



The Great Eastern
Shipping Co. Ltd.

BUSINESS OVERVIEW



15th MAY 2018

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

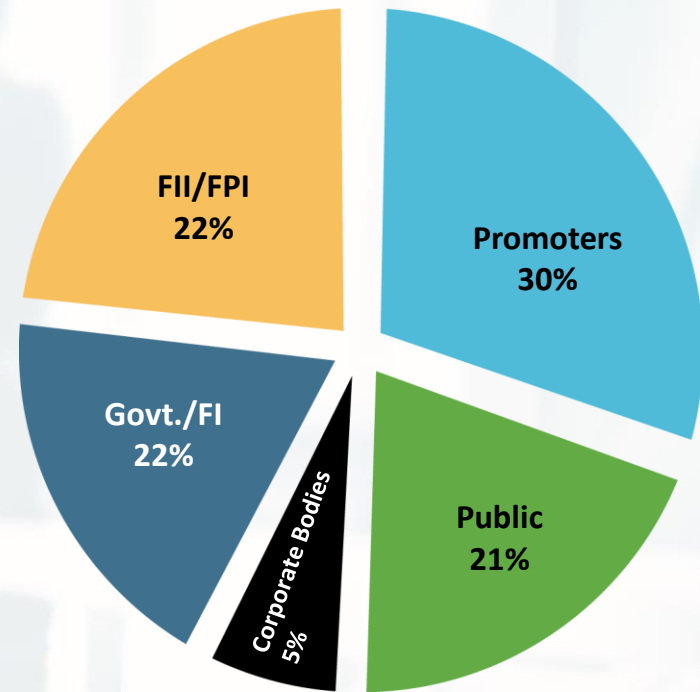
Dry Bulk

Logistics

Drilling

India's largest private sector shipping company Over 69 years of
experience

SHAREHOLDING PATTERN



Shareholding Pattern as on 31 March 2018

FLEET PROFILE

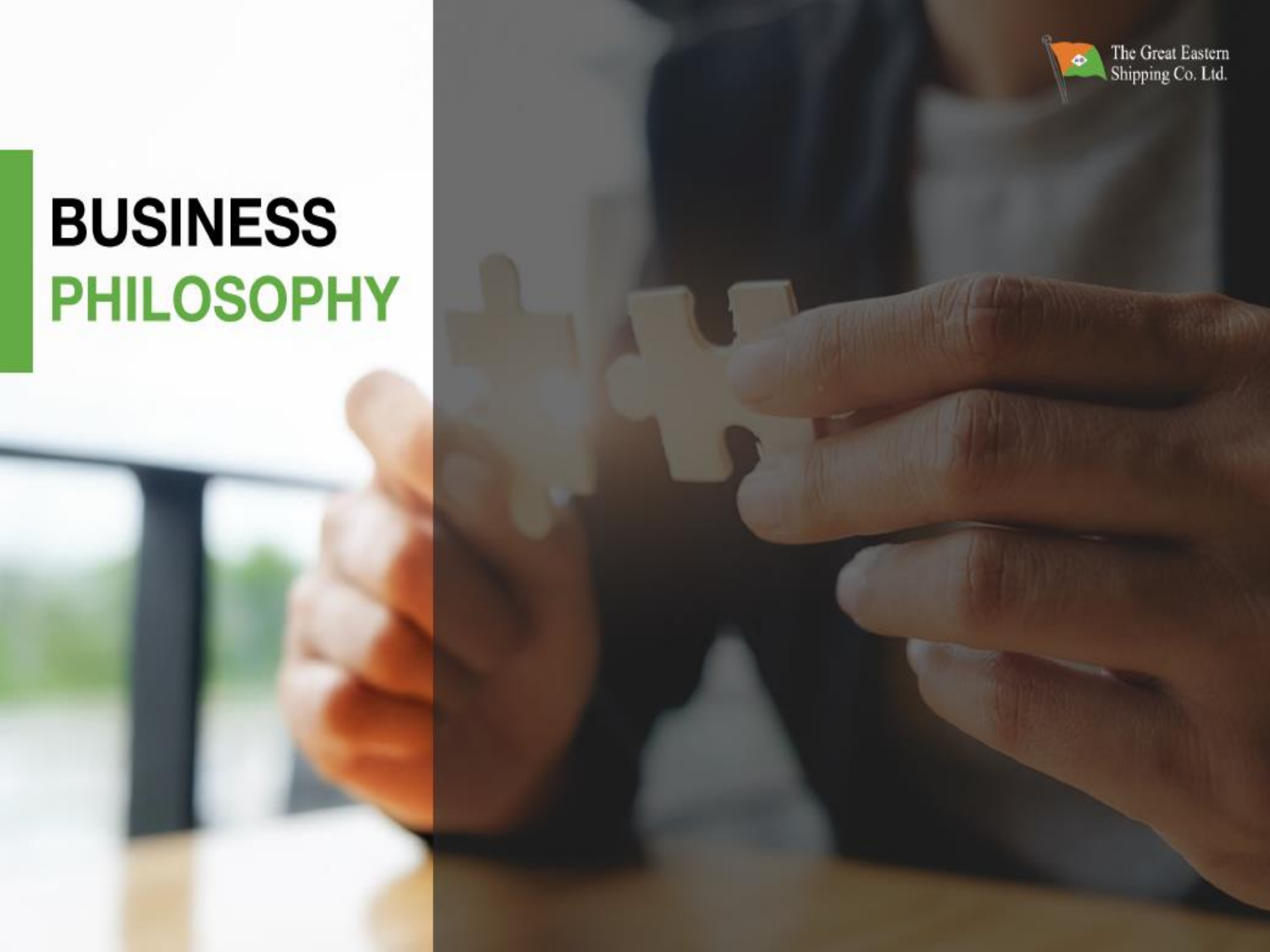
SHIPPING

Fleet	DWT	Number of Ships	Average Age (Yrs.)
Crude Carriers	1,608,683	12	12.64
Product Carriers	987,207	17	10.54
Gas Carriers	218,976	5	19.64
Dry Bulk Carriers	1,159,121	15	6.13
Total	3,973,987	49	10.61

OFFSHORE

Fleet	Number of Units	Average Age (Yrs.)
Jack Up Rigs	4	6.34
Platform Supply Vessels	4	8.51
Anchor handling Tug Cum Supply Vessels	8	8.36
Multipurpose Platform Supply & Support Vessels	2	7.82
ROV Support Vessels	5	6.53

BUSINESS **PHILOSOPHY**



4 KEYS TO OUR SUCCESS



**Dynamically
managing
cycles**



**Diversified
Fleet**



**In-House
technical &
commercial
management**

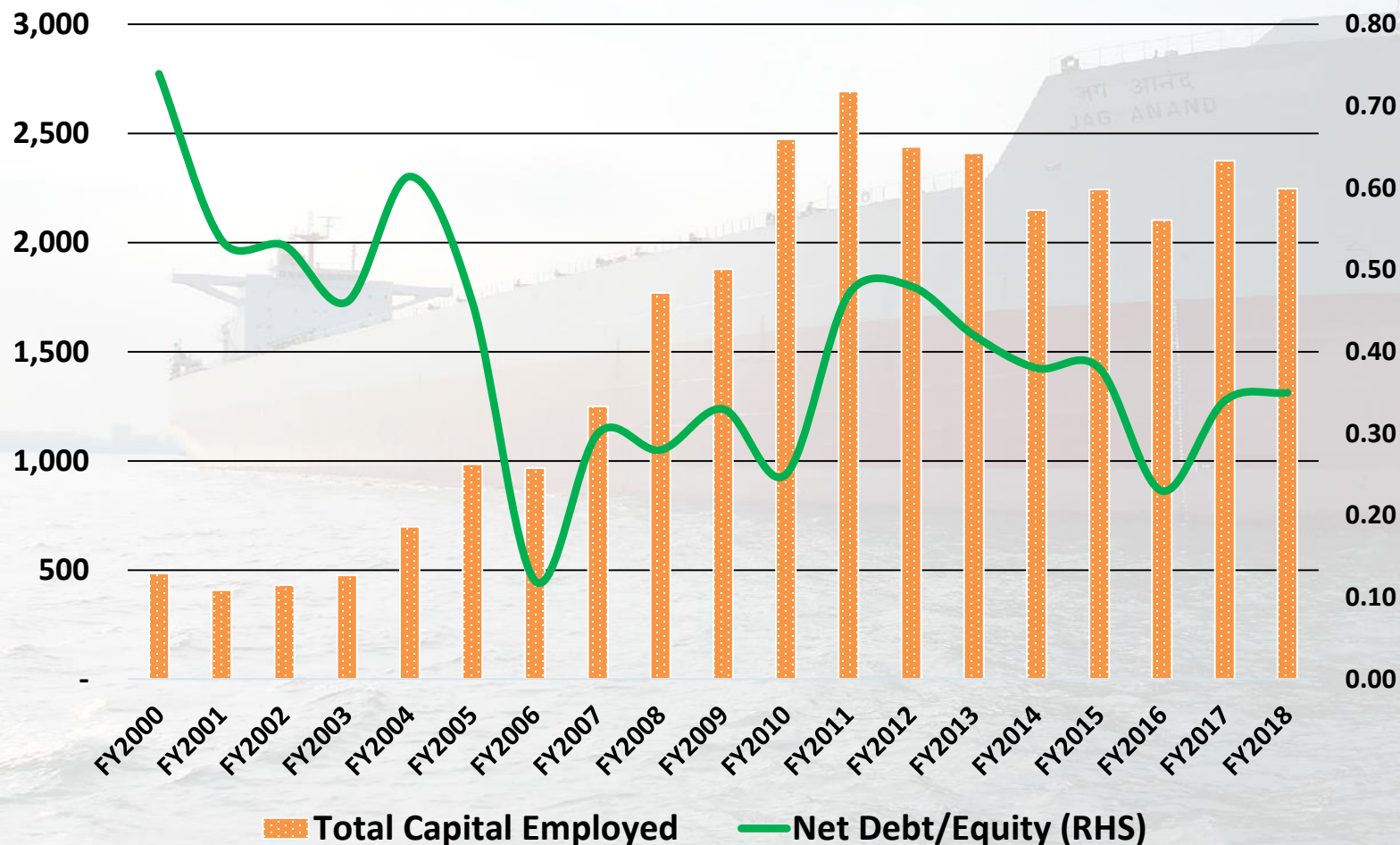


**Strong
balance
sheet**



NET DEBT/EQUITY & TOTAL CAPITAL EMPLOYED (CONSOLIDATED)

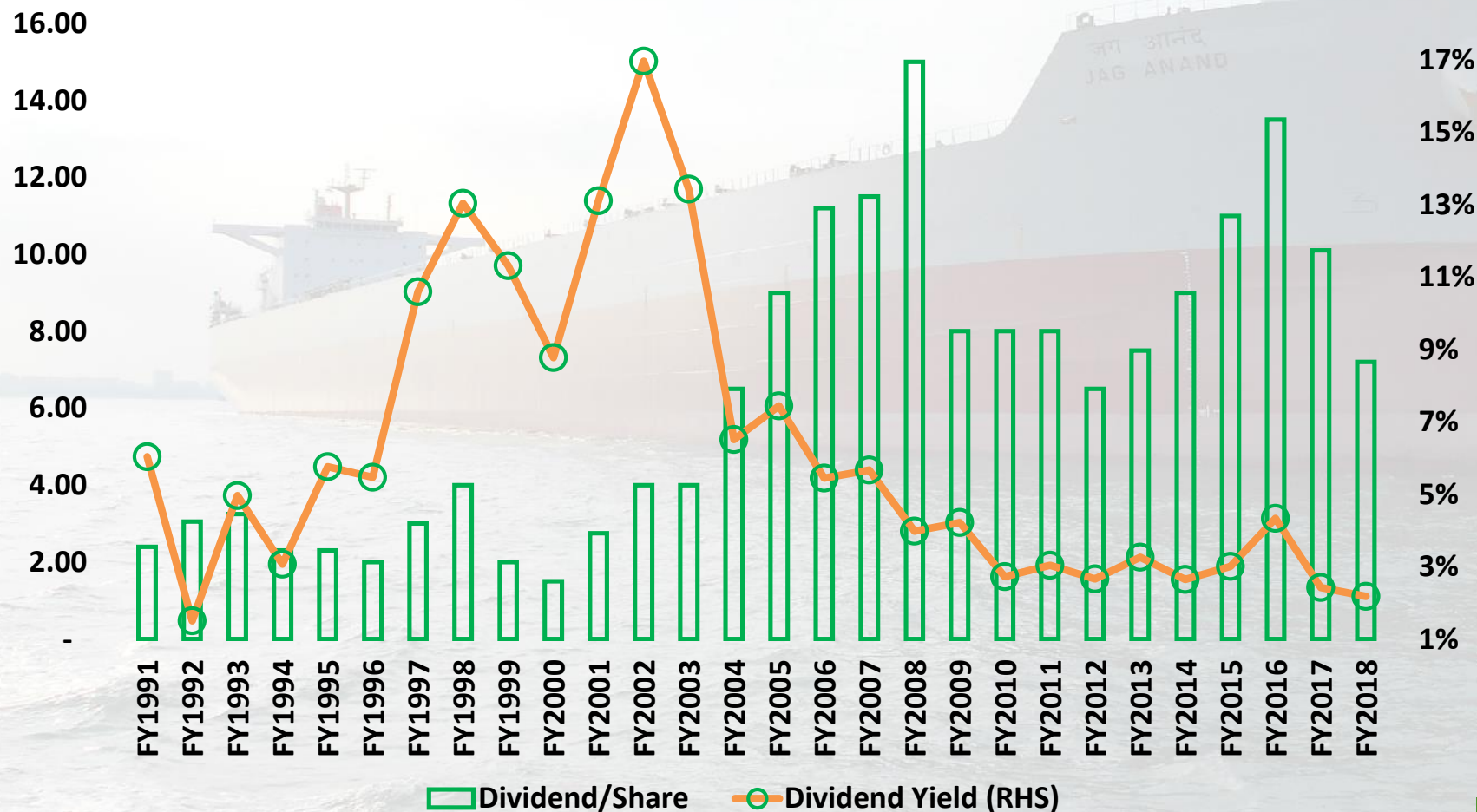
USD Mn



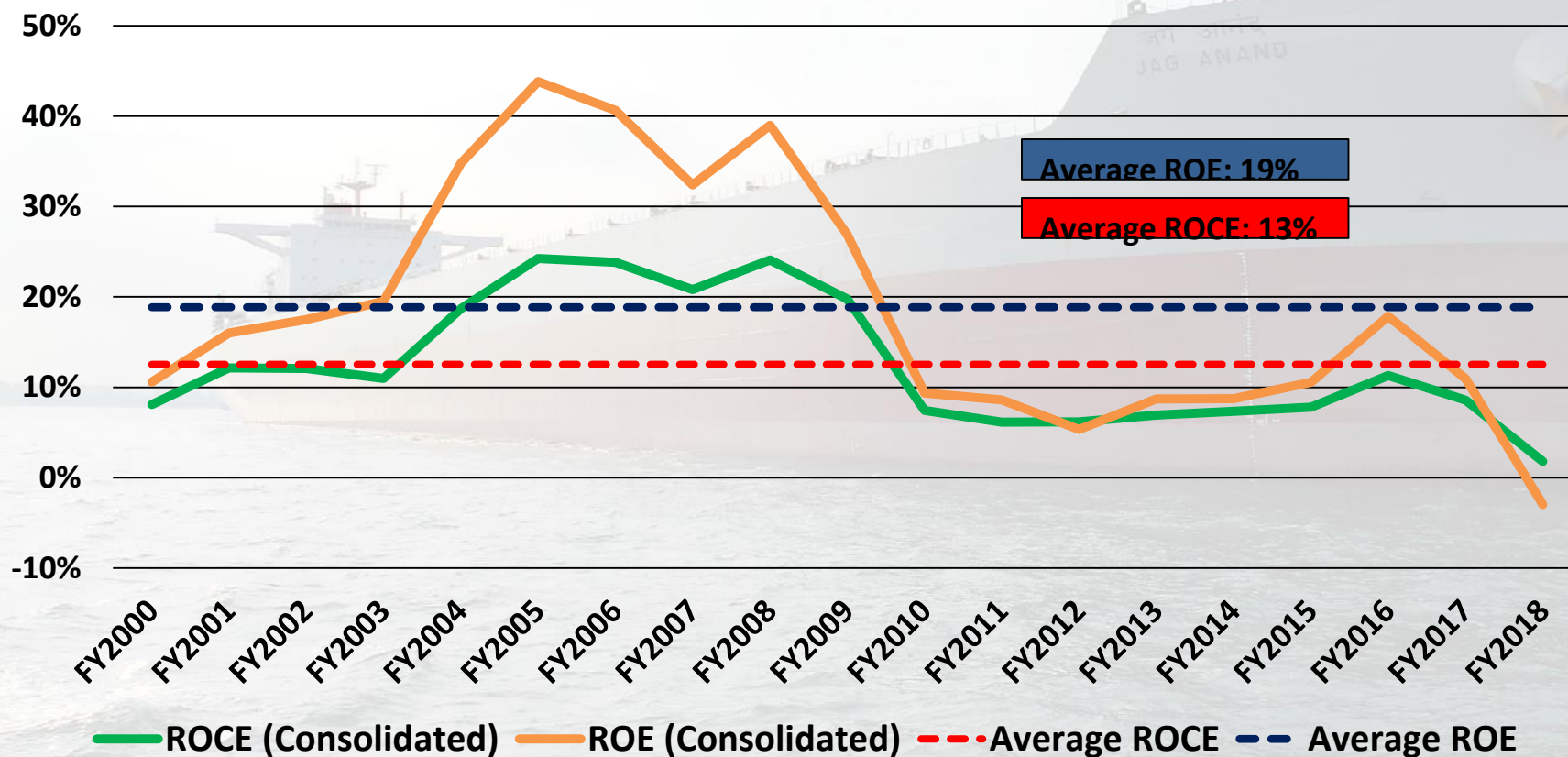
DIVIDEND/SHARE

(30+ YEARS CONTINUOUS DIVIDEND)

INR/Share



ROE & ROCE (CONSOLIDATED)



SHIPPING MARKET



KEY POINTS ON **TANKER MARKET**

Asset Prices

- VLCC 5 yr old asset prices are up about 3% Y-O-Y
- Suezmax & Aframax 5 yr old asset prices have moved up about 5% Y-O-Y

Freight Rates

- BCTI fell by 15% & BDTI fell by about 7% during Q1FY18

Crude Market

- U. S. production is up about 1 million barrels a day year-on-year and therefore, imports are down almost half a million barrels per day.
- Further, subdued trade growth due to release of floating storage had a negative impact on the crude tanker rates. The Crude tanker market has had its worst Q1 of the calendar year since 1990.

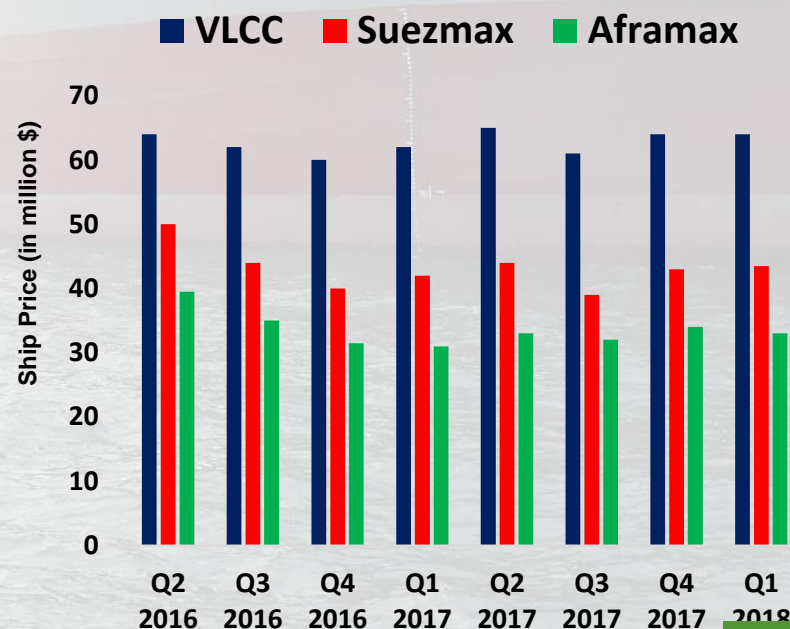
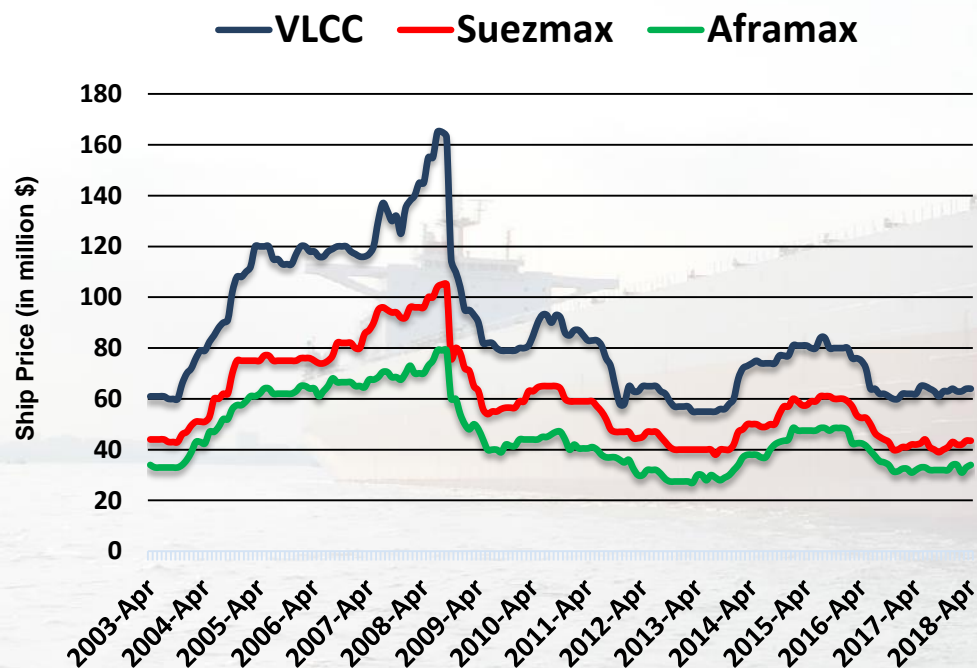
Product Market

- Inventory drawdowns have been to levels last seen four years. Though the end-user demand for oil products has been strong, a lot of it has been met from existing inventories.

Fleet Growth

- Crude tankers net fleet decline in Q1CY18 is 0.4% and product tankers net fleet growth is 1%

TANKERS – ASSET PRICE MOVEMENT (5-YEAR OLD)

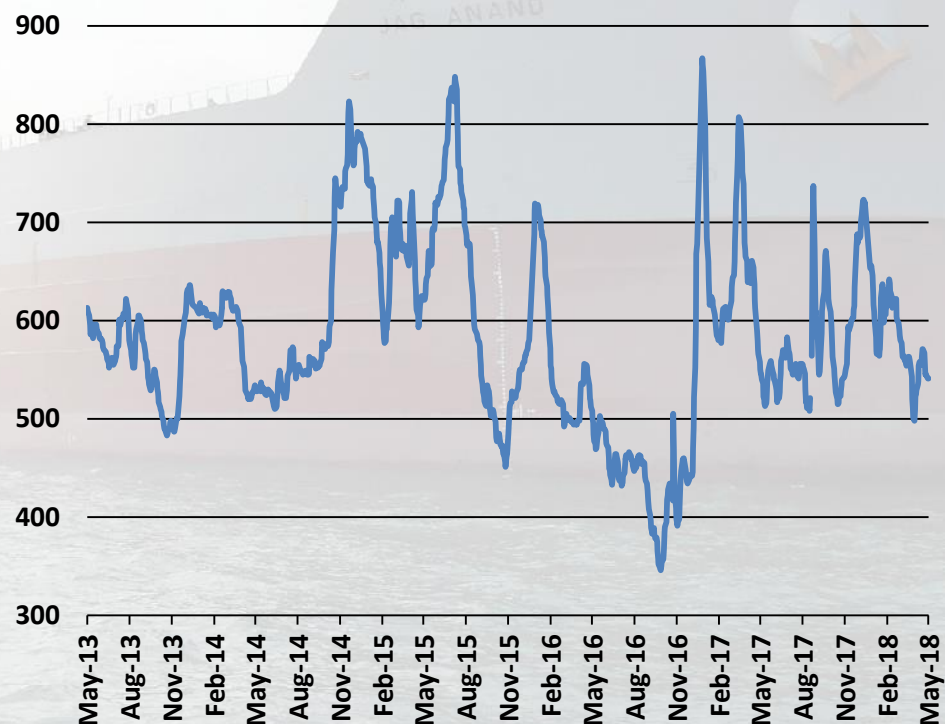


BALTIC DIRTY & CLEAN INDEX

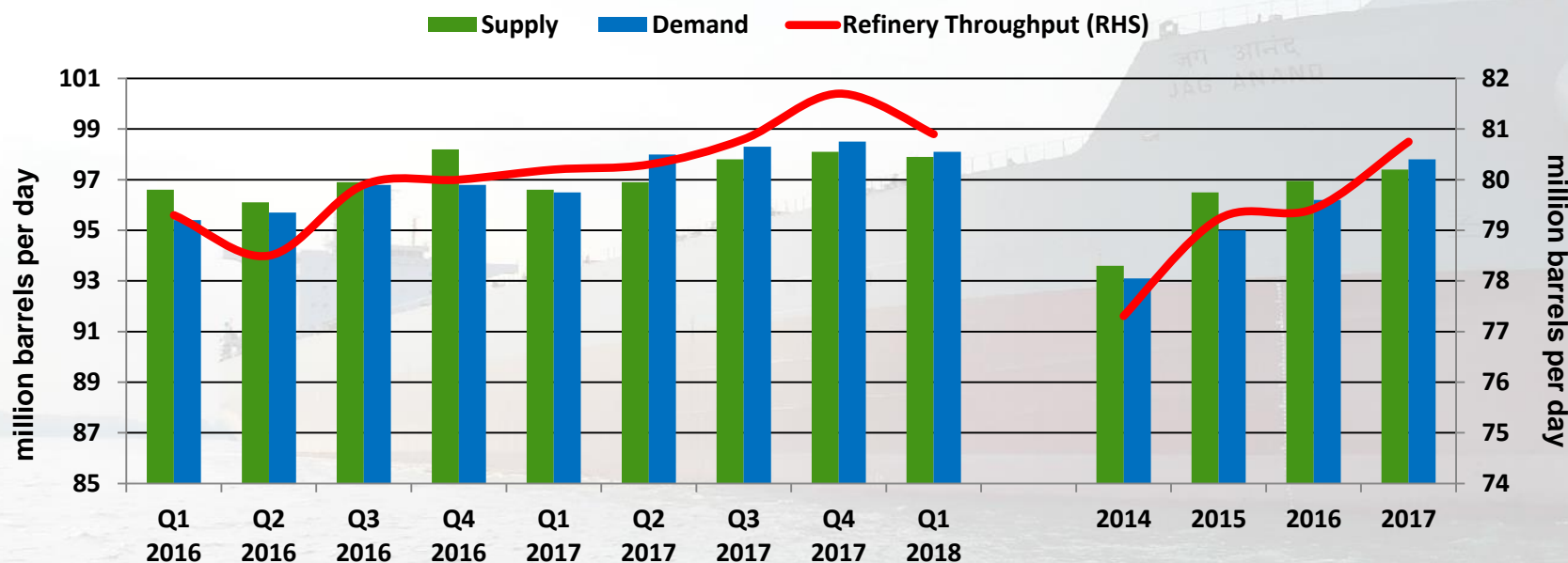
BALTIC DIRTY TANKER INDEX



BALTIC CLEAN TANKER INDEX

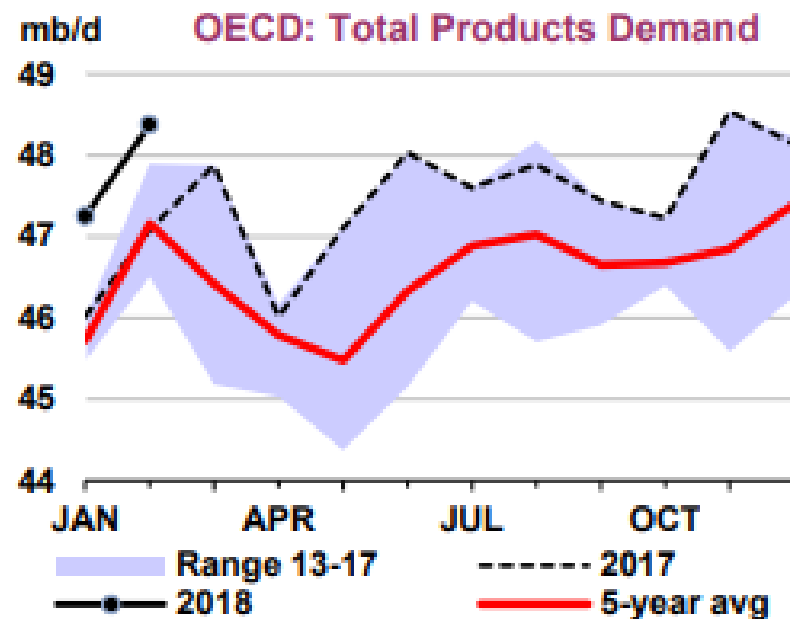
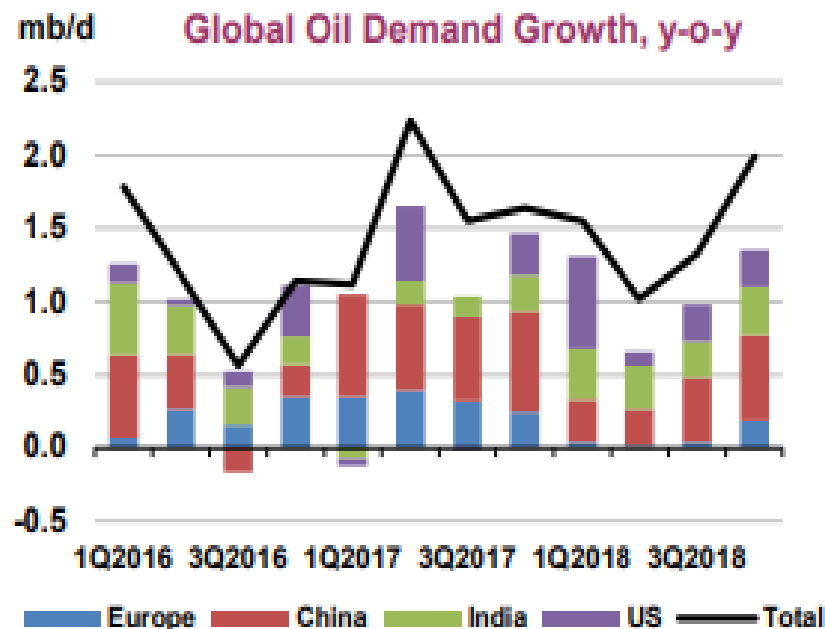


CRUDE OIL SUPPLY & DEMAND



In Q1CY18, despite strong demand and refinery runs growth, crude tanker rates fell owing to subdued trade growth due to higher inventory drawdowns and release of vessels from floating storage

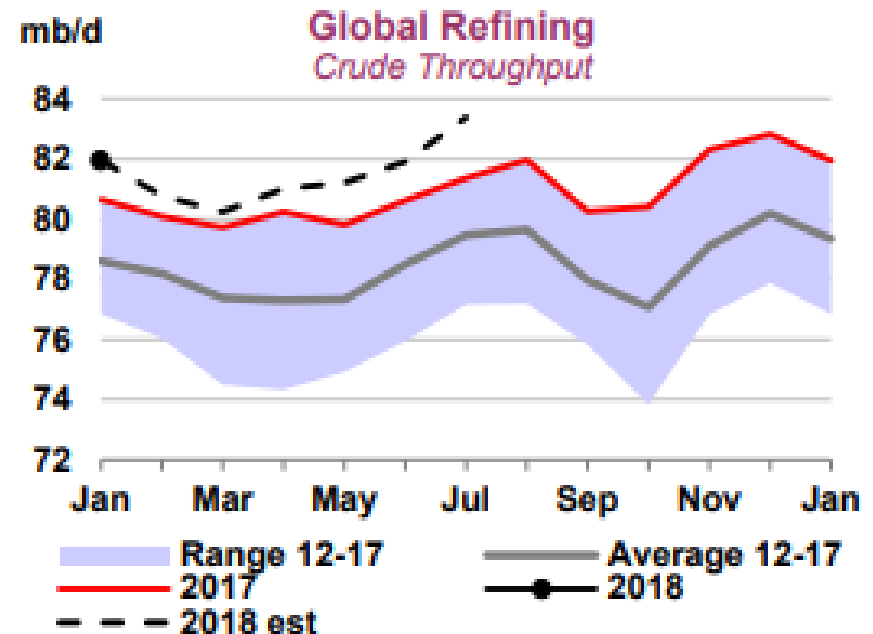
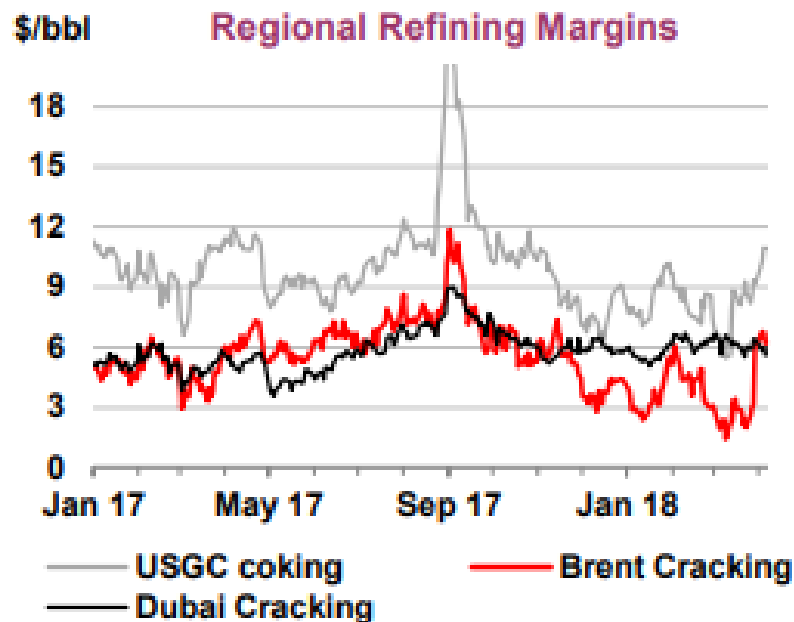
CRUDE & PRODUCT GROWTH



Crude: Majority of the demand is principally fuelled by positive growth in Asia/Pacific, OECD Europe & North America.

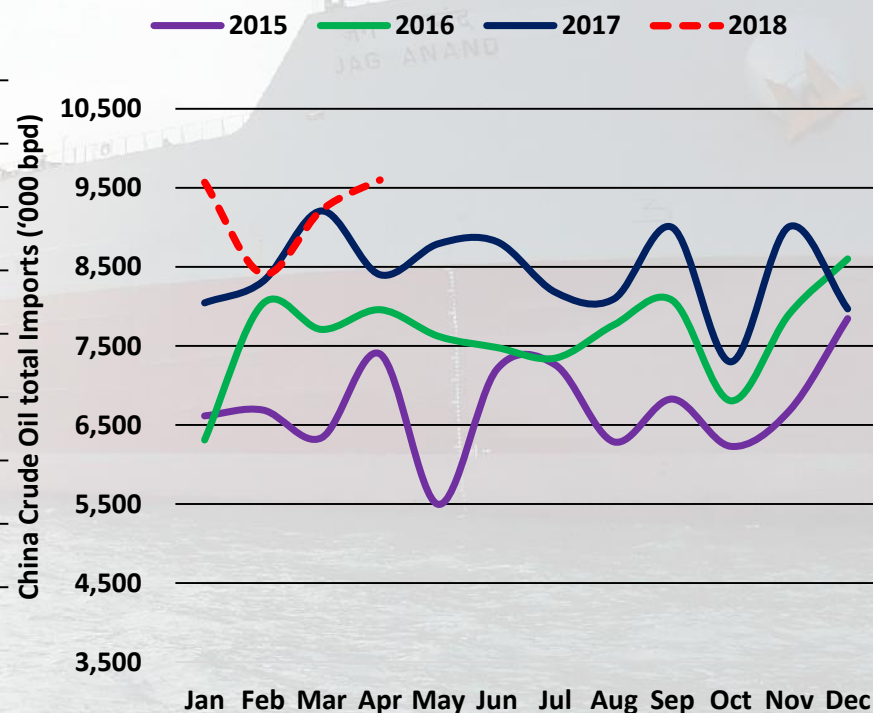
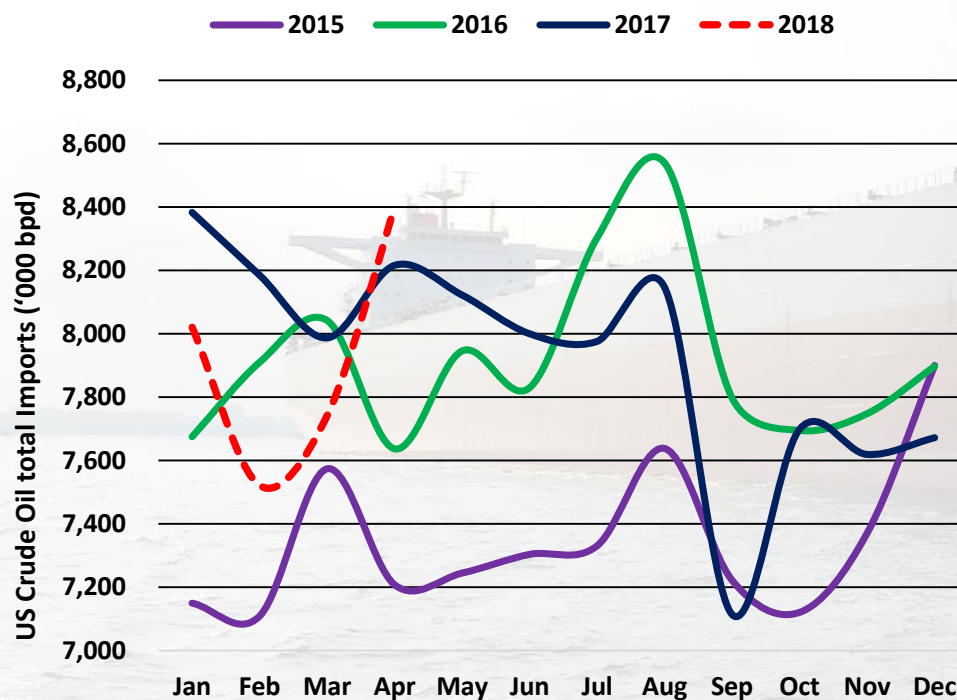
Products: Majority of the demand growth is principally fuelled by positive growth in OECD Americas & Non-OECD Asia.

REFINERY MARGINS



Margins retreated in March'18 due to the increase in crude oil prices. Throughput has been high due to high demand & capacity additions.

CRUDE OIL IMPORTS



In Q1CY2018, China imported 13% higher crude oil than Q1CY2017

WORLD FLEET GROWTH

CRUDE TANKERS

Tanker Fleet (mn Dwt)	19-Apr-18	1-Jan-18	1-Jan-17	1-Jan-16	1-Jan-15	1-Jan-14
VLCC	223.46	225.10	213.80	200.00	193.75	186.13
Suezmax	81.90	80.60	74.60	71.09	69.68	68.43
Aframax	67.09	67.20	66.40	64.37	64.15	63.71
Total	378.35	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>	5%	6%	2%	13.5%

Slippage (YTD 2018)	30%
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WORLD FLEET GROWTH

PRODUCT TANKERS & VLGC

Product Fleet (mn Dwt)	19-Apr-18	1-Jan-18	1-Jan-17	1-Jan-16
LR2	37.73	36.60	33.50	30.10
LR1	26.58	26.51	25.20	24.00
MR/Handy (35k+)	82.50	82.40	80.40	76.70
Total	149.64	147.61	139.40	130.80

Order Book(mn Dwt)	2018	2019	2020+	Total
<i>Orderbook as % of current fleet</i>	4%	4%	2%	9.5%

Slippage Product (YTD 2018)	30%
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Fleet(No. of Vessels)	19-Apr-18	1-Jan-18	1-Jan-17
VLGC	271	266	243

Order Book (No. of Vessels)	2018	2019	2020+	Total
<i>Orderbook as % of current fleet</i>	1%	7%	4%	12.5%

KEY POINTS ON DRY BULK MARKETS

Asset Prices

- Capesize 5 yr old asset prices are at same levels in Q1CY2018 Y-O-Y
- Panamax & Supramax 5 yr old asset prices rose by about 10% in Q1CY2018 Y-O-Y

Freight Rates

- BDI hits a 4 year high of 1,670 in Dec-17
- In 2018, BDI rose about 60% from 900 to 1465

Coal Market

- China total coal imports for Q1CY2018 have risen by 17% Y-O-Y. Indian coal imports have also risen in Q1CY2018

Iron Ore

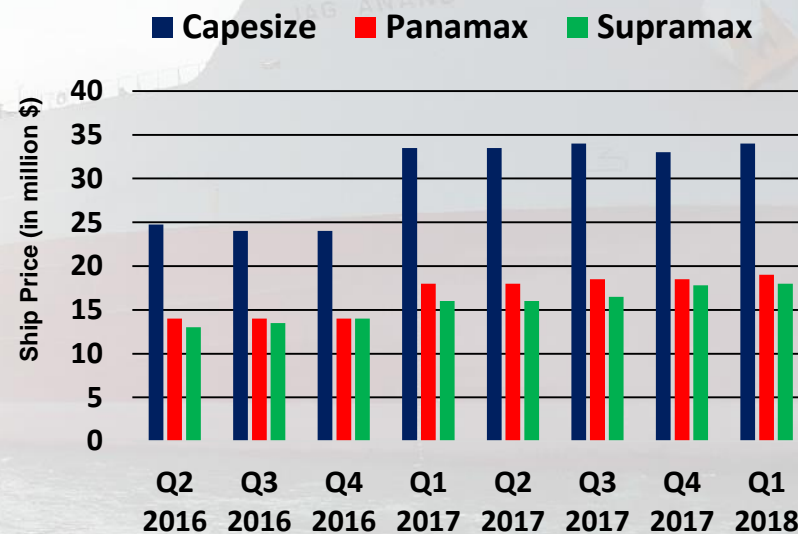
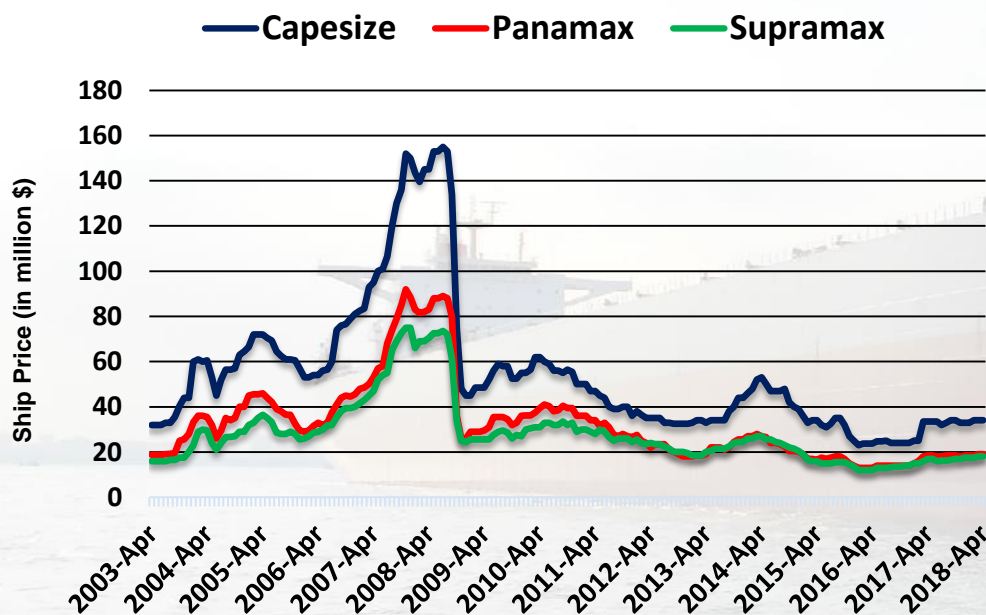
- China's Iron Ore imports grew by 6% in 2M'CY2018
- China Iron Ore imports from Australia have increased by around 5% & Brazil have increased 5% in 2M'CY2018

Fleet Growth

- Dry Bulk net fleet growth in Q1CY2018 is about 1%

BULKER ASSET PRICES

5-YEAR OLD



Dry Bulk asset prices on average rose by about 30% in 2017 compared to 2016. In Q1CY2018, same levels are being maintained.

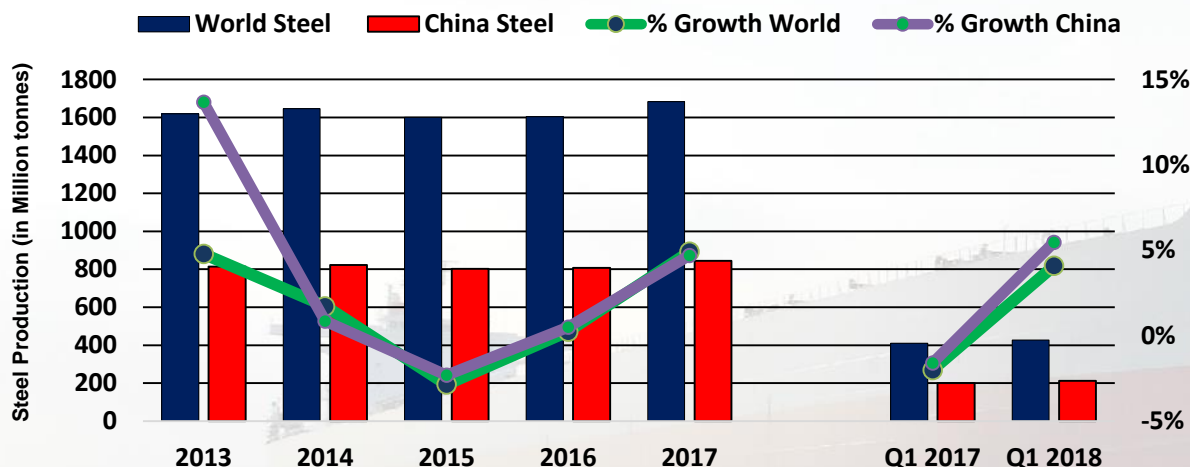
BALTIC DRY INDEX

Baltic Dry Index

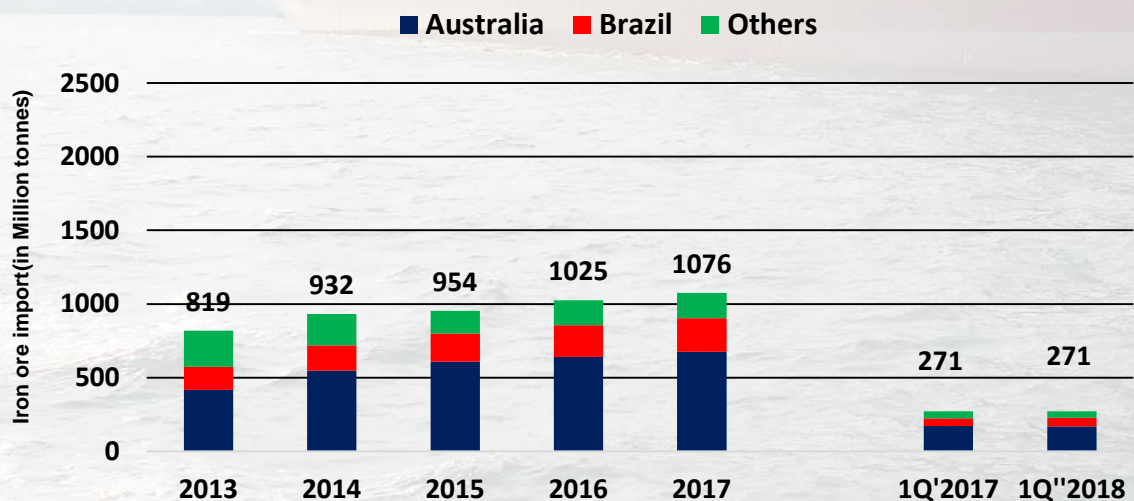


Baltic Dry Index hits 4 year high of 1,670 in Dec'17 from a low of 291 in Feb'16. As on May'18, it has hit 1,465 from previous high.

CHINA IRON ORE & STEEL PRODUCTION



**China Steel Production
increased 5% in
Q1CY2018 Y-O-Y**

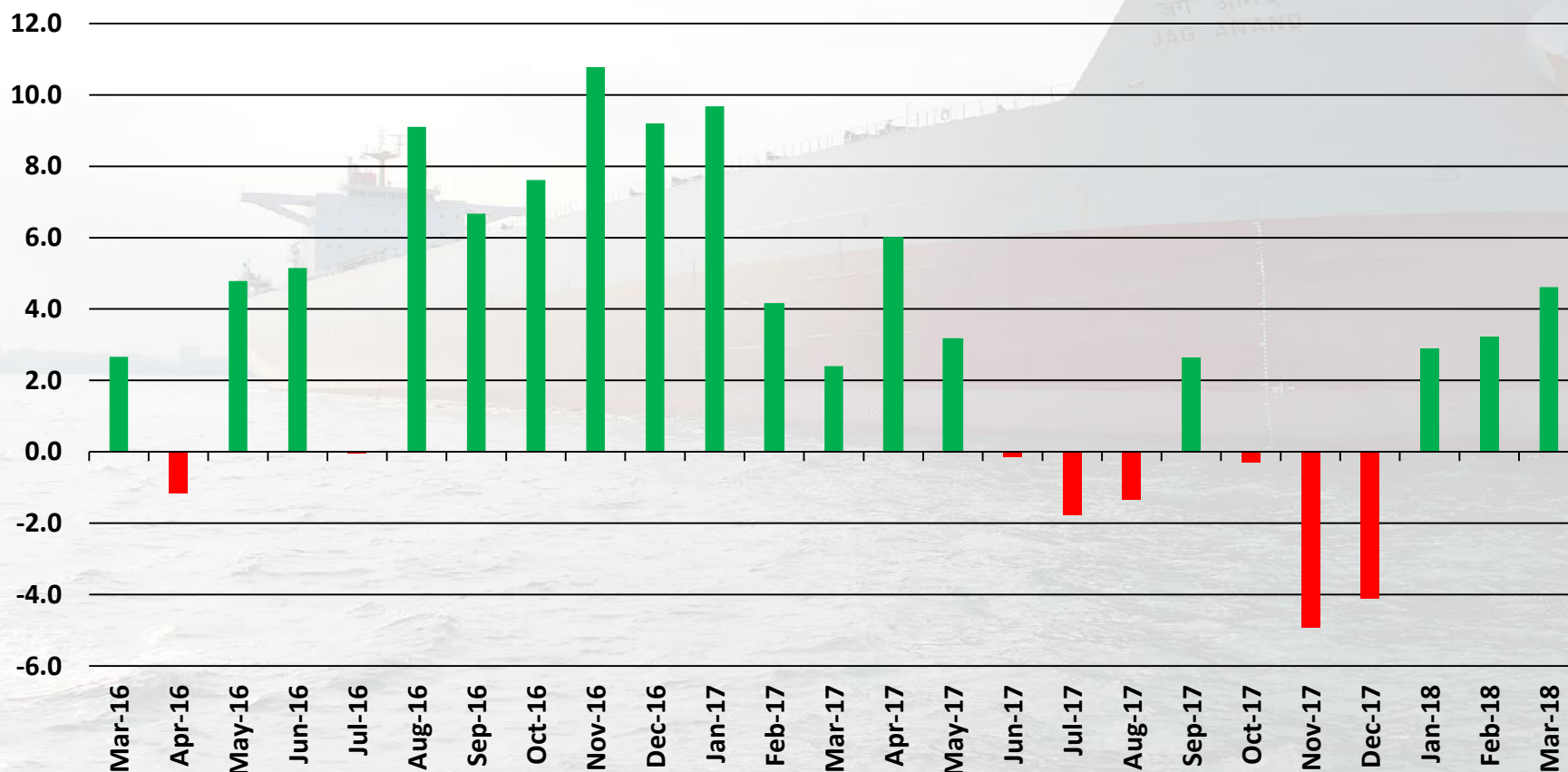


**China's iron ore import
nearly flat in 1Q'CY2018
Y-O-Y**

CHINA COAL IMPORTS

China coal imports change (Y-O-Y)

Mn Tonnes



WORLD FLEET GROWTH

DRY BULK

Fleet(in mn Dwt)	19-Apr-18	1-Jan-18	1-Jan-17	1-Jan-16
Capesize	327	324	315	309
Panamax	203	202	196	195
Handymax	198	196	189	180
Handysize	97	96	94	93
Total	825	818	794	776

Orderbook (mn Dwt)	2018	2019	2020	2021+	Total
Orderbook (%Fleet)	3%	4%	3%	1%	9.9%

Slippage (As on 30 th April 2018)	43%
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SCRAPPING

Vessel Category	Fleet (mn Dwt)	Scrapping(% of beginning world fleet)				
	19 Apr 18	2018 (YTD)	2017	2016	2015	2014
Crude	378.35	2.30%	2.35%	0.35%	0.23%	1.60%
Product	149.64	0.78%	1.42%	0.62%	0.61%	1.19%
Dry Bulk	825.0	0.22%	1.77%	3.67%	4.03%	2.25%

Scrapping picks up for tankers, and slows down 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	89%
ROVSV	75%
AHTSV	91%
MPSSV	58%
Jackup Rigs	98%

KEY POINTS ON E&P MARKETS

Q1 CY2018

Day Rates

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

Fleet Growth

- Rigs: Total fleet has reduced by about 1.5% during the quarter due to scrapping of cold stacked rigs and limited new building deliveries. The effective marketed supply remains unchanged.
- OSV's: Total fleet has reduced by about 1% due to scrapping of old stacked vessels and limited new building deliveries.

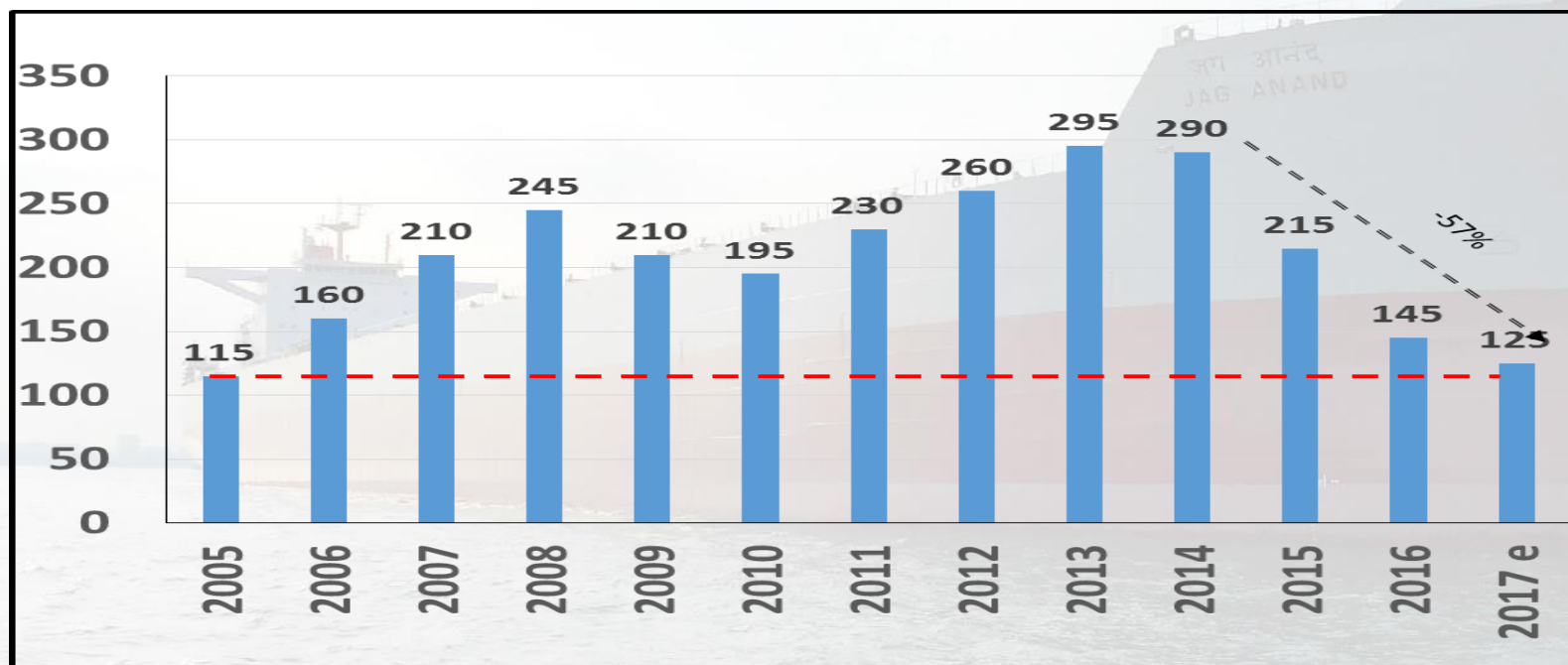
Fleet Utilization

- Rigs: 50-60%
- Vessels: 40-50%

Slippage

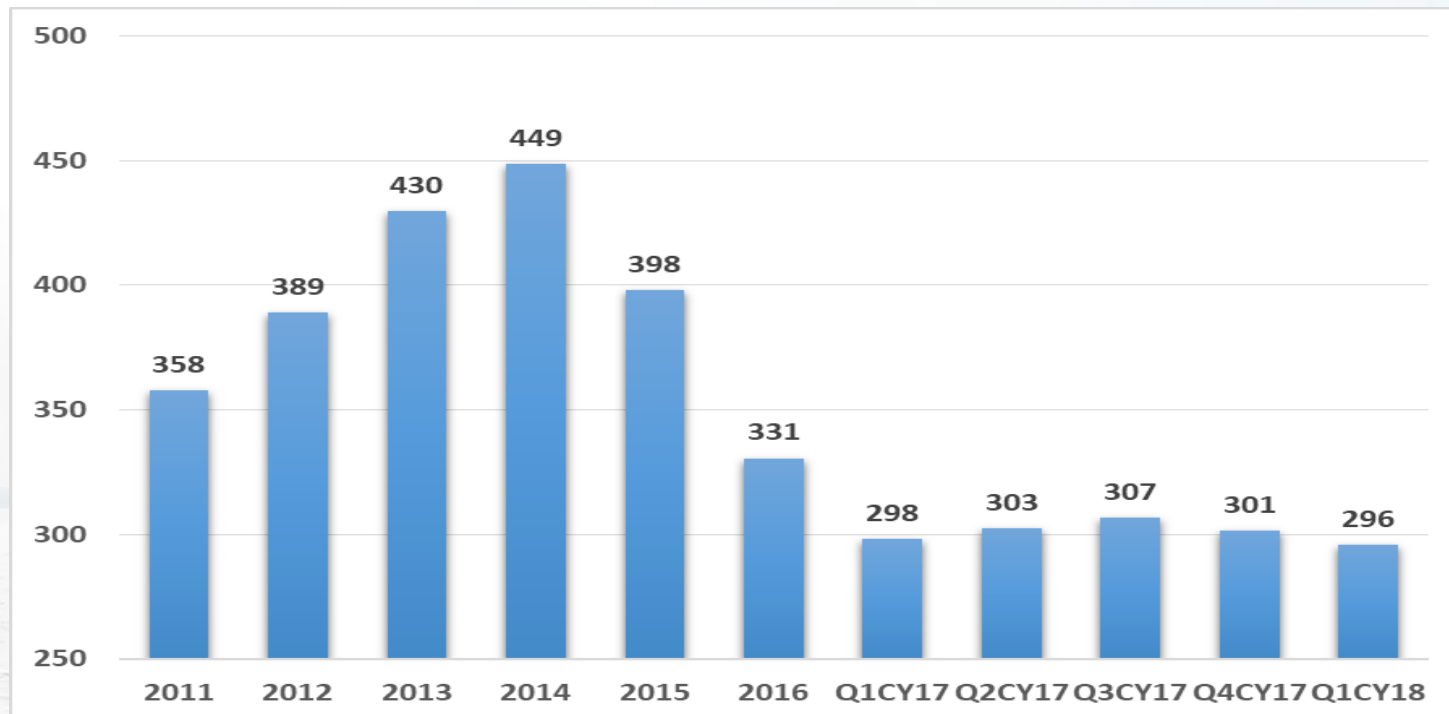
- OSVs: 70%-80%(CY2017)
- Rigs: 70% - 80%(CY2017)

OFFSHORE E&P SPENDING



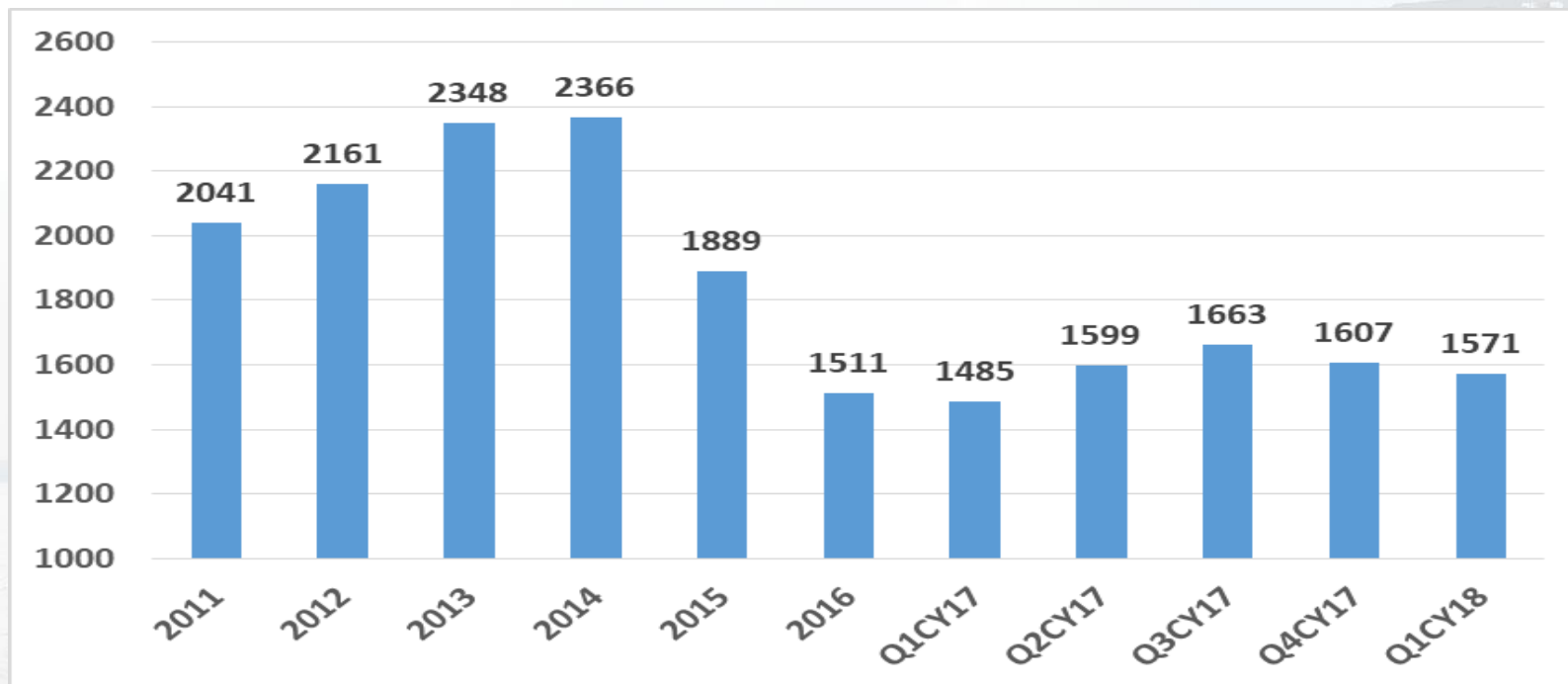
According to various industry reports, after the sharp fall over last 3 years, the E&P spending is expected to further decline, albeit marginally, in 2018

JACK UP RIGS ON CONTRACT



Number of Jack-up Rigs on contract which fell from a peak in 2014, however has been steady at current levels for last 5 quarters

OSV FLEET (PSV + AHTSV) ON TERM CONTRACT



Number of PSVs and AHTSVs on contract have increased marginally from the bottom of 2017.

GLOBAL FLEET SUPPLY OFFSHORE

Fleet & Orderbook

Number	Jackup Rigs	AHTSVs	PSV
Current Fleet	533	2062	1637
Orderbook	90	100	148
<i>O/B to current fleet</i>	16.9%	4.8%	9%

- Q1CY2018 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.
- 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 HIGHLIGHTS

FY18

FINANCIAL HIGHLIGHTS

GE Shipping FY18 consolidated Net Loss at Rs. 209.57 Crore

Proposes a dividend of Rs. 7.20 per share

Standalone		Key Figures	Consolidated	
FY18	FY17	(Amount in Rs. Crs)	FY18	FY17
Income Statement				
2399.27	2224.71	Revenue (including other income)	3376.50	3622.76
986.88	1261.97	EBITDA (including other income)	1508.46	2121.44
160.19	601.39	Net Profit	(209.57)	754.96
Balance Sheet				
10523.37	10748.19	Total Assets	14649.46	15402.28
5225.42	5162.02	Equity	6929.22	7223.33
4222.63	4431.71	Total Debt (Gross)	6213.34	6815.75
1571.67	1384.68	Long Term Debt (Net of Cash)	2430.58	2472.34
Cash Flow*				
518.98	717.00	From operating activities	978.93	1521.00
(279.85)	(1786.00)	From investing activities	(407.24)	(1734.00)
(636.86)	1283.00	From financing activities	(1158.05)	713.00
(397.73)	214.00	Net cash inflow/(outflow)	(586.36)	500.00

• 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.

* Non-GAAP measures

FINANCIAL HIGHLIGHTS

Standalone		Key Figures	Consolidated	
FY18	FY17		FY18	FY17
		Key financial figures		
41.13%	56.73%	EBITDA Margin	44.68%	58.56%
3.08%	12.30%	Return on Equity (ROE)	-2.96%	10.95%
5.13%	9.93%	Return on Capital Employed (ROCE)	1.81%	8.59%
0.81	0.86	Gross Debt/Equity Ratio	0.90	0.94
0.30	0.27	Net Debt/Equity Ratio	0.35	0.34
64.48	67.11	Average Exchange rate USD/INR	64.48	67.11
65.18	64.85	End of Period Exchange rate USD/INR	65.18	64.85
		Share related figures(in Rs.)		
10.62	39.89	Earnings per share, EPS	(13.90)	50.07
10.60	39.81	Diluted earnings per share	(13.90)	49.97
43.22	64.66	Cash Profit per share	50.77	107.26
7.20	10.10	Dividend per share	7.20	10.10

AN IMPORTANT NOTE TO FINANCIAL HIGHLIGHTS

The consolidated results of the company for the year ended March 31, 2018 includes the following non-cash charges to the Profit & Loss Account :

Greatship (India) Limited has recorded a deferred tax liability of Rs. 270.00 crores in its consolidated results. This charge is a result of temporary difference as per 'Ind AS 12 – Income Taxes' on purchase of rigs by Greatship (India) Ltd. from its overseas subsidiary during the year.

Greatship (India) Limited has made a provision of Rs. 206.39 crores in its consolidated results for impairment relating to some of the offshore vessels.

Excluding these non-cash charges as mentioned above, the profit for the year ended March 31, 2018 would have been higher by Rs. 476.39 crores.

FINANCIAL HIGHLIGHTS

Breakup of Revenue Days

Revenue Days	Q4 FY18	Q4 FY17
Owned Tonnage	4,215	3,636
Inchartered Tonnage	69	77
Total Revenue Days	4,284	3,713
Total Owned Tonnage (mn.dwt)	3.88	3.70

Average TCY Details

Average (TCY \$ per day)	Q4'FY18	Q4'FY17	% Change
Crude Carriers	12,846	20,897	(39%)
Product Carriers (Incl. Gas)	14,598	15,868	(8%)
Dry Bulk	11,852	8,345	42%

Mix of Spot & Time

Days (in %)	Q4'FY18	Q4'FY17
<u>Dry Bulk</u>		
Spot %	76%	46%
Time %	24%	54%
<u>Tankers</u>		
Spot %	79%	48%
Time %	21%	52%
<u>Total</u>		
Spot %	78%	48%
Time %	22%	52%

THANK YOU

THANK YOU
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