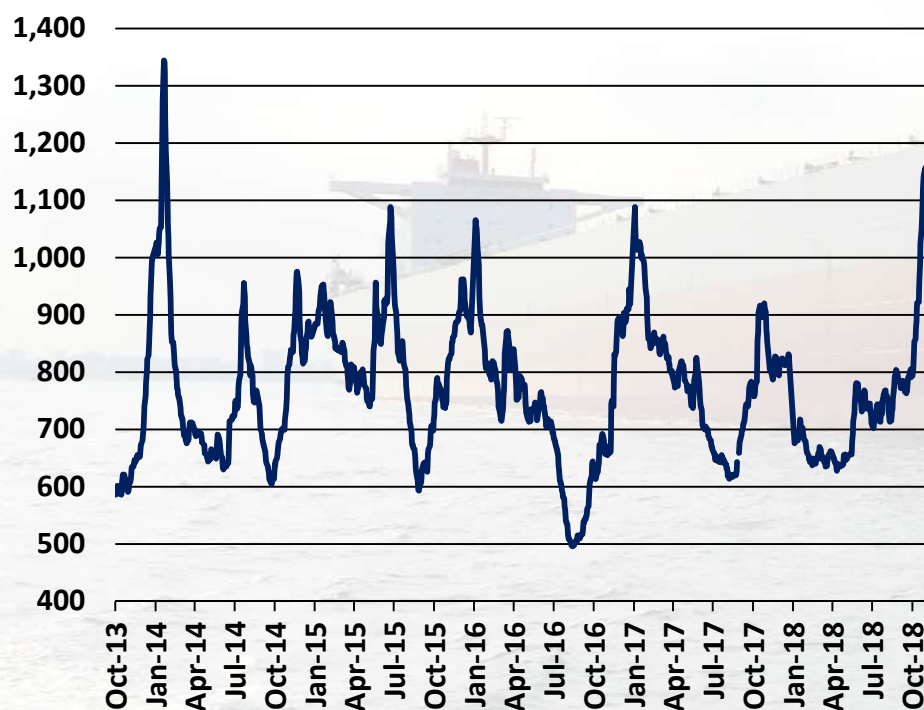
TANKERS – ASSET PRICE MOVEMENT (5-YEAR OLD)



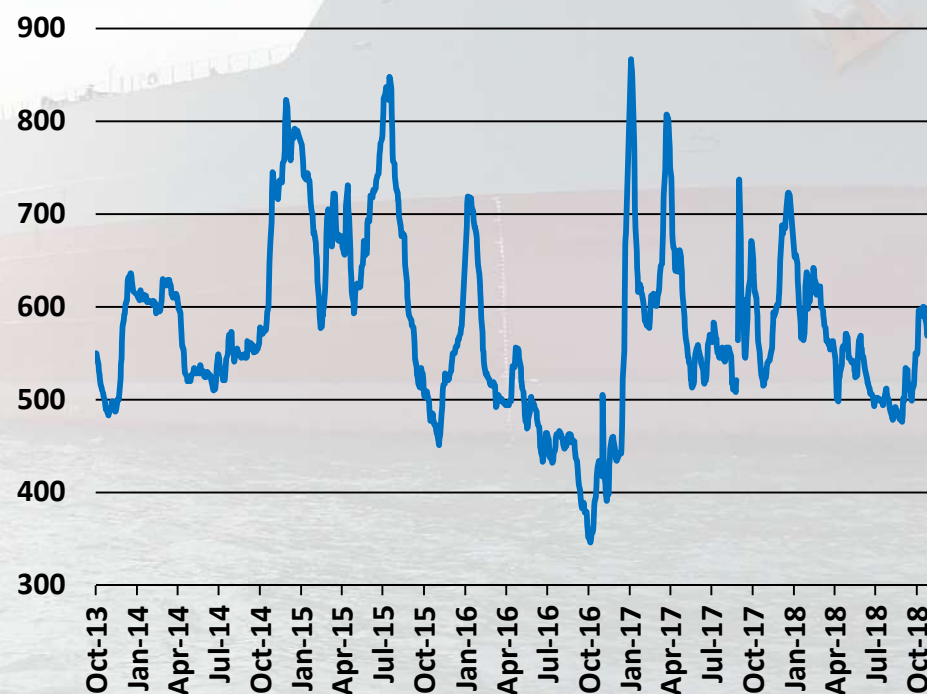
Wet Bulk asset prices adjusted for Eco vessels grew marginally in Q3CY2018 Y-O-Y.

BALTIC DIRTY & CLEAN INDEX

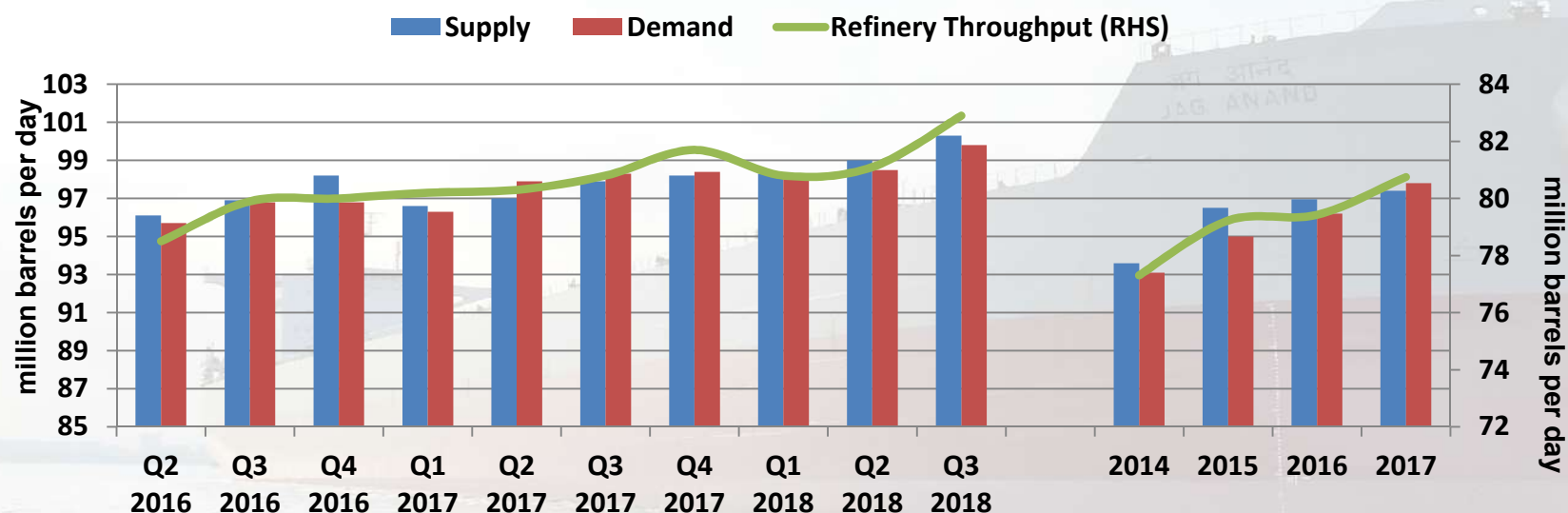
BALTIC DIRTY TANKER INDEX



BALTIC CLEAN TANKER INDEX

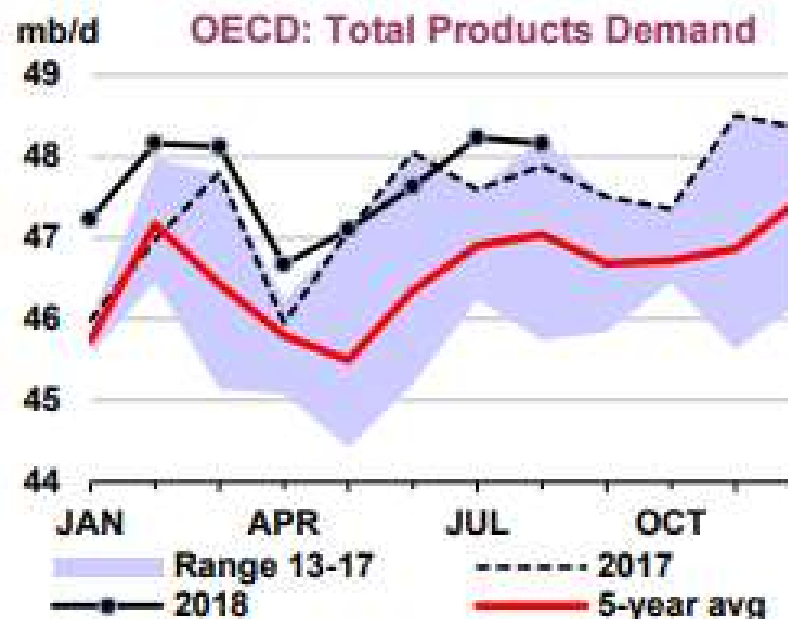
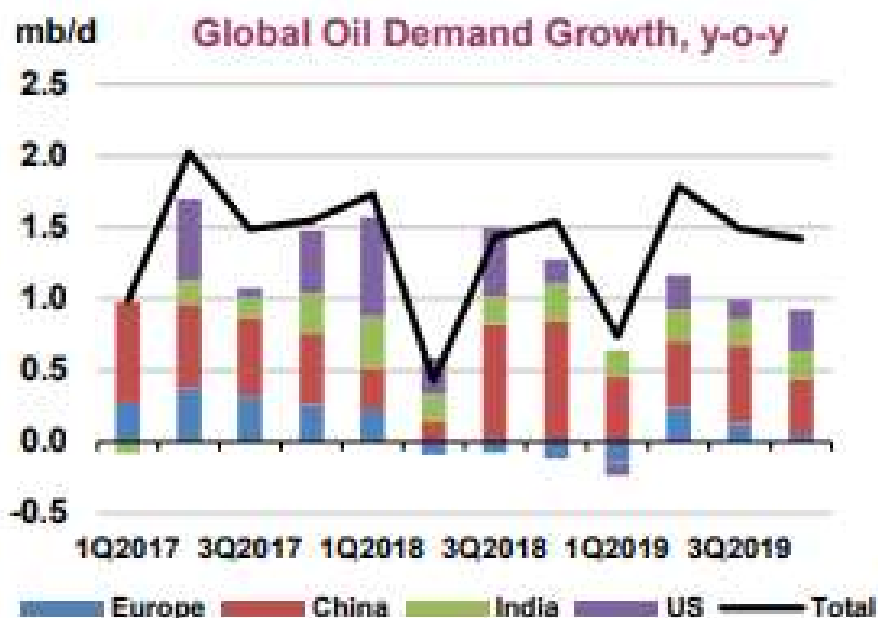


TOTAL OIL SUPPLY & DEMAND



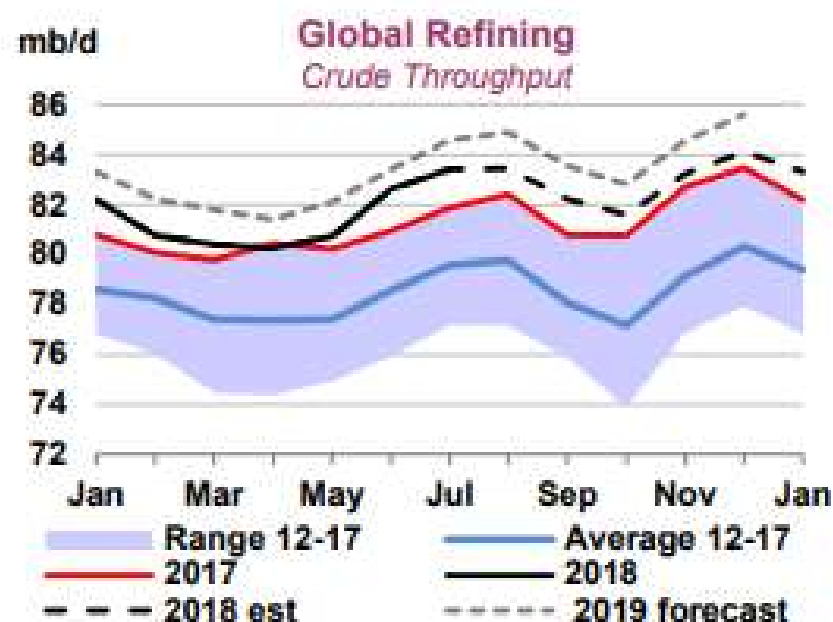
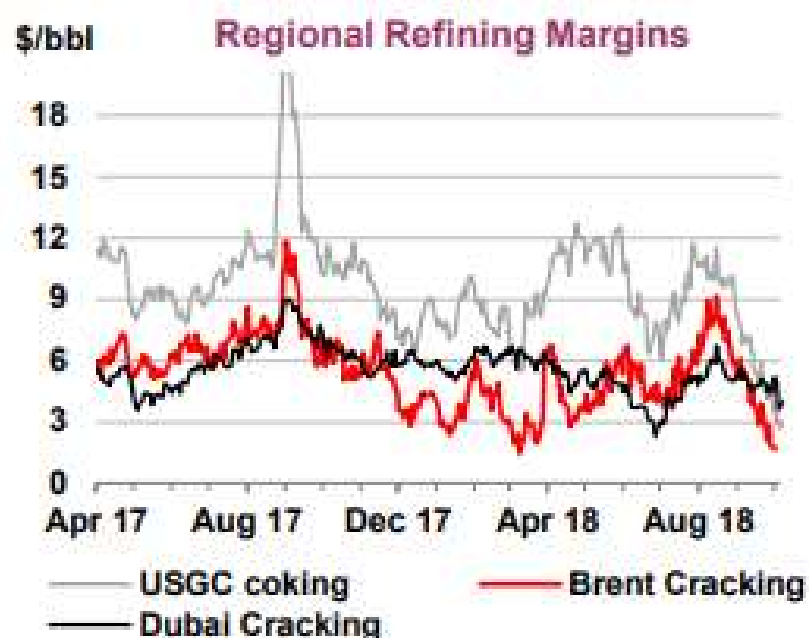
In Q3CY18 refining throughput growth was relatively higher as compared to growth seen during Q3CY17, due to strong refinery run in North America and Asia .

CRUDE & PRODUCT GROWTH



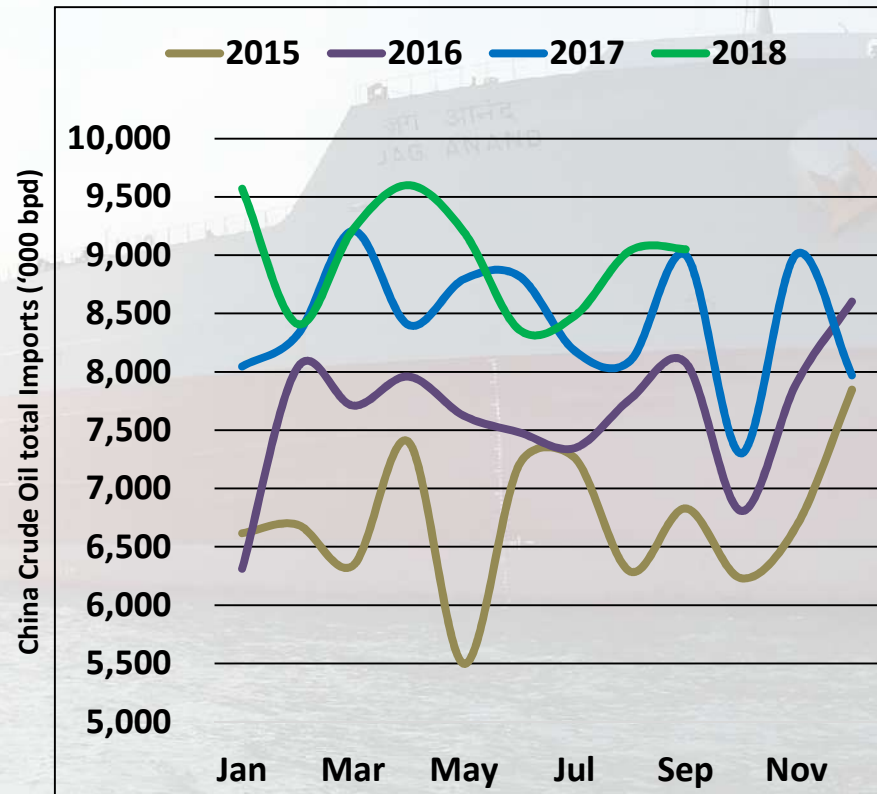
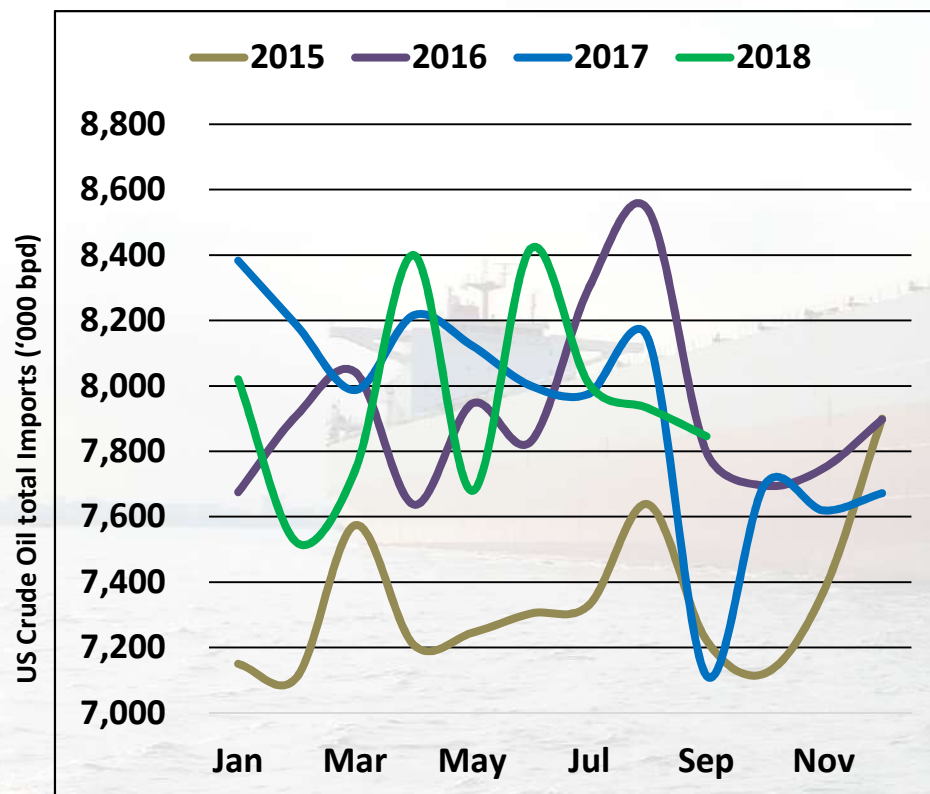
- Crude demand growth was 1.2 Mn barrels a day in Q3CY2018 Y-O-Y.
- Core refined products demand growth was 1 Mn barrels a day due to middle distillate demand growth especially diesel.
- Both crude and product demand is principally fuelled by positive demand in OECD Americas & Non-OECD Asia.

REFINERY MARGINS



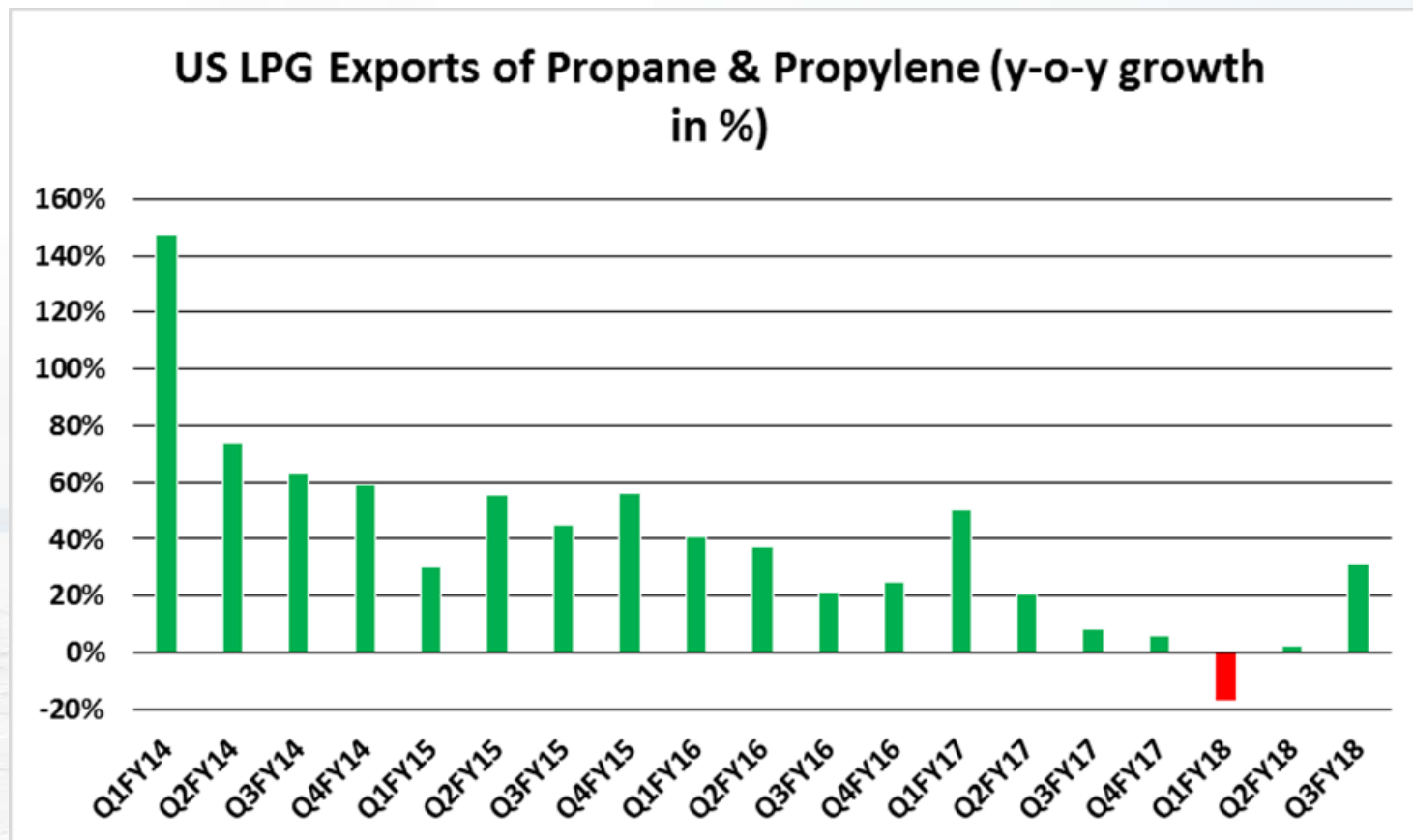
Margins continued to stay low in Q3CY18 Y-O-Y due to rising feedstock prices. Throughput however continues to be high due to strong middle distillate demand in OECD Americas and Non-OECD Asia.

CRUDE OIL IMPORTS (US & China)



In Q3CY2018, China imported 5% higher crude oil than Q3CY2017

US LPG EXPORTS OF PROPANE & PROPYLENE



In Q3CY2018, US propane & propylene exports grew 31% Y-O-Y

WORLD FLEET GROWTH

CRUDE TANKERS

Tanker Fleet (mn Dwt)	19-Oct-18	1-Jan-18	1-Jan-17	1-Jan-16	1-Jan-15	1-Jan-14
VLCC	226.20	225.10	213.80	200.00	193.75	186.13
Suezmax	82.30	80.60	74.60	71.09	69.68	68.43
Aframax	67.50	67.20	66.40	64.37	64.15	63.71
Total	381.40	378.90	355.00	335.46	327.58	318.27

Order Book (mn Dwt)	2018	2019	2020+	Total
<i>Orderbook as % of current fleet</i>	2%	7%	4%	12.5%

Slippage (YTD 2018)	15%
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WORLD FLEET GROWTH

PRODUCT TANKERS & VLGC

Product Fleet (mn Dwt)	19-Oct-18	1-Jan-18	1-Jan-17	1-Jan-16
LR2	38.64	36.60	33.50	30.10
LR1	27.10	26.51	25.20	24.00
MR/Handy (35k+)	83.36	82.40	80.40	76.70
Total	151.93	147.61	139.40	130.80

Order Book(mn Dwt)	2018	2019	2020+	Total
<i>Orderbook as % of current fleet</i>	1%	4%	3%	8.2%

Slippage Product (YTD 2018)	25%
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Fleet(No. of Vessels)	19-Oct-18	1-Jan-18	1-Jan-17
VLGC	268	266	243

Order Book (No. of Vessels)	2018	2019	2020+	Total
<i>Orderbook as % of current fleet</i>	0.7%	7.1%	8.6%	16.4%

KEY POINTS ON DRY BULK MARKETS

Asset Prices

- Capesize 5 yr old asset prices rose by about 6% in Q3CY2018 Y-O-Y
- Panamax & Supramax 5 yr old asset prices were flat in Q2CY2018 Y-O-Y

Freight Rates

- BDI hits a 4.5 year high of 1,774 in Jul-18
- YTD 2018, BDI rose about 95% from 900 to 1750+ and then dropped to 1050 recently

Coal Market

- China total coal imports for 9MCY2018 have risen by 11% Y-O-Y. Indian coal imports have also risen by 16% Y-O-Y in 9MCY2018

Iron Ore

- China's Iron Ore imports fell by 1.7% in 9MCY2018

Fleet Growth

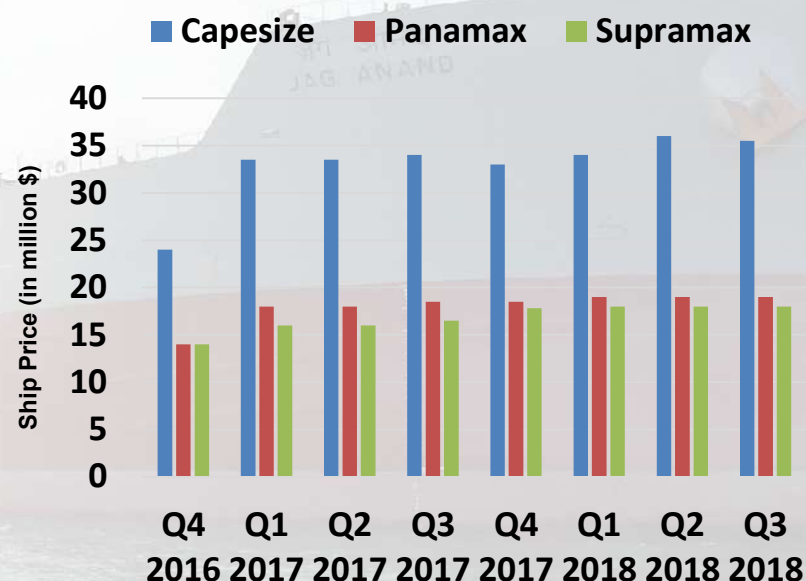
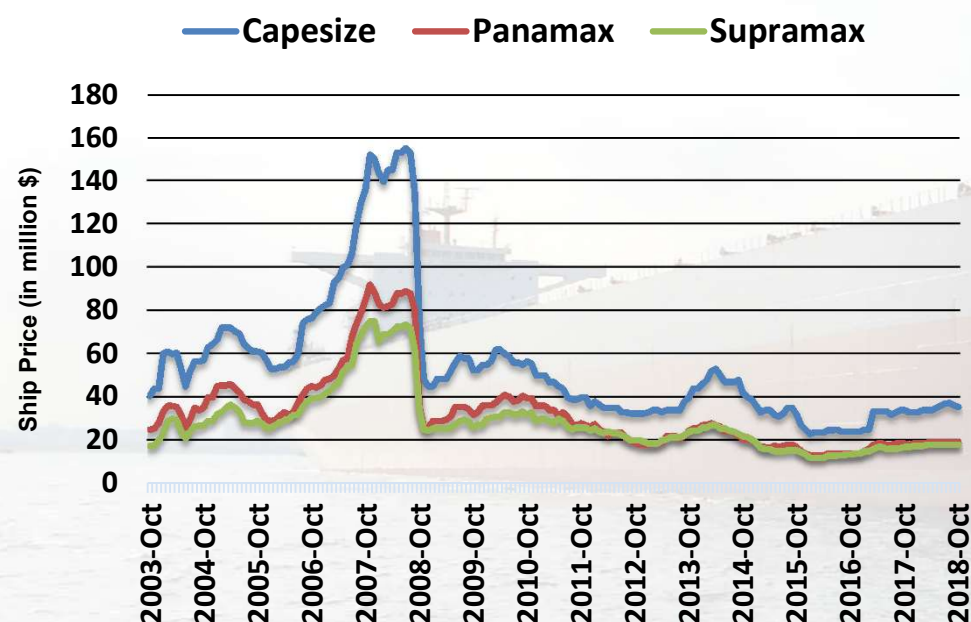
- Dry Bulk net fleet growth in Q3CY2018 was about 0.73%

** 5 yr old prices in Q3CY2018 are for Eco Tankers whereas in Q3CY2017 for Non-Eco*

Source – Industry Reports

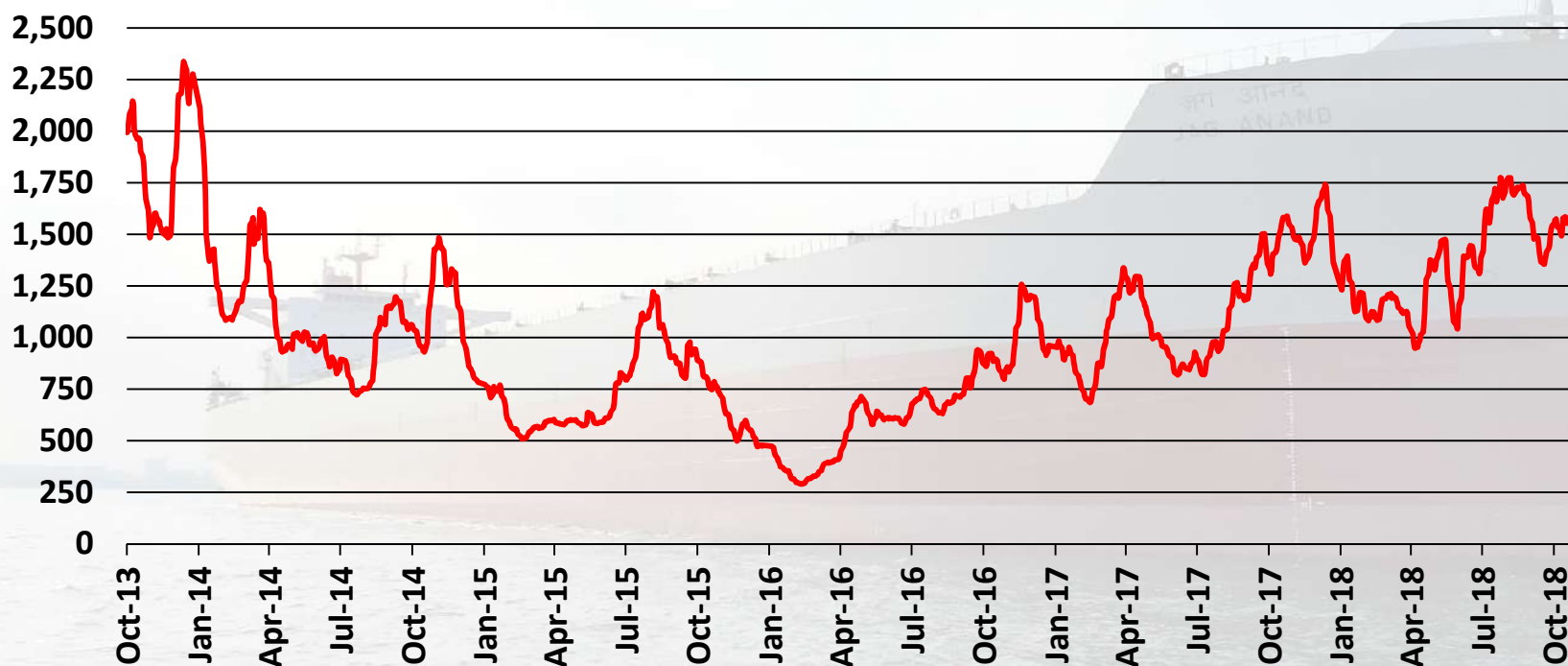
BULKER ASSET PRICES

5-YEAR OLD



Dry Bulk asset prices adjusted for Eco vessels were flat in Q3CY2018 Y-O-Y.

BALTIC DRY INDEX

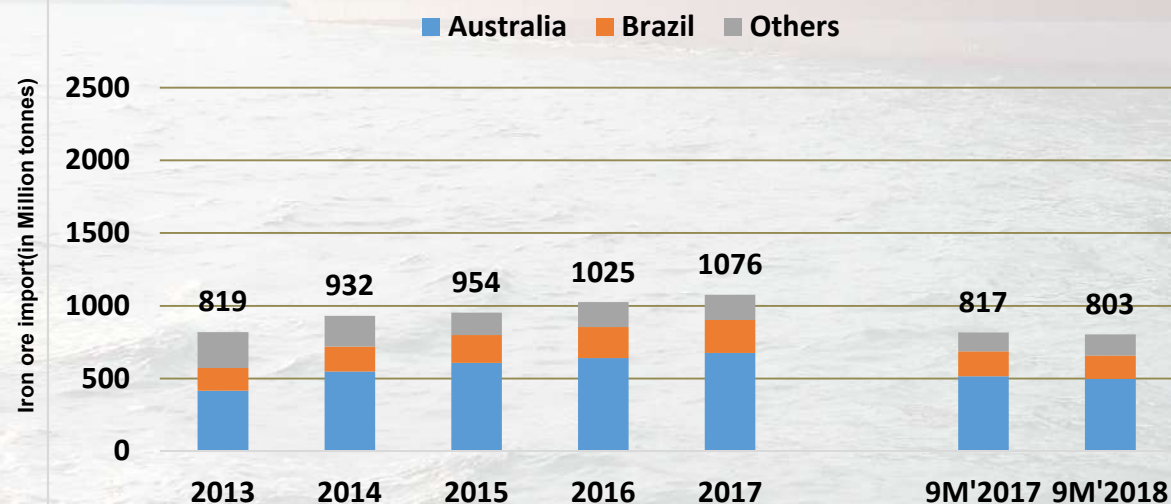


Baltic Dry Index hits 4.5 year high of 1,774 in Jul'18 from a low of 291 in Feb'16.

CHINA IRON ORE & STEEL PRODUCTION



**China Steel Production
increased 7% in
9MCY2018 Y-O-Y**



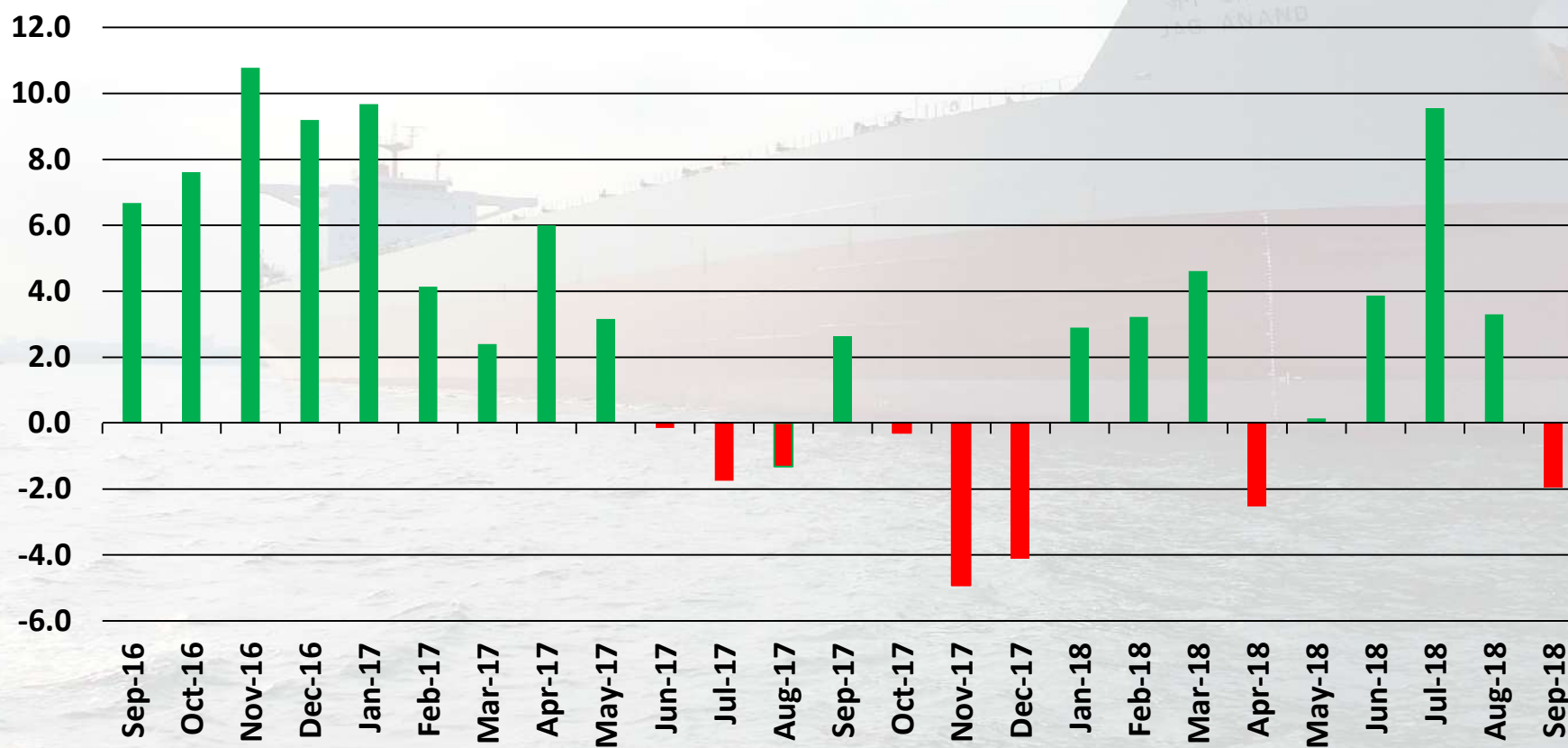
**China's iron ore import
marginally lower in
9M'CY2018
Y-O-Y**

Source – Industry Reports

CHINA COAL IMPORTS

China coal imports change (Y-O-Y)

Mn Tonnes



Source – Industry Reports

WORLD FLEET GROWTH

DRY BULK

Fleet(in mn Dwt)	19-Oct-18	1-Jan-18	1-Jan-17	1-Jan-16
Capesize	333	324	315	309
Panamax	206	202	196	195
Handymax	200	196	189	180
Handysize	98	96	94	93
Total	837	818	794	776

Orderbook (mn Dwt)	2018	2019	2020	2021+	Total
Orderbook (%Fleet)	1%	4%	4%	1%	10.0%

Slippage (YTD 2018)	25%
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SCRAPPING

Vessel Category	Fleet (mn Dwt)	Scrapping(% of beginning world fleet)				
	19 Oct 18	2018 (YTD)	2017	2016	2015	2014
Crude	381.40	4.08%	2.35%	0.35%	0.23%	1.60%
Product	151.93	1.14%	1.42%	0.62%	0.61%	1.19%
Dry Bulk	837.1	0.38%	1.77%	3.67%	4.03%	2.25%

High Scrapping for Tankers, and very low for Dry bulk

**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 (FY19)
PSV	90%
ROVSV	75%
AHTSV	88%
MPSSV	57%
Jackup Rigs	97%

As on 30th September 2018

KEY POINTS ON E&P MARKETS

Q3 CY2018

Day Rates

- Day rates for both AHTSV & PSV have come off by ~ 45%-50% since 2014

Fleet Growth

- Rigs: Total fleet remains broadly same compared to last quarter however, there is a decline of about 4.8% over one year.
- OSV's: Total fleet remains broadly same compared to last quarter however, there is a decline of about 2% over one year. .

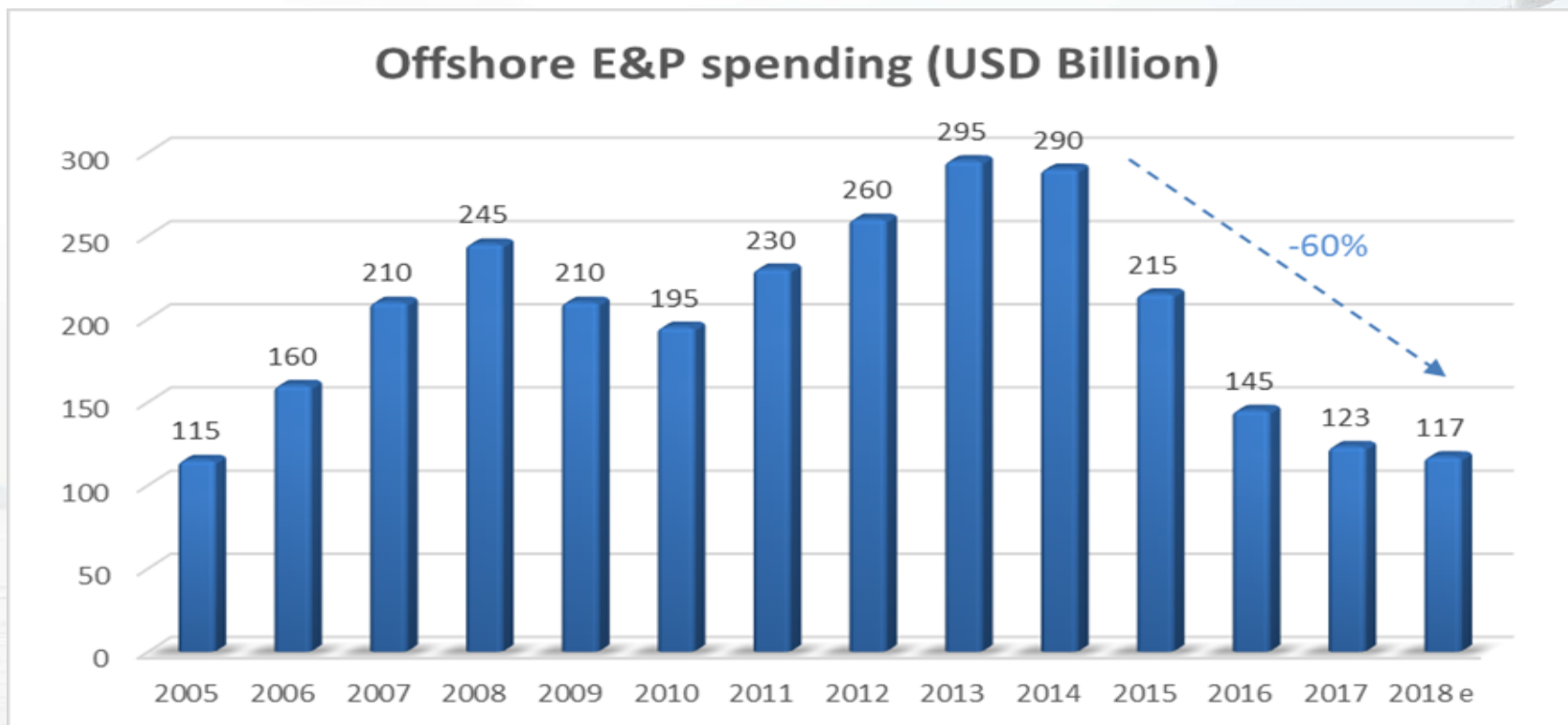
Fleet Utilization

- Rigs: 50-60% (Term)
- Vessels: 40-50% (Term)

Slippage

- OSVs: 70%-80%(CY2017)
- Rigs: 70% - 80%(CY2017)

OFFSHORE E&P SPENDING



According to various industry reports, after the sharp fall over last 3 years, the E&P spending is expected to further decline, albeit marginally, in 2018

GLOBAL FLEET SUPPLY OFFSHORE

Fleet & Orderbook

Number	Jackup Rigs	AHTSVs	PSV
Current Fleet	518	2034	1627
Orderbook	82	84	136
<i>O/B to current fleet</i>	15.8%	4.1%	8.35%

- YTD CY2018 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 45% of Jackup Rigs are currently 30 years and above.
- Although the activity has started to pick up in the Jack-up and OSV space, the charter rates are expected to remain at low levels till the excess supply in the market is cleared.
- 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

Q2 FY 2018-19

FINANCIAL HIGHLIGHTS

GE Shipping Q2FY19 consolidated Net Loss at Rs. 223.47 Crores

Standalone			Key Figures	Consolidated		
Q2'FY19	Q2'FY18	H1'FY19	(Amount in Rs. Crs)	Q2'FY19	Q2'FY18	H1'FY19
			Income Statement			
618.17	470.12	1222.42	Revenue (including other income)	850.87	724.24	1694.80
166.70	160.50	348.17	#EBITDA (including other income)	304.33	314.11	624.45
(186.22)	46.26	(419.09)	Net Profit	(223.47)	6.86	(468.55)
			Balance Sheet			
10708.14	10627.93	10708.14	Total Assets	14949.09	15178.88	14949.09
4681.07	5169.91	4681.07	Equity	6467.44	7218.55	6467.44
4539.49	4513.77	4539.49	Total Debt (Gross)	6643.46	6735.61	6643.46
2020.73	1733.07	2020.73	Long Term Debt (Net of Cash)	2850.03	2711.77	2850.03
			Cash Flow**			
87.09	54.79	275.25	From operating activities	273.16	193.09	485.38
(236.20)	(188.89)	(543.91)	From investing activities	(242.04)	(195.73)	(574.32)
(223.94)	(111.95)	(40.76)	From financing activities	(308.66)	(250.55)	(199.71)
(373.05)	(246.05)	(309.42)	Net cash inflow/(outflow)	(277.54)	(253.19)	(288.65)

** 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

Standalone			Key Figures	Consolidated		
Q2'FY19	Q2'FY18	H1'FY19		Q2'FY19	Q2'FY18	H1'FY19
			Key financial figures			
26.97%	34.14%	28.48%	EBITDA Margin	35.77%	43.37%	36.85%
-4.50%	-3.20%	-3.70%	#*Return on Equity (ROE)	-2.67%	-4.63%	-1.60%
1.65%	1.86%	2.01%	#*Return on Capital Employed (ROCE)	2.78%	1.73%	3.21%
0.97	0.87	0.97	Gross Debt/Equity Ratio	1.03	0.93	1.03
0.43	0.34	0.43	Net Debt/Equity Ratio	0.44	0.38	0.44
69.28	64.22	67.85	Average Exchange rate USD/INR	69.28	64.22	67.85
72.54	65.35	72.54	End of Period Exchange rate USD/INR	72.54	65.35	72.54
			Share related figures(in Rs.)			
(12.35)	3.07	(27.80)	Earnings per share, EPS	(14.82)	0.45	(31.08)
(12.35)	3.06	(27.80)	Diluted earnings per share	(14.82)	0.45	(31.08)
5.45	3.26	13.88	Cash Profit per share	12.26	5.89	27.64
			Dividend per share			

Excluding Exception items

*Annualized figures

FINANCIAL HIGHLIGHTS

Breakup of Revenue Days

Revenue Days	Q2 FY19	Q2 FY18
Owned Tonnage	4,285	4,089
Inchartered Tonnage	115	-
Total Revenue Days	4,400	4,089
Total Owned Tonnage (mn.dwt)	3.98	3.93

Average TCY Details

Average (TCY \$ per day)	Q2'FY19	Q2'FY18	% Change
Crude Carriers	10,373	15,975	-35%
Product Carriers (Incl. Gas)	10,323	13,833	-25%
Dry Bulk	12,447	8,940	39%

Mix of Spot & Time

Days (in %)	Q2'FY19	Q2'FY18
<u>Dry Bulk</u>		
Spot %	79%	43%
Time %	21%	57%
<u>Tankers</u>		
Spot %	80%	66%
Time %	20%	34%
<u>Total</u>		
Spot %	80%	58%
Time %	20%	42%

THANK YOU

THANK YOU

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