



The Great Eastern
Shipping Co. Ltd.

BUSINESS OVERVIEW



FEBRUARY 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

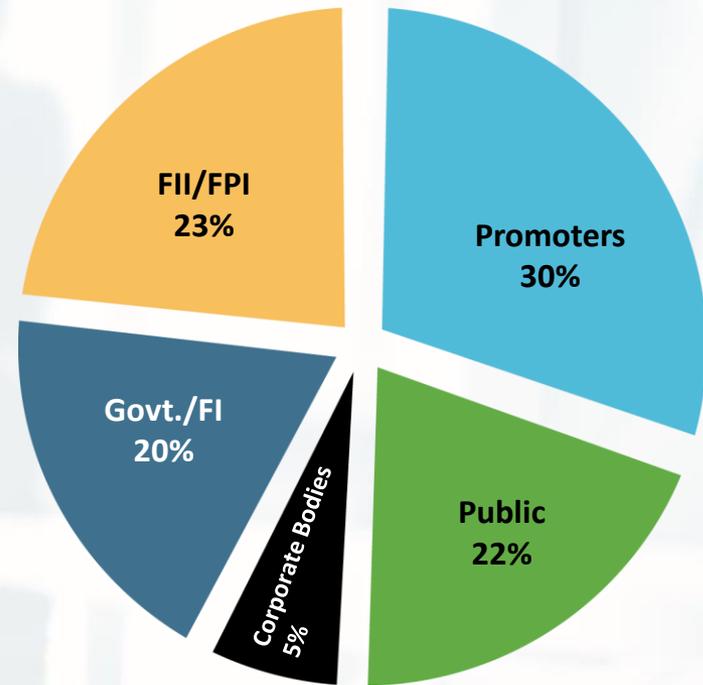
- Crude
- Products/LPG

Dry Bulk

Logistics

Drilling

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



Shareholding Pattern as on 31 December 2017

SHAREHOLDING PATTERN

FLEET PROFILE

SHIPPING

Fleet	DWT	Number of Ships	Average Age (Yrs.)
Crude Carriers	1,608,683	12	12.39
Product Carriers	987,207	17	10.30
Gas Carriers	126,099	3	22.48
Dry Bulk Carriers	1,211,485	16	6.29
Total	3,933,474	48	10.31

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 KEY TO OUR SUCCESS



**Dynamically
managing
cycles**



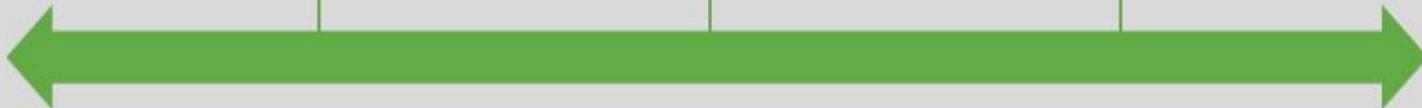
**Diversified
Fleet**



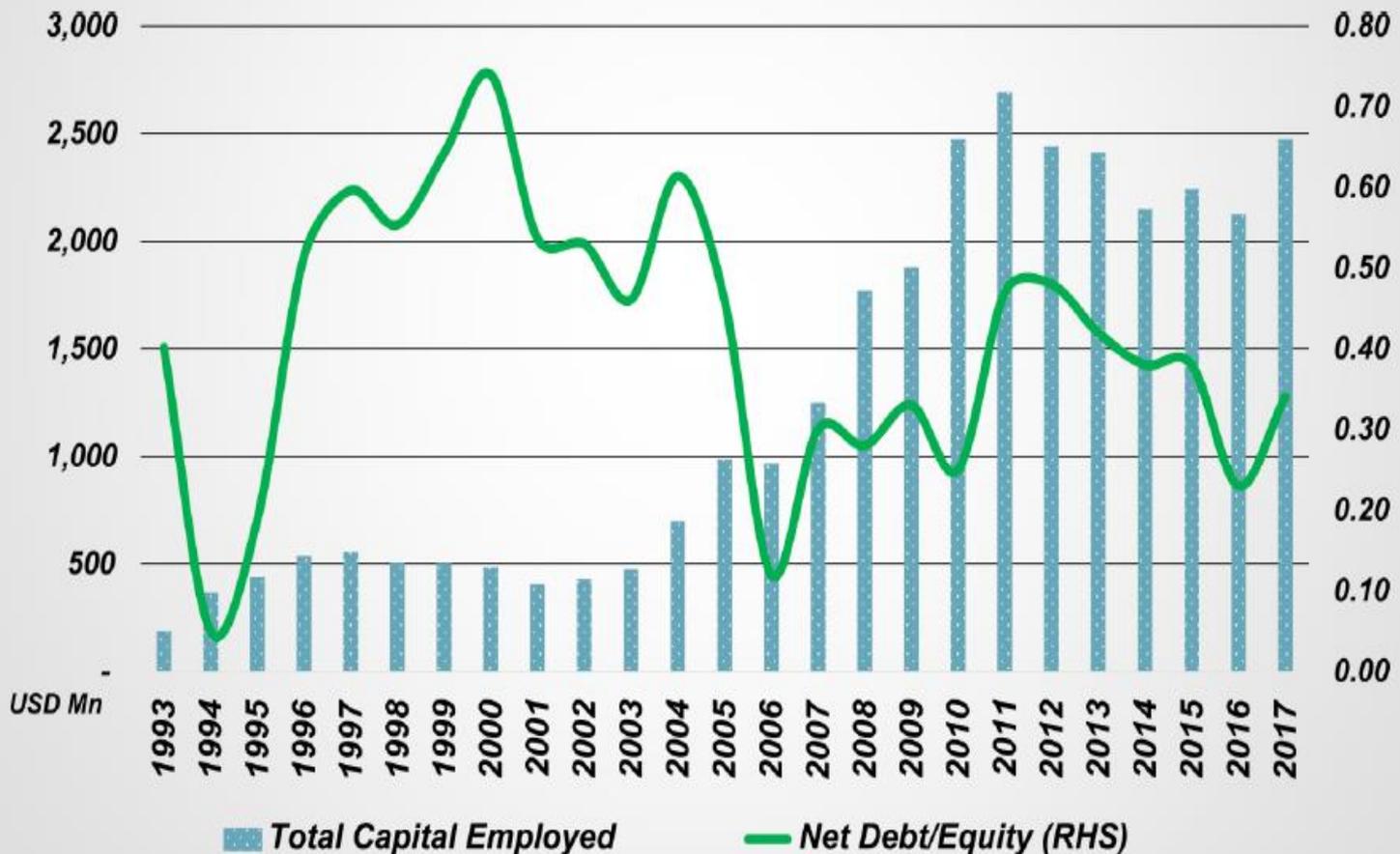
**In-House
technical &
commercial
management**



**Strong
balance sheet**

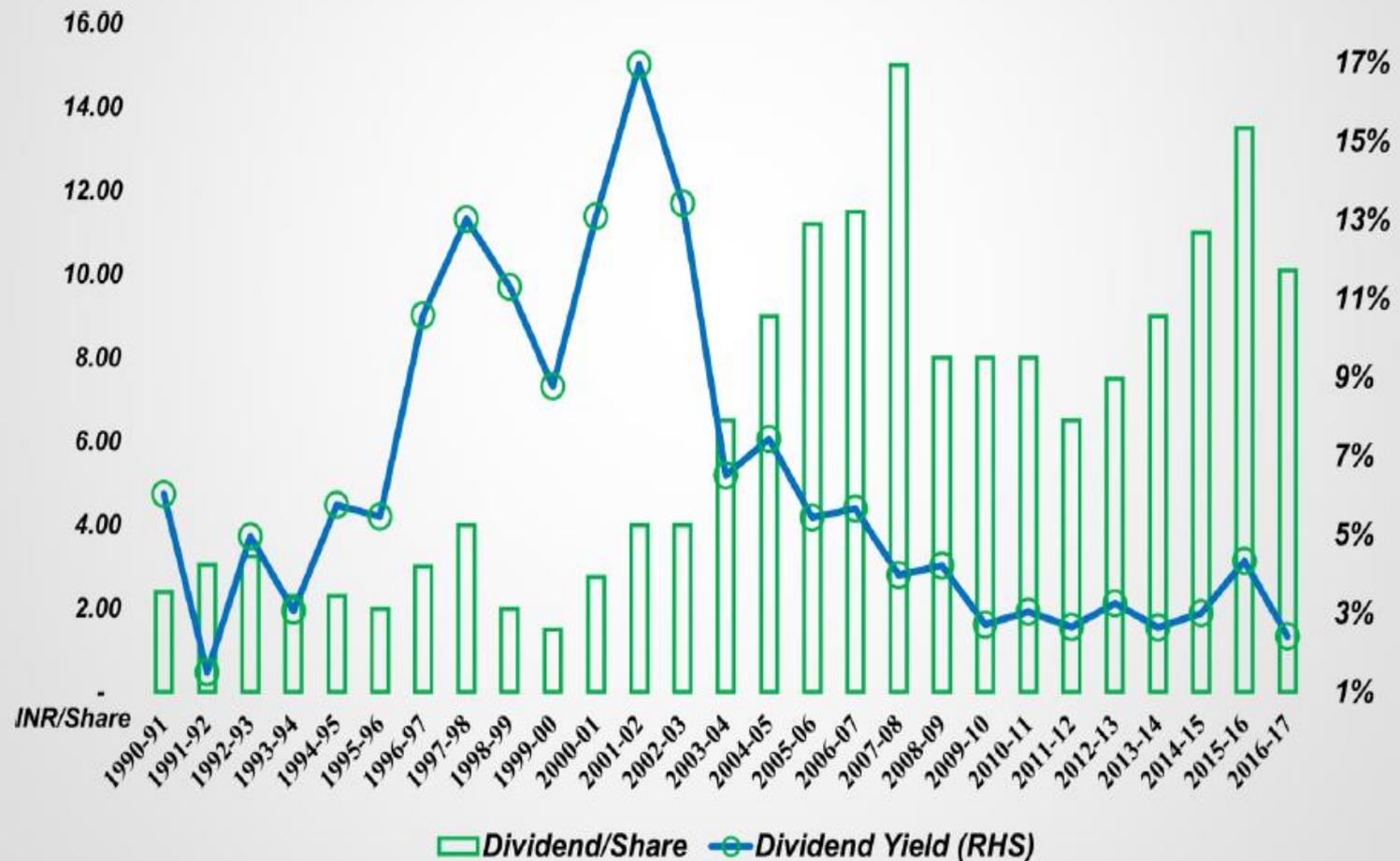


NET DEBT/EQUITY & TOTAL CAPITAL EMPLOYED (CONSOLIDATED)

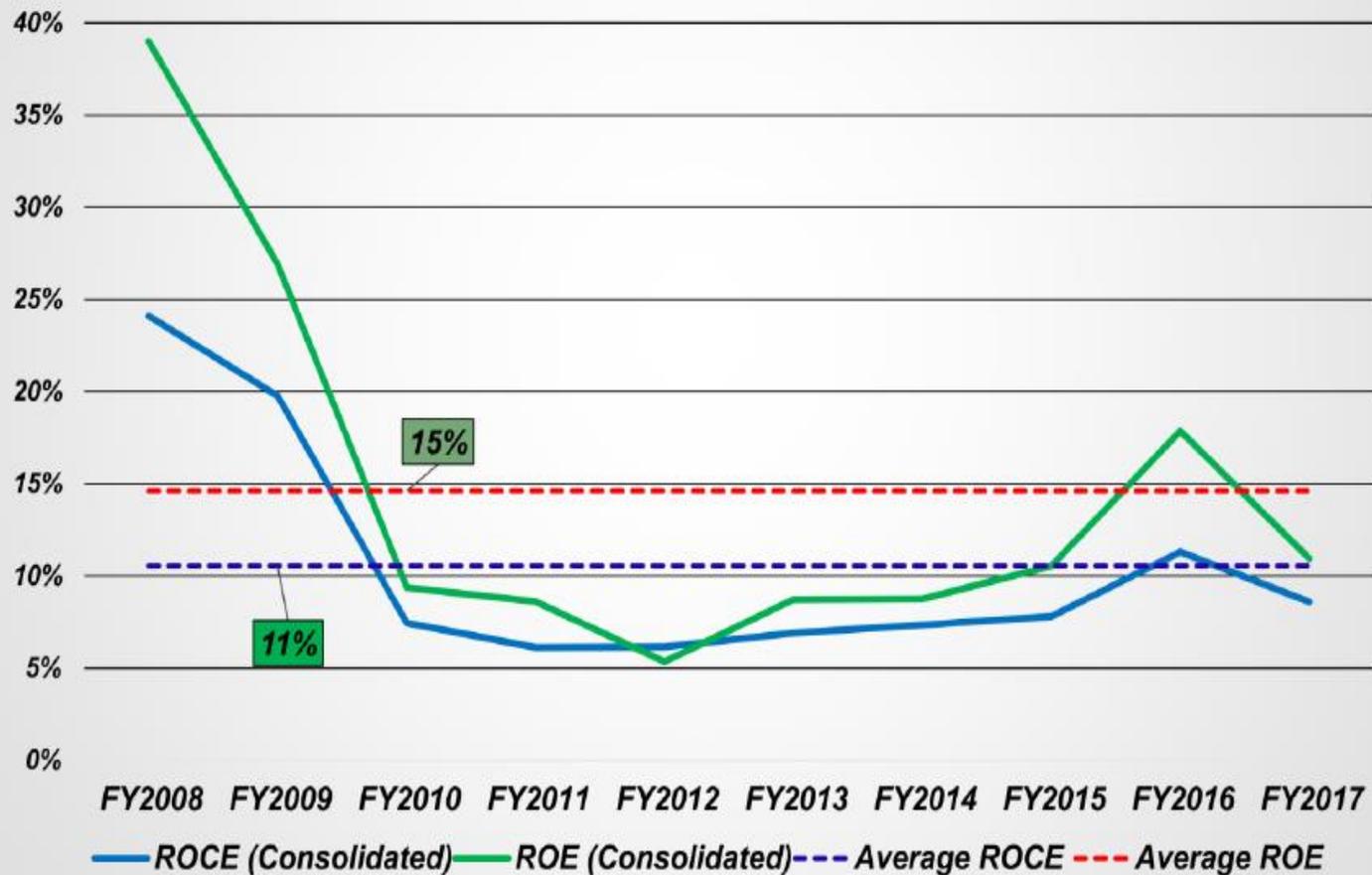


DIVIDEND / SHARE

(30+ YEARS CONTINUOUS DIVIDEND)



ROE & ROCE (CONSOLIDATED)



SHIPPING MARKET



KEY POINTS ON TANKER MARKET

Asset Prices

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

Freight Rates

- BCTI rose by 8% & BDTI fell by about 7% during Q3FY18
- In 2018, BCTI has decreased by 11% while BDTI has decreased by 23%

Crude Market

- Strong demand and refinery runs aided crude trade growth. However, inventory drawdown limited the upside. Further, strong fleet supply growth had a negative impact on the crude tanker rates.

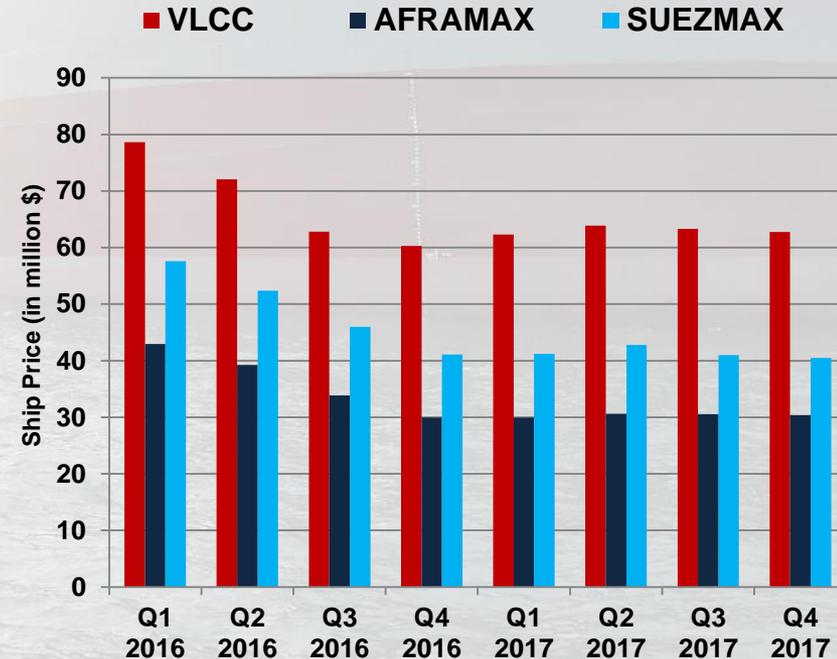
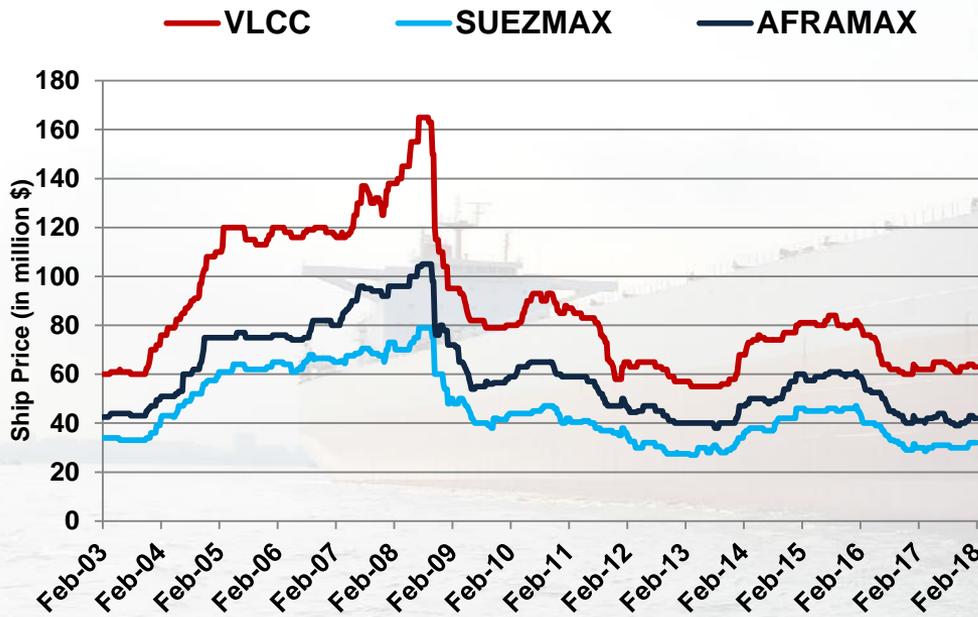
Product Market

- Inventory drawdowns and higher proportion of short haul trade impacted earnings during the quarter despite continued strength in demand growth

Fleet Growth

- Crude tankers net fleet growth in CY17 is 5.3% and product tankers net fleet growth is 4.4%

TANKERS – ASSET PRICE MOVEMENT (5-YEAR OLD)

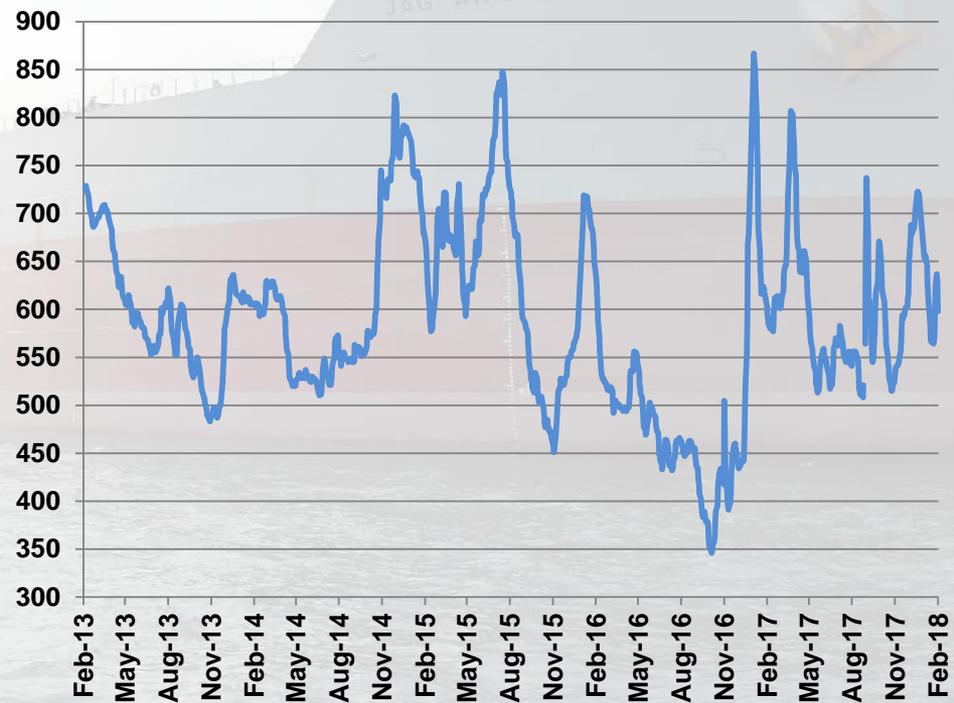


BALTIC DIRTY & CLEAN INDEX

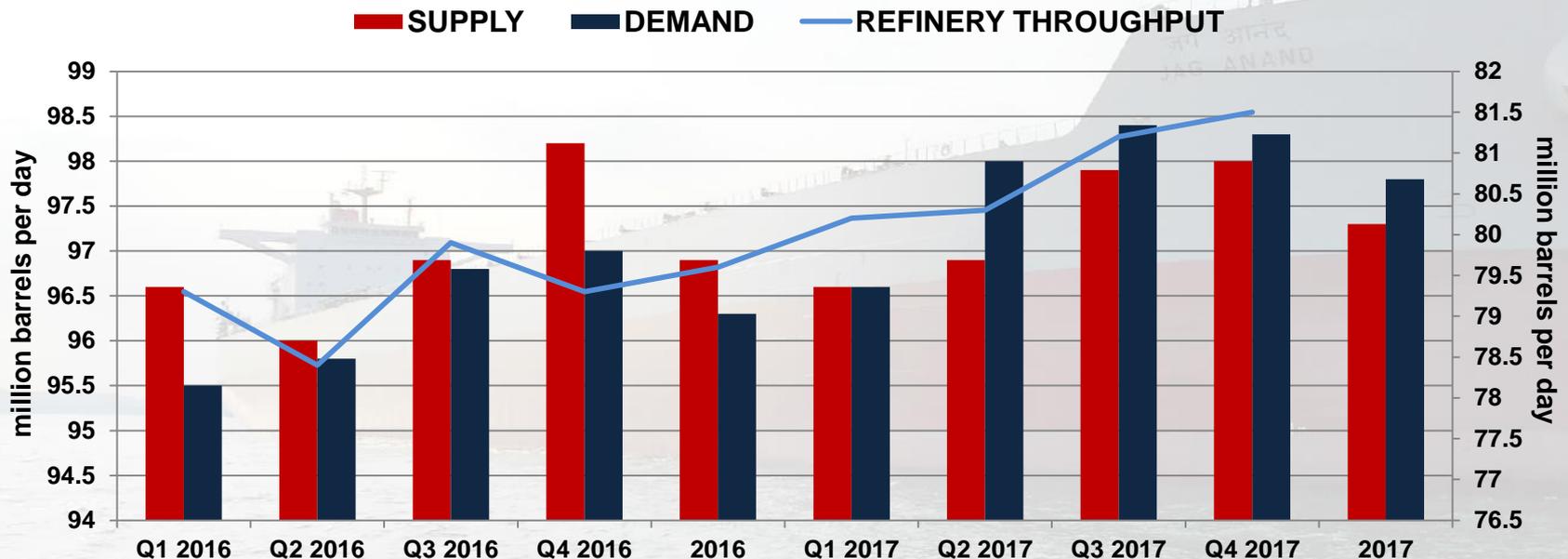
BALTIC DIRTY TANKER INDEX



BALTIC CLEAN TANKER INDEX

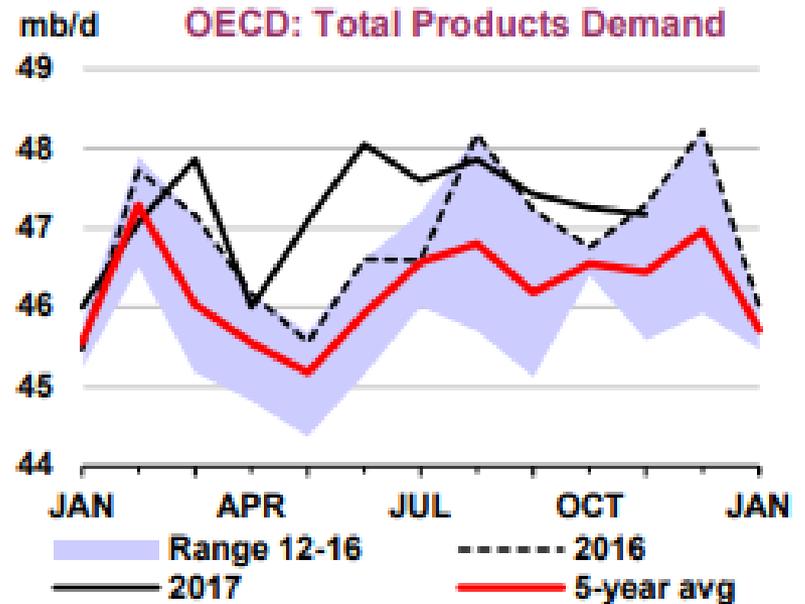
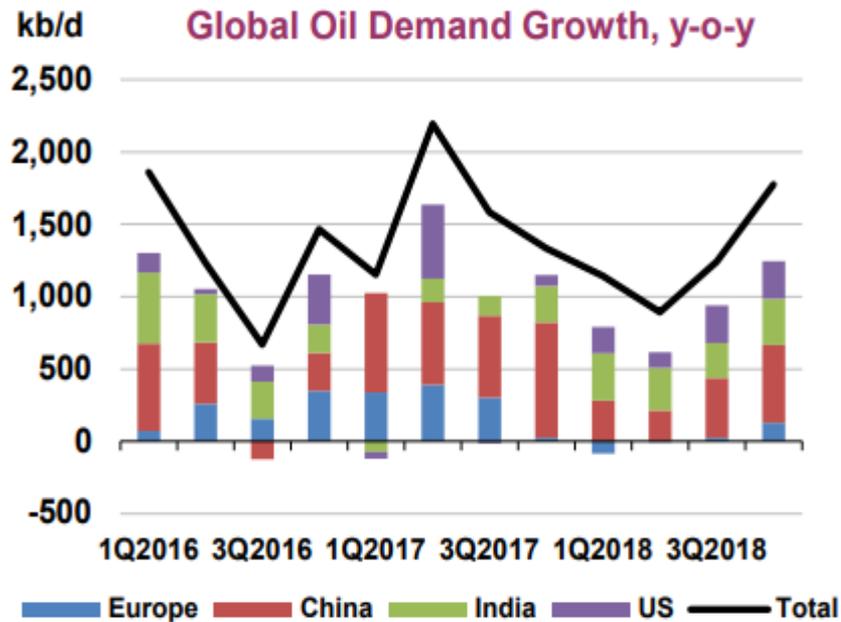


CRUDE OIL SUPPLY & DEMAND



In Q3FY18, despite strong demand and refinery runs growth, crude tanker rates fell owing to higher vessel deliveries and release of vessels from floating storage

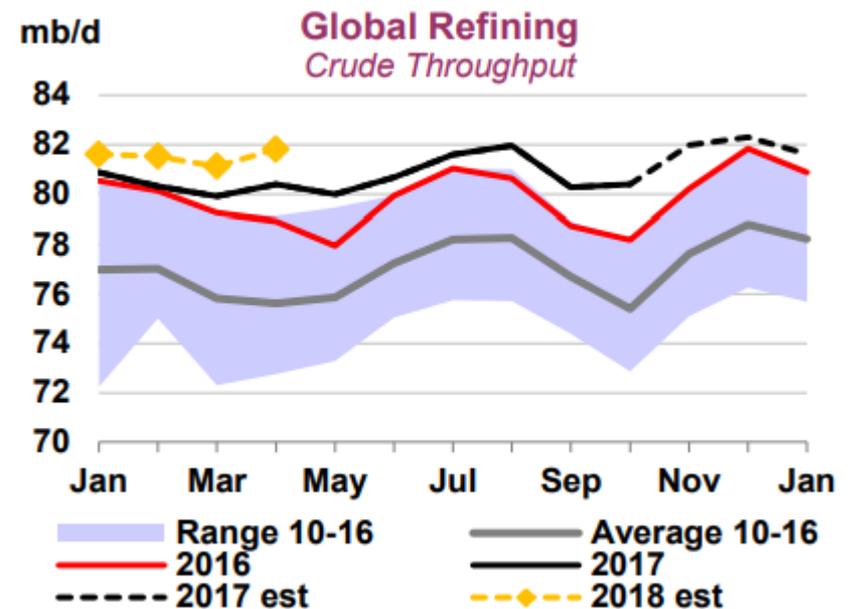
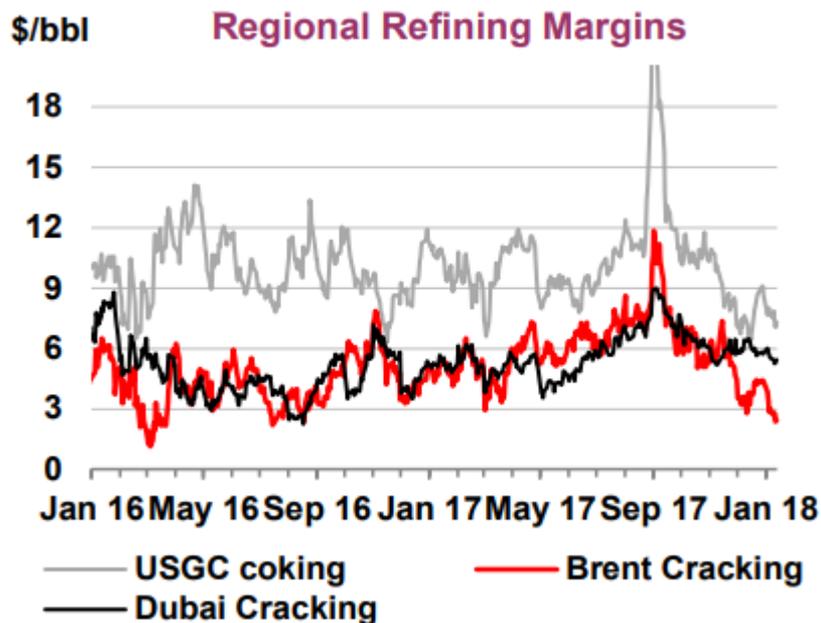
CRUDE & PRODUCT GROWTH



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

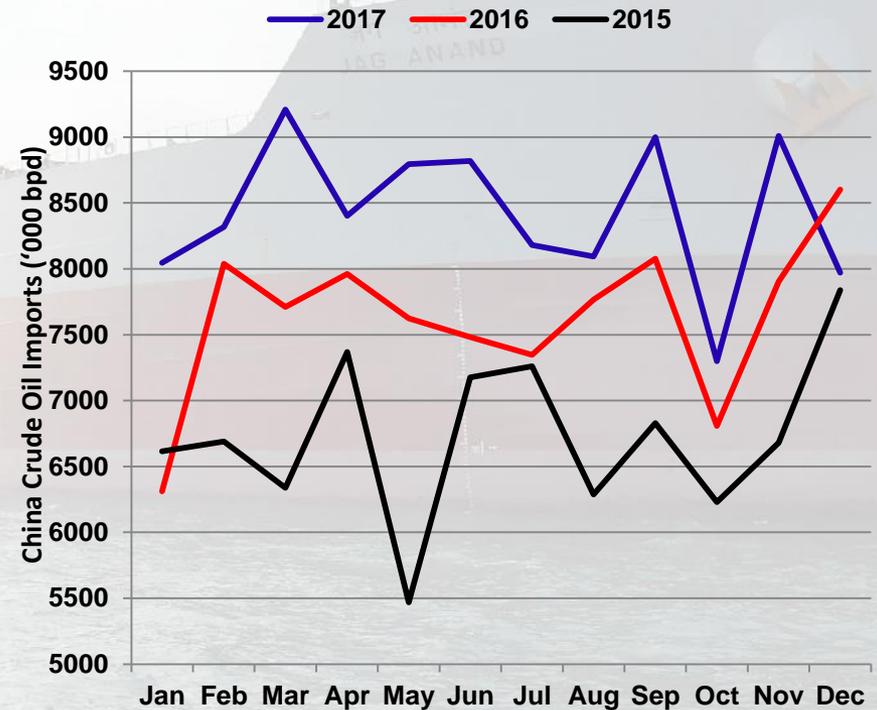
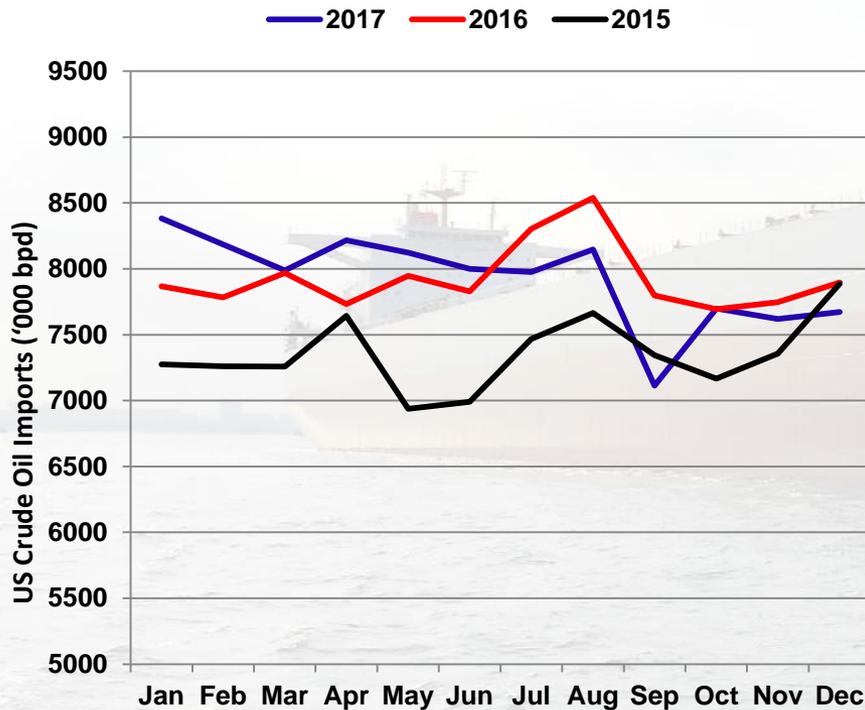
Products: Majority of the demand growth is principally fuelled by positive growth in Non-OECD Asia.

REFINERY MARGINS



Margins have been high, driven by healthy demand & limited available refining capacity

CRUDE OIL IMPORTS



In CY2017, China imported 10% higher crude oil than CY2016

WORLD FLEET GROWTH

CRUDE TANKERS

Tanker Fleet (mn Dwt)	31-Jan-18	1-Jan-18	1-Jan-17	1-Jan-16	1-Jan-15	1-Jan-14
VLCC	221.60	221.0	209.6	200.00	193.75	186.13
Suezmax	79.6	78.4	72.2	71.09	69.68	68.43
Aframax	63.9	63.7	63.0	64.37	64.15	63.71
Total	365.1	363.1	344.8	335.46	327.58	318.27

Order Book (mn Dwt)	2018	2019	2020+	Total
<i>Orderbook as % of current fleet</i>	7%	4%	1%	13%

Slippage (2017)	17%
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WORLD FLEET GROWTH

PRODUCT TANKERS & VLGC

Product Fleet (mn Dwt)	31-Jan-18	1-Jan-18	1-Jan-17	1-Jan-16	1-Jan-15	1-Jan-14
LR2	36.9	36.59	33.68	30.44	27.42	26.93
LR1	31.62	31.54	30.62	23.75	23.72	23.61
MR/Handy (35k+)	91.2	91.21	88.35	82.95	78.40	75.74
Total	159.79	159.35	152.64	137.14	129.54	126.28

Order Book (mn Dwt)	2018	2019	2020+	Total
<i>Orderbook as % of current fleet</i>	4%	3%	2%	10%

Slippage (Product 2017)	36%
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Fleet (No. of Vessels)	31-Jan-18	1-Jan-17	1-Jan-16
VLGC	266	239	195

Order Book (No. of Vessels)	2018	2019	2020+	Total
<i>Orderbook as % of current fleet</i>	2%	7%	5%	13%

KEY POINTS ON DRY BULK MARKETS

Asset Prices

- Capesize 5 yr old asset prices rose by about 32% in CY2017
- Panamax & Supramax 5 yr old asset prices rose by about 28% in CY2017

Freight Rates

- BDI hits a 4 year high of 1,670 in Dec-17
- In 2018, BDI has fallen by 18%

Coal Market

- China total coal imports for CY2017 have risen by 6%

Iron Ore

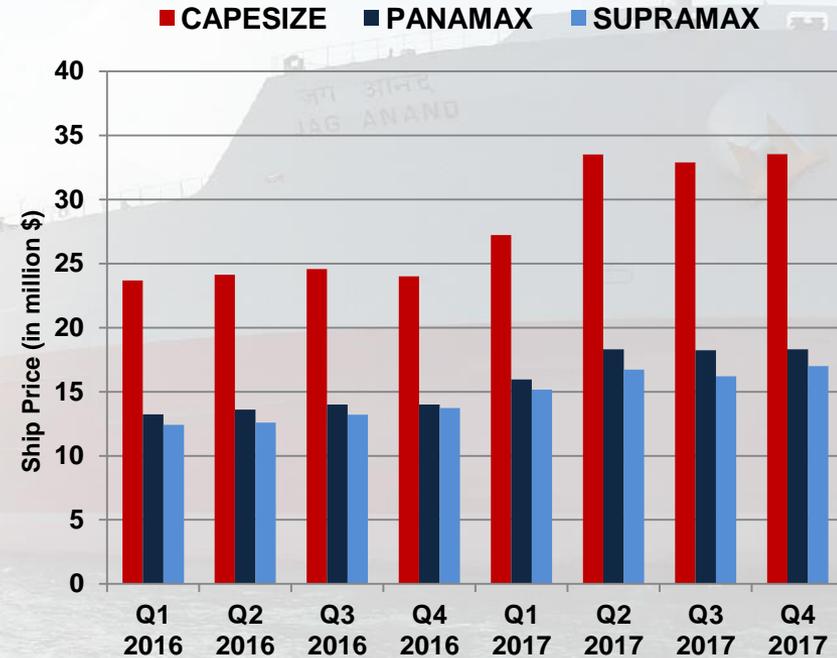
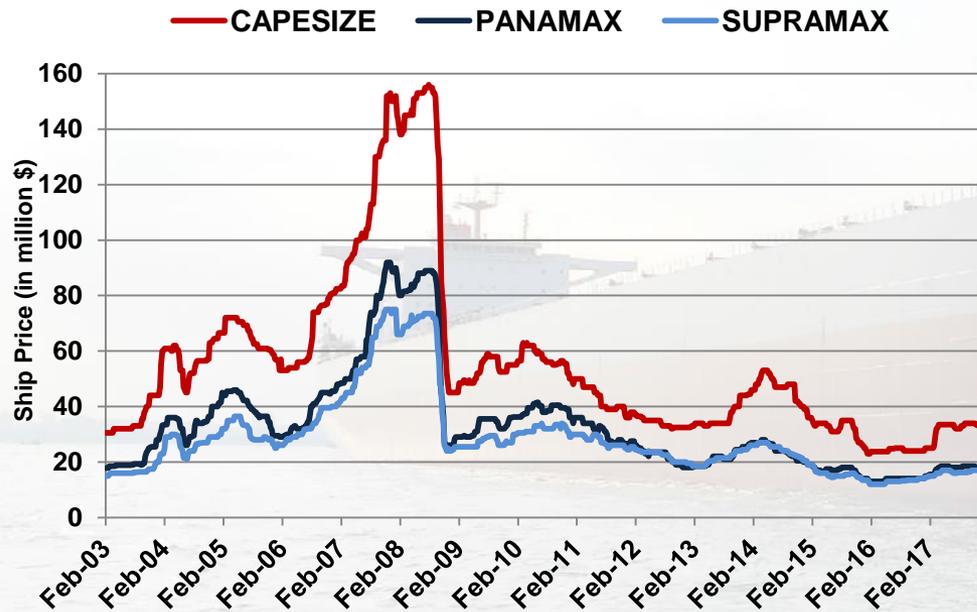
- China's Iron Ore imports grew by 5%
- China Iron Ore imports from Australia have increased by around 4-5% & Brazil have increased 7% in CY2017

Fleet Growth

- Dry Bulk net fleet growth in CY2017 is about 3%

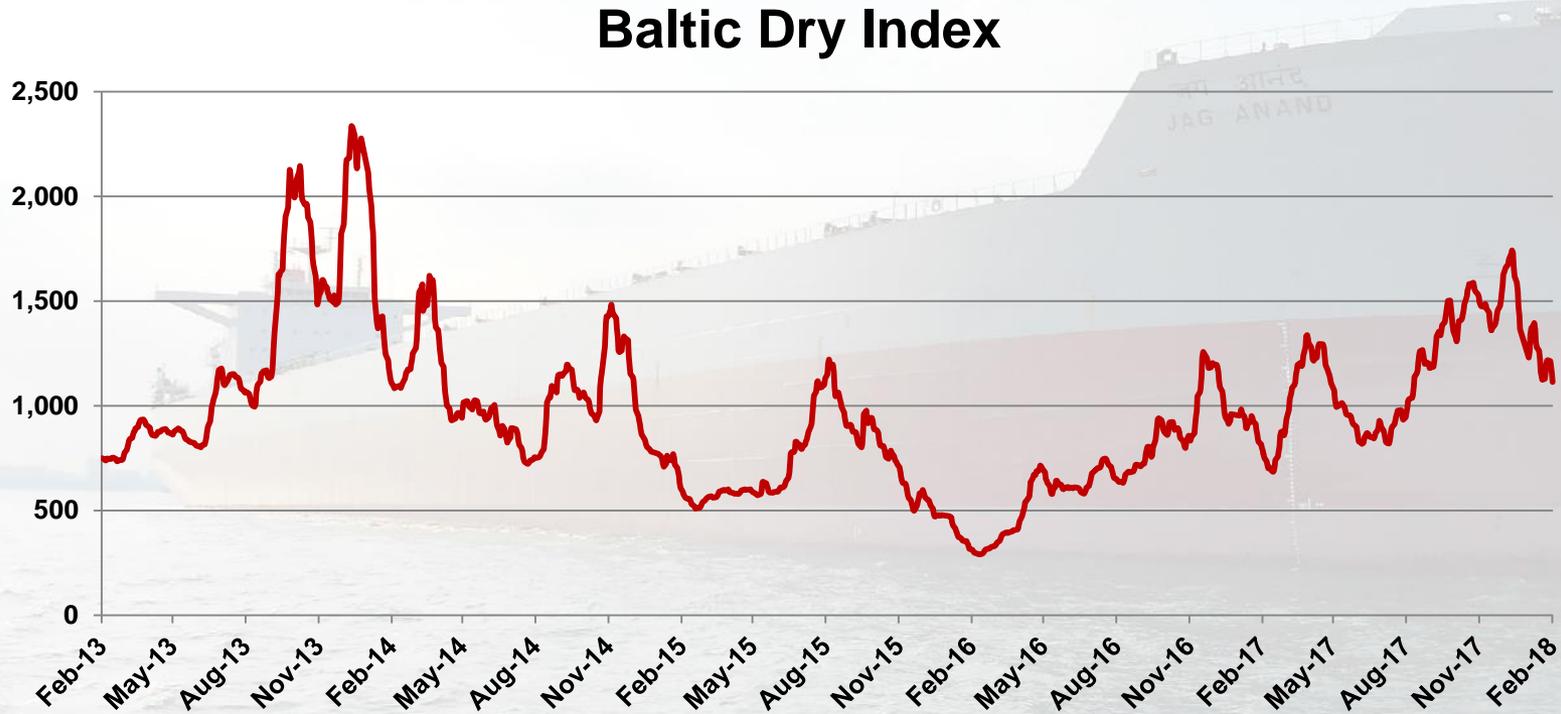
BULKER ASSET PRICES

5-YEAR OLD



Dry Bulk asset prices on average rose by about 30% in 2017 compared to 2016

BALTIC DRY INDEX

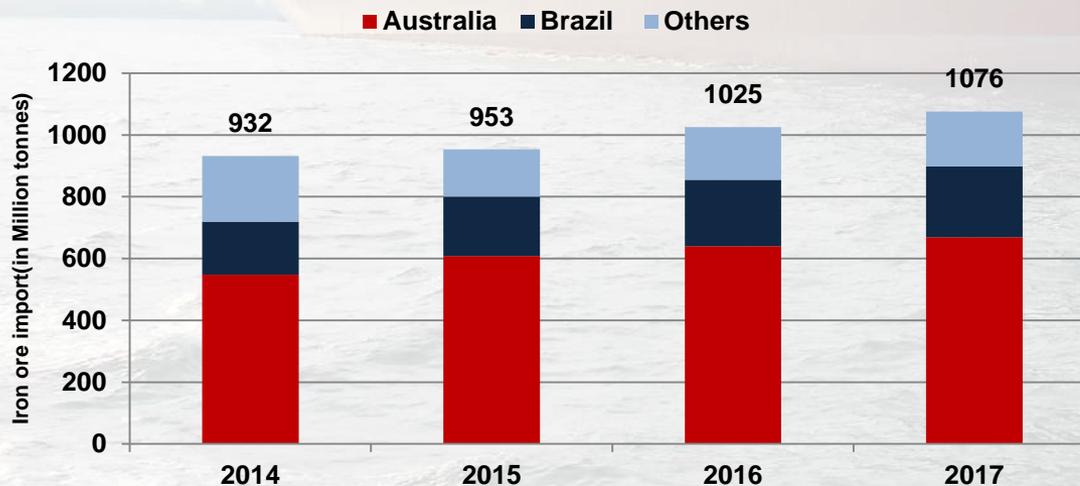


Baltic Dry Index hits 4 year high of 1,670 in Dec'17 from a low of 291 in Feb'16

CHINA IRON ORE & STEEL PRODUCTION



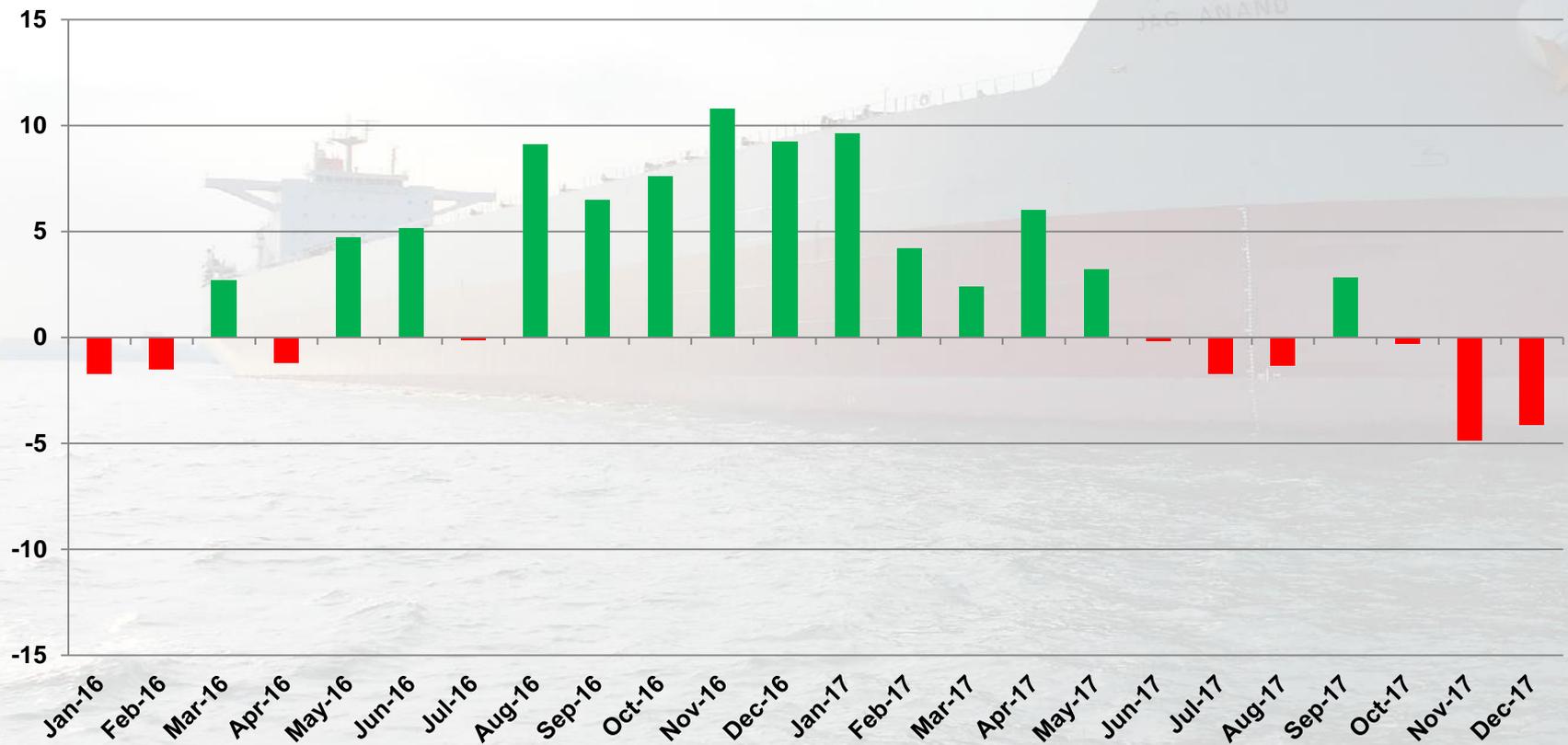
**Steel Production
increased 5% in CY2017**



**China's iron ore import
grew 5% in CY2017**

CHINA COAL IMPORTS

China coal imports change (Y-O-Y)



WORLD FLEET GROWTH

DRY BULK

Fleet (mn Dwt)	31-Jan-18	1-Jan-18	1-Jan-17	1-Jan-16
Capesize	325.44	324	315	309
Panamax	202.47	202	196	195
Handymax	197.07	196	189	180
Handysize	96.4	96	94	93
Total	821.38	817	794	776

Orderbook (mn Dwt)	2018	2019	2020	2021+	Total
Orderbook (%Fleet)	4%	3%	2%	1%	10%

Slippage (2017)	34%
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SCRAPPING

Vessel Category	Fleet (mn Dwt)	Scrapping(% of beginning world fleet)				
		31 Jan 18	2018 (YTD)	2017	2016	2015
Crude	365.1	0.40%	2.35%	0.35%	0.23%	1.60%
Product	159.79	0.40%	1.42%	0.62%	0.61%	1.19%
Dry Bulk	821.4	0.08%	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 (Q4 FY18)
PSV	74%
ROVSV	72%
AHTSV	97%
MPSSV	50%
Jackup Rigs	74%

KEY POINTS ON E&P MARKETS

CY 2017

Day Rates

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

Fleet Growth

- Rigs: Remain flat as compared to year 2016
- OSV's: Fleet size has reduced by around 1% in last one year; however operating fleet has reduced by 11% compared to year before due to stacking of vessels

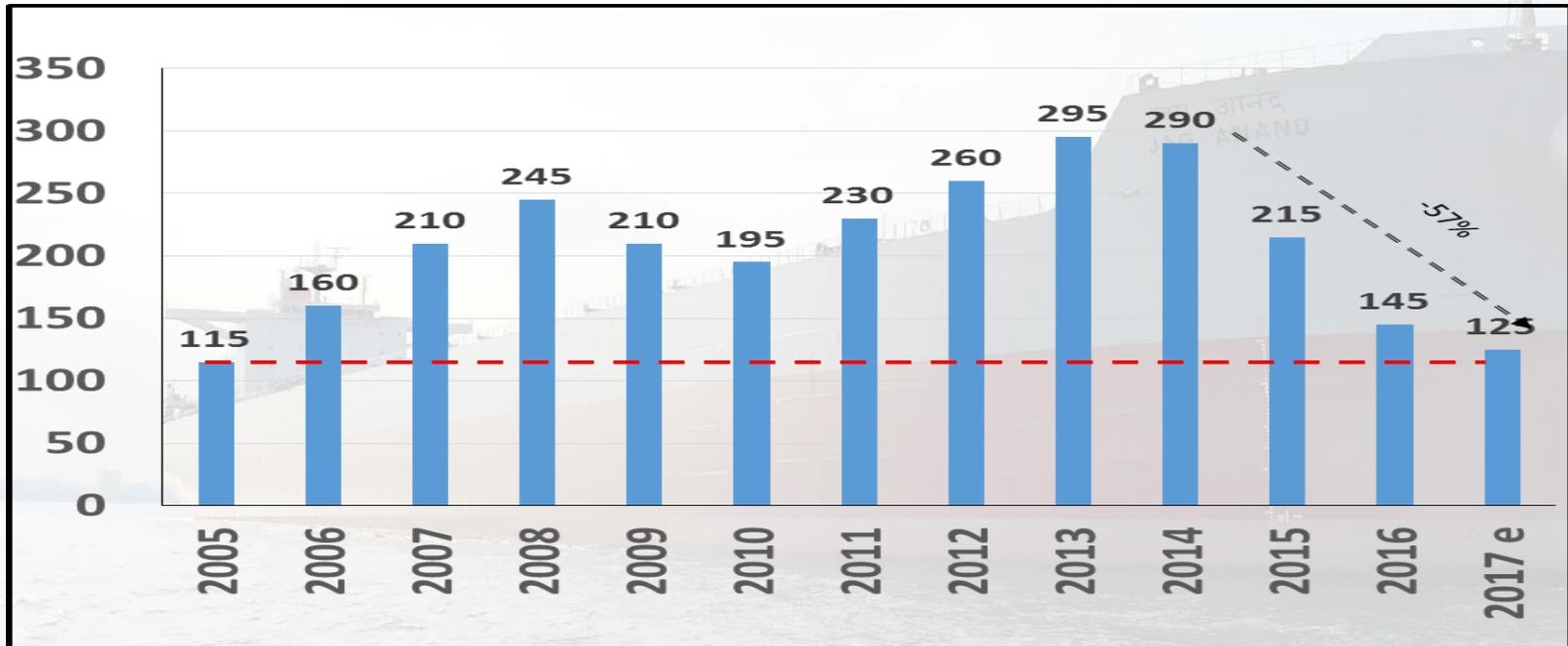
Fleet Utilization

- About 50-60%

Slippage

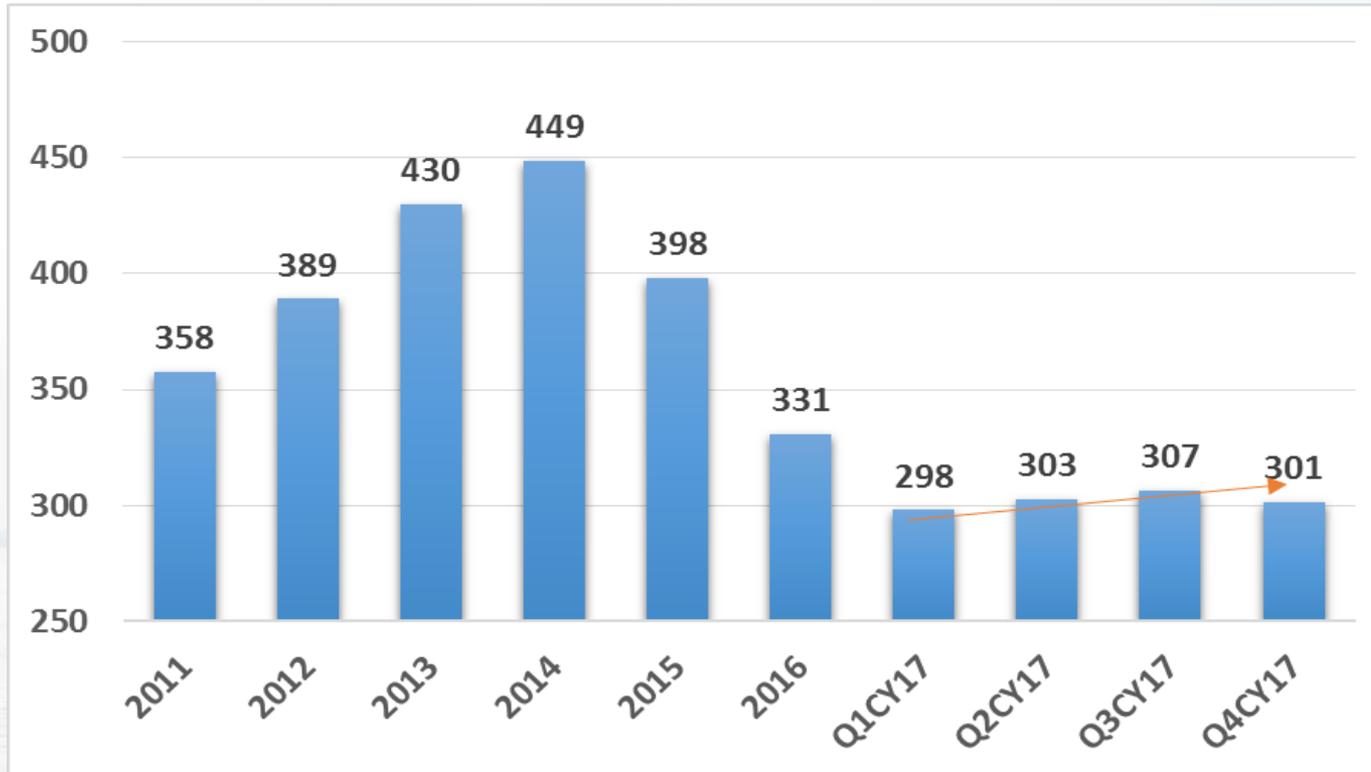
- OSVs: 60%-70%(CY2017)
- Rigs: 60% - 70%(CY2017)

OFFSHORE E&P SPENDING



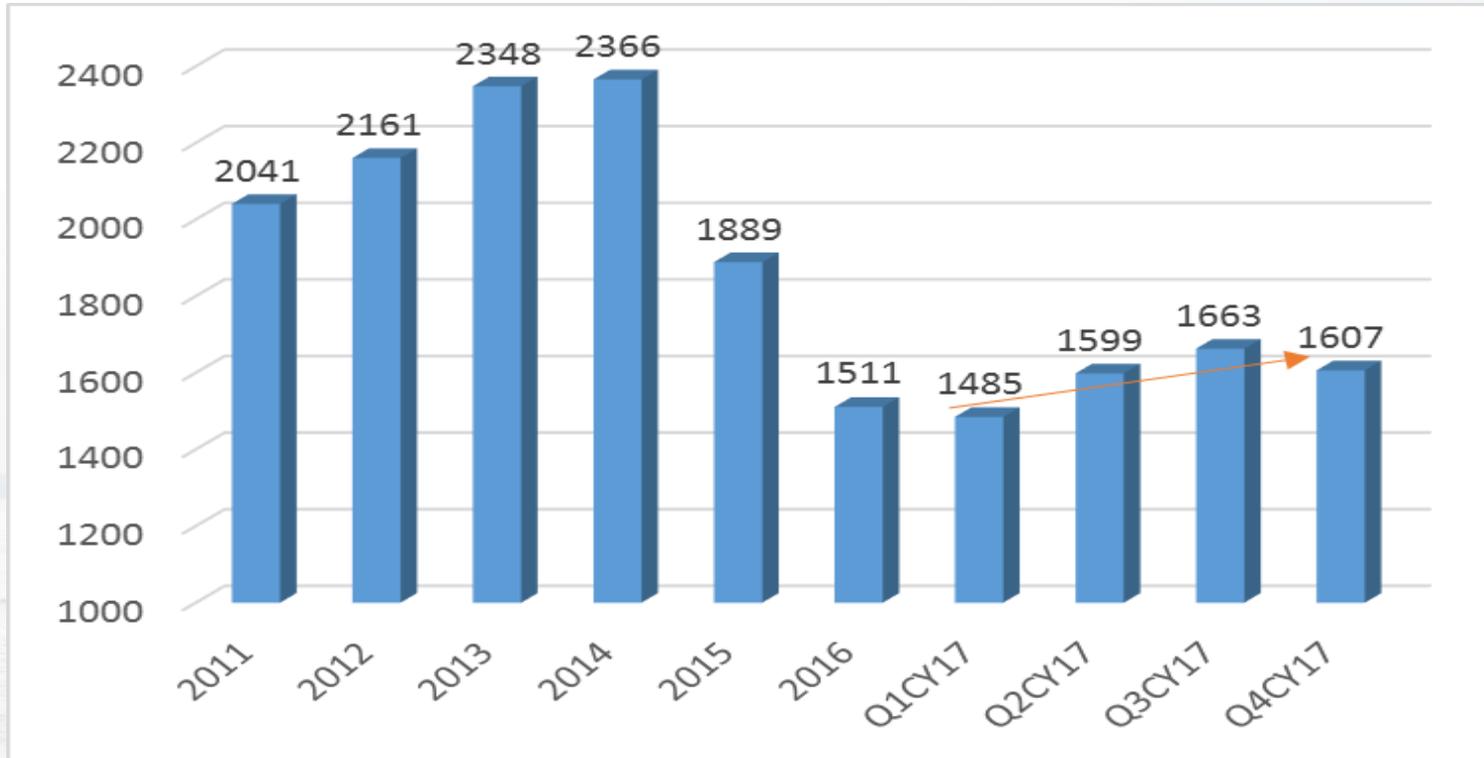
E&P spending in 2017 has marginally declined however, the same is expected to show a flattish trend in 2018

JACK UP RIGS ON CONTRACT



Number of Jack-up Rigs on contract which fell from a peak in 2014 have gradually started picking up.

OSV FLEET (PSV + AHTSV) ON TERM CONTRACT



Number of PSVs and AHTSVs on contract are also increasing showing signs of recovery in the market.

GLOBAL FLEET SUPPLY OFFSHORE

Fleet & Orderbook

Number	Jackup Rigs	AHTSVs	PSV
Current Fleet	541	2081	1647
Orderbook	96	121	159
<i>O/B to current fleet</i>	17.7%	5.8%	7.6%

- Q4CY2017 actual deliveries have been far lower than scheduled. Due to bleak employment scenario owners have refrained from taking delivery. A lot of deliveries due in 2017 were pushed forward to 2018 and have not yet been delivered. 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

Q3 FY18



Q3 FY18 FINANCIAL HIGHLIGHTS

Standalone			Key Figures	Consolidated		
Q3 FY'18	Q3 FY'17	9M FY'18	(Amount in Rs. crs)	Q3 FY'18	Q3 FY'17	9M FY'18
			Income Statement			
676.98	511.87	1808.37	Revenue (including other income)	920.31	853.06	2576.77
271.40	338.24	793.75	EBITDA (including other income)	414.82	547.62	1248.67
55.02	171.96	173.63	Net Profit	98.19	255.18	208.61
			Balance Sheet			
10641.93	10118.52	10641.93	Total Assets	15074.60	15368.34	15074.60
5236.78	5063.31	5236.78	Equity	7318.97	7421.45	7318.97
4435.79	3830.69	4435.79	Total Debt (Gross)	6547.83	6463.56	6547.83
1638.50	322.80	1638.50	Total Term Debt (Net of Cash)	2507.59	1512.26	2507.59
			Cash Flow *			
173.90	153.15	371.55	From operating activities	308.66	397.07	730.26
(14.57)	(77.85)	(337.43)	From investing activities	(40.58)	21.10	(400.69)
(91.10)	306.41	(250.65)	From financing activities	(169.87)	190.10	(595.97)
68.23	381.71	(216.53)	Net cash inflow/(outflow)	98.21	608.27	(266.40)
*Non-GAAP measures						

Q3 FY18 FINANCIAL HIGHLIGHTS

Standalone			Key Figures	Consolidated		
Q3 FY18	Q3 FY17	9M FY18		Q3 FY18	Q3 FY17	9M FY18
			Key financial figures			
40.09%	66.08%	43.89%	EBITDA Margin	45.07%	64.19%	48.46%
4.23%	13.82%	4.45%	Return on Equity (ROE)	5.40%	13.10%	3.83%
5.59%	11.04%	5.80%	Return on Capital Employed (ROCE)	5.27%	9.78%	5.17%
0.85	0.76	0.85	Gross Debt/Equity Ratio	0.89	0.87	0.89
0.31	0.06	0.31	Net Debt/Equity Ratio	0.34	0.20	0.34
64.97	67.23	64.56	Average Exchange rate USD/INR	64.97	67.23	64.56
63.87	67.92	63.87	End of Period Exchange rate USD/INR	63.87	67.92	63.87
			Share related figures (in Rs.)			
3.65	11.40	11.52	Earnings per share, EPS	6.51	16.92	13.84
3.64	11.38	11.49	Diluted earnings per share	6.50	16.89	13.81
12.61	17.71	36.16	Cash Profit per share	20.07	29.01	52.25
-	3.60	-	Dividend per share	-	3.60	-

Q3 FY18 FINANCIAL HIGHLIGHTS

Breakup of Revenue Days

Revenue Days	Q3 FY18	Q3 FY17
Owned Tonnage	4,329	3,339
Inchartered Tonnage	141	89
Total Revenue Days	4,470	3,428
Total Owned Tonnage (mn.dwt)	3.92	3.23

Average TCY Details

Average (TCY \$ per day)	Q3'FY18	Q3'FY17	% Change
Crude Carriers	16,811	19,231	(12.58%)
Product Carriers (Incl. Gas)	15,259	16,285	(6.3%)
Dry Bulk	12,231	6,972	75.43%

Mix of Spot & Time

Days (in %)	Q3'FY18	Q3'FY17
<u>Dry Bulk</u>		
Spot %	79%	45%
Time %	21%	55%
<u>Tankers</u>		
Spot %	76%	50%
Time %	24%	50%
<u>Total</u>		
Spot %	77%	49%
Time %	23%	51%

THANK YOU

THANK YOU

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