



The Great Eastern Shipping Company

17th March 2023

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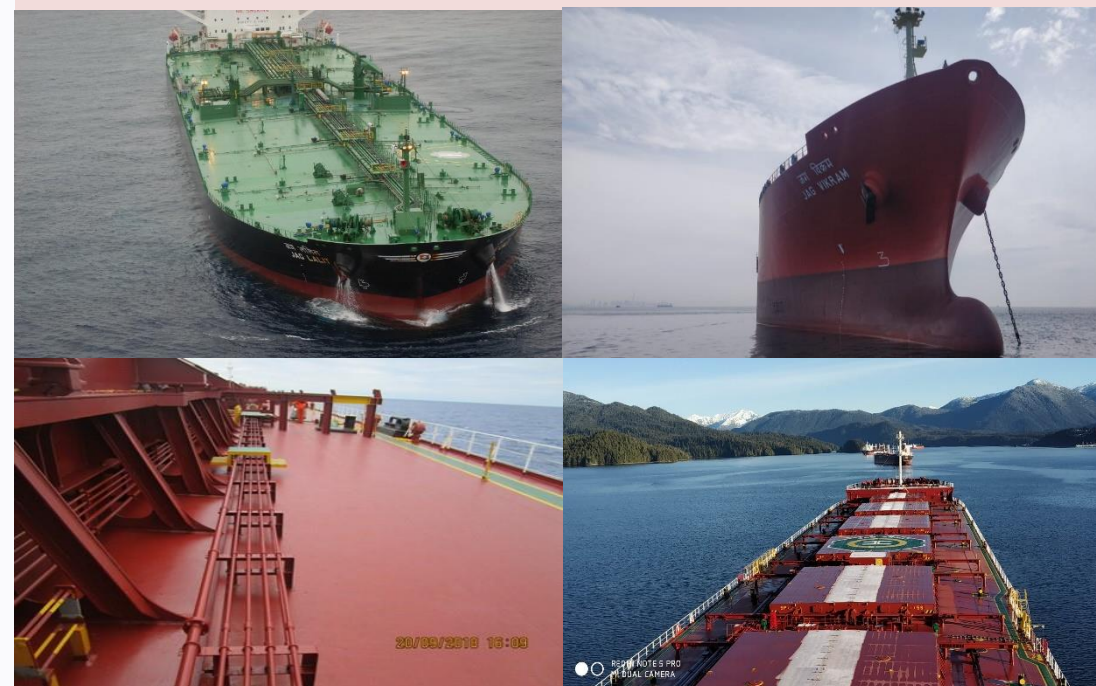
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GESCO - CELEBRATING 75 YEARS OF EXCELLENCE

From a modest beginning with our first ship:
Jag Vijay...



..to most admired globally with 43 top quality
ships



BUSINESS SEGMENTS

Shipping

- Presence - Global presence with different asset classes
- Business Model - Mix of spot and time, Managing cycles, Quality assets and operations servicing top customers, Low break-evens through counter cyclical investments

Offshore

- Presence – Global, but majority of assets in India
- Business model - Efficiently managing portfolio by fixing long term charters with quality counter parties. Managing cost, efficient operations, maintaining modern and high quality assets

FLEET PROFILE

Fleet Profile - Shipping

Fleet	DWT FY23	Fleet (17 Mar'23)	
		No	Avg Age
Crude Carriers	947,968	7	14.85
Product Carriers	1,092,465	18	15.01
Gas Carriers	185,363	4	17.33
Dry Bulk Carriers	1,210,805	14	9.93
Total	3,436,601	43	13.30

Fleet Profile - Offshore

Fleet	Avg Years	
	No. of Units	Yrs.
Jack Up Rigs	4	11.44
Platform Supply Vessels	4	13.61
Anchor Handling Tug cum Supply Vessels	9	13.37
Multipurpose Platform Supply & Support Vessels	2	12.92
ROV Support Vessels	4	11.47

INVESTMENT THESIS

Fleet operated at global standards, with a large number of international customers

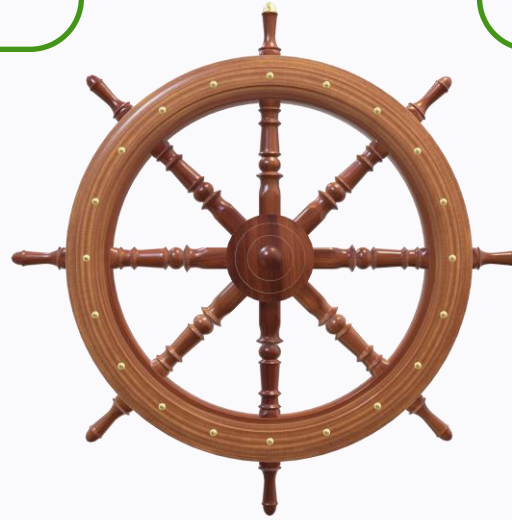
Offshore fleet - quality operations with low balance sheet leverage

Prudent Capital Allocation across a diversified fleet

Strong cash flows

Strong balance sheet enables capacity expansion in low markets

High level of operating leverage in shipping to take advantage of high freight markets



WHY THE LARGE SPOT EXPOSURE?

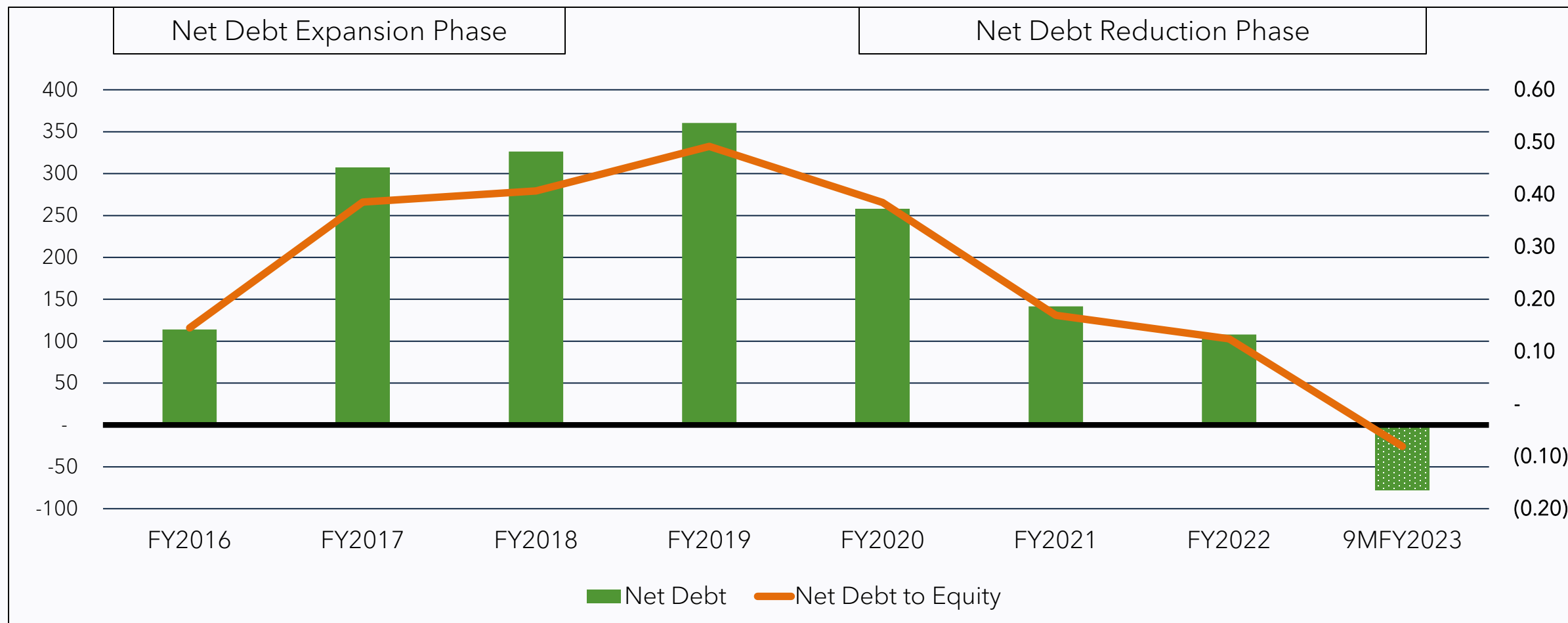
- We have found that over long periods a consistent spot strategy will produce better earnings than a consistent time charter strategy
- Having ships on the spot market also gives them more liquidity in the sale and purchase market
- We have therefore had a large part of our fleet (75% plus) operating spot over the last few years
- While the high spot exposure does give rise to a lot of volatility in our quarterly results, our lowest annual EBITDA over the last ten completed years is about USD 200 mn (and the average around USD 260 mn)

WHY DO WE HOLD SO MUCH CASH?

- Risk Capital – we always provide for unexpected events in the market, and do not want to be under financial stress in bad times
- Having cash gives us freedom to make optimal spot versus time charter decisions without pressure from lenders
- It also enables us to buy when others are forced to sell
- Historically we have observed that waiting with cash and investing at the right price points has given us better returns on capital than trying to minimize cash by investing continuously

COUNTER CYCLICAL INVESTMENTS GENERATED STRONG CASH FLOWS - STANDALONE

USD Mn



MARKET DYNAMICS



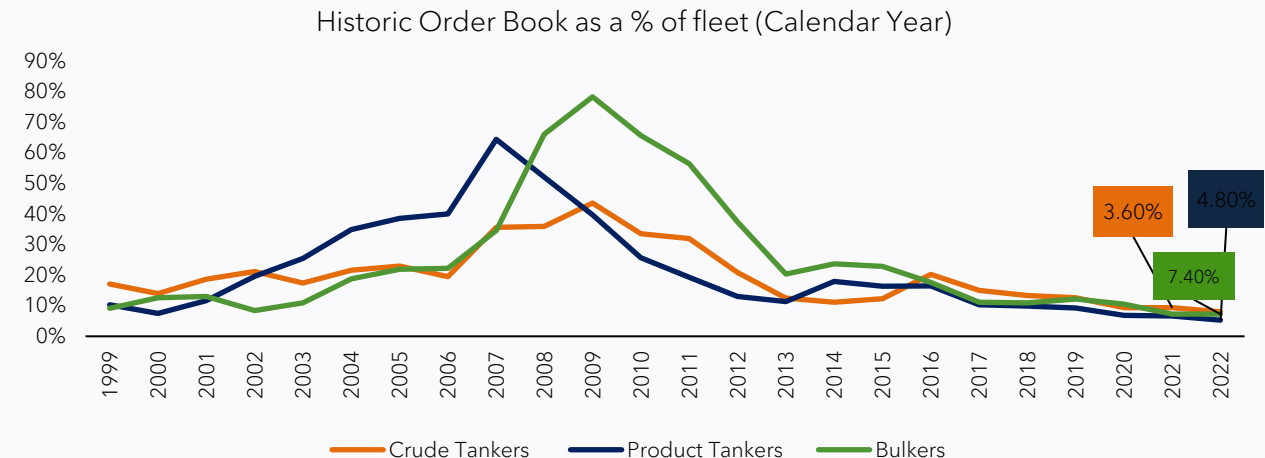
DEMAND AND SUPPLY DYNAMICS - SHIPPING

Demand:

- 1) Demand for ships is difficult to forecast – it is not just global commodity demand but also trade patterns/flows of exporting and importing countries
- 2) We have a dedicated research team, which constantly monitors commodity flows and other factors related to ton-mile demand, and we are constantly building up our knowledge on it

Supply:

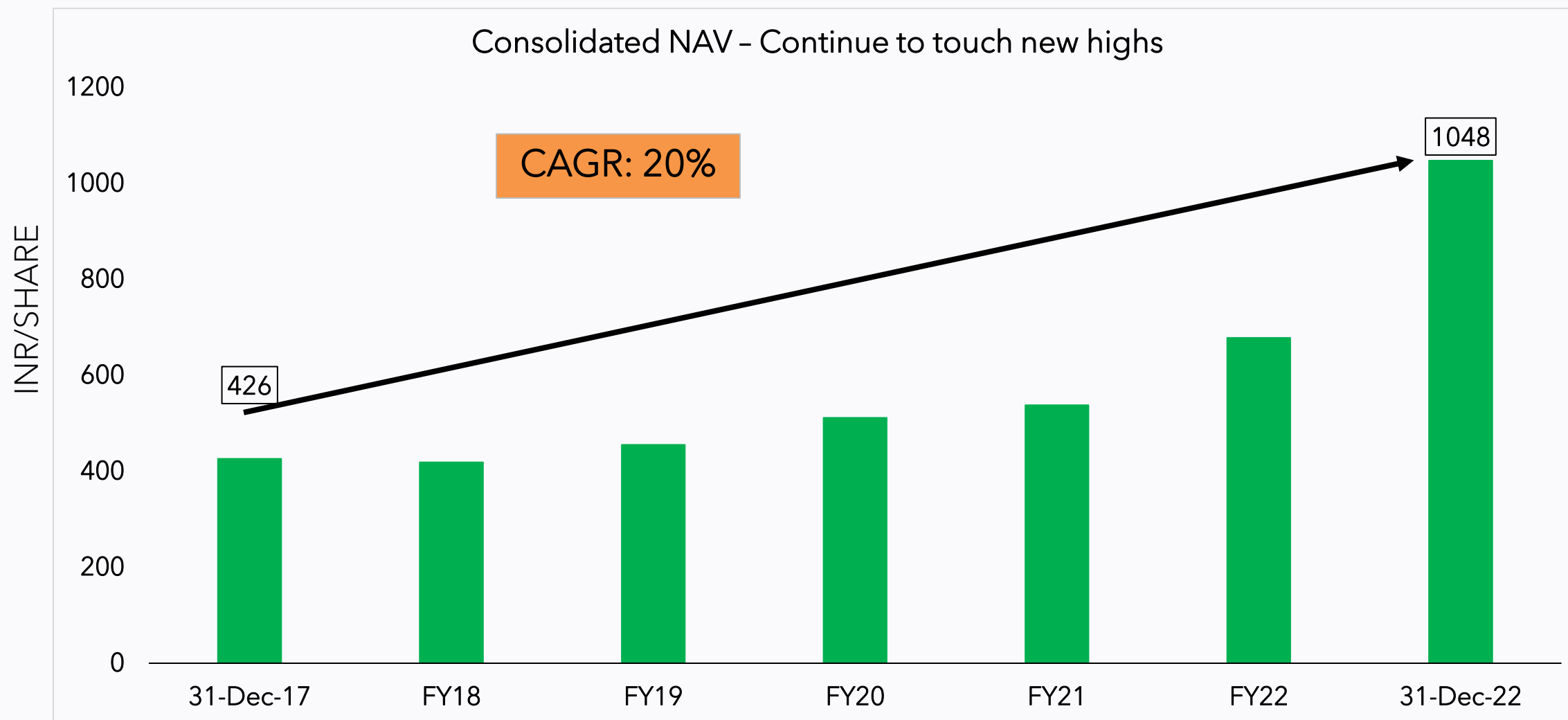
- 1) Orderbook is historically at one of the lowest point for Tankers & Dry Bulk
- 2) Limited Yard capacity remaining for tanker/Dry Bulk new builds till CY 2025



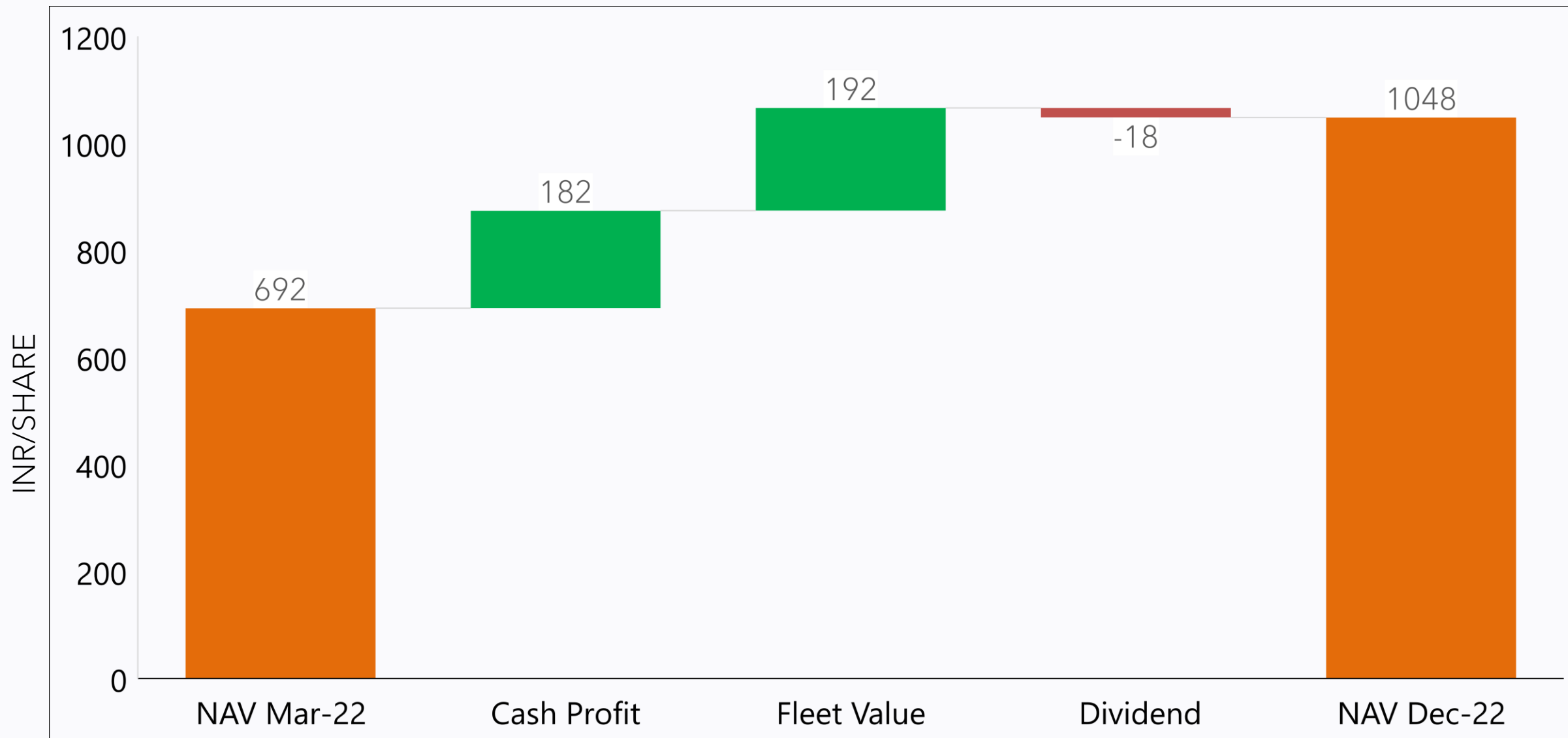
DEMAND AND SUPPLY DYNAMICS - OFFSHORE

- Heavy demand from Middle Eastern NOCs Saudi Aramco and ADNOC has absorbed around 40-45 more jackup rigs
- Modern rig utilization (contracted + future contracted) troughed at 60-65% in 2016-17. This has now moved to ~ 90%
- Contract rates for jackup rigs have moved up by about USD 50k/day from lows in both ME and India
- For Greatship, one rig has received a contract at a higher rate, and this contract will begin in H2 FY 24
- 2 jackups are getting repriced in FY25. The most recent pricing is on average about USD 40,000 per day higher than their current contract rates
- All of the vessels will be due for repricing by end FY25; latest market rates are higher than their current contract rates

5 YEARS MOVEMENT IN CONSOLIDATED NAV

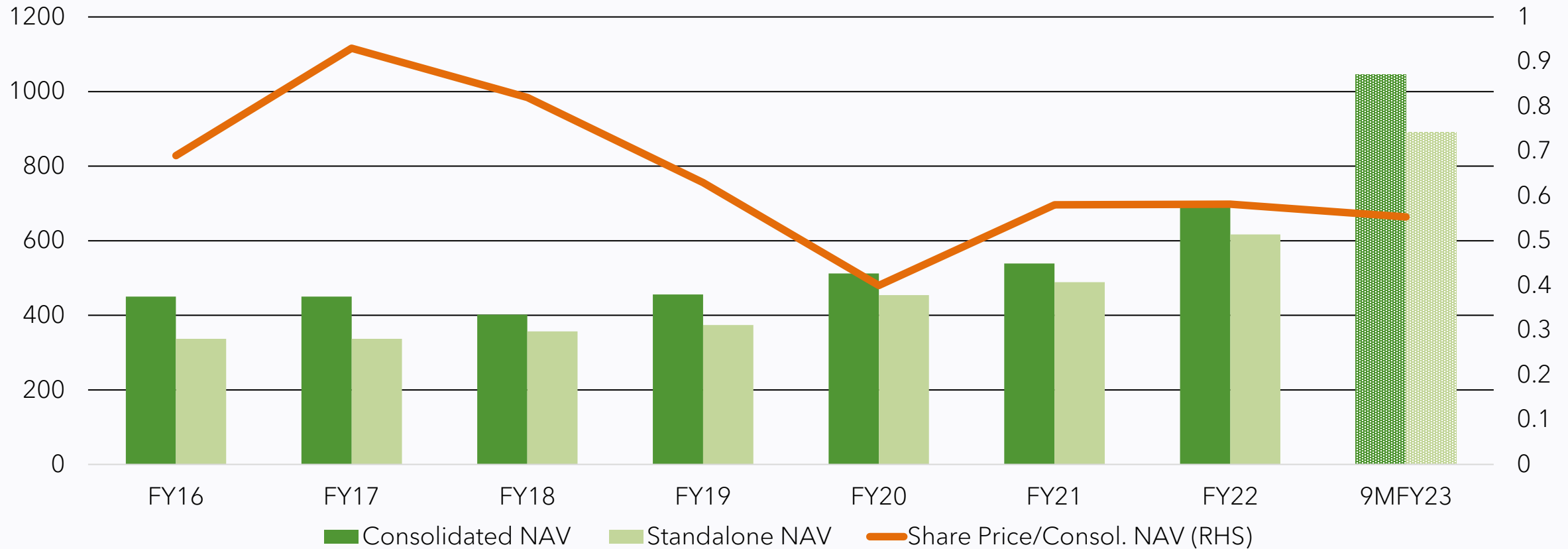


CHANGES IN CONSOLIDATED NAV (9M FY 23)



SHARE PRICE TO CONSOLIDATED NAV

INR/Share



* For 9MFY23 we have taken share price as on 16th March 2023

Way Forward – Key points

- We continue to have significant spot exposure in shipping
- If the cycle sustains, we will have high cash accruals, and consequently higher capital available for dividends/fleet renewal/expansion
- If the market weakens on a sustained basis, asset prices should follow the trend, and we will deploy accumulated cash for growth
- Offshore markets have turned, and we are seeing improved rates on repricing. The impact of repricing will be seen partly in FY 25, and fully post FY25

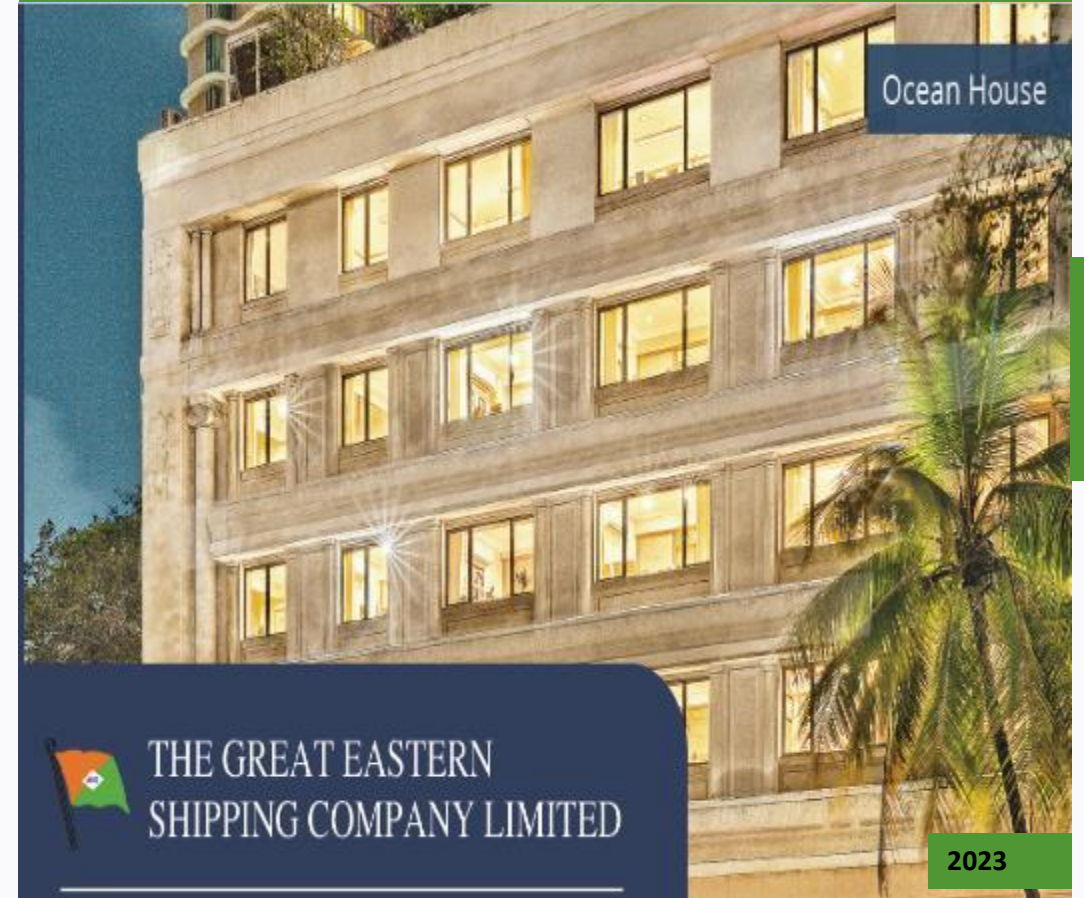
THANK YOU

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...to most admired globally



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