



The Great Eastern
Shipping Co. Ltd.

BUSINESS OVERVIEW



8 June 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

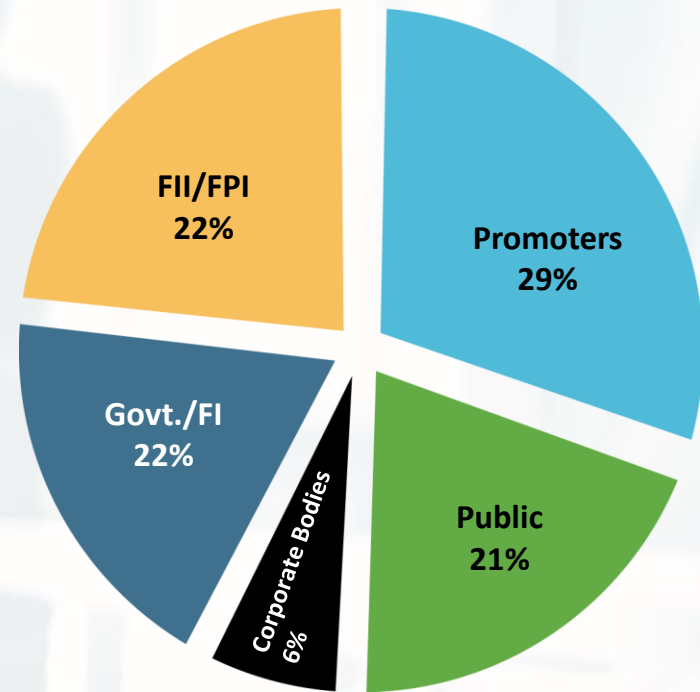
Dry Bulk

Logistics

Drilling

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

SHAREHOLDING PATTERN



Shareholding Pattern as on 31 March 2020

FLEET PROFILE

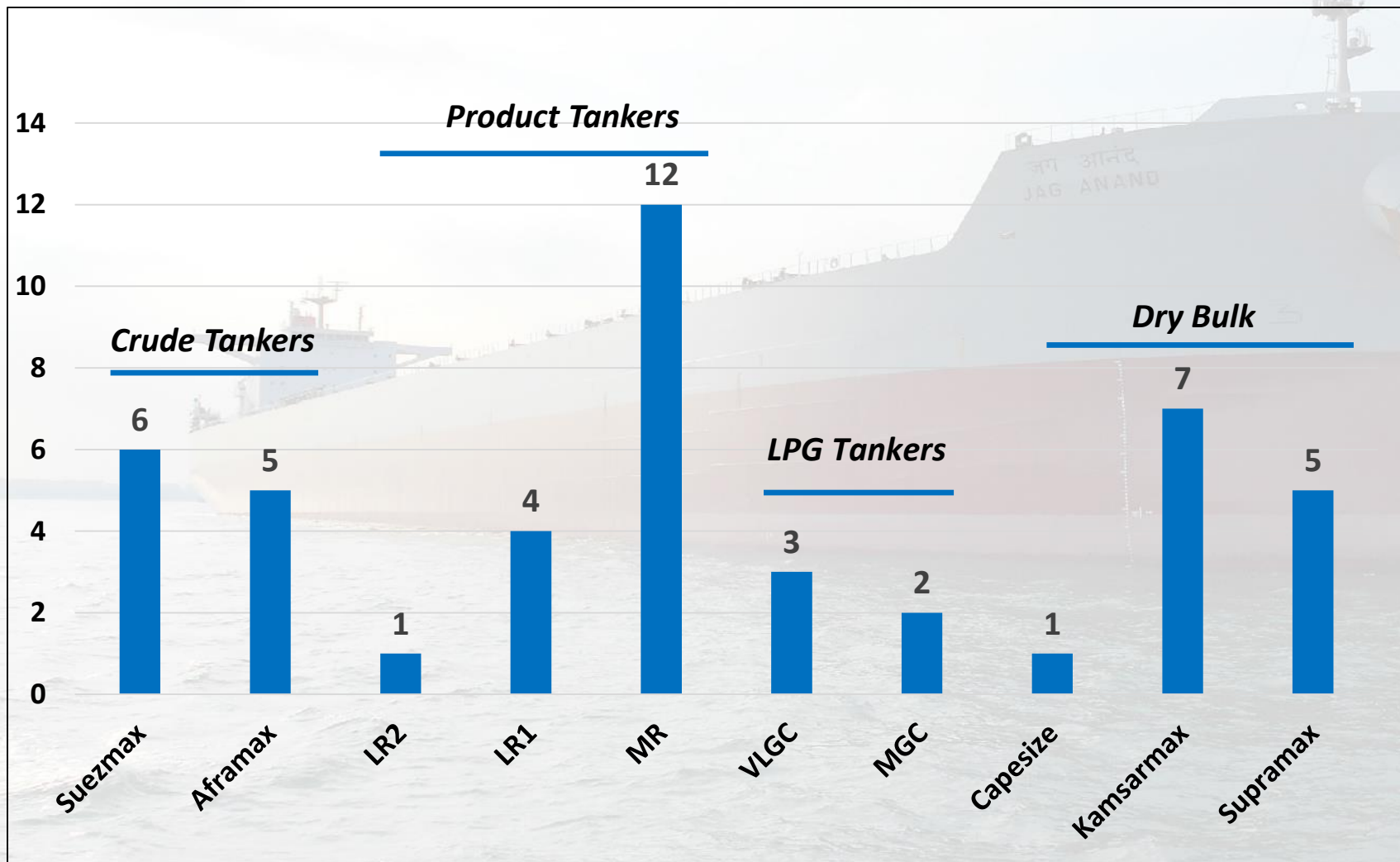
SHIPPING

Fleet	DWT	Number of Ships	Average Age (Yrs.)
Crude Carriers	1,461,591	11	14.16
Product Carriers	987,207	17	12.60
Gas Carriers	224,113	5	18.73
Dry Bulk Carriers	1,026,462	13	7.61
Total	3,699,373	46	12.20

OFFSHORE

Fleet	Number of Units	Average Age (Yrs.)
Jack Up Rigs	4	8.64
Platform Supply Vessels	4	10.79
Anchor handling Tug Cum Supply Vessels	8	10.65
Multipurpose Platform Supply & Support Vessels	2	10.11
ROV Support Vessels	5	8.

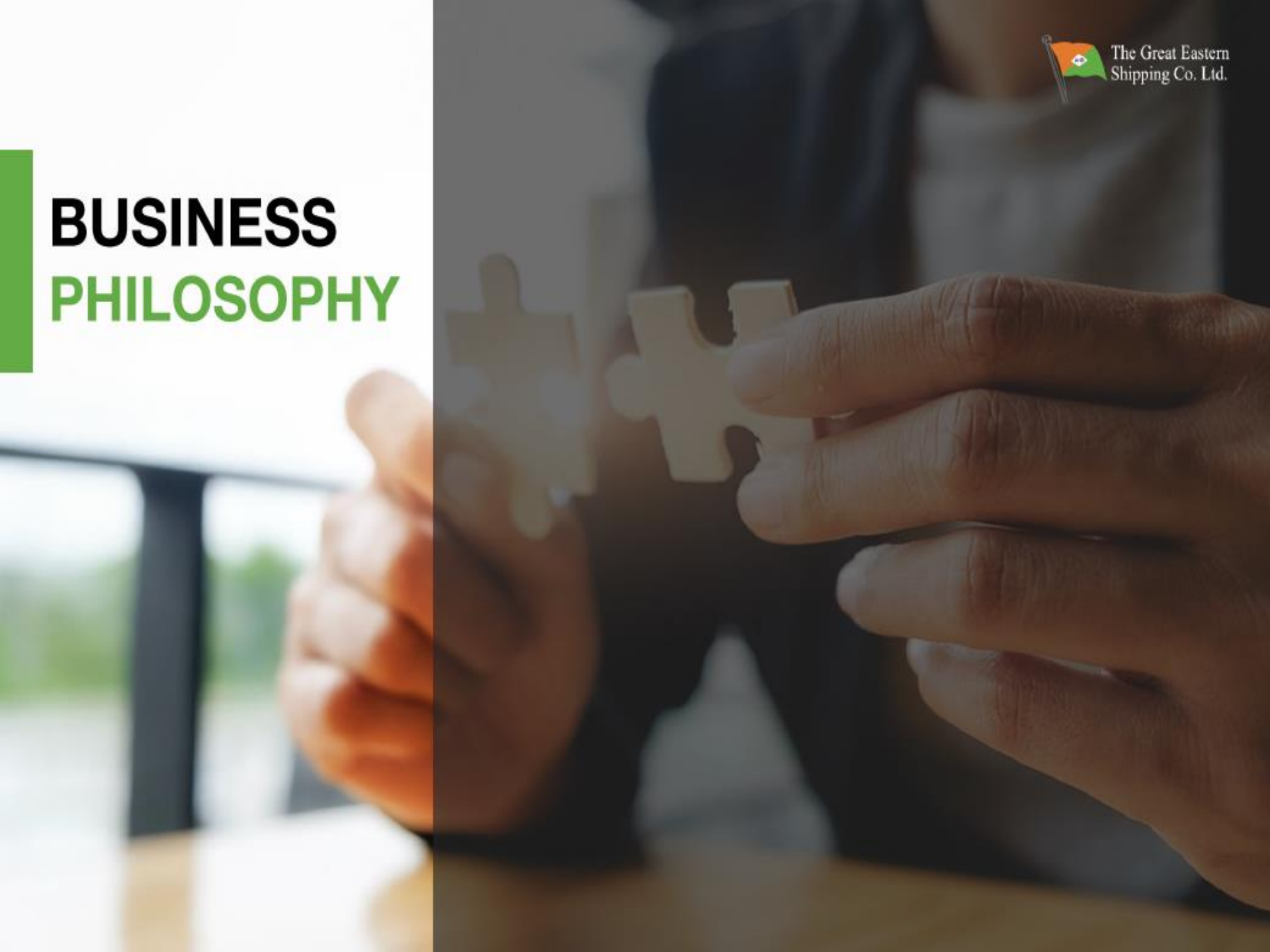
SHIPPING FLEET BREAK-UP



BUSINESS **PHILOSOPHY**



The Great Eastern
Shipping Co. Ltd.



4 KEYS TO OUR SUCCESS



**Dynamically
managing
cycles**



**Diversified
Fleet**



**In-House
technical &
commercial
management**

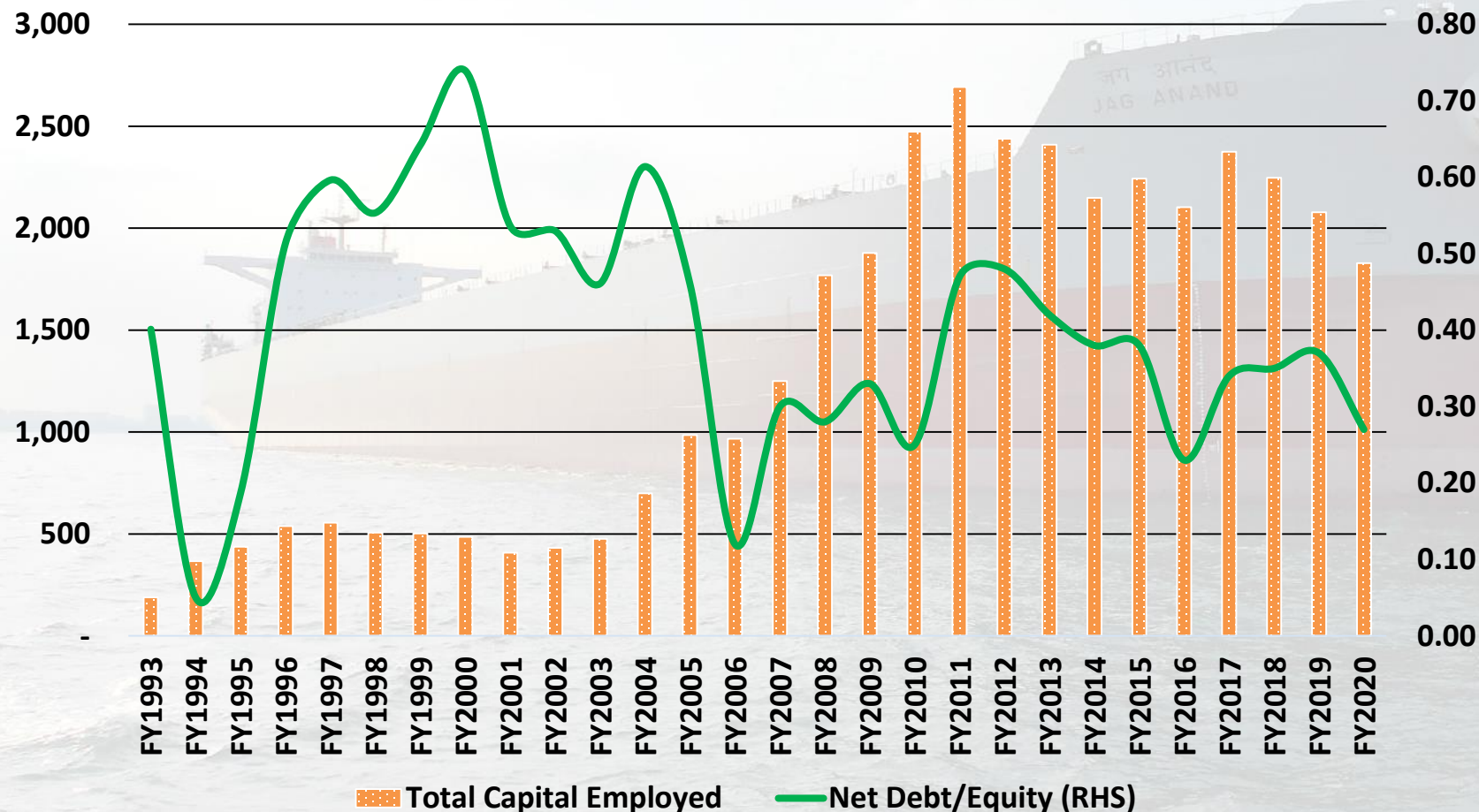


**Strong
balance
sheet**



NET DEBT/EQUITY & TOTAL CAPITAL EMPLOYED (CONSOLIDATED)

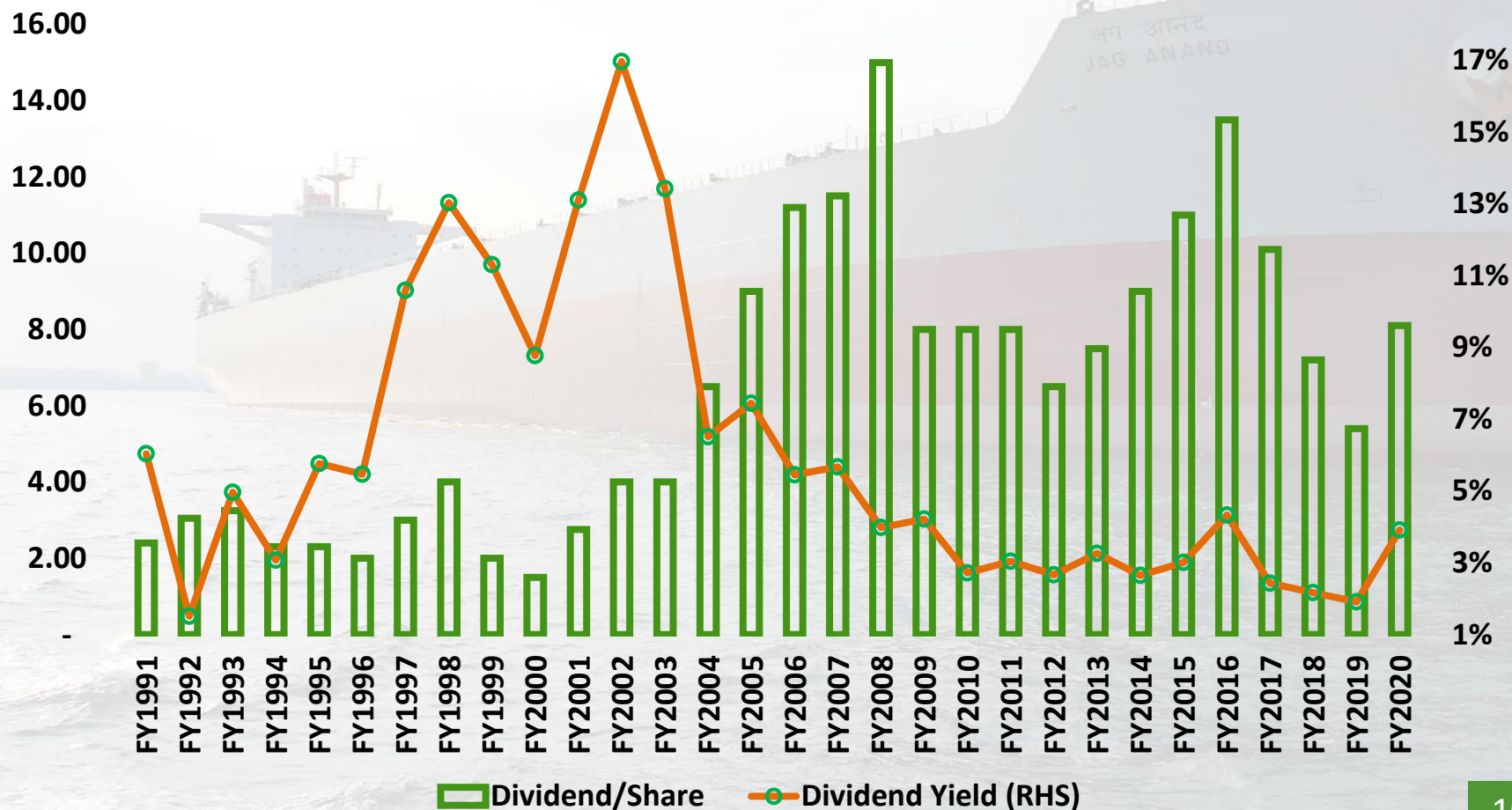
USD Mn



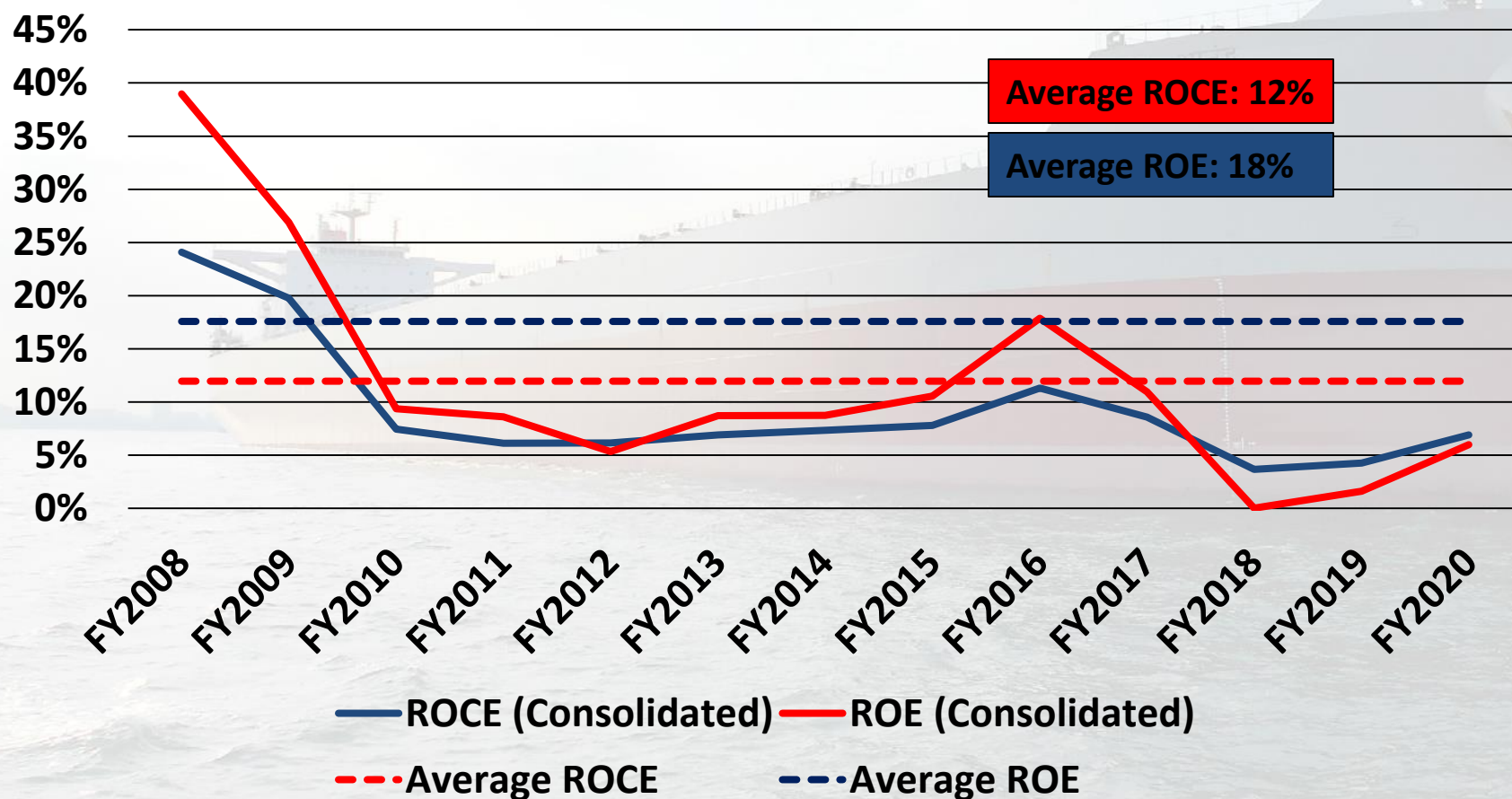
DIVIDEND/SHARE

(30+ YEARS CONTINUOUS DIVIDEND)

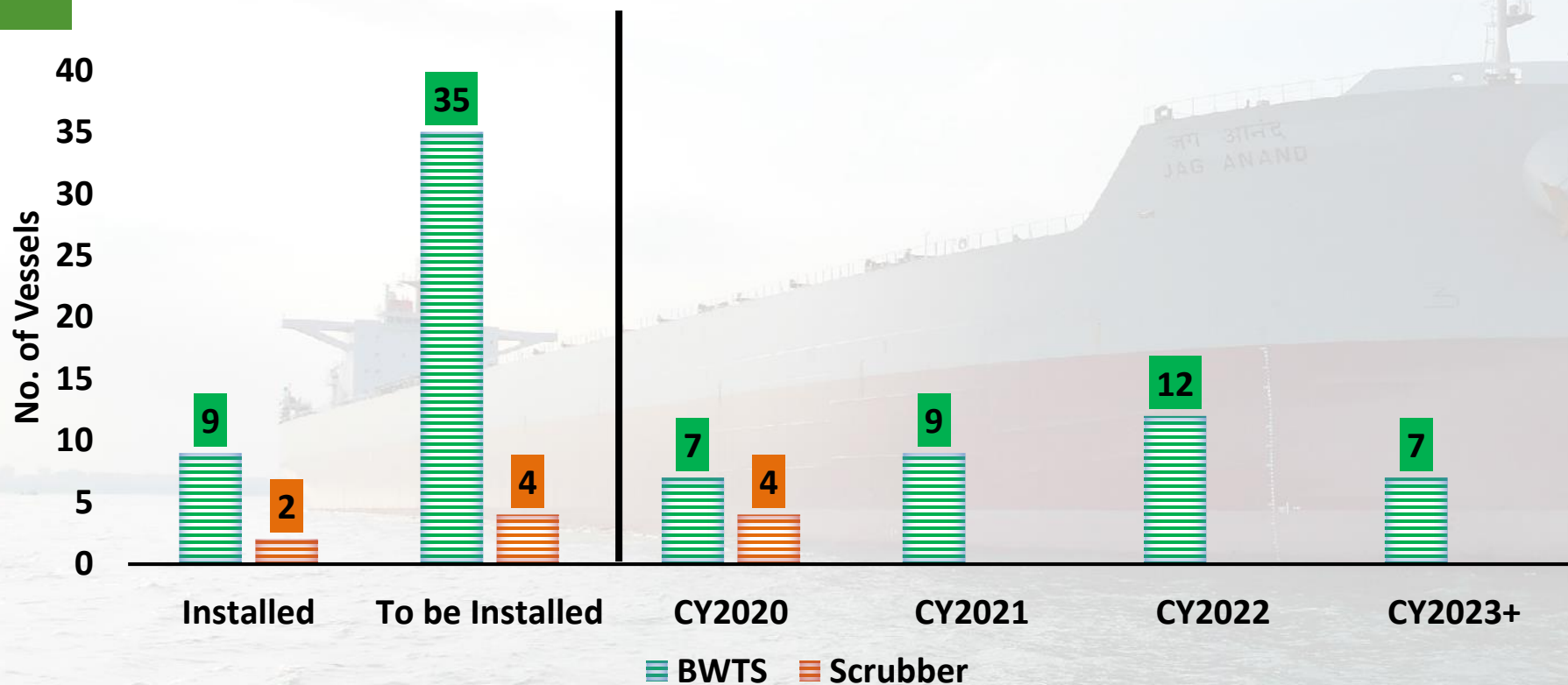
INR/Share



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 4 Vessels are scheduled to be installed with Scrubbers in CY2020

SHIPPING MARKET



IMPACT OF COVID-19

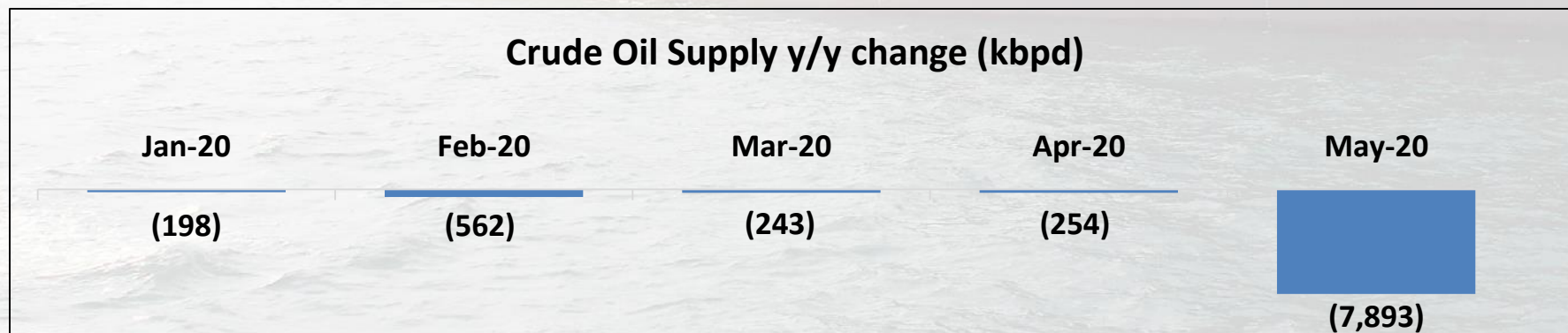
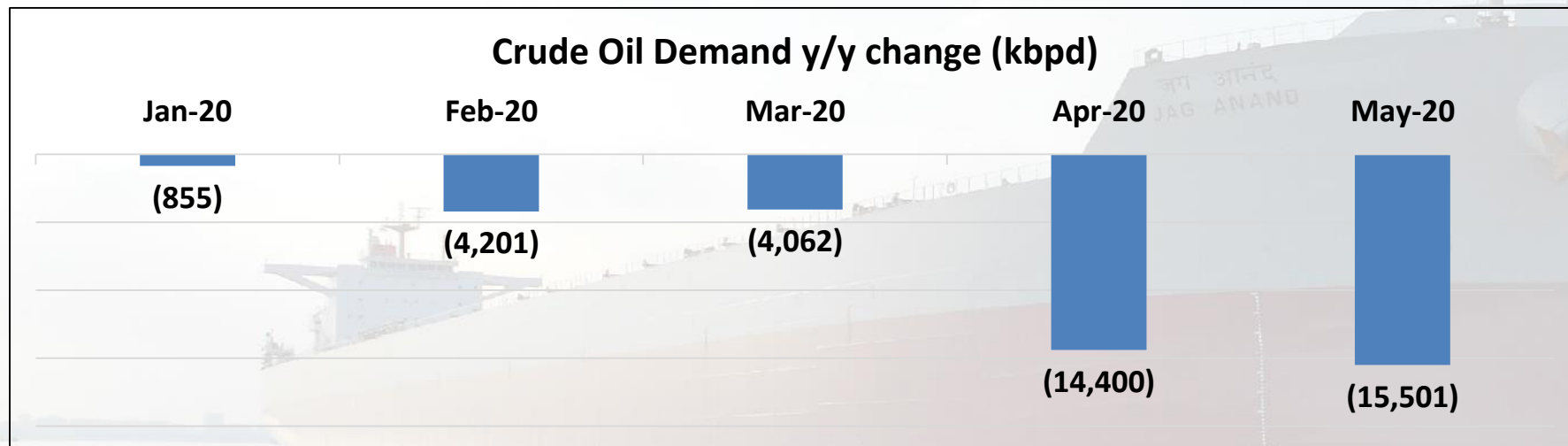


IMPACT OF COVID-19 ON SHIPPING

Operational Disruptions due to COVID-19

- Drydocks, Ballast Water Treatment system installations, Scrubber Installations – Delays & Postponements
- Shipyards & Newbuilding – Shortage of labour, repair delays, Vessel Delivery delays, supervision issues
- Ship Demolition – Lockdown/Quarantine in India, Bangladesh & Pakistan
- Crew Change Issues – Quarantine
- Port Delays and congestion – Process time and strictness, berthing issues
- Critical Spare Parts – Sourcing issues

CRUDE OIL DEMAND & SUPPLY IMPACT

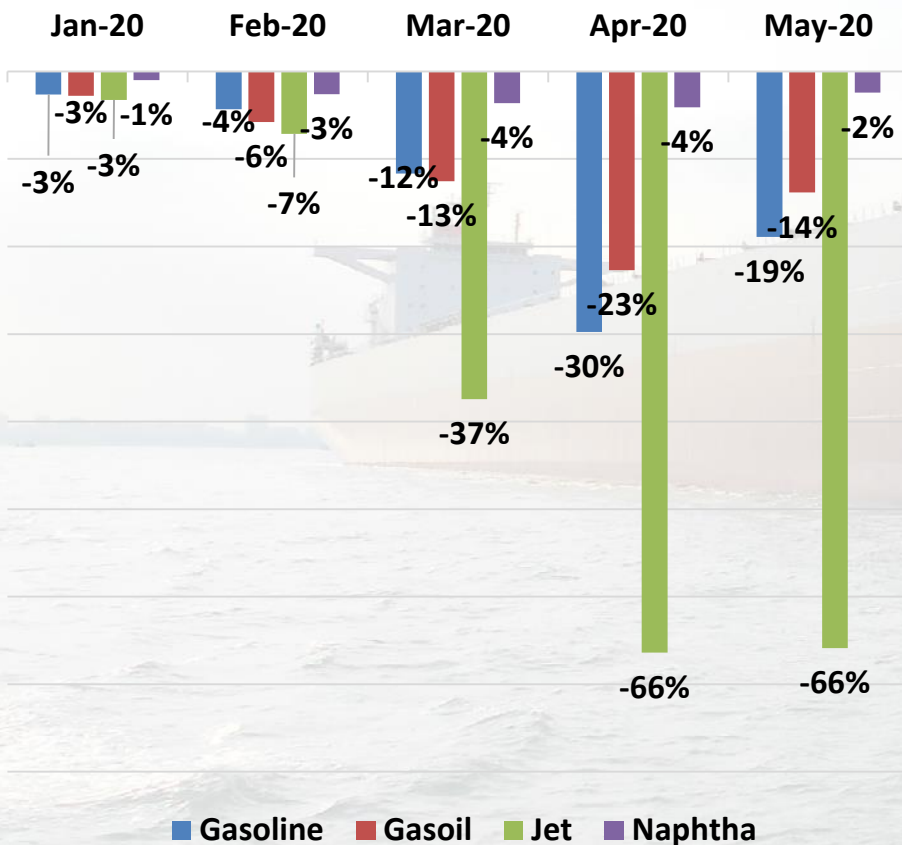


kbpd: Thousand Barrels Per Day

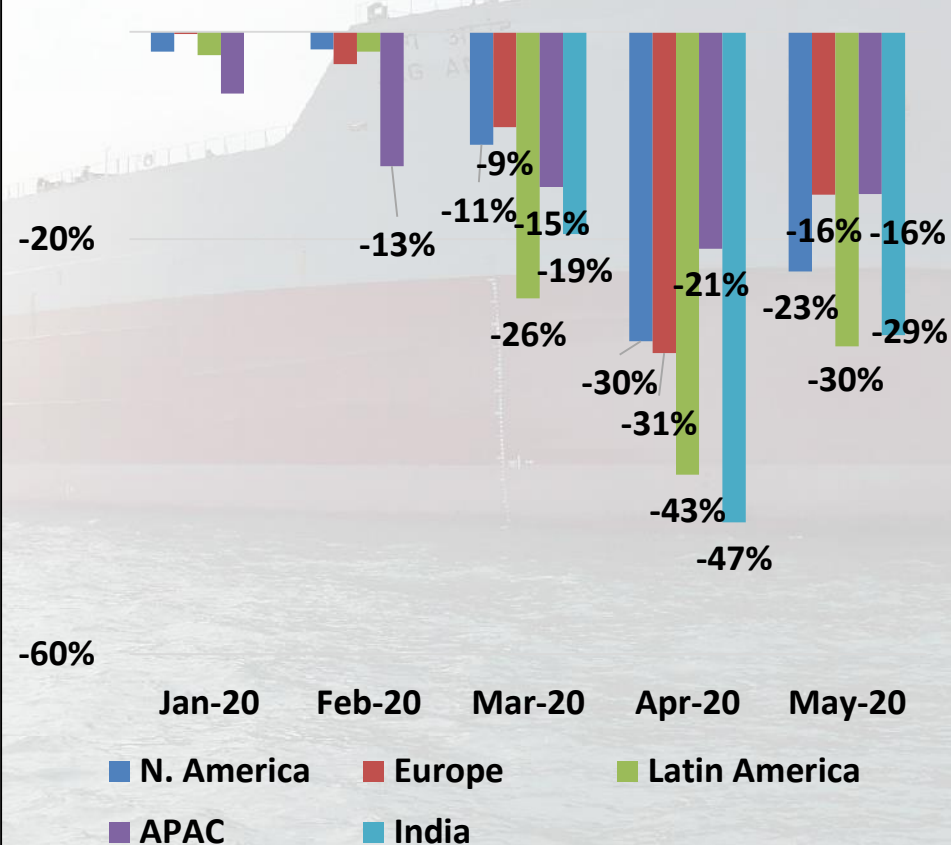
Sources: Industry Reports

DECLINE IN CORE PRODUCTS DEMAND DURING JAN-MAY 2020

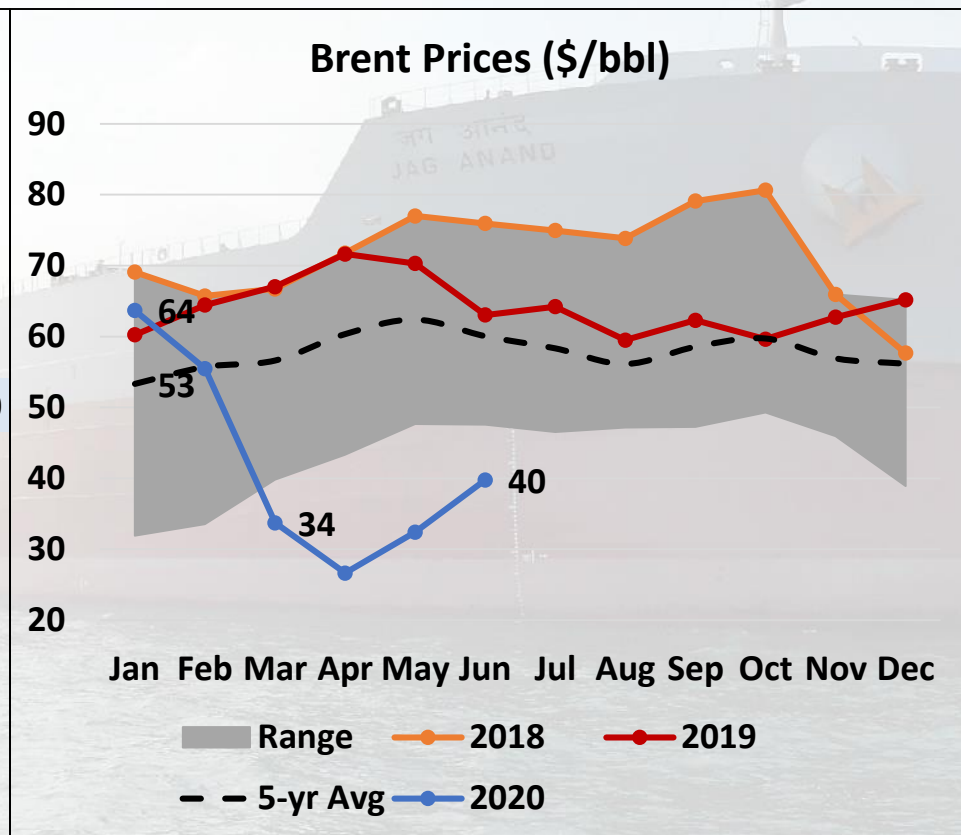
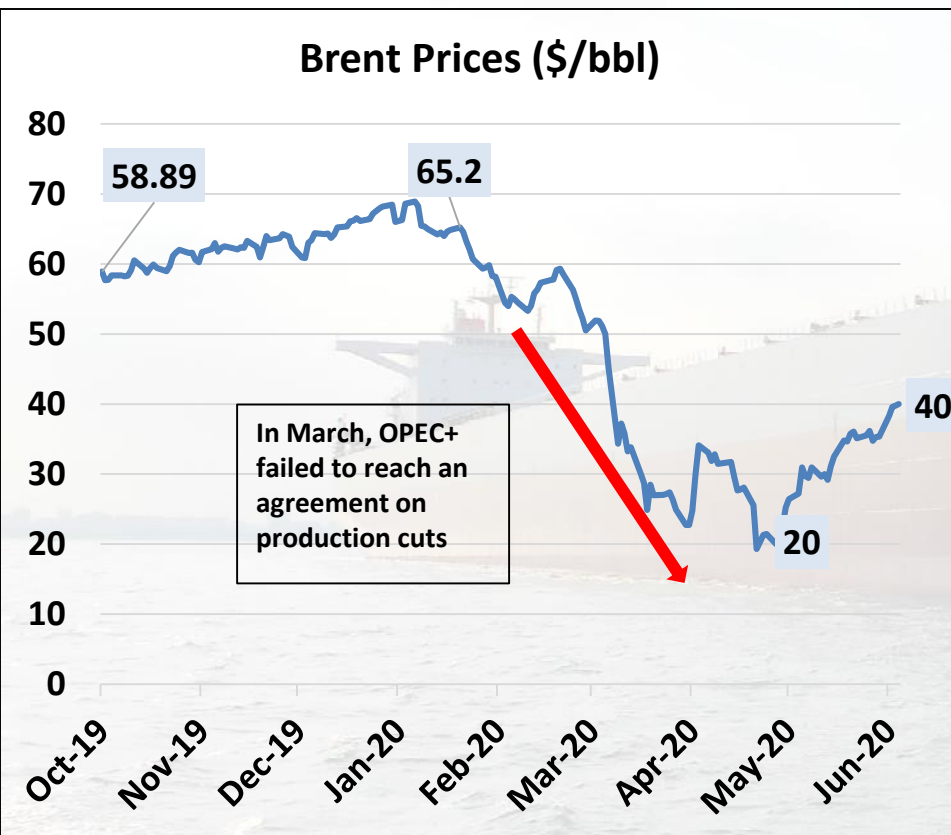
Product-wise fall in demand (%)



y/y decline in demand - key regions (%)



BRENT OIL PRICE (\$/BBL) COLLAPSED SIGNIFICANTLY BEFORE OPEC SUPPLY CUT



Brent Prices started to collapse in March, after failure of OPEC+ negotiations. In April, OPEC & Russia agreed to cut 10 mbpd in May & June months.

OIL CONTANGO Vs. FLOATING STORAGE OF OIL

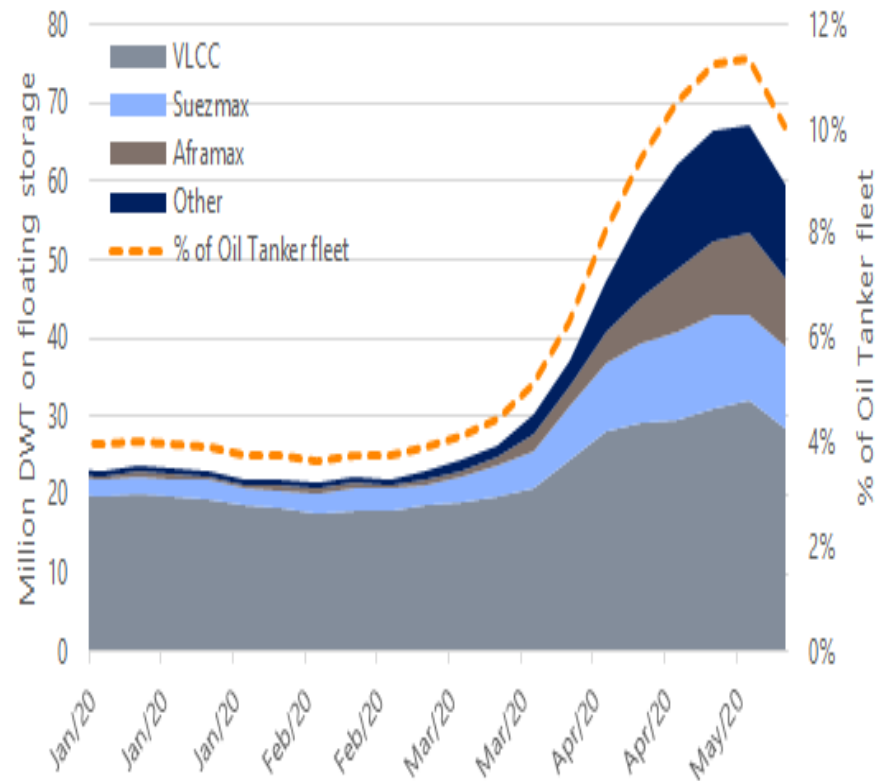


Oil Contango Narrows

As super-contango disappears, storage plays become less attractive

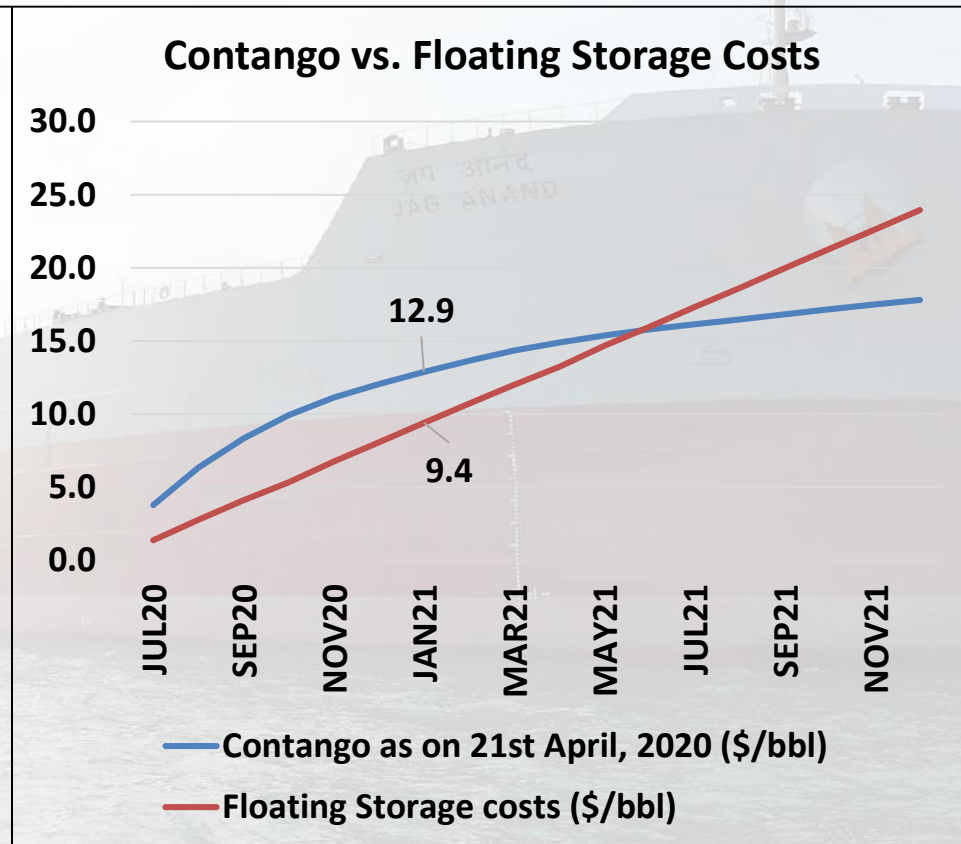
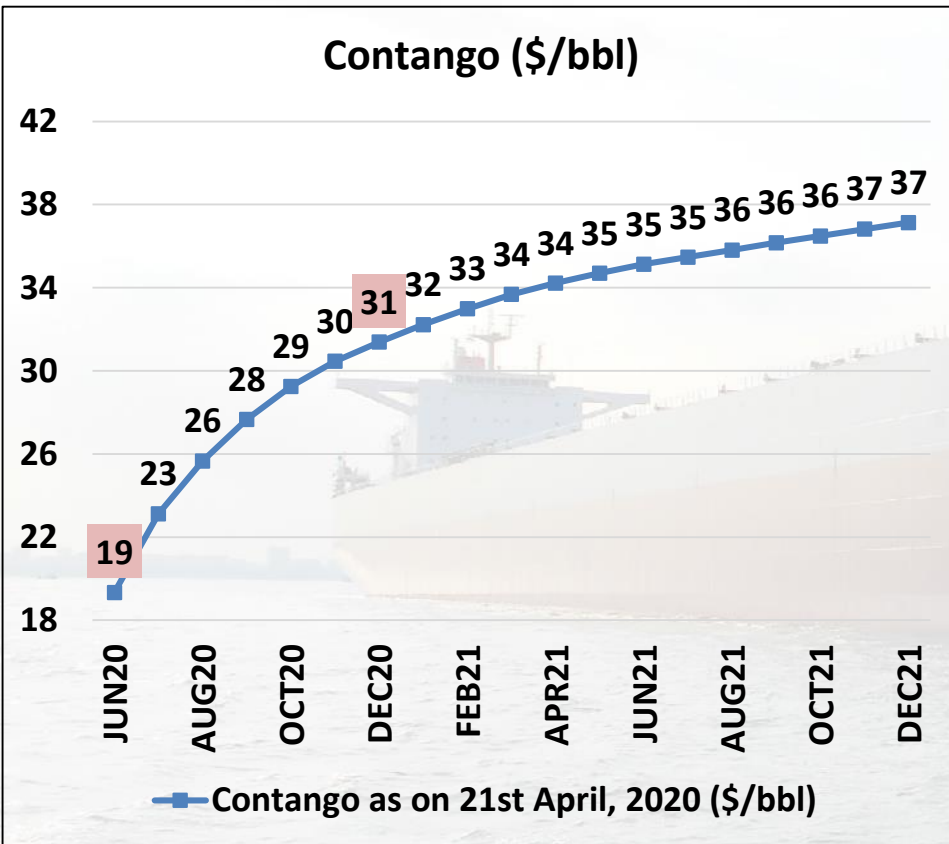


Source: ICE



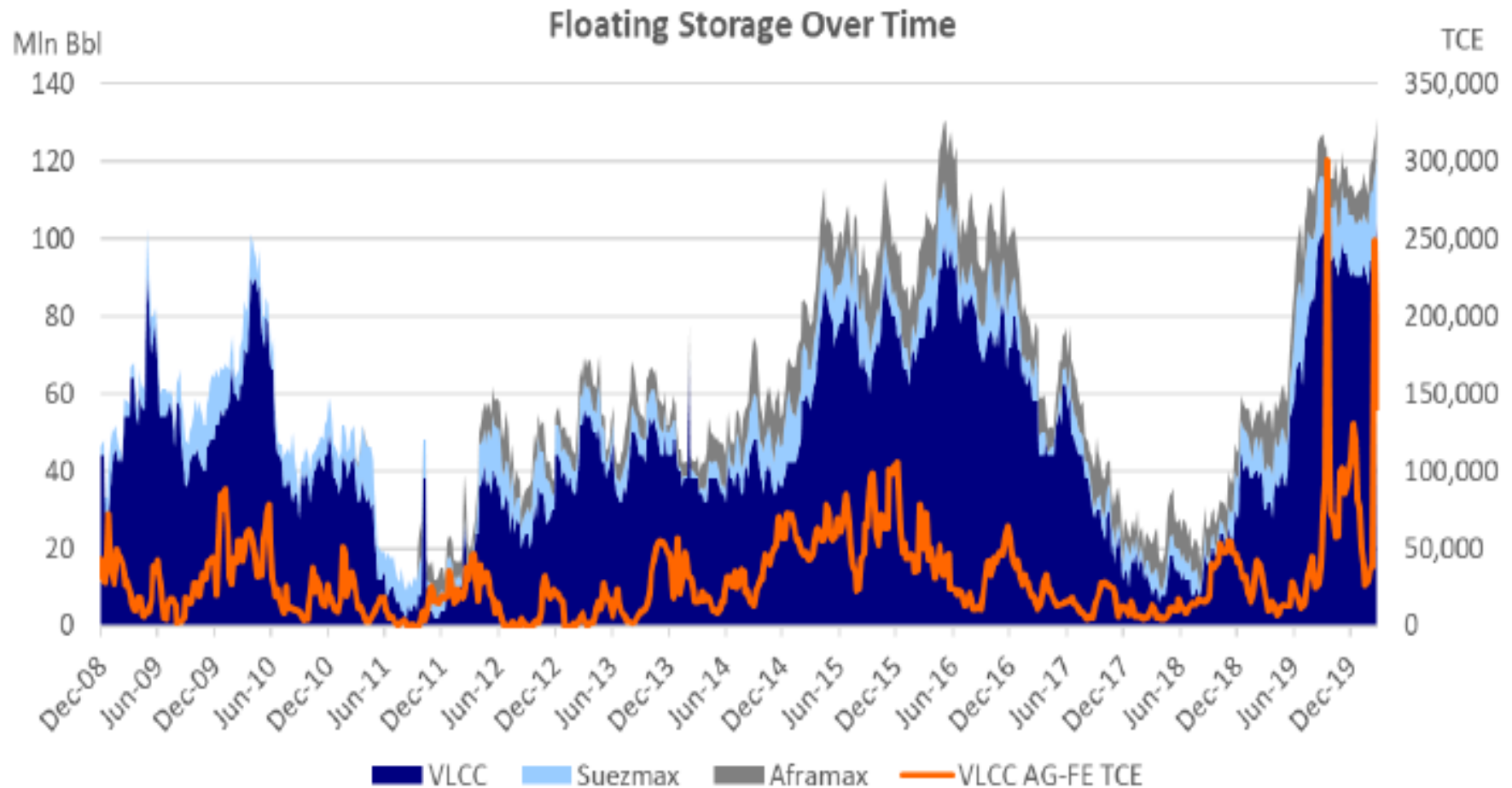
During March-April'20, Oil Contango was above the floating storage cost economics therefore increase in floating storage demand. While in May 2020, Oil Contango narrowed, hence floating storage also lowered.

SAMPLE DAY OF SUPER CONTANGO – 21st April 2020



As an example, we have a sample day of super contango period, where its seen that contango was above the floating storage costs till early CY2021.

HISTORICAL FLOATING STORAGE POSITIVELY CORRELATED TO FREIGHT



SUPPLY & DEMAND DISRUPTIONS

DRY BULK

Annual Export Output Impacted Countries – Dry Bulk

Iron Ore – Brazil, South Africa, Canada, India & Peru

Met Coal – Mongolia & USA

Thermal Coal – South Africa, Columbia, Indonesia & USA

Grains – No Impact, Essential Commodities

Nickel Ore – Philippines & Indonesia (Nickel Ore Ban)

Minor Bulks – South Africa, Middle East & South East Asia

Dry Bulk Demand

Steel Plant Closures in European Region, India, Japan & South Korea – Impacting Iron Ore Demand

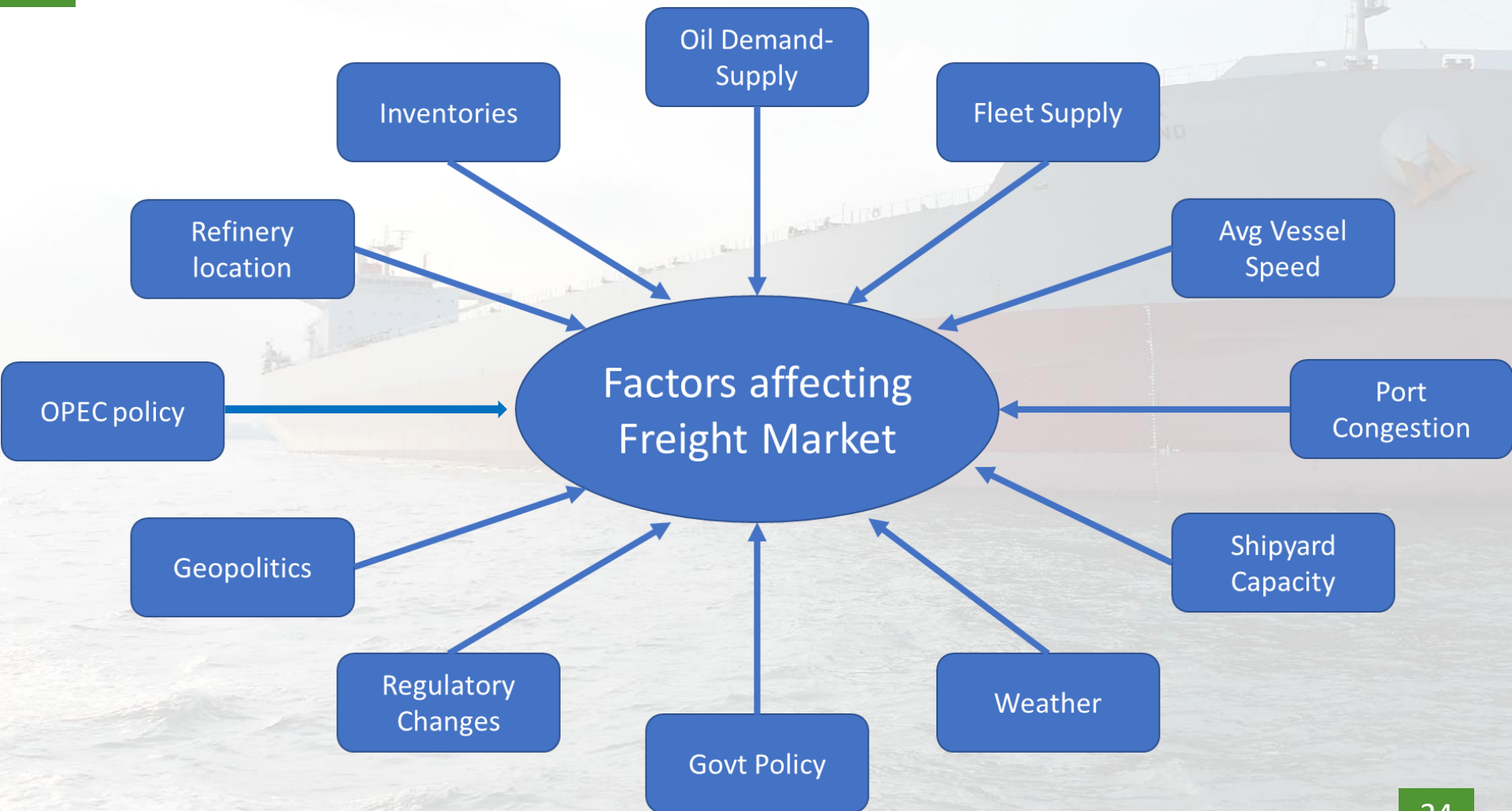
Lower Industrial power use due to weak demand & ample domestic supplies - Impacting Coal Demand

Minor Bulks - Significant demand impact - Metal & Mineral, Steel products & Forest products

TANKER MARKET

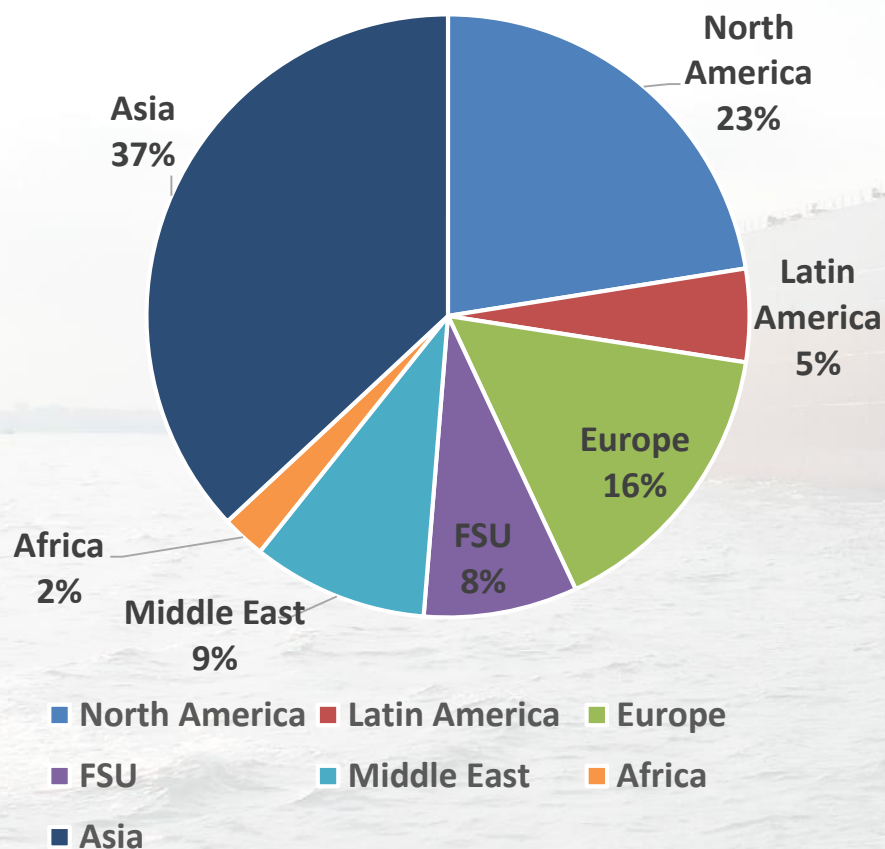


FACTORS AFFECTING FREIGHT MARKET

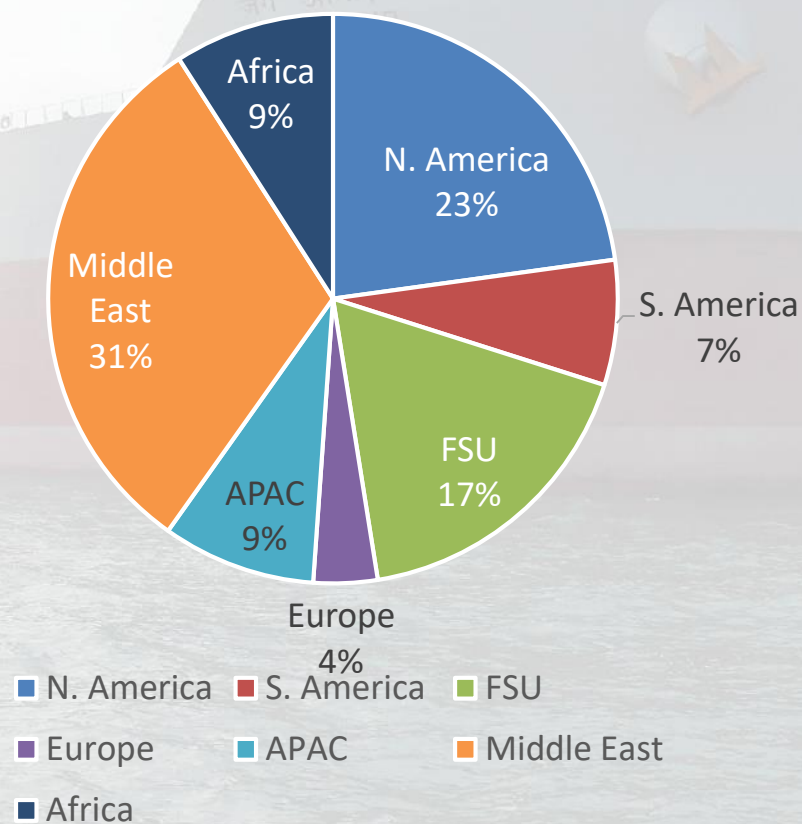


GLOBAL CRUDE OIL DEMAND & SUPPLY BREAK-UP (REGION WISE)

Crude Oil Demand



Crude Oil Supply



KEY POINTS ON **TANKER MARKET**

Asset Prices

- VLCC 5 yr old asset prices increased about 12% Y-O-Y Q1CY20
- Suezmax 5 yr old asset prices increased about 8% Y-O-Y Q1CY20

Freight Rates

- BCTI averaged 5% over Q4CY19 & BDTI averaged 6% below Q4CY19 during Q1CY20

Crude Market

- U. S. production was up about 1.05 million barrels a day year-on-year, U. S. exports were up about 0.80 million barrels a day, whereas, imports have been down 0.6 million barrels a day year-on-year Q1CY20.
- In Q1CY2020 Y-O-Y, overall crude loadings were largely flattish with MEG loadings down by 0.5 million barrels a day, Atlantic basin were flat offset by APAC incremental crude loadings of 0.5 million barrels a day

Product Market

- In Q1CY2020 Y-O-Y, overall trade growth for Core Refined Products was higher by 0.25 million barrels a day.
- This was driven by Asia Pacific & Europe exports growth offset by negative exports growth out of MEG mainly Gasoil & Gasoline

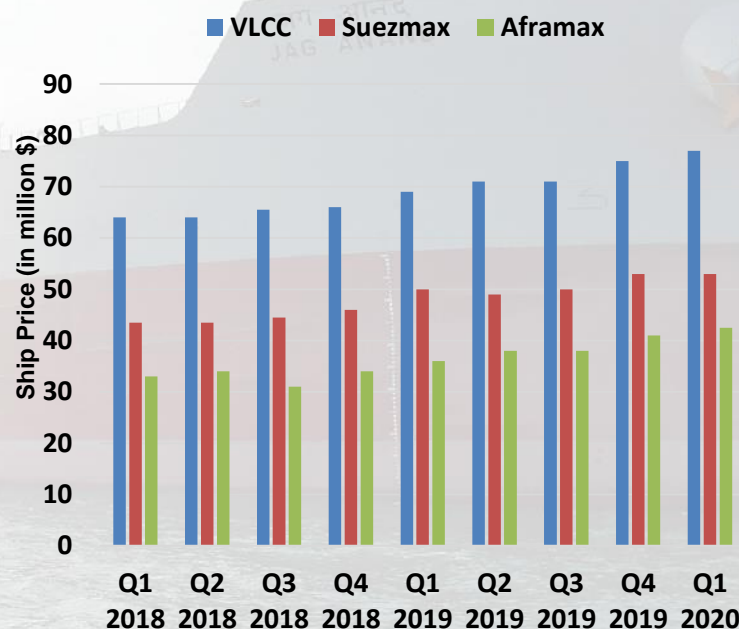
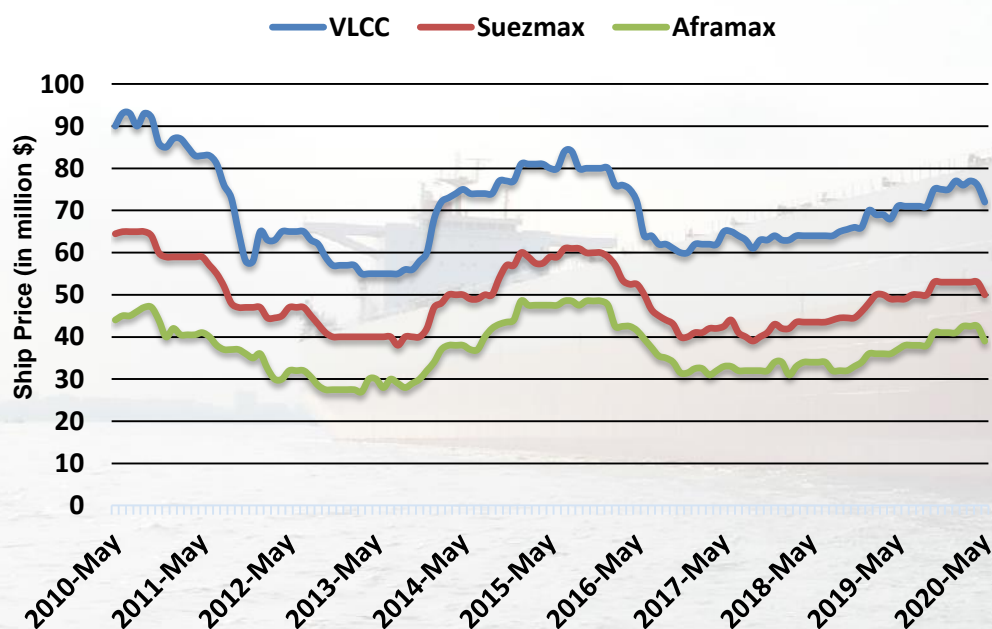
LPG Market

- US VLGC exports grew by 25% in Q1CY2020 Y-O-Y, due to trade arbitrage between US & Far East LPG Prices and higher supplies out of US
- Overall VLGC loadings was up by 7% Y-O-Y Q1CY2020 largely driven by US. Fleet growth of 2.5% Y-O-Y. Baltic LPG index averaged US \$66.5/ton during Q1CY2020 up 124% Y-O-Y.

Fleet Growth

- Crude tankers net fleet growth in Q1CY20 is 1.36%, product tankers net fleet growth is 0.84% and VLGC growth in net fleet is 3.9% sequentially

TANKERS – ASSET PRICE MOVEMENT (5-YEAR OLD)



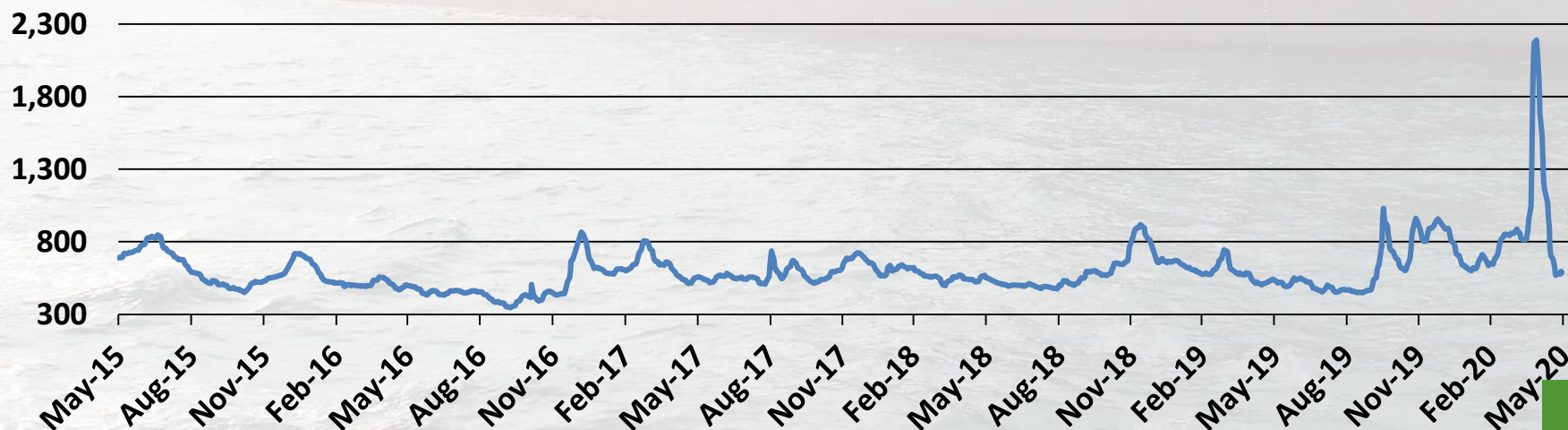
Wet Bulk asset prices has improved by 8% to 12% in Q1CY2020 Y-O-Y.

BALTIC DIRTY & CLEAN INDEX

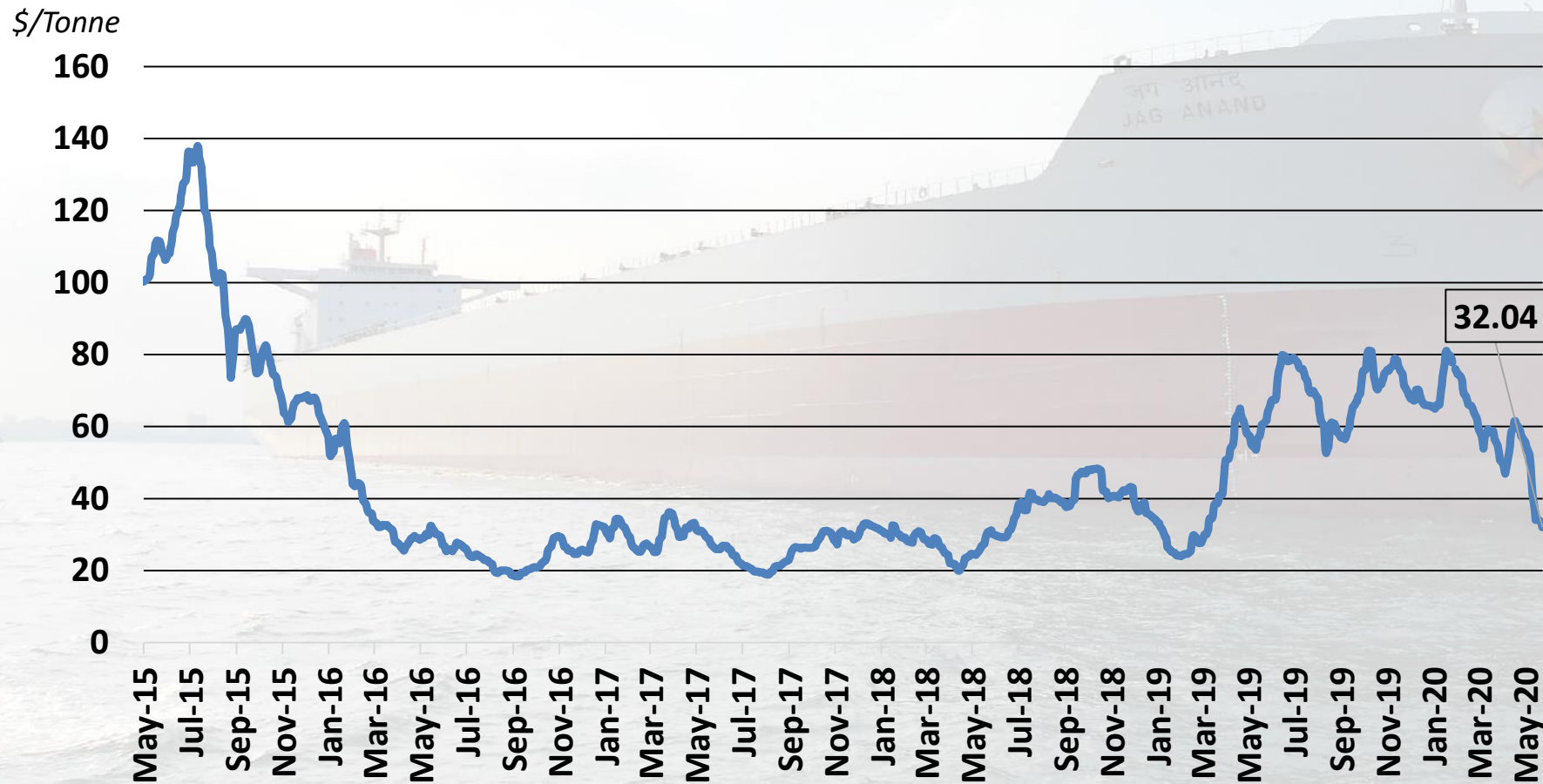
BALTIC DIRTY TANKER INDEX



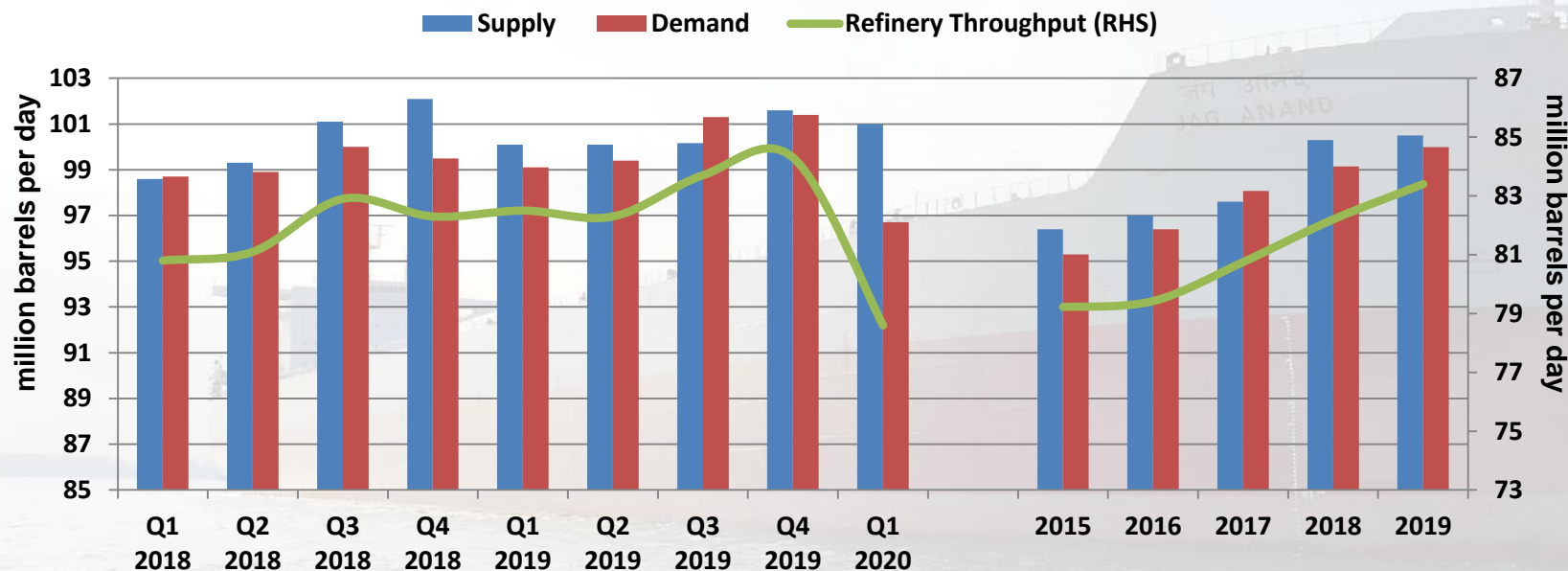
BALTIC CLEAN TANKER INDEX



BALTIC LPG ASSESSMENT (LPG Fully Ref, Ras Tanura – Chiba (Japan))

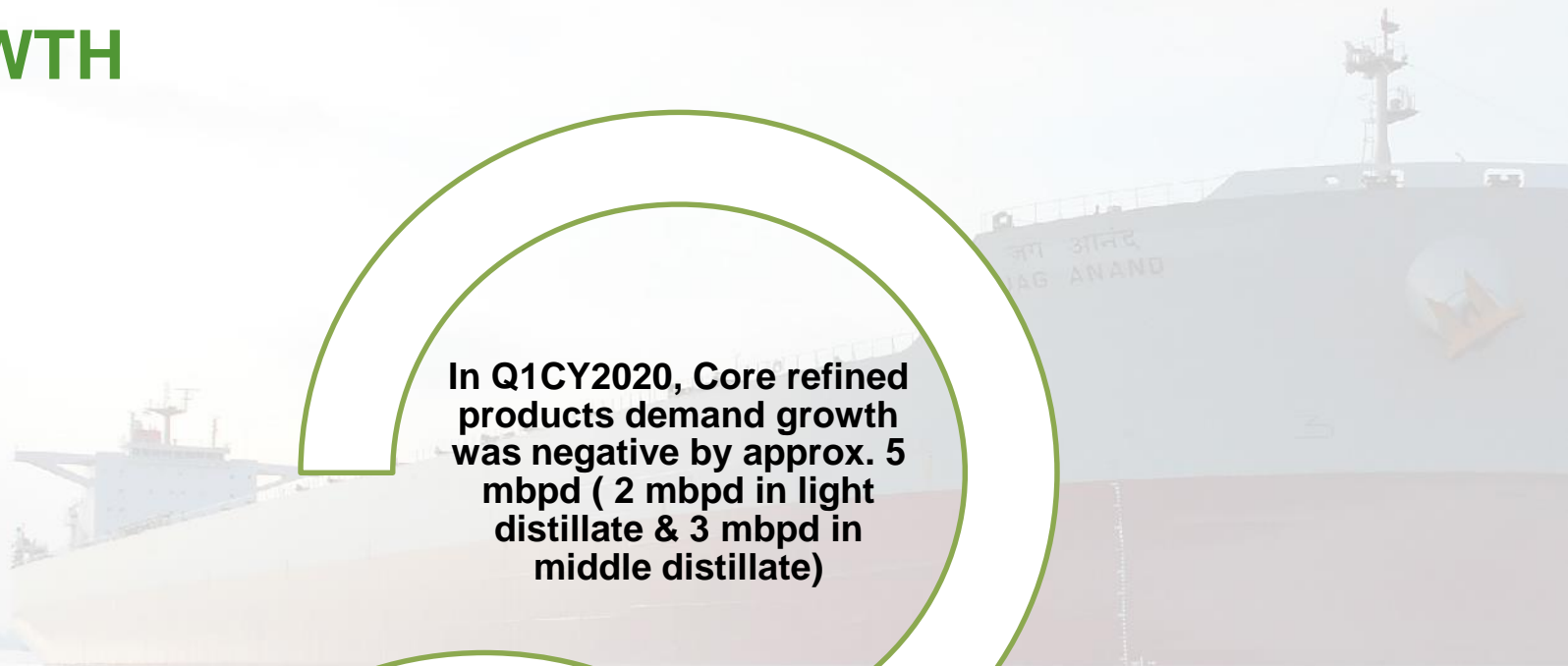


TOTAL OIL SUPPLY & DEMAND



In Q1CY20 Y-O-Y, refinery throughput growth has been down by approx. 3 mbpd mainly due to COVID-19 impact on product demand

OIL PRODUCTS & RESIDUAL FUEL DEMAND GROWTH



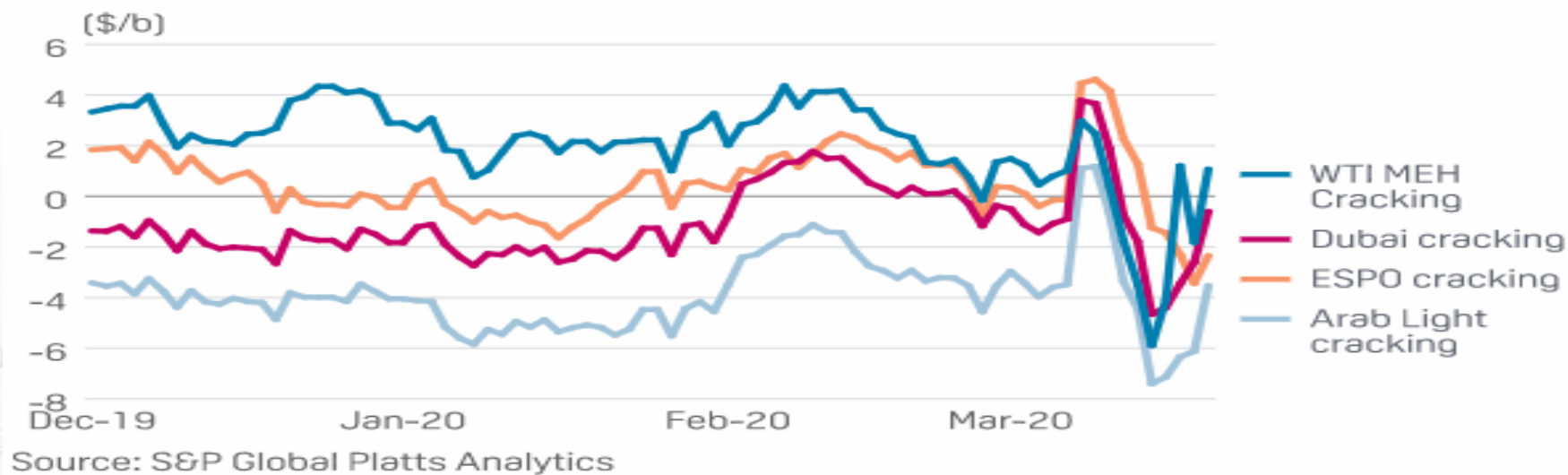
In Q1CY2020, Core refined products demand growth was negative by approx. 5 mbpd (2 mbpd in light distillate & 3 mbpd in middle distillate)

In Q1CY2020, Residual fuel demand growth was negative by approx. 0.4 mbpd

Kindly Note: mbpd stands for million barrels per day

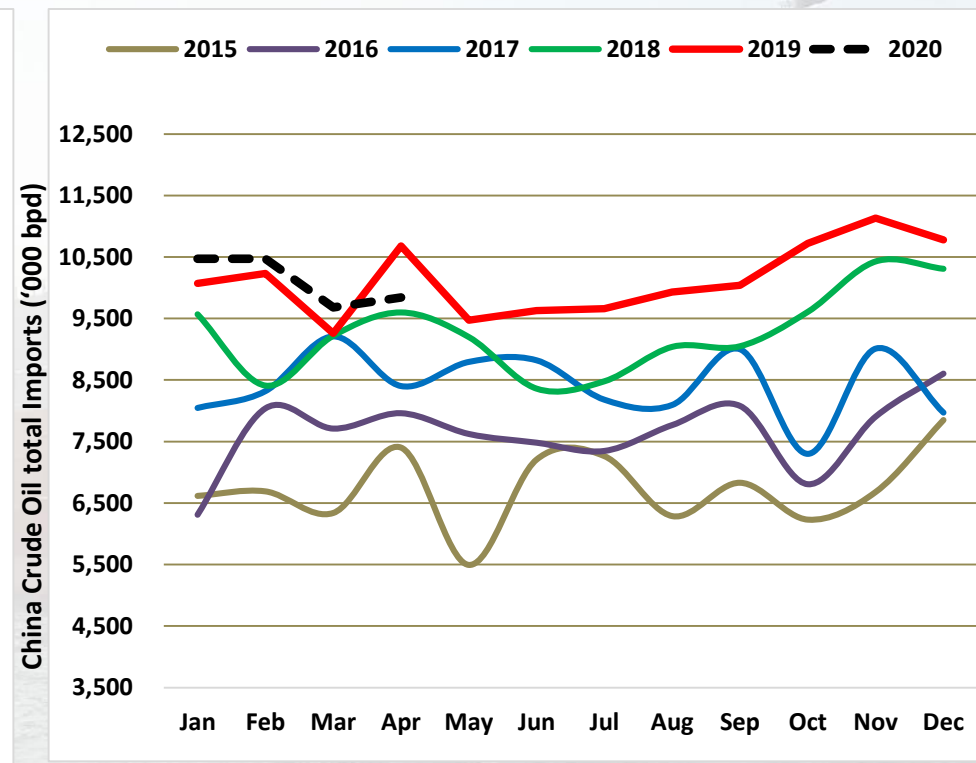
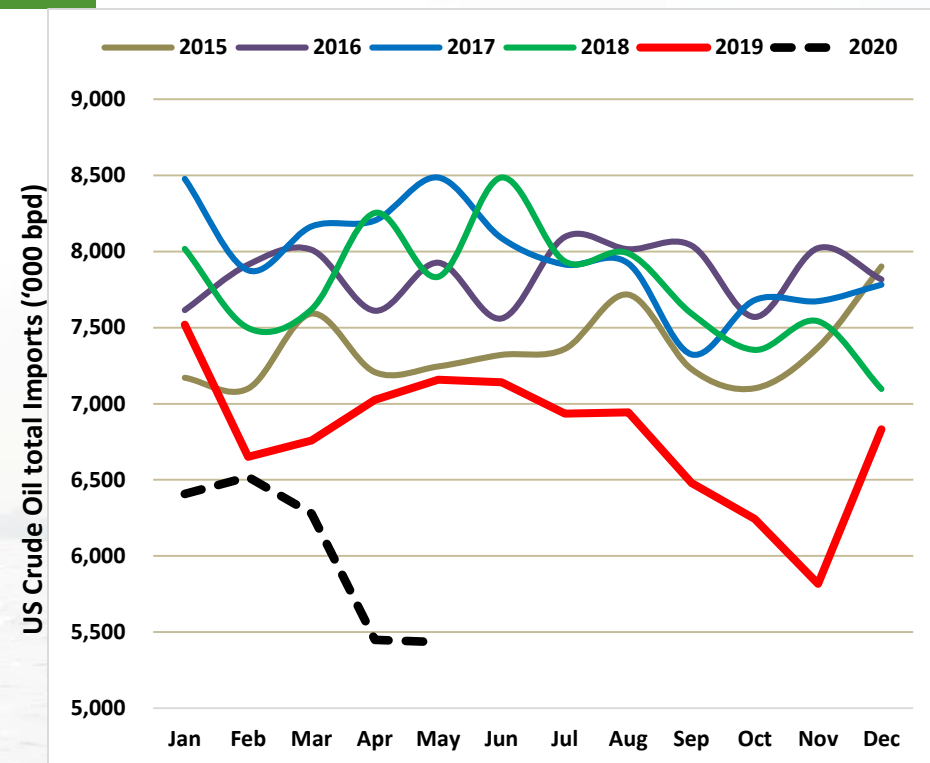
REFINERY MARGINS

SINGAPORE REFINING MARGINS



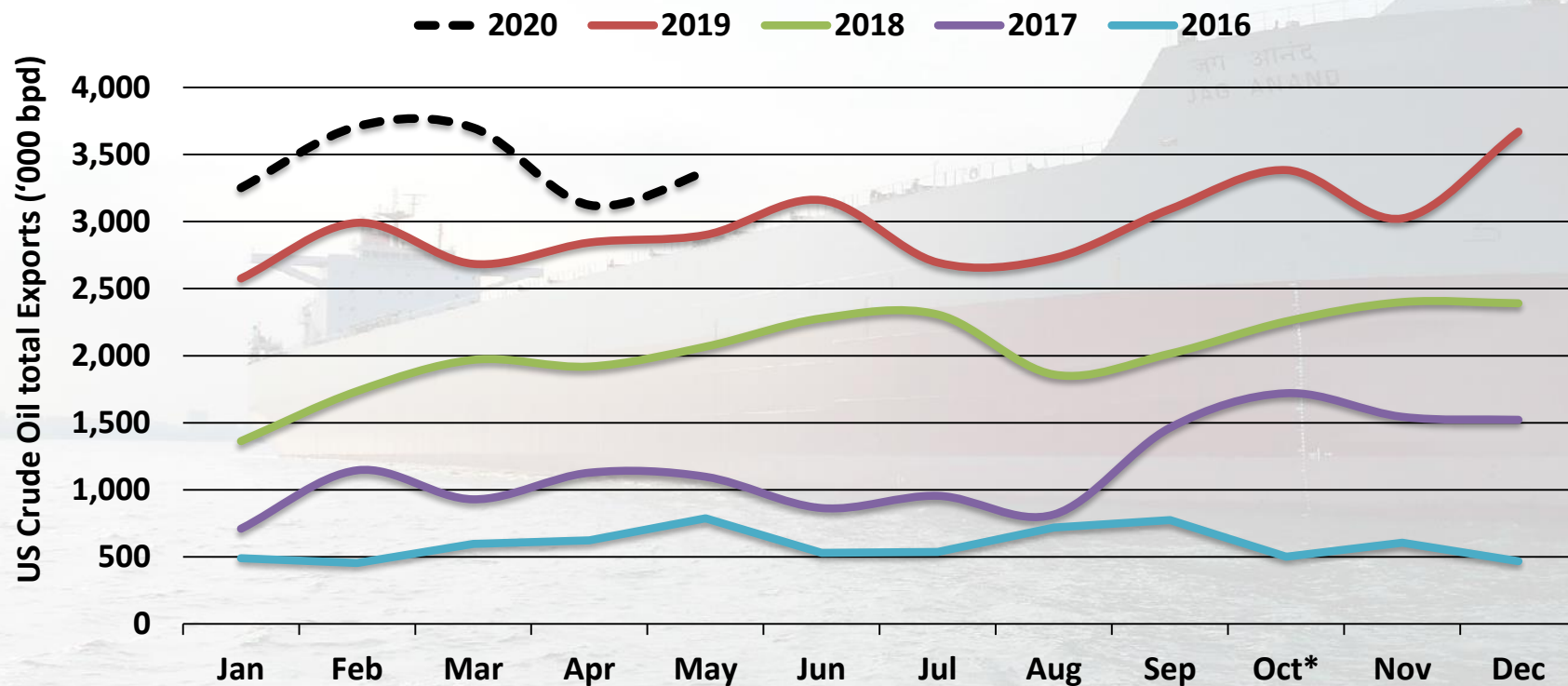
Refinery Margins were substantially down (ending quarter with 5 yr lows) across the globe, especially Asia it was at 5 yr lows for entire Q1CY20. Gasoline & Jet cracks were worst impacted.

CRUDE OIL IMPORTS (US & China)



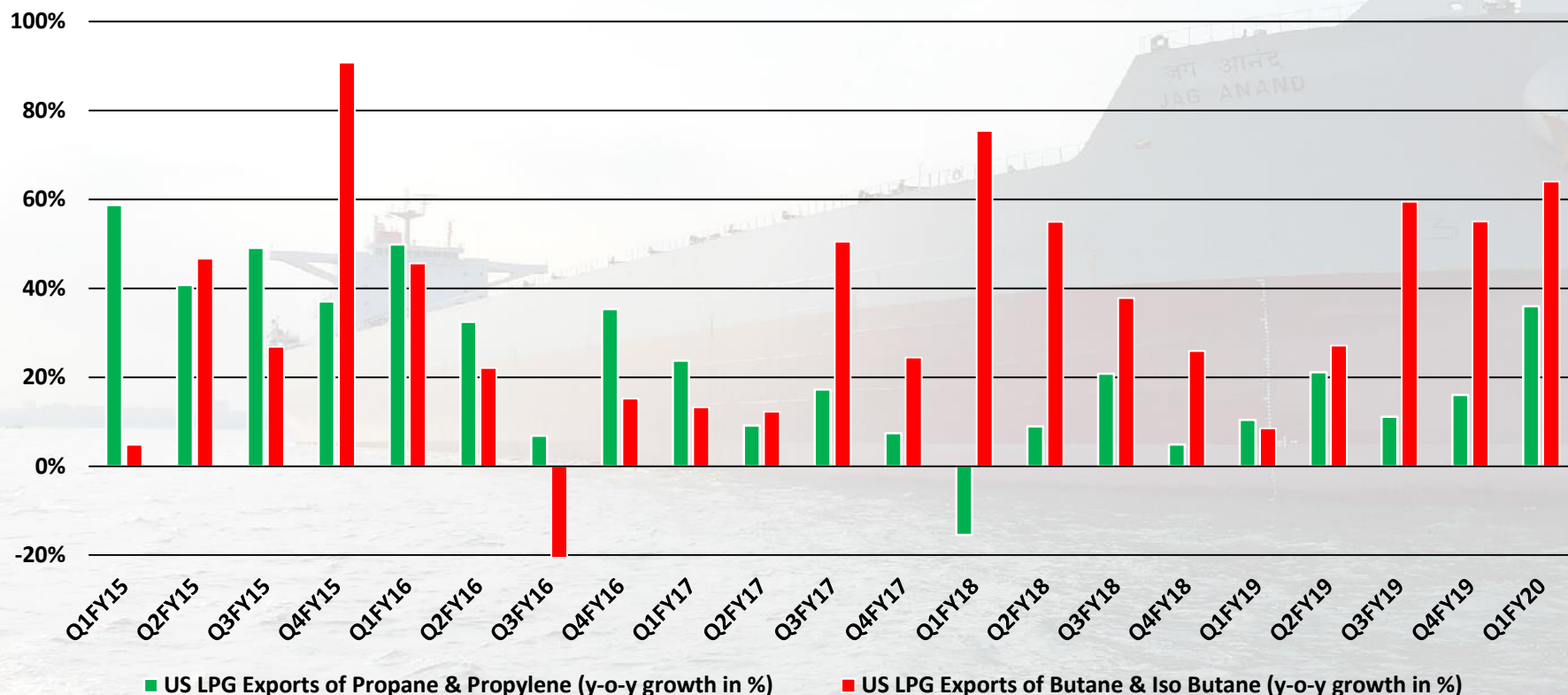
**In Q1CY20, China imported 4% higher crude oil than Q1CY19
as new refineries were ramping up**

CRUDE OIL EXPORTS (US)



YTD2020, US exported 22% higher crude oil than YTD2019

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



US VLGC exports grew by 25% in Q1CY2020 Y-O-Y

WORLD FLEET GROWTH

CRUDE TANKERS

Tanker Fleet - mn Dwt	1-Jan-18	1-Jan-19	1-Jan-20	22-May-20
VLCC	225.10	227.42	247.33	252.57
Suezmax	80.60	81.86	85.00	89.23
Aframax	67.20	67.07	70.13	73.61
Total (80k+)*	378.90	381.69	408.06	421.09

**Includes panamax crude tankers*

Order Book (mn Dwt)	2020	2021	2022+	Total
Orderbook as % of current fleet	3.1%	3.9%	1.7%	8.7%

Slippage (YTD2020)	About 8-12%
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WORLD FLEET GROWTH

PRODUCT TANKERS & VLGC

Product Fleet - mn Dwt	1-Jan-18	1-Jan-19	1-Jan-20	22-May-20
LR2	36.60	37.9	40.7	41.63
LR1	26.51	26.9	27.9	28.01
MR/Handy (35k+)	82.40	83.3	86.8	88.37
Total (35k+)*	147.61	150.93	158.65	161.37

*Suezmax Product Tankers included

Order Book(mn Dwt)	2020	2021	2022+	Total
Orderbook as % of current fleet	2.2%	3.2%	1.7%	7.1%

Slippage Product (YTD2020)	About 25-29%
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Fleet - No. of Vessels	1-Jan-19	1-Jan-20	22-May-20
VLGC	265	282	294

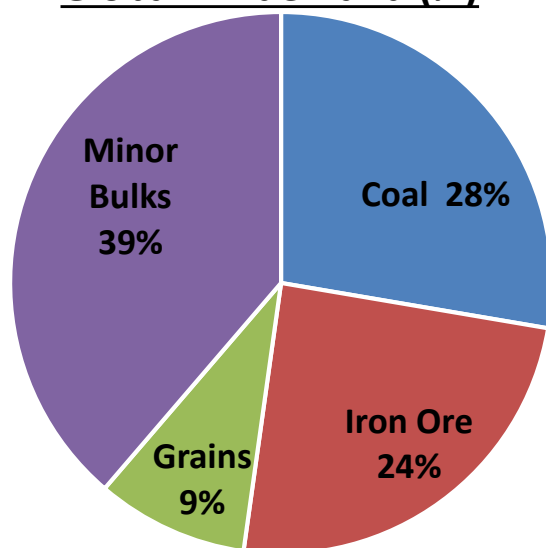
Order Book (No. of Vessels)	2020	2021	2022+	Total
Orderbook as % of current fleet	3.1%	7.1%	1.7%	11.9%

DRY BULK MARKET

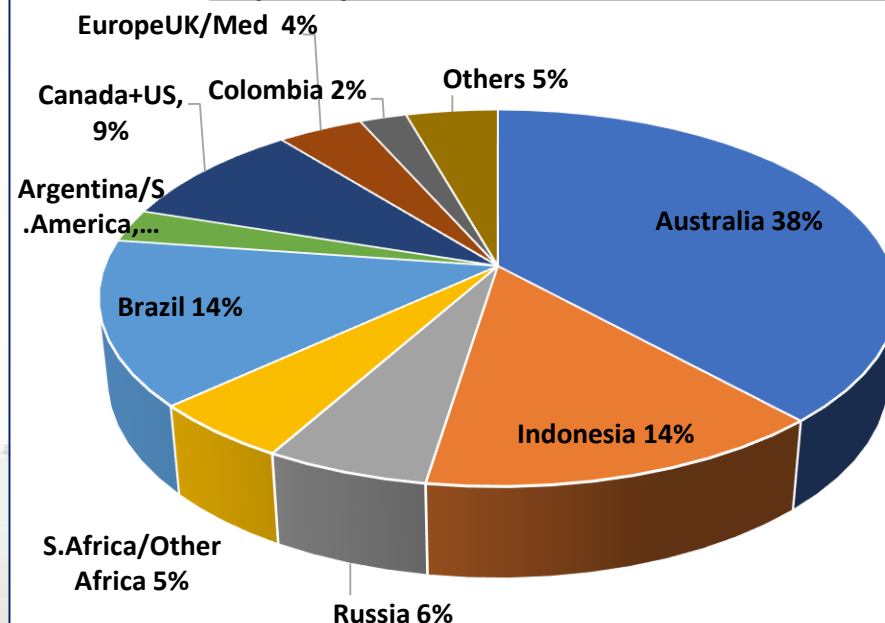


DRY BULK MARKETS

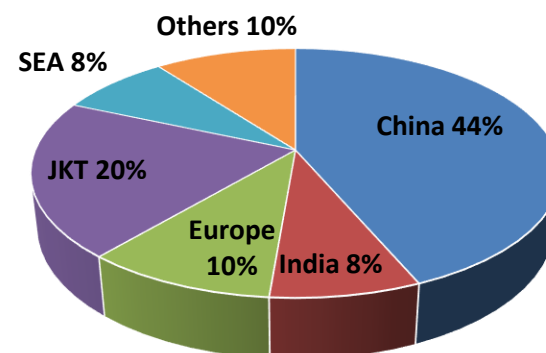
Commodity wise Break up of Global DB demand (%)



Major Exporters - Iron ore/Coal/Grains (MMT,%)



Major Importers of - Iron Ore/Coal/Grains (%)



KEY POINTS ON DRY BULK MARKETS

Asset Prices

- Capesize 5 yr old asset prices were down 13% in Q1CY2020 Y-O-Y
- Panamax & Supramax 5 yr old asset prices were flat to marginally down in Q1CY2020 Y-O-Y

Freight Rates

- BDI hits 393 on 14-May-20, 80% down from multi year high of 2,518 on 04-Sep-19
- In Q1CY2020, BDI averaged 66% below Q4CY19 & 26% below Q1CY19

Coal Market

- China total coal imports for 4MCY2020 have risen by 26.9% Y-O-Y. Indian coal imports have risen 8.5% Y-O-Y in Q1CY2020

Iron Ore

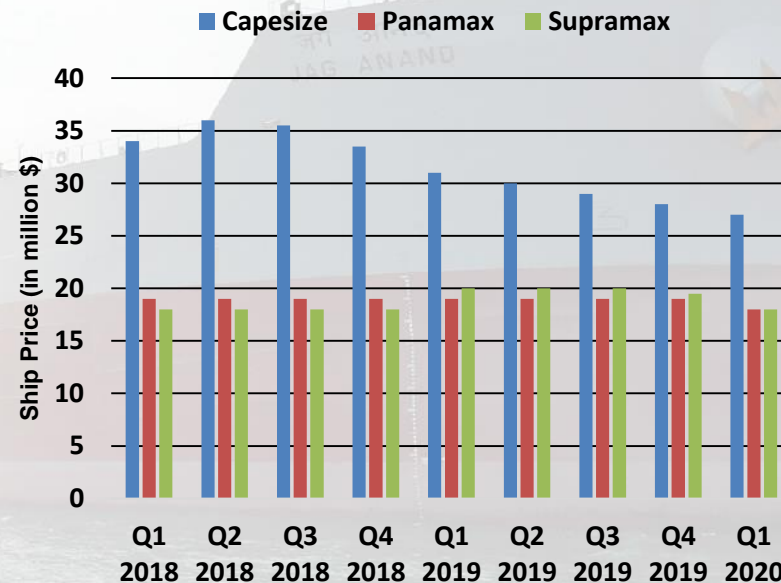
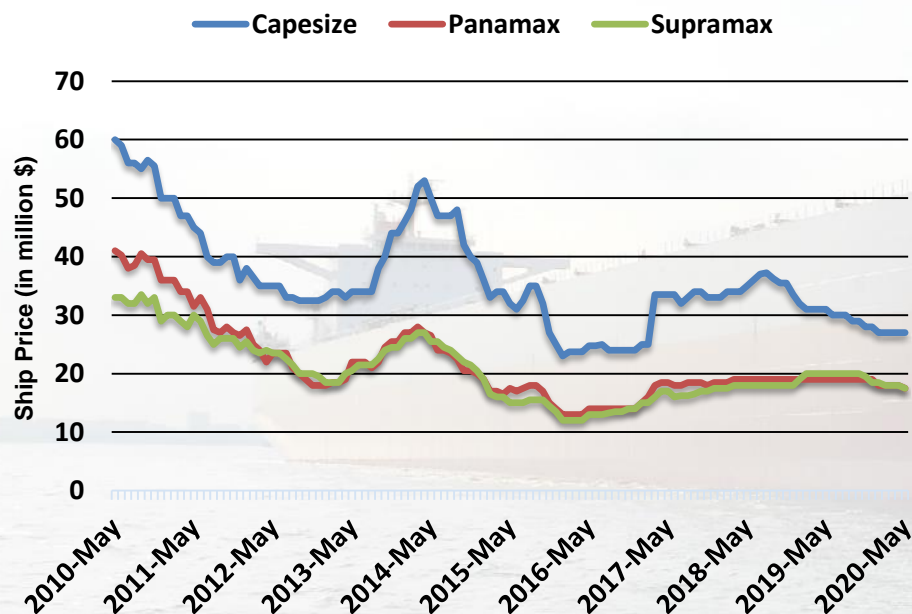
- China's Iron Ore imports increased by 5% in 4MCY2020 Y-O-Y. Maximum increase has been in the month of April 2020.

Fleet Growth

- Dry Bulk net fleet growth in Q1CY2020 was about 1% sequentially.

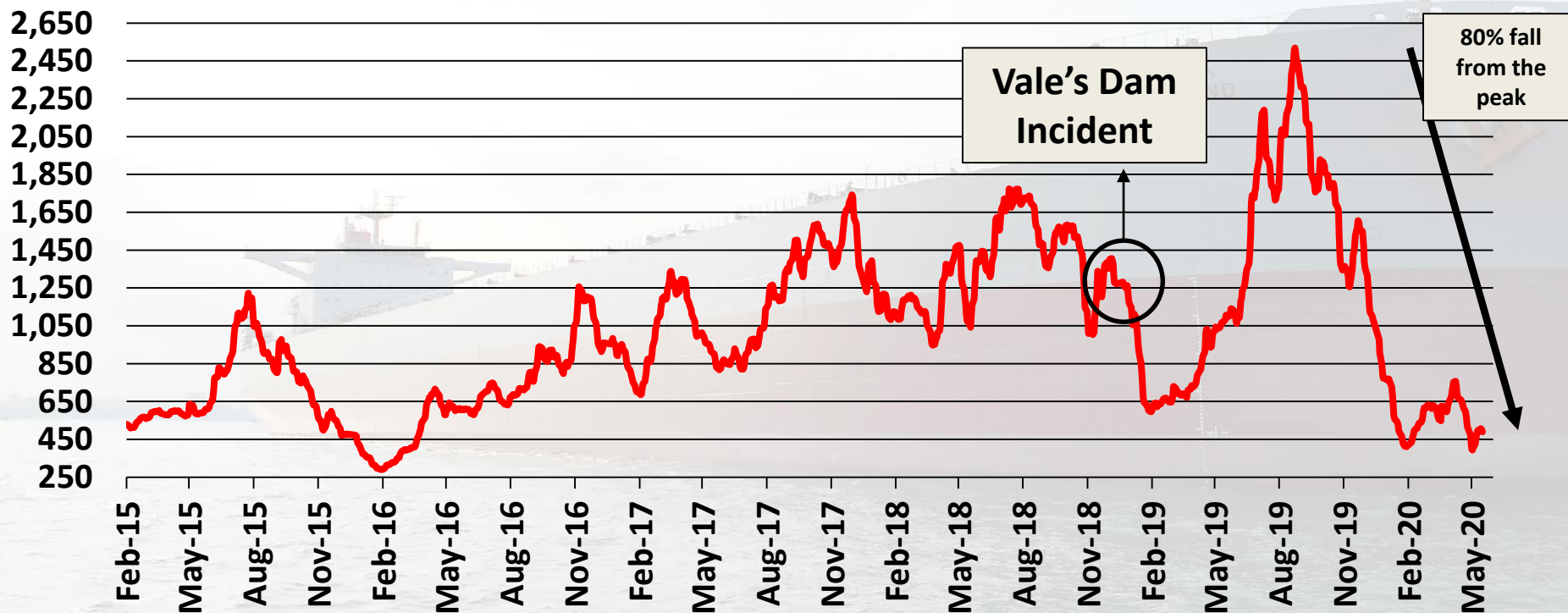
BULKER ASSET PRICES

5-YEAR OLD



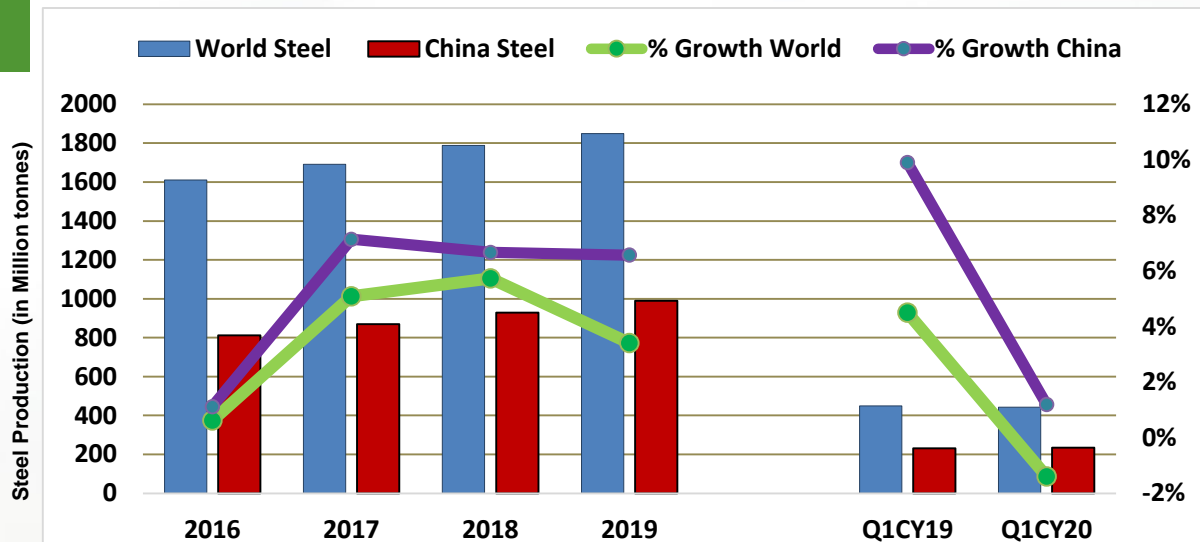
Capesize asset prices were down 13% in Q1CY2020 Y-O-Y. Panamax asset prices were flat Q1CY2020 Y-O-Y while Supramax asset prices were down 10% in Q1CY2020 Y-O-Y.

BALTIC DRY INDEX

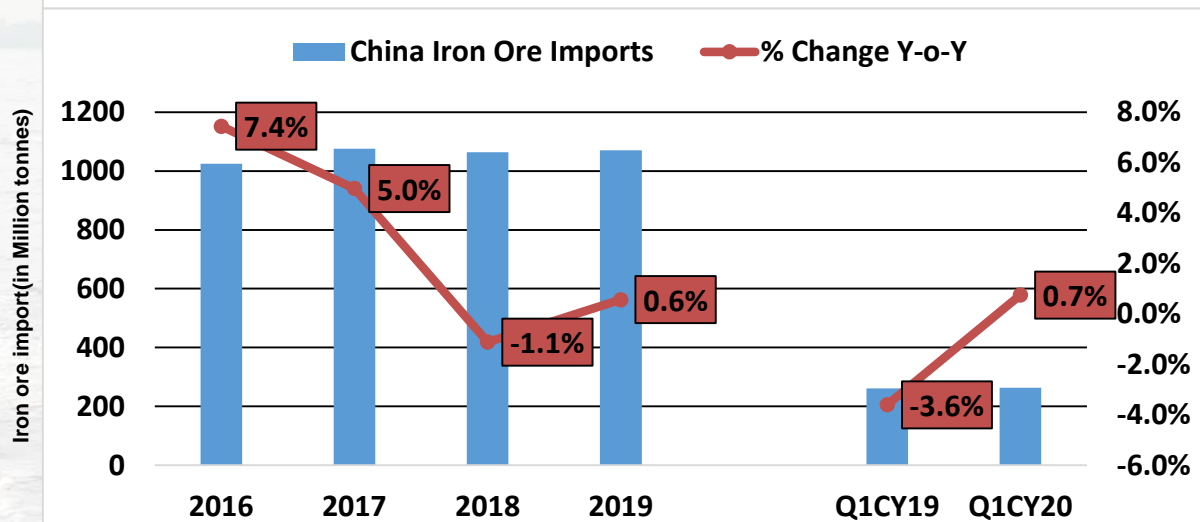


Baltic Dry Index hit multi year low of 393 since March 2016. The fall is 80% from multi year high of 2,518 on 4th September 2019.

CHINA IRON ORE & STEEL PRODUCTION



**China Steel Production
increased marginally
1.2% in Q1CY2020 Y-O-Y**

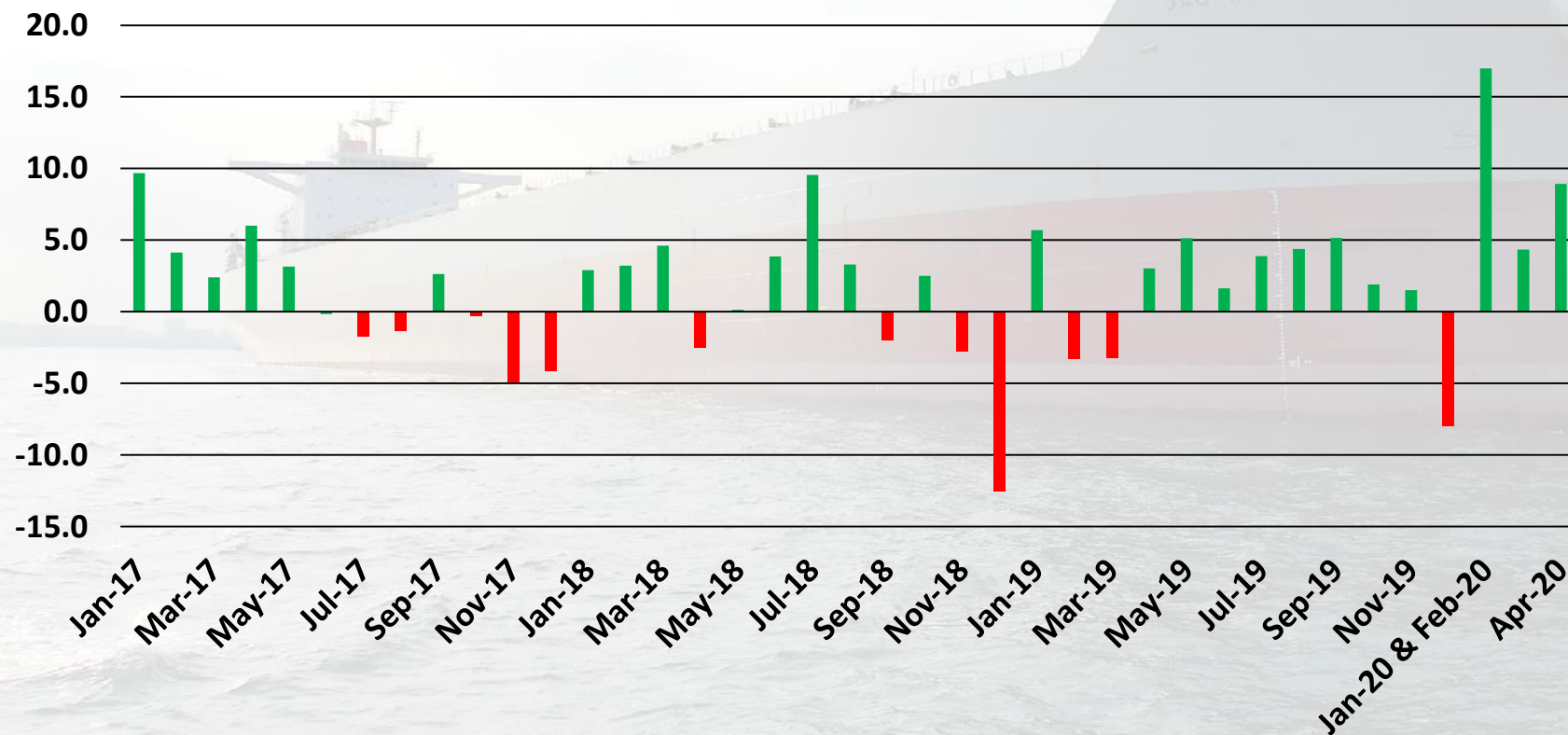


**China's iron ore import
was flat in Q12020
Y-O-Y**

CHINA COAL IMPORTS

China coal imports change (Y-O-Y)

Mn Tonnes



WORLD FLEET GROWTH

DRY BULK

Fleet - Mn Dwt	1-Jan-18	1-Jan-19	1-Jan-20	22-May-20
Capesize	324	335	348	354
Panamax	202	207	218	223
Handymax	196	201	208	212
Handysize	96	98	100	105
Total	818	841	875	893

Orderbook (mn Dwt)	2020	2021	2022	2023+	Total
Orderbook (%Fleet)	3.9%	3.3%	0.9%	0.0%	8.1%

Slippage (Q1CY2020)	About 15%
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SCRAPPING

Vessel Category	Fleet (mn Dwt)	Scrapping (% of beginning world fleet)						
	22 May 20	Q1CY20	2019	2018	2017	2016	2015	2014
Crude	421	0.03%	0.61%	4.62%	2.35%	0.35%	0.23%	1.60%
Product	161	0.24%	0.43%	1.64%	1.42%	0.62%	0.61%	1.19%
Dry Bulk	893	0.57%	0.92%	0.54%	1.77%	3.67%	4.03%	2.25%

Scrapping was low for Crude and Product tanker sector in Q1CY2020

**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 (FY21)
PSV	100%
ROVSV	89%
AHTSV	78%
MPSSV	35%
Jackup Rigs	91%

As on 31st March 2020

KEY POINTS ON E&P MARKETS

Q1CY2020

Day Rates

- The steep fall in oil price and Covid-19 impact on the world economy has stalled the recovery. Some regions have witnessed early terminations & renegotiations.
- We have not yet seen this impact in Indian market as there is no new price discovery since last year.

Fleet Growth

- Rigs: Total fleet remains same compared to last quarter but increased by about 1.5% over one year. However, effective fleet (net of cold stacked) remains same.
- OSV's: Total fleet reduced marginally compared to last quarter and by about 1.45% over one year. .

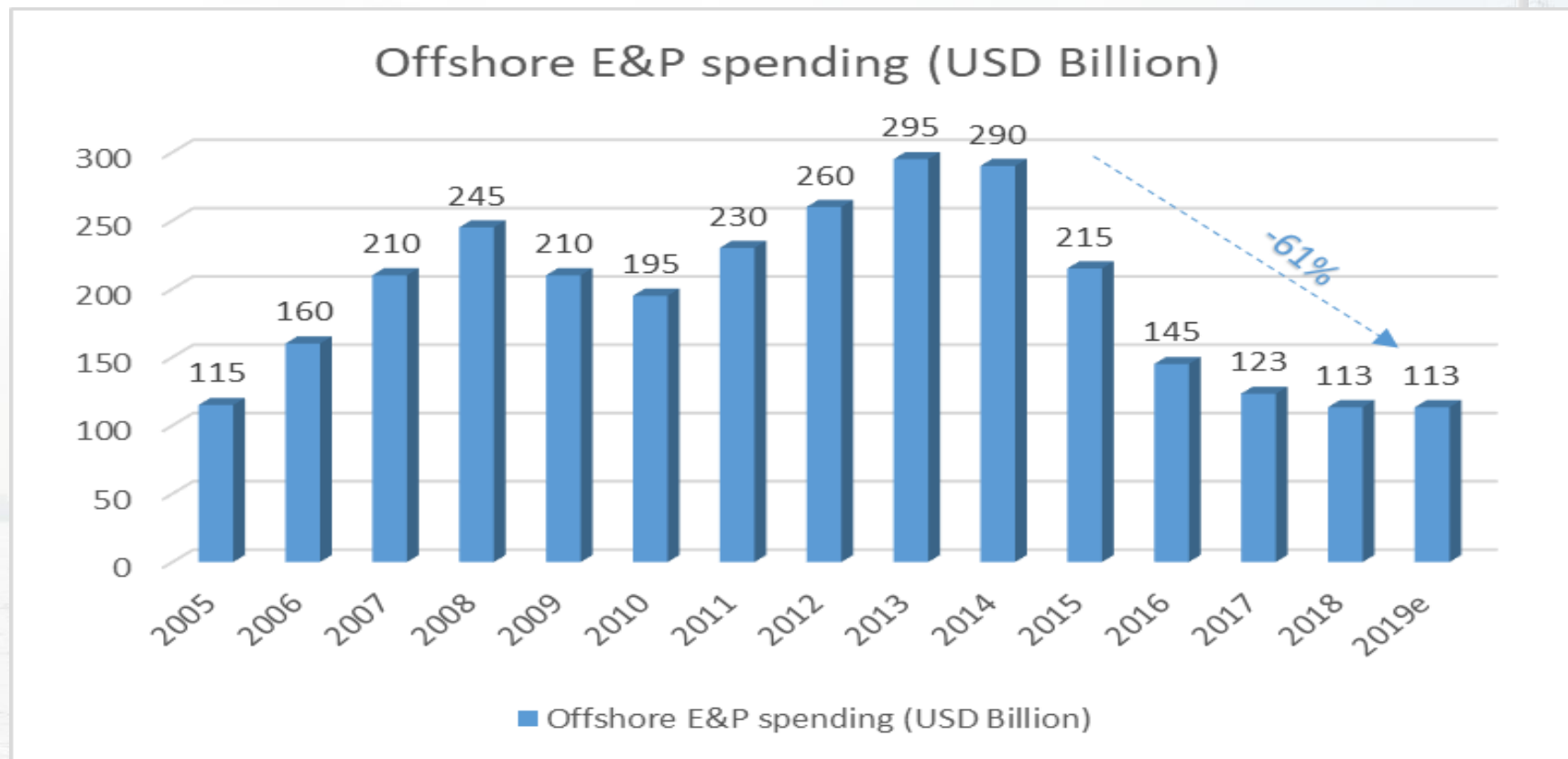
Fleet Utilization

- Rigs: 60-70% (Term) (Increased by about 7% from March19 levels but dropped subsequently by about 4% in last 2 months due to Covid-19 concerns)
- Vessels: 40-50% (Term) (Increased by about 3% from March19 levels but dropped subsequently by about 4% in last 2 months due to Covid-19 concerns)

Slippage

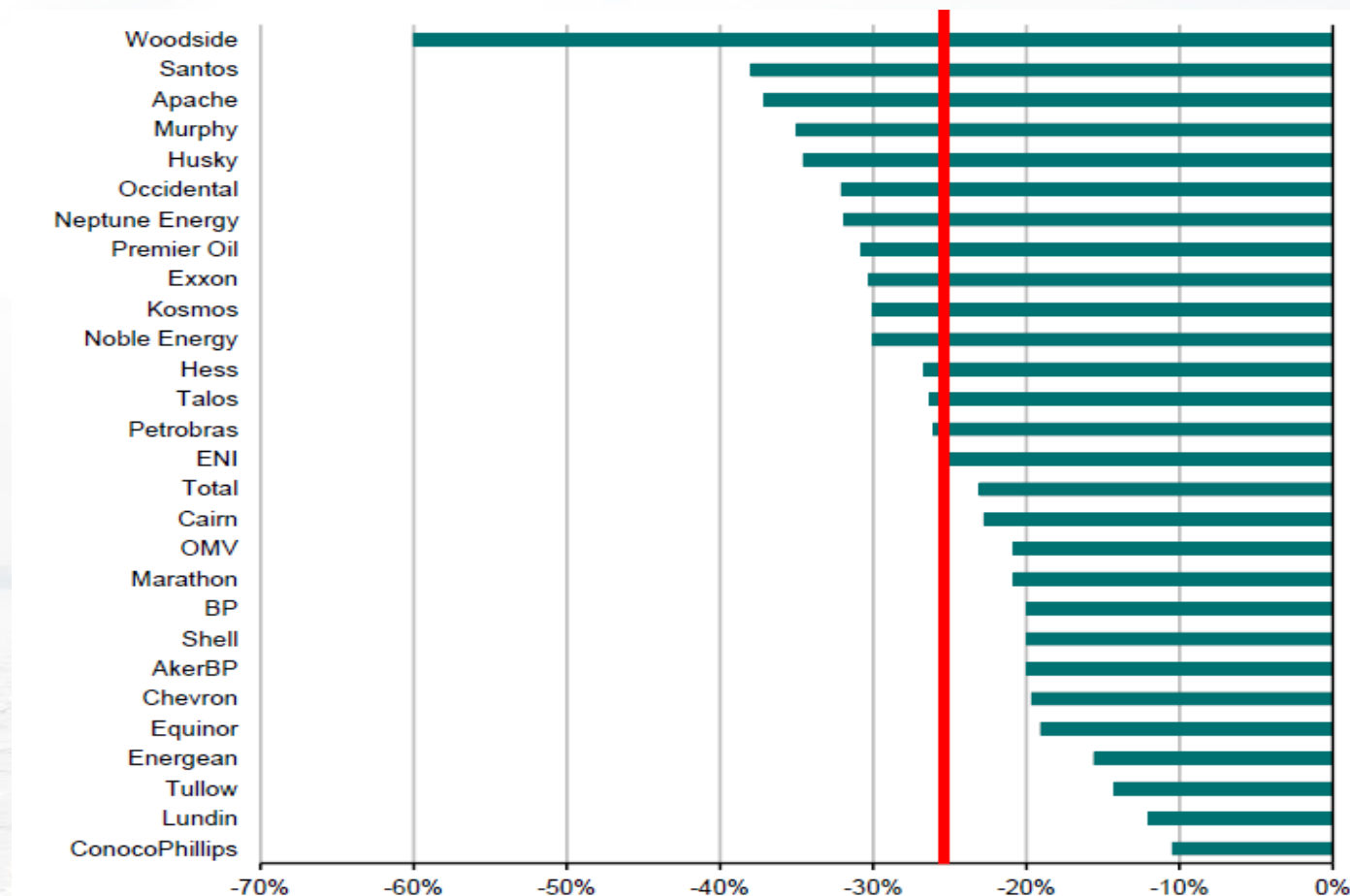
- OSVs: 80%-90%(CY2019)
- Rigs: 50% - 60%(CY2019)

OFFSHORE E&P SPENDING



The E&P spending after declining marginally in 2018 was flattish in 2019. Spending in 2020 is expected to decline from 2019 levels.

OFFSHORE E&P SPENDING



2020 estimated Capex cuts announced by industry players. Aggregate cuts is about 25%

GLOBAL FLEET SUPPLY

OFFSHORE

Fleet & Orderbook

Number	Jackup Rigs	AHTSVs	PSV
Current Fleet	524	1980	1610
Orderbook	46	67	113
<i>O/B to current fleet</i>	8.8%	3.38%	7.02%

- 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.
- Average stacking period for cold stacked rigs globally is about 4.6 years while for vessels it's about 3.8 years.
- While the orderbook of the OSV fleet is low, there are still more than 400 modern vessels (less than 15 year old) which are currently cold stacked

FINANCIAL **RESULTS**

FY 2019-20

FINANCIAL HIGHLIGHTS

GE Shipping FY20 consolidated Net Profit at Rs. 207 Crores

Declared 2nd interim dividend of Rs. 2.70 per share (Total dividend declared of Rs. 8.10 per share for FY20)

Standalone		Key Figures	Consolidated	
FY20	FY19	(Amount in Rs. Crs)	FY20	FY19
Income Statement				
3,168.90	2,913.41	Revenue (including other income)	3,948.48	3,819.94
1,113.79	864.62	EBITDA (including other income)	1,428.08	1,345.38
1,209.07	858.71	#EBITDA (including other income)	1,547.15	1,388.60
280.69	(19.47)	Net Profit	207.14	(21.45)
Balance Sheet				
10,005.79	10,340.73	Total Assets	13,832.82	14,370.22
5,067.05	5,065.72	Equity	6,795.64	6,809.67
3,594.57	4,103.92	Total Debt (Gross)	5,276.82	5,998.94
1,323.24	1,832.37	Long Term Debt (Net of Cash)	1,842.80	2,504.15
Cash Flow**				
1,141.40	676.63	From operating activities	1,487.18	1,075.40
133.84	(456.53)	From investing activities	84.42	(514.46)
(1,409.32)	(701.89)	From financing activities	(1,864.05)	(1,022.17)
(134.08)	(481.79)	Net cash inflow/(outflow)	(292.45)	(461.23)

FINANCIAL HIGHLIGHTS

Standalone		Key Figures	Consolidated	
FY20	FY19		FY20	FY19
		Key financial figures		
35.15%	29.68%	EBITDA Margin	36.17%	35.22%
8.08%	-0.14%	*#Return on Equity (ROE)	5.99%	1.61%
8.15%	3.60%	*#Return on Capital Employed (ROCE)	6.90%	4.25%
0.71	0.81	Gross Debt/Equity Ratio	0.78	0.88
0.26	0.36	Net Debt/Equity Ratio	0.27	0.37
70.59	69.57	Average Exchange rate USD/INR	70.59	69.57
75.67	69.15	End of Period Exchange rate USD/INR	75.67	69.15
		Share related figures(in Rs.)		
18.89	(1.29)	Earnings per share, EPS	13.94	(1.42)
18.85	(1.29)	Diluted earnings per share	13.91	(1.42)
59.62	33.37	Cash Profit per share	77.42	58.64
8.10	5.40	Dividend per share	8.10	5.40

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	Q4 FY20	Q4 FY19
Owned Tonnage	4,073	4,278
Inchartered Tonnage	-	105
Total Revenue Days	4,073	4,383
Total Owned Tonnage (mn.dwt)	3.70	3.90

Average TCY Details

Average (TCY \$ per day)	Q4'FY20	Q4'FY19	% Change
Crude Carriers	32,338	21,559	50%
Product Carriers	18,274	16,325	12%
LPG Carriers	25,932	16,505	57%
Dry Bulk	8,321	10,389	-20%

Mix of Spot & Time

Days (in %)	Q4'FY20	Q4'FY19
<u>Dry Bulk</u>		
Spot %	90%	92%
Time %	10%	08%
<u>Tankers</u>		
Spot %	73%	84%
Time %	27%	16%
<u>Total</u>		
Spot %	78%	87%
Time %	22%	13%

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