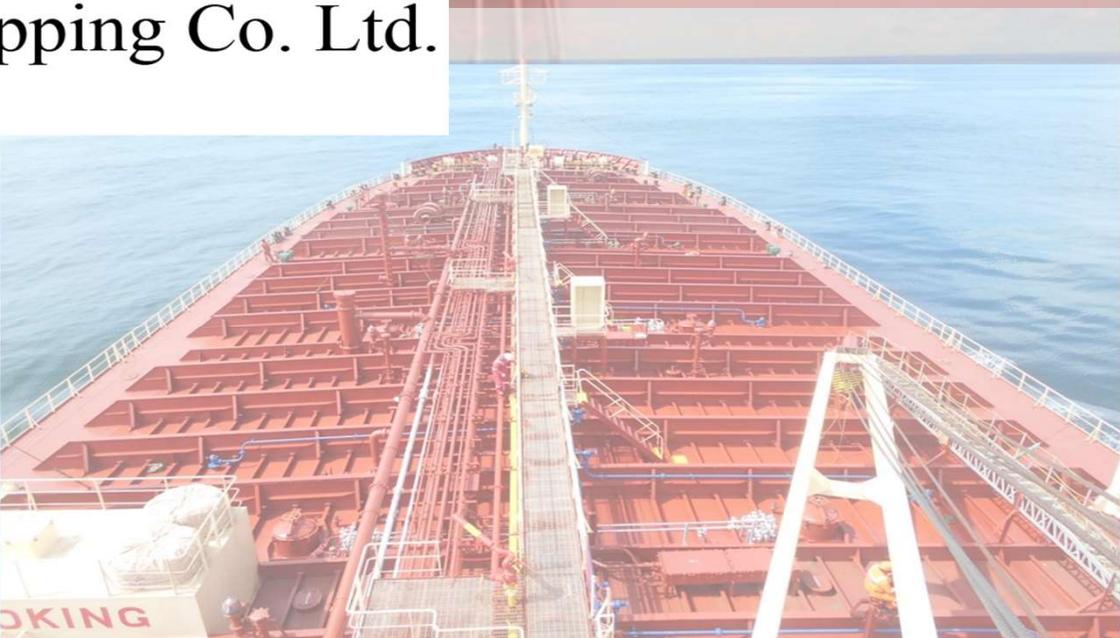




The Great Eastern  
Shipping Co. Ltd.



# 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.



The Great Eastern  
Shipping Co. Ltd.

# INVESTOR PRESENTATION FY2022



16 Jun 2022

# REPORTED FINANCIAL HIGHLIGHTS

GE Shipping FY22 consolidated Net Profit at INR 630 Cr

Declared second interim dividend of INR 5.40/Share (Total dividend declared of INR 9.90/Share for FY22)

Standalone		Key Figures	Consolidated	
FY22	FY21	(Amount in INR Cr)	FY22	FY21
<b>Income Statement</b>				
2,966	2,893	Revenue (including other income)	3,669	3,568
1,543	1,732	EBITDA (including other income)	1,695	1,931
<b>812</b>	<b>1,030</b>	<b>Net Profit</b>	<b>630</b>	<b>919</b>
<b>Balance Sheet</b>				
10,969	10,845	Total Assets	13,969	14,145
6,571	6,098	Equity	8,051	7,704
3,430	3,715	Total Debt (Gross)	4,625	5,011
378	584	Long Term Debt (Net of Cash)	720	943
<b>Cash Flow</b>				
1,150	1,342	From operating activities	1,367	1,506
(263)	(389)	From investing activities	(400)	(406)
(981)	(100)	From financing activities	(1,179)	(496)
(94)	853	Net cash inflow/(outflow)	(212)	604

# NORMALIZED FINANCIAL HIGHLIGHTS

GE Shipping FY22 consolidated Net Profit at INR 656 Cr

Declared second interim dividend of INR 5.40/Share (Total dividend declared of INR 9.90/Share for FY22)

Standalone		Key Figures (Amount in INR Cr)	Consolidated	
FY22	FY21		FY22	FY21
<b>Income Statement</b>				
2,966	2,893	Revenue (including other income)	3,669	3,568
1,379	1,477	EBITDA (including other income)	1,570	1,691
<b>787</b>	<b>842</b>	<b>Net Profit</b>	<b>656</b>	<b>738</b>
<b>Balance Sheet</b>				
10,969	10,845	Total Assets	13,969	14,145
6,571	6,098	Equity	8,051	7,704
3,846	4,163	Total Debt (Gross)	5,042	5,458
794	1,032	Long Term Debt (Net of Cash)	1,137	1,390

# REPORTED FINANCIAL HIGHLIGHTS

Standalone		Key Figures	Consolidated	
Q4FY22	Q4FY21	(Amount in INR Cr)	Q4FY22	Q4FY21
<b>Income Statement</b>				
740	627	Revenue (including other income)	983	799
358	313	EBITDA (including other income)	453	338
<b>186</b>	<b>144</b>	<b>Net Profit</b>	<b>189</b>	<b>49</b>
<b>Balance Sheet</b>				
10,969	10,845	Total Assets	13,969	14,145
6,571	6,098	Equity	8,051	7,704
3,430	3,715	Total Debt (Gross)	4,625	5,011
378	584	Long Term Debt (Net of Cash)	720	943
<b>Cash Flow</b>				
203	205	From operating activities	337	239
(53)	(111)	From investing activities	(42)	(132)
(271)	(134)	From financing activities	(322)	(314)
(121)	(40)	Net cash inflow/(outflow)	(27)	(206)

# NORMALIZED FINANCIAL HIGHLIGHTS

Standalone		Key Figures (Amount in INR Cr)	Consolidated	
Q4FY22	Q4FY21		Q4FY22	Q4FY21
		<b>Income Statement</b>		
740	627	Revenue (including other income)	983	799
302	260	EBITDA (including other income)	407	284
<b>178</b>	<b>116</b>	<b>Net Profit</b>	<b>204</b>	<b>65</b>
		<b>Balance Sheet</b>		
10,969	10,845	Total Assets	13,969	14,145
6,571	6,098	Equity	8,051	7,704
3,846	4,163	Total Debt (Gross)	5,042	5,458
794	1,032	Long Term Debt (Net of Cash)	1,137	1,390

# NORMALIZED FINANCIAL NOTES

1) The impact of the exchange rate on foreign currency loans and current assets and liabilities, including cash and bank balances, has been removed

## 2) NCD & Currency Swap:

- Funds raised through NCDs have been swapped into USD using INR-FCY swaps, thus creating synthetic fixed rate USD loans.
- The MTM change of these swaps impacts the reported numbers.
- Normalized numbers are worked out after making necessary adjustments to reported numbers to reflect the effective cost of the synthetic USD loans.

# NORMALIZED FINANCIAL HIGHLIGHTS

Standalone		Key Figures	Consolidated	
FY22	FY21		FY22	FY21
		<b>Key financial figures</b>		
12.42%	15.08%	**Return on Equity (ROE) (%)	8.33%	10.45%
8.94%	10.25%	**Return on Capital Employed (ROCE) (%)	6.46%	7.63%
0.59	0.68	Gross Debt/Equity (x)	0.63	0.71
0.12	0.17	Net Debt/Equity (x)	0.14	0.18
55.10	57.29	Earnings per share, EPS (INR/Share)	45.95	50.20
85.64	87.13	Cash Profit per share (INR/Share)	95.38	100.99
9.90*	9.00	<b>Dividend per share(INR/Share)</b>	9.90*	9.00
618	489	<b>Net Asset Value per share (INR/Share)</b>	654-705	514-562

\*Includes second interim dividend

\*\*Annualized Figures

# PROFIT & LOSS STATEMENT

## INDUSTRY FORMAT

Standalone		INR Cr	Consolidated	
FY22	FY21		FY22	FY21
2,798	2,642	Operating Revenue	3,472	3,302
723	571	Less : Direct Operating Expenses/Voyage Expenses	770	588
<b>2,074</b>	<b>2072</b>	<b>Time Charter Equivalent (A)</b>	<b>2,702</b>	<b>2,714</b>
48	86	Profit on sale of ships	53	86
135	165	Other Income including	159	180
<b>184</b>	<b>250</b>	<b>Total Other Income (B)</b>	<b>212</b>	<b>266</b>
700	674	Other Operating Expense	1,057	1,026
178	172	Administrative & General Expense	288	264
<b>879</b>	<b>845</b>	<b>Total Expenses (C)</b>	<b>1,345</b>	<b>1,289</b>
<b>1,379</b>	<b>1477</b>	<b>EBITDA (D) = [ (A)+(B)-(C) ]</b>	<b>1,570</b>	<b>1,691</b>
436	439	Depreciation & Amortization (E)	698	700
0	0	Impairment (F)	8	46
<b>943</b>	<b>1039</b>	<b>Operating Profit including other Income (G) = [ (D)-(E)-(F) ]</b>	<b>864</b>	<b>945</b>
276	227	Finance Expense (H)	370	242
(90)	(310)	Derivative losses/(gains) (I)	(49)	(313)
(73)	55	Foreign Currency Exchange losses/(gains) (J)	(77)	73
19	36	Income tax expense (K)	(10)	24
<b>812</b>	<b>1030</b>	<b>Net Profit [ (G)-(H)-(I)-(J) ]</b>	<b>630</b>	<b>919</b>

# PERFORMANCE REVIEW

## Break up of Revenue days (Shipping)

Revenue Days	Q4 FY22	Q4 FY21
Owned Tonnage	3,939	3,942
Inchartered Tonnage	59	13
<b>Total Revenue Days</b>	<b>3,998</b>	<b>3,955</b>
Total Owned Tonnage (mn.dwt)	3.57	3.51

## Break up of Revenue days (Offshore)

Revenue Days	Q4 FY22	Q4 FY21
Offshore Logistics	1,508	1,508
Drilling Services	335	352
<b>Total</b>	<b>1,843</b>	<b>1,860</b>

# PERFORMANCE REVIEW

## Average annual TCYs earned in various (Shipping) categories

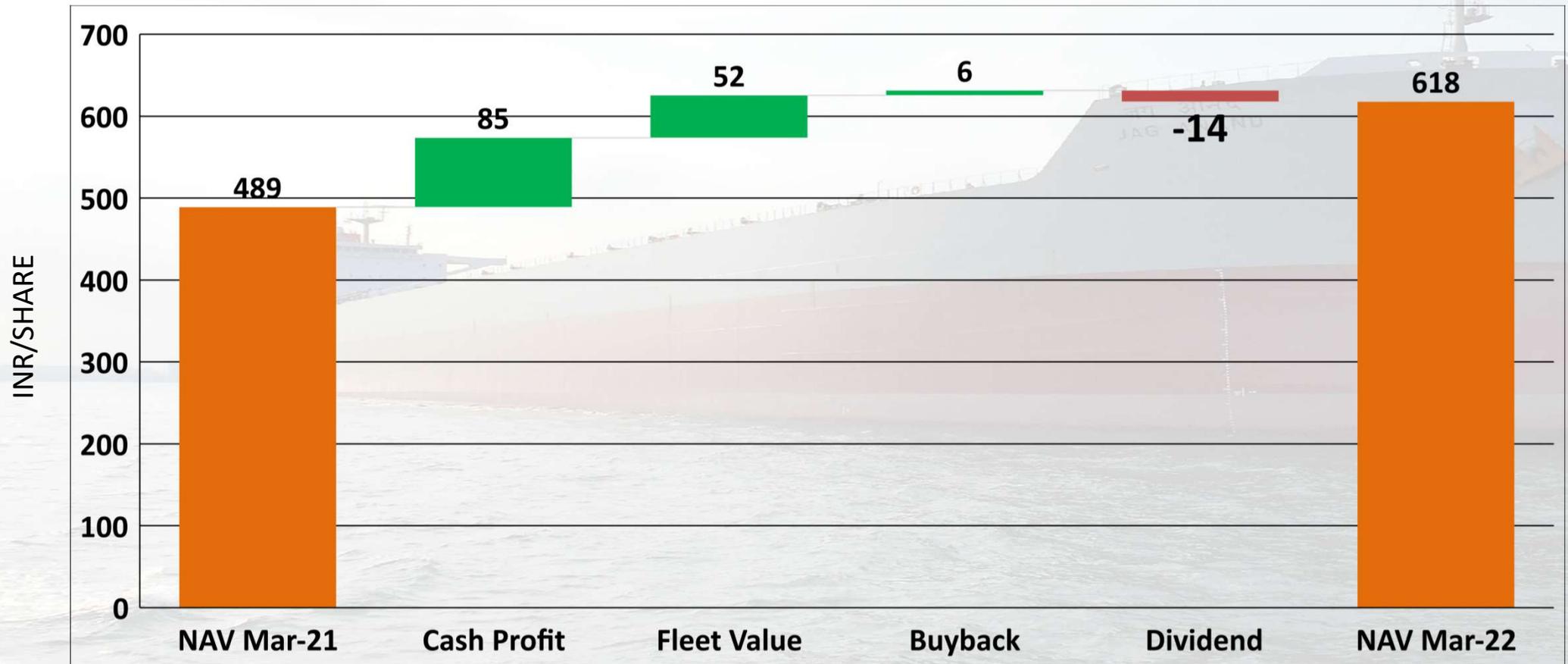
Average (TCY USD/day)	FY22	FY21	Y-o-Y Change
Crude Carriers	<b>11,661</b>	24,695	<b>-53%</b>
Product Carriers	<b>9,914</b>	14,728	<b>-33%</b>
LPG Carriers	<b>27,594</b>	28,186	<b>-2%</b>
Dry Bulk	<b>26,995</b>	10,907	<b>148%</b>

# PERFORMANCE REVIEW

## Average quarterly TCYs earned in various (Shipping) categories

Average (TCY USD/day)	Q4 FY22	Q3 FY22	Q-o-Q Change	Q4 FY21	Y-o-Y Change
Crude Carriers	<b>15,051</b>	12,098	<b>24%</b>	15,674	<b>-4%</b>
Product Carriers	<b>10,251</b>	10,689	<b>-4%</b>	10,877	<b>-6%</b>
LPG Carriers	<b>26,107</b>	28,609	<b>-9%</b>	27,731	<b>-6%</b>
Dry Bulk	<b>22,158</b>	31,003	<b>-29%</b>	13,529	<b>64%</b>

# CHANGES IN STANDALONE NET ASSET VALUE (Y-O-Y)



# BUYBACK UPDATES

<b>Total Shares Bought Back</b>	<b>4,199,323</b>
<b>Average Price (INR/Share)</b>	<b>316.21*</b>
<b>Amount Utilized (INR Cr)</b>	<b>132.79*</b>
<b>% of Equity Reduced</b>	<b>2.86%</b>
<b>Buyback tax on Utilized Amount (INR Cr)</b>	<b>29.96</b>
<b>Remaining Amount Excl. Tax (INR Cr)</b>	<b>92.21*</b>

<b>Amount Earmarked (INR Cr)</b>	<b>225.00</b>
<b>Taxation on Amount (INR Cr)</b>	<b>52.42</b>
<b>Total Amount Earmarked (INR Cr)</b>	<b>277.42</b>
<b>Maximum Buy Back Price (INR/Share)</b>	<b>333.00</b>

*\*Excludes transaction costs like brokerage costs, securities transaction taxes, service tax, and stamp duty.*

# REVENUE VISIBILITY & COVERAGE

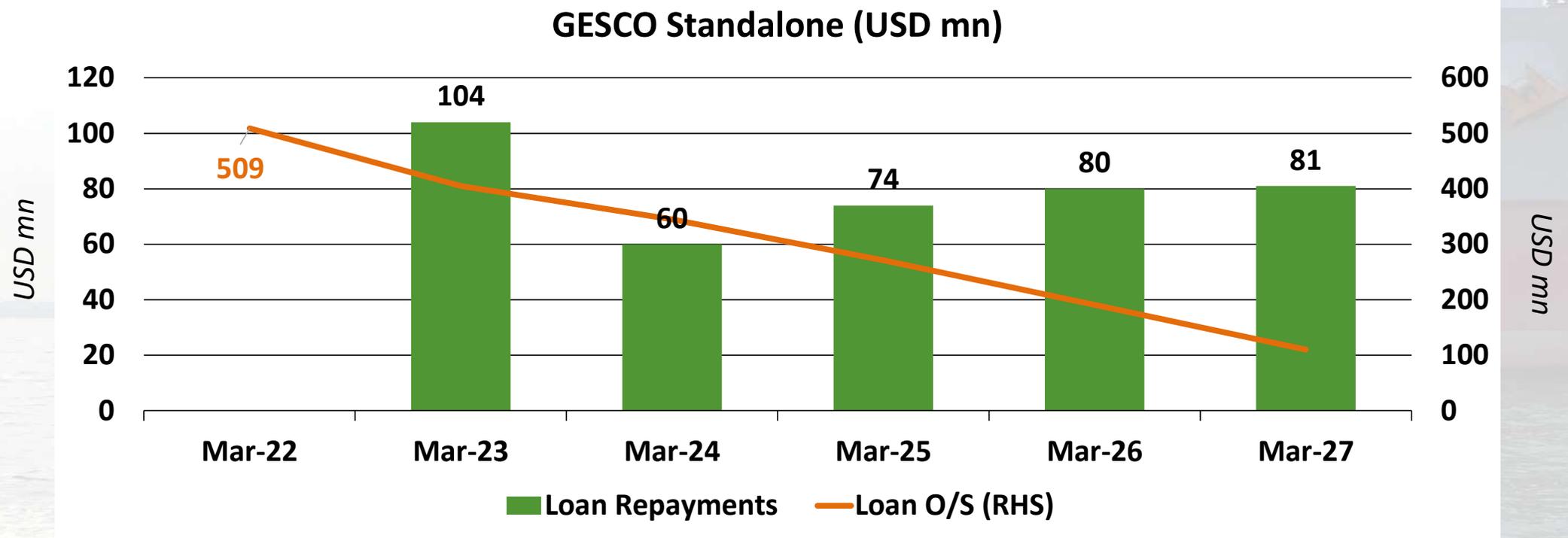
## Category-wise coverage of operating days (Shipping) --- FY23

Category	Extent of coverage of fleet's operating days	Revenue Visibility
Crude Carriers	10%	<b>INR 744 Cr</b>
Product Carriers	20%	
LPG Carriers	70%	
Dry Bulk	21%	

## Category-wise coverage of operating days (Offshore) --- FY23

Category	Extent of coverage of fleet's operating days	Revenue Visibility
Jackup Rigs	93%	<b>INR 671 Cr</b>
AHTSV	80%	
MPSVV	36%	
PSV/ROVSV	95%	

# GESCO STANDALONE DEBT REPAYMENT SCHEDULE (NEXT 5 YEARS)



**GESCO: We have effective all-in USD cost of debt of less than 3.50% (Mar-22):  
90% of debt portfolio is fixed.**

# FLEET PROFILE

SHIPPING				
Fleet	DWT (FY22)	Fleet (16-Jun-22)		Committed Capex/Sale
		No:	Avg Age	
Crude Carriers	1,058,499	8	14.21	Sale: 1 MGC to be sold in H1FY23
Product Carriers	1,092,465	18	14.15	
Gas Carriers	212,260	5	17.54	
Dry Bulk Carriers	1,210,805	14	9.07	
<b>Total</b>	<b>3,574,029</b>	<b>45</b>	<b>12.65</b>	
OFFSHORE				
Fleet	Number of Units		Average Age (Yrs.)	
Jack Up Rigs	4		10.58	
Platform Supply Vessels	4		12.75	
Anchor handling Tug Cum Supply Vessels	8		12.21	
Multipurpose Platform Supply & Support Vessels	2		12.06	
ROV Support Vessels	4		10.60	

# MANAGEMENT PHILOSOPHY

Focussed on the same business for 70+ years...

Creating Superior Stakeholder Value



Committed to health & safety;  
Maintain superior fleet

Focus on Quality



Maintain high cash balances;  
Opportunistic mindset

Patient Capital Allocation



Sector Agnostic;  
Value based approach  
not momentum based

Counter Cyclical Growth  
Philosophy



Low balance sheet leverage;  
High operating leverage

Disciplined Use of Leverage

# 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



## International standards/ no. of customers

### Port State Control

54 inspections with nil  
observations

Total Inspection 66

### Unplanned technical downtime

FY22 – 0.46%



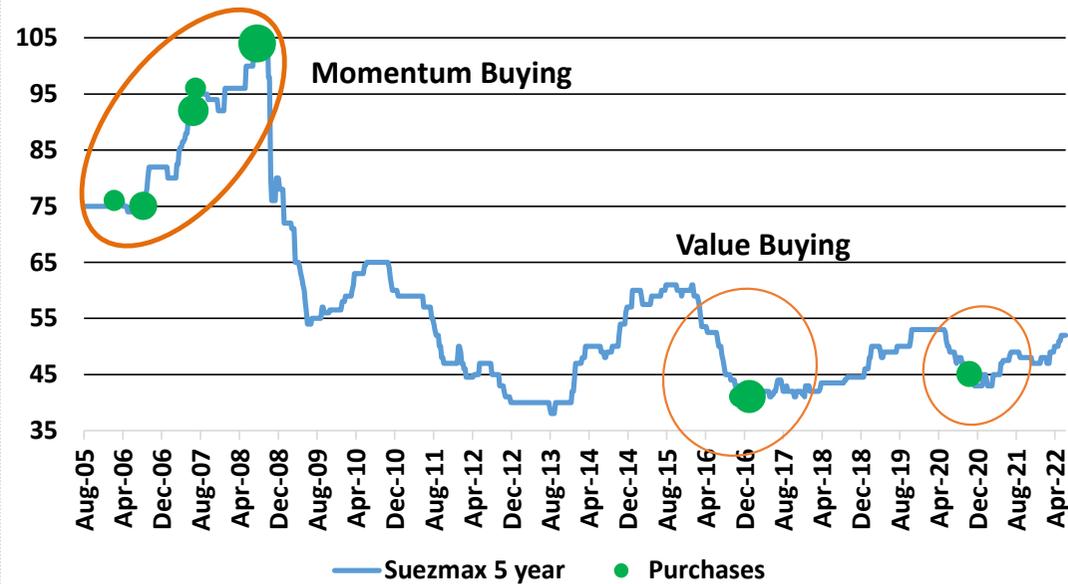
- 78 inspections carried out by oil majors with an average of 2.74 observations per inspection

In FY 22, we carried cargo for a total of 95 customers,  
predominantly international

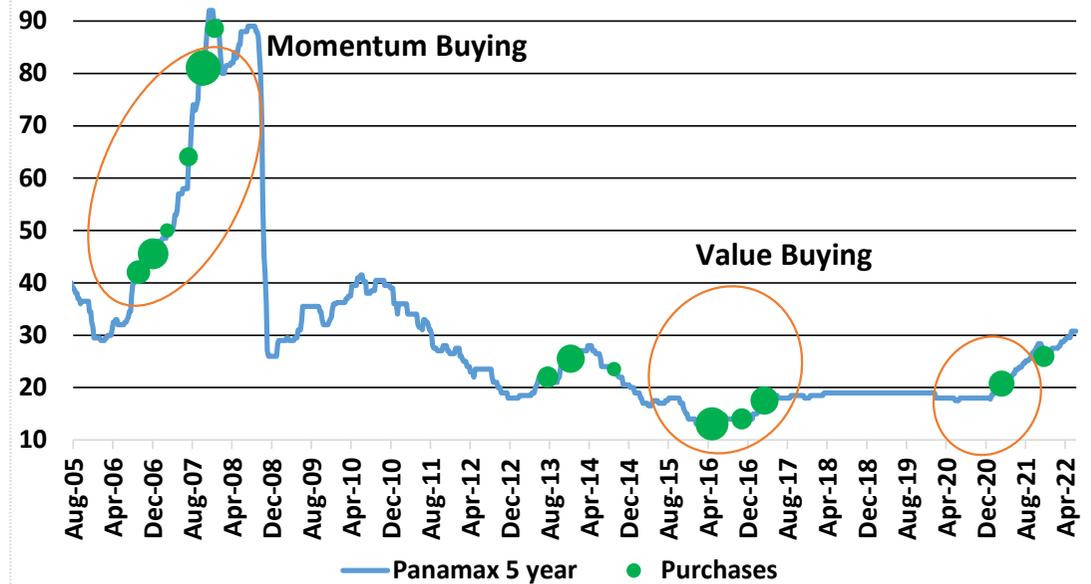
# Prudent Capital Allocation

## Transformation from Momentum Buying to Value Buying

Sales & Purchase (Oil Tankers) vs Suezmax 5 year old



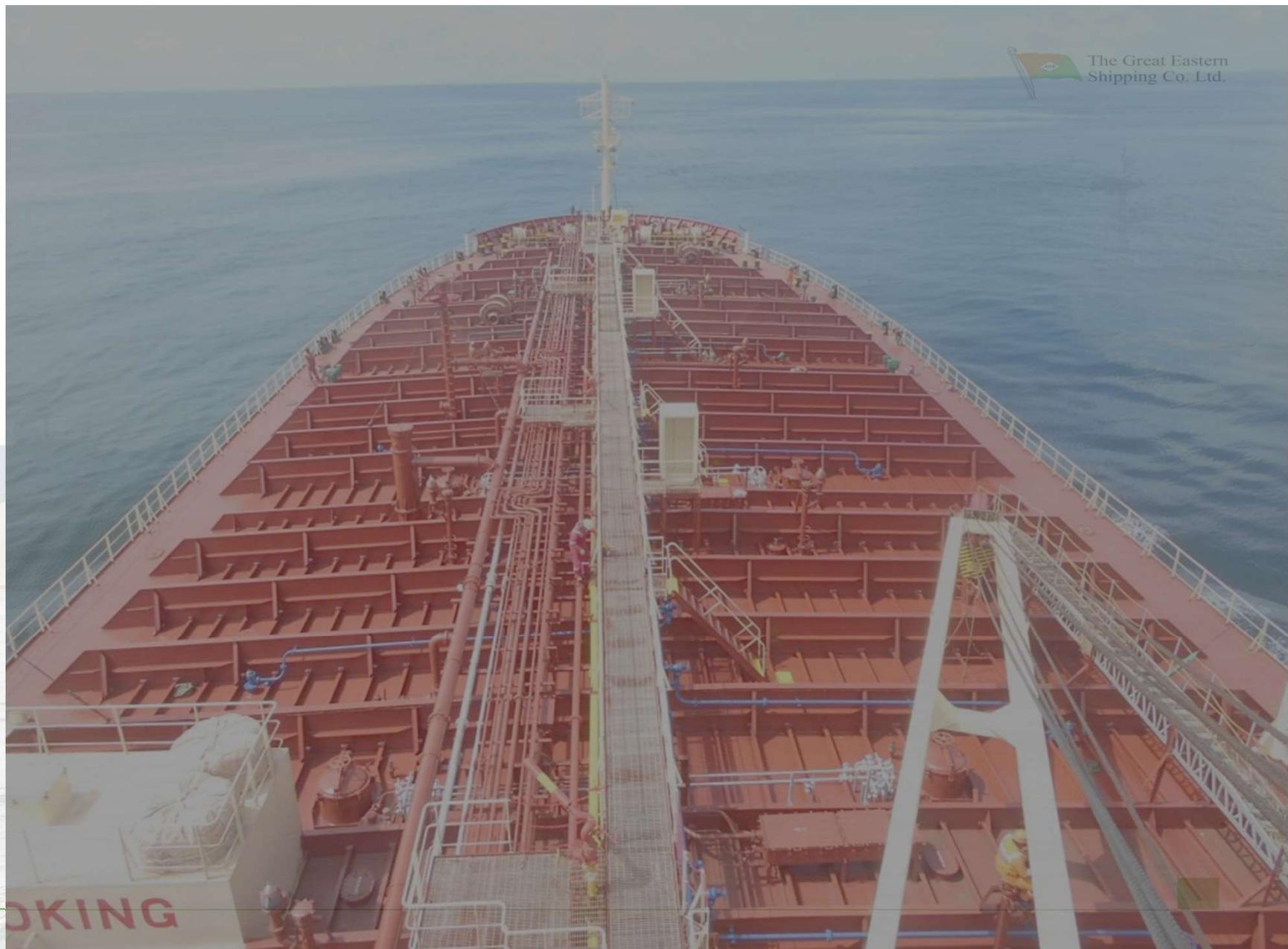
Purchase (DryBulk) Vs Panamax Drybulk 5 year old



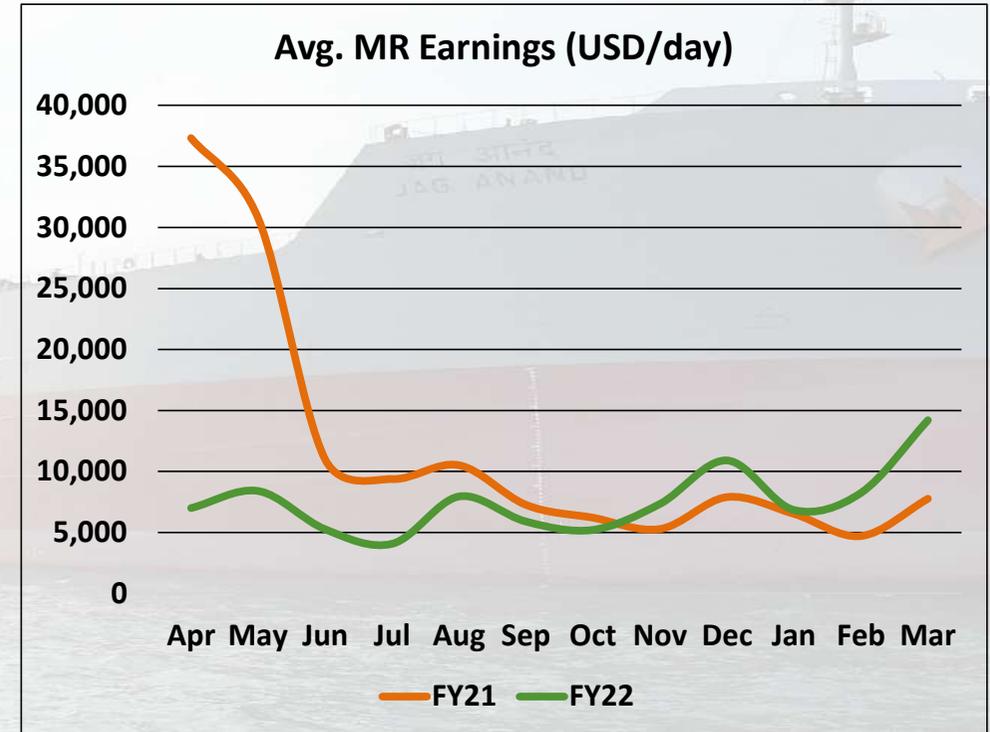
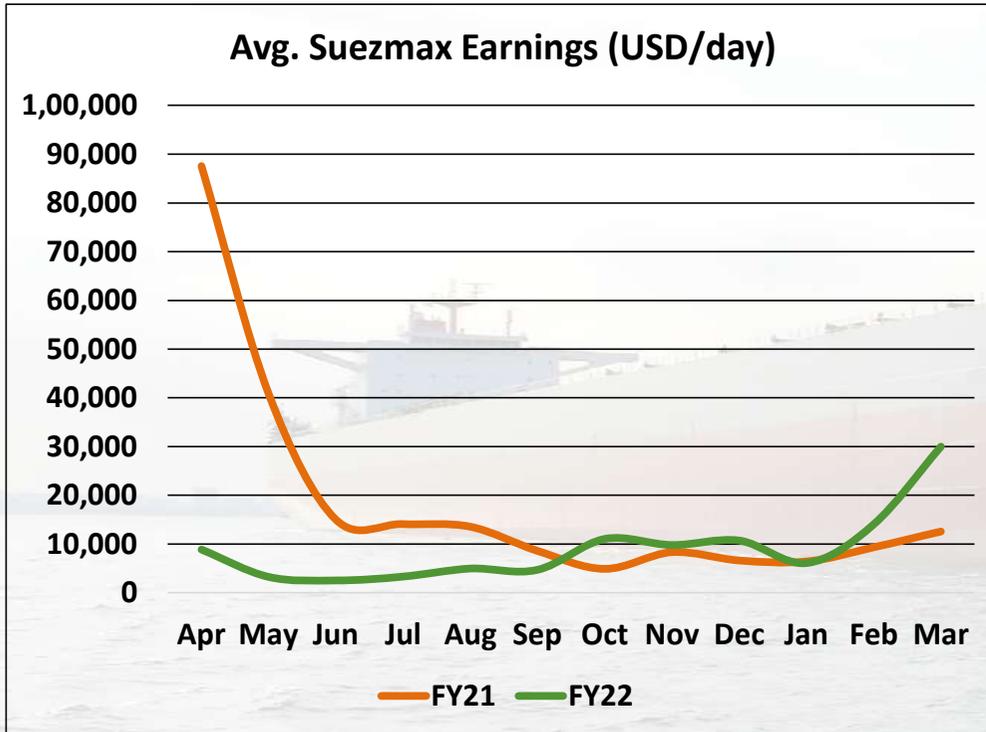
# SHIPPING MARKET



# TANKER MARKET



# Crude and Product Tankers



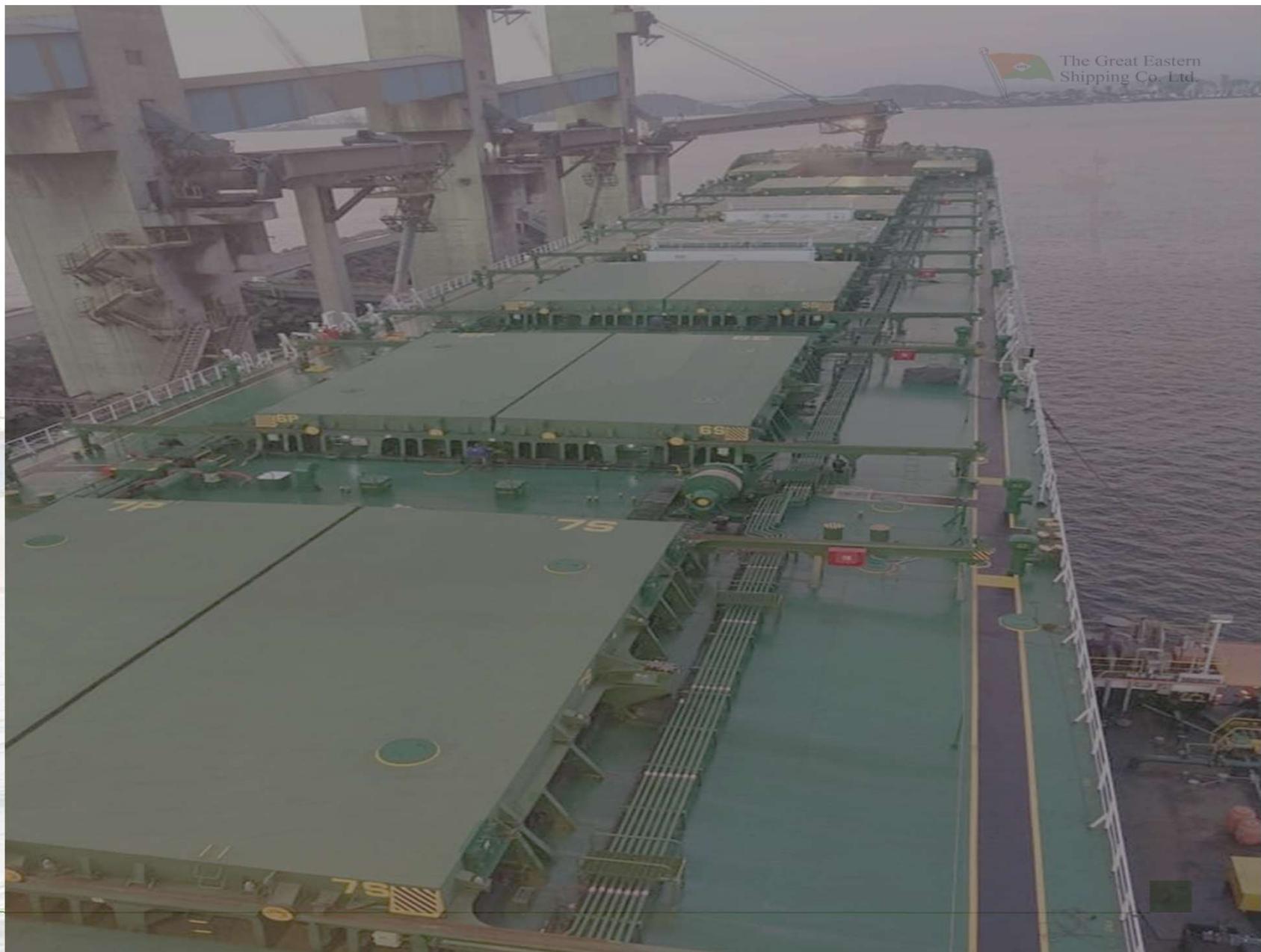
USD/day	FY21	FY22	% change
12M	18,970	9,079	-52%

USD/day	FY21	FY22	% change
12M	12,040	7,597	-37%

## Crude and Product Tankers

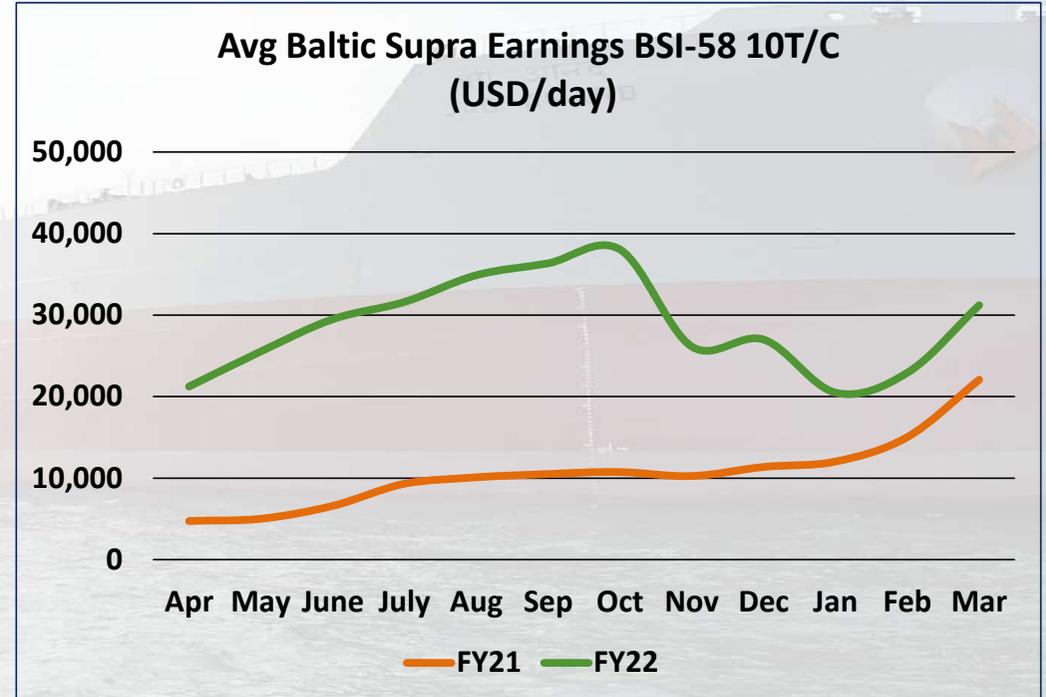
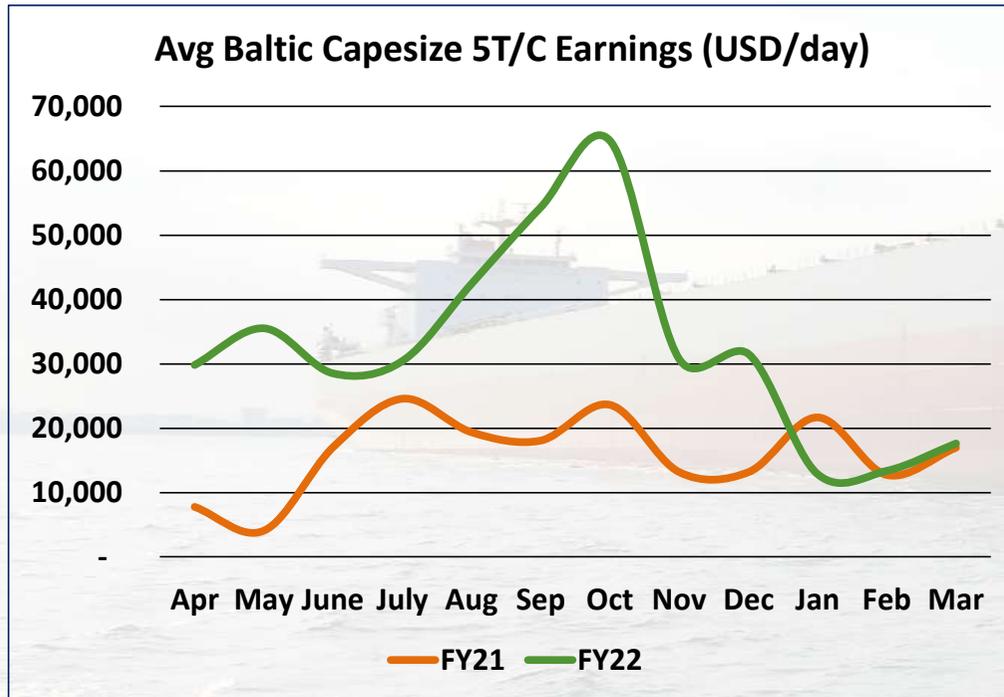
- Crude & product trade remained 6% & 4% below pre-COVID levels.
- In the same period, the crude and product tanker fleets have grown by almost 6% and 5% respectively
- Owing to these factors, freight rates remained very subdued until Feb-end. The onset of the Russia-Ukraine conflict led to a sudden spike in tanker earnings
- Whilst spot freight market has cooled off a bit for the larger vessel sizes, spot rates for crude Aframax tankers and all product tankers are witnessing significant strength currently

# DRY BULK MARKET



# Dry Bulk

DB Freight softened in Q4FY22 in line with seasonality, but Sub-Capes outperformed Capes



USD/day	FY21	FY22	% change
12M	16,012	32,642	104%

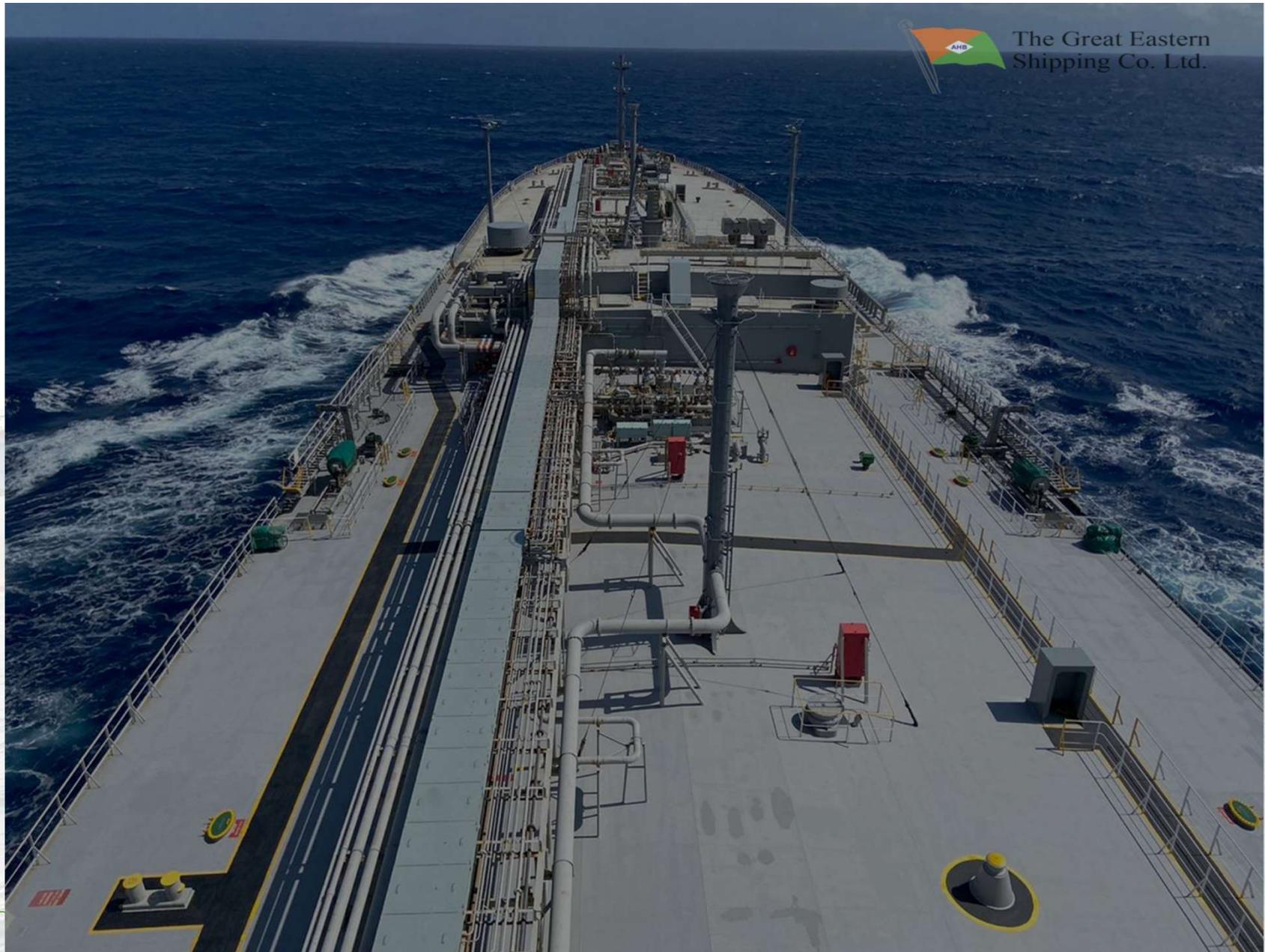
USD/day	FY21	FY22	% change
12M	10,631	28,728	170%

Sources: Industry Reports

## Dry Bulk

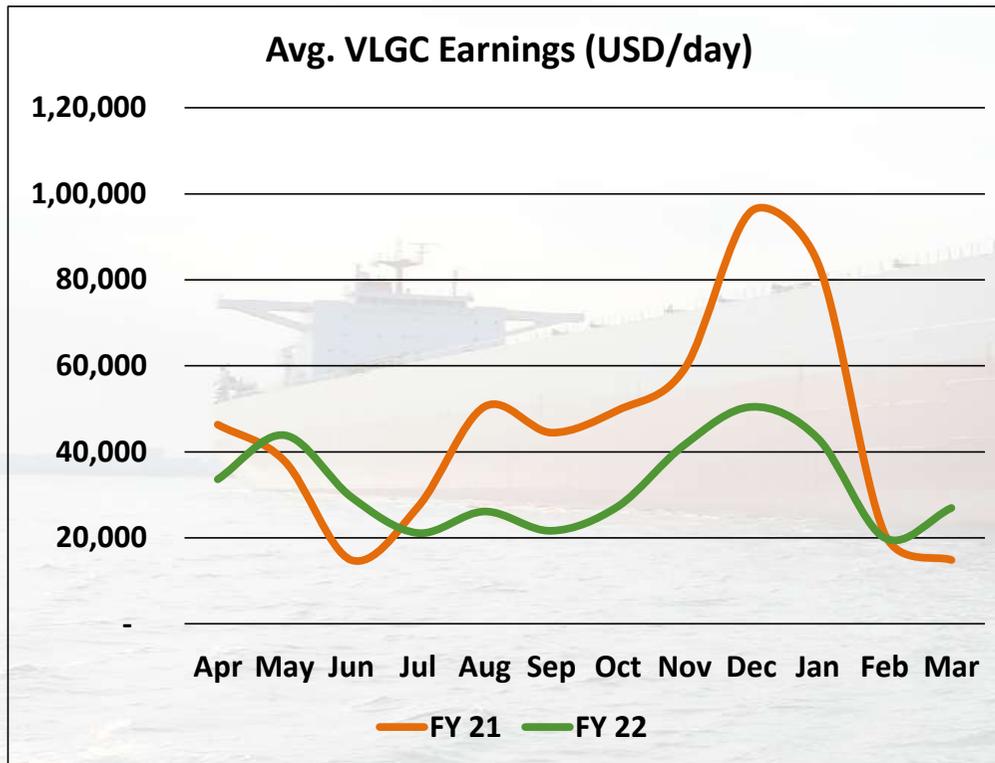
- Dry bulk demand (in ton-miles) was marginally higher (+0.5%) in Q4FY22 led by longer distances. Total trade volume, however, was lower by about 1.8% yoy, primarily led by iron ore (weather disruptions (rains) in Brazil) and coal (Indonesian coal export ban in Jan '22).
- On the other hand, dry bulk fleet grew by ~3.6% y/y.
- Whilst dry bulk cargo supplies were particularly tight, the Ukrainian war led disruption and China congestion led to fleet wide inefficiency which has also supported freight rates particularly for the sub capes.

# LPG (GAS) MARKET



The Great Eastern  
Shipping Co. Ltd.

# Gas



**VLGC Spot earnings sustained healthy levels during Q4 FY-22 but were lower YoY in comparison to Q4 FY-21.**

USD/day	FY21	FY22	% change
12M	45,500	32,100	-29%

# Gas

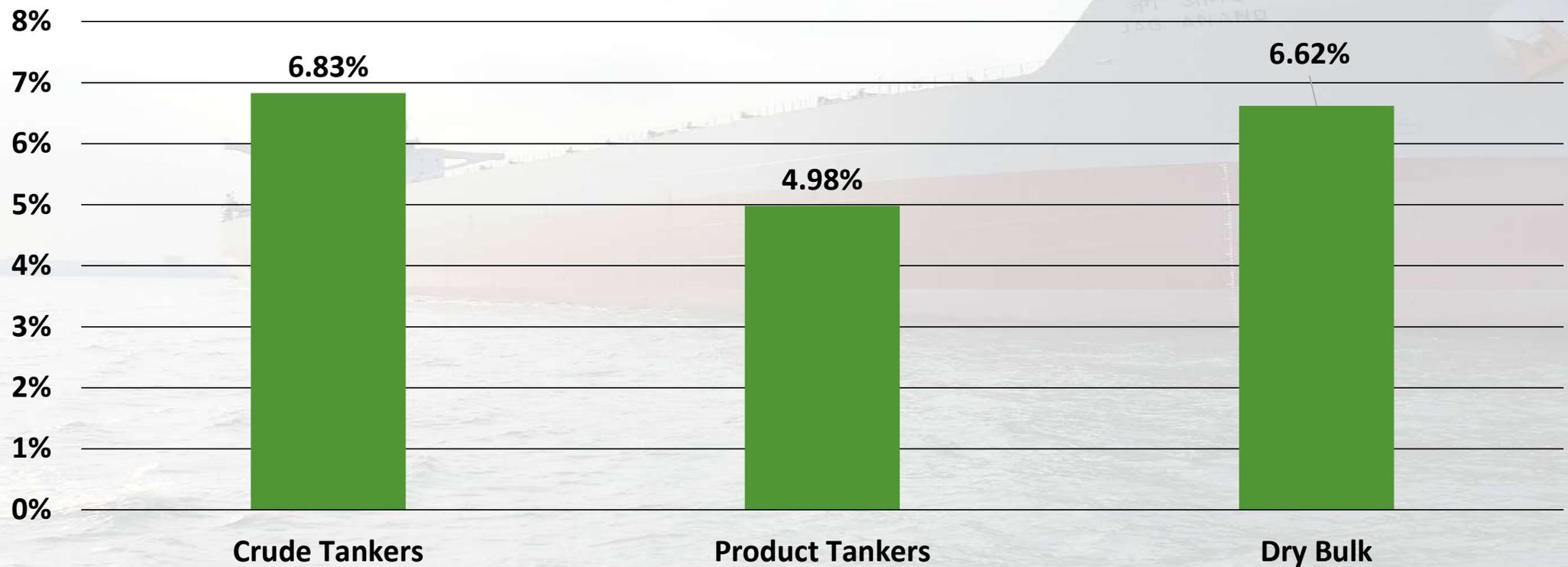
- VLGC spot earnings averaged USD 30,000 / day during Q4 FY-22 down 25 % YoY.
- The drop in earnings was majorly attributed to a 60 % YoY increase in bunker prices (VLSFO).
- Baltic LPG spot freight rates averaged marginally better than the corresponding period (USD 57 per ton versus USD 55 per ton) last year as fleet utilization improved slightly
- Whilst VLGC trade grew 10 % YoY fleet grew more than 7 % YoY due to YoY drop in scheduled dry docking

# Fleet Supply



# One of the Lowest Order Book to Fleet Ratios

Orderbook as % of Fleet

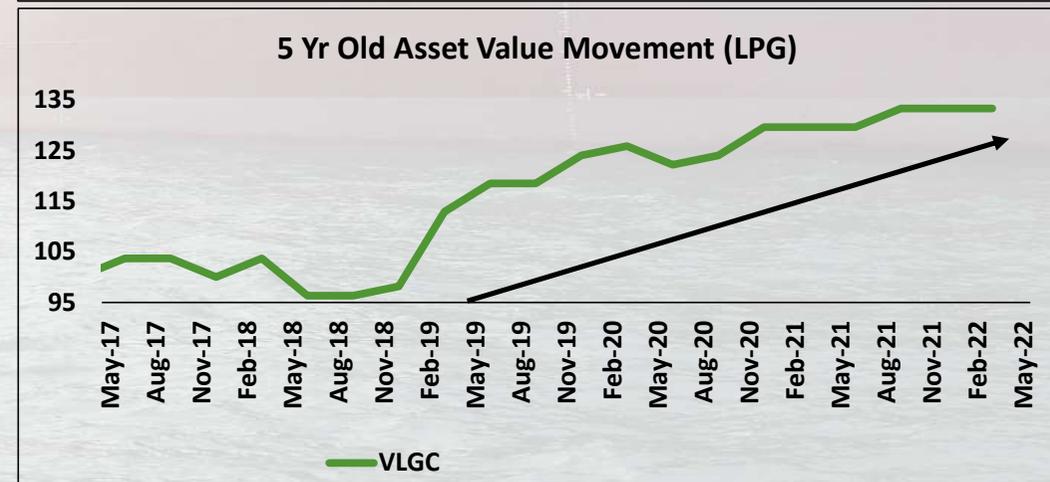
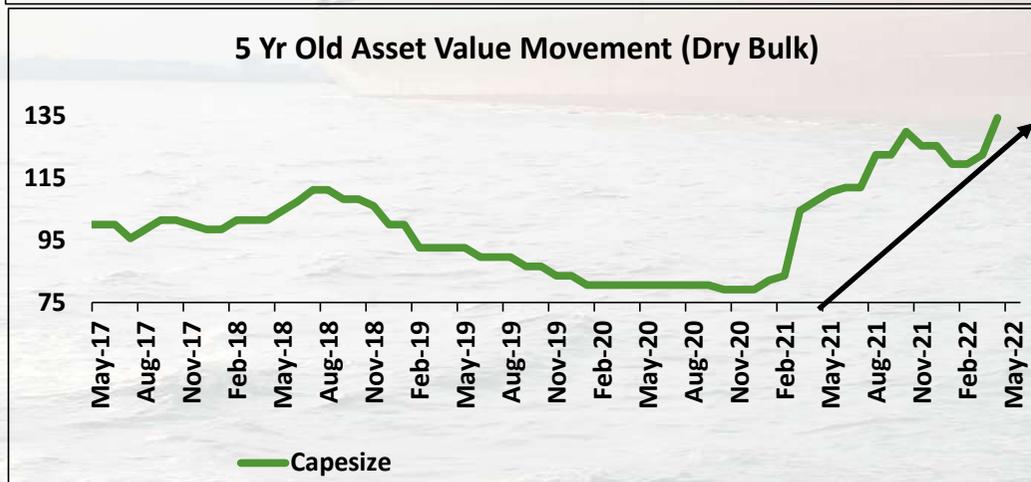
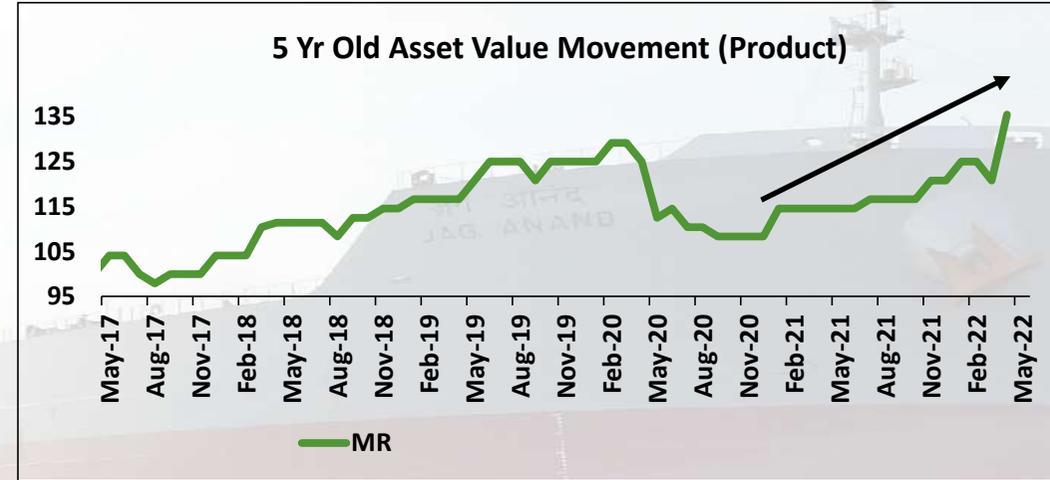
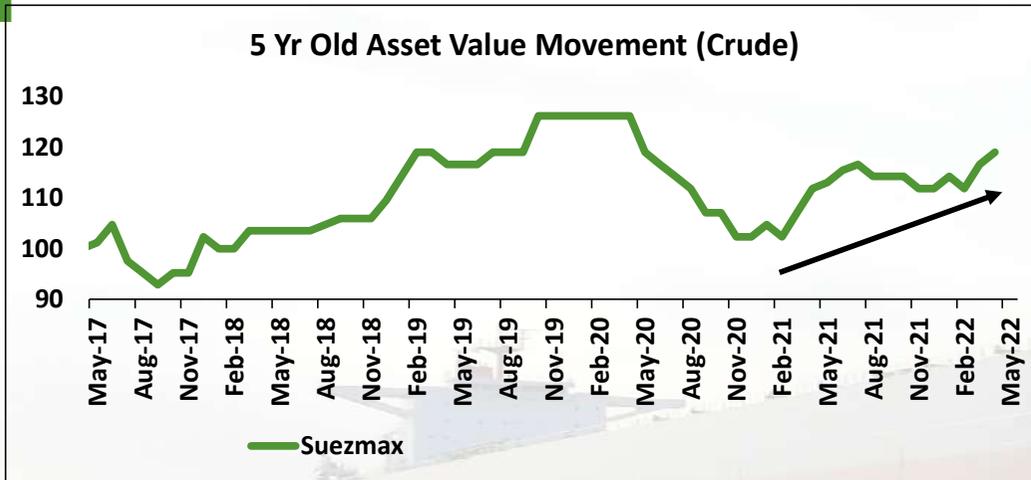


Sources: Industry Reports



# ASSET PRICE MOVEMENT

# ASSET PRICE MOVEMENT (INDEXED) Over the Last 5 Years



Sources: Industry Reports

# SCRAPPING

Vessel Category	Fleet (mn Dwt)	Scrapping (% of beginning world fleet)								
	May 22	Q1CY2022	CY2021	CY2020	CY2019	CY2018	CY2017	CY2016	CY2015	CY2014
Crude	438	0.31%	2.47%	0.53%	0.55%	4.39%	2.43%	0.39%	0.38%	1.75%
Product	174	0.47%	2.11%	0.57%	0.60%	1.72%	1.22%	0.54%	0.62%	1.10%
Dry Bulk	953	0.11%	0.56%	1.74%	0.93%	0.54%	1.85%	3.78%	4.02%	2.24%

- Scrapping for crude and product tankers was particularly restrained due to optimistic sentiment of an earnings recovery in the near term.
- Relatively high spot freight rates in the dry bulk market has deterred significant scrapping in the sector.

**Greatship (India)  
Limited**  
(a 100% subsidiary)



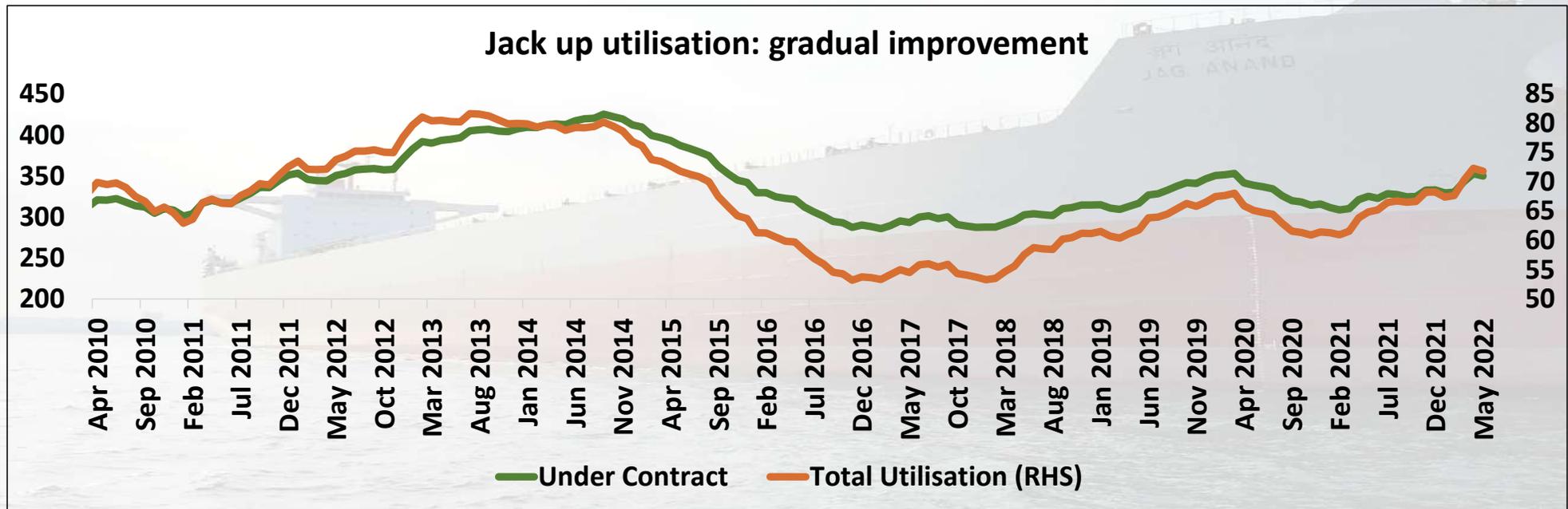
# Fleet Supply

## Increasing number of Cold Stacked Rigs

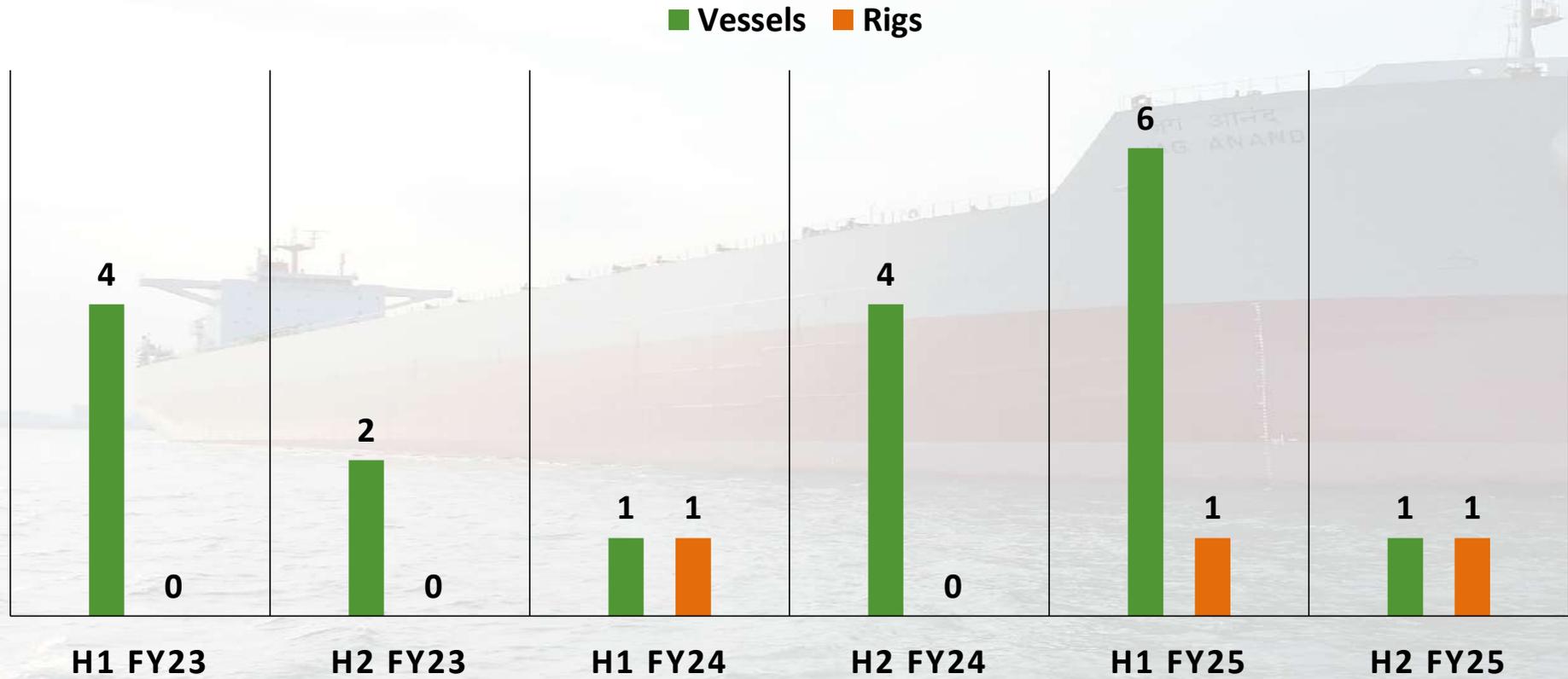
Number	Jackup Rigs	PSVs + AHTSVs
Current Fleet	488	3,515
Contracted Fleet	350	2,157
Orderbook	28	132
O/B to current fleet	5.7%	3.8%
Total Scrapping since January 2016 (nos.)	141	507
No. of Vessels/Rigs more than 20/30 years old (as %age of fleet)	33%	19%
Cold Stacked more than 3 years	50	661

*There is a large potential for scrapping over next few years if the market continues to remain weak.*

# Market Trends: Utilisation



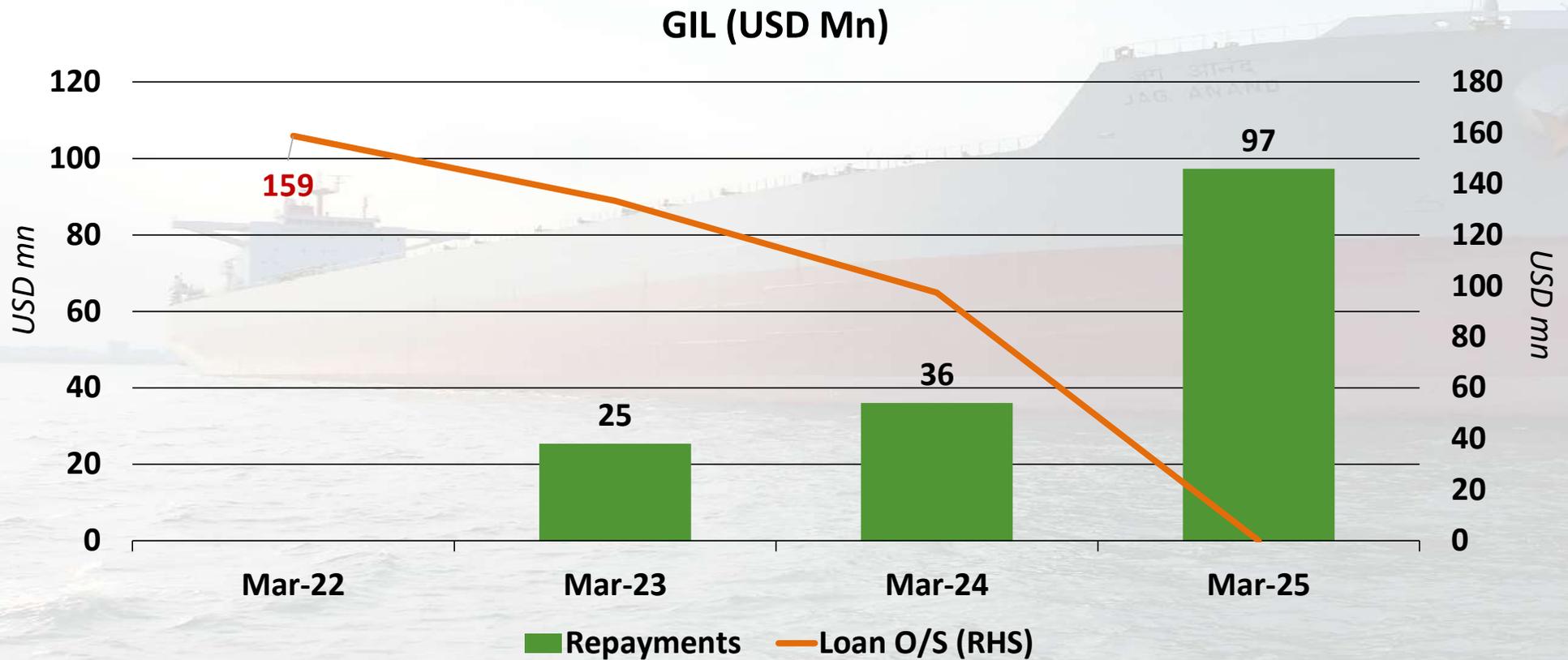
# Repricing



*One JU Rig has received LOA for next contract after completion of the existing contract. It comes for repricing only in H2FY26*

# GREATSHIP

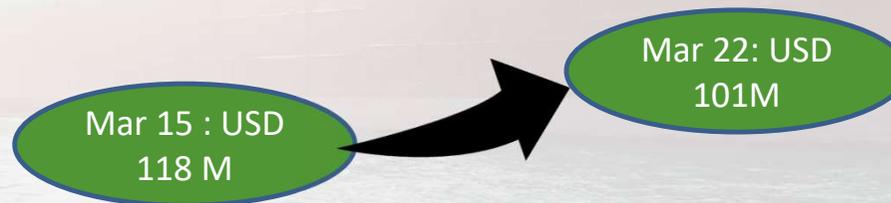
## DEBT REPAYMENT SCHEDULE (NEXT 3 YEARS)



# GREATSHIP EVOLUTION: THE LAST 7 YEARS

- Most challenging years for the offshore sector since the late 80s.
- Utilization levels across asset classes dropped to historic lows, charter rates came down to levels that barely generated any +ve EBIDTA.
- Large part of the industry went through financial restructuring/reorganization/forced consolidation.
- How did we fare?

Cash on the balance sheet:



Net Bank Debt to Equity:



Gross bank debt



# INITIATIVES ON ENVIRONMENT

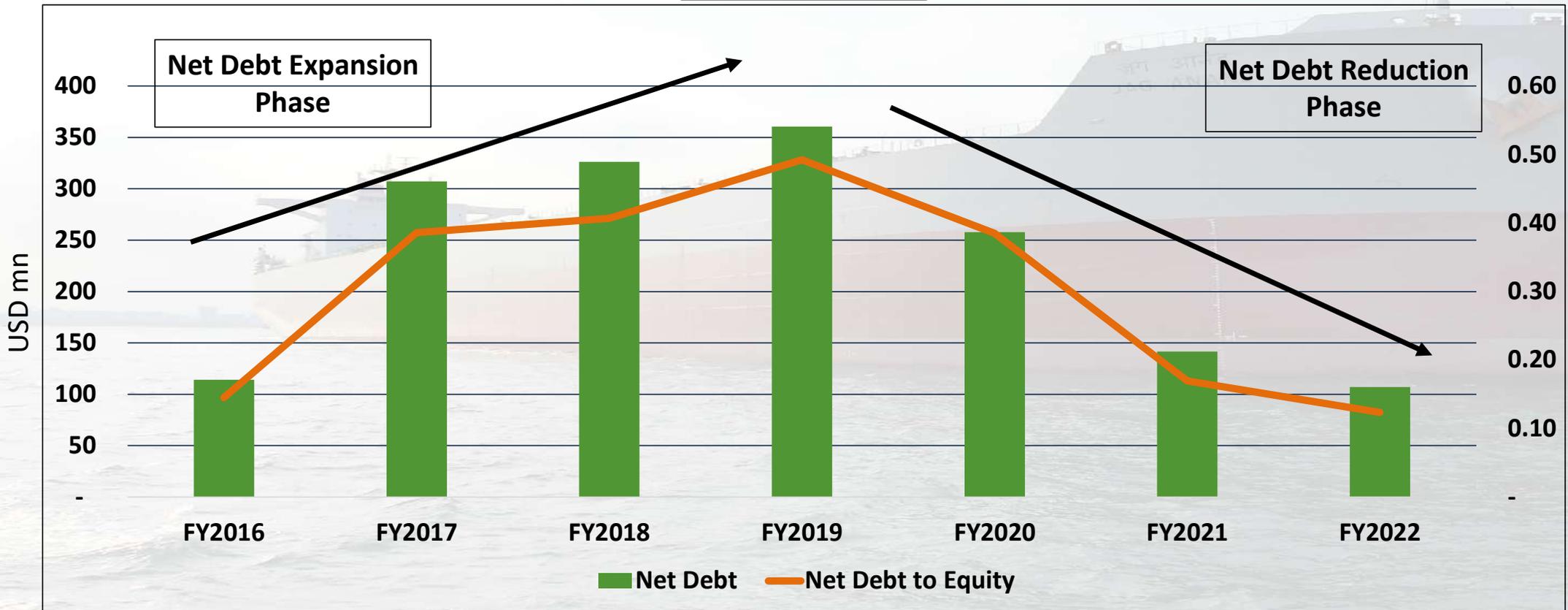
- Voluntarily published our first Environment Social Governance (ESG) report
- Established a working group for feasibility study on alternate fuels and fuel optimisation technologies in view of the IMO emission reduction targets.
- After the Jan 2020 IMO mandate on switching from 3.50% Sulphur to 0.5%, there has been a drastic reduction of 83.65% of Sulphur Oxide (Sox) emissions by following a mixed strategy of using low sulphur fuel and installation of EGCS (Scrubber)
- Created an ESG profile of our company based certain ESG metric. The profile is available on our website under “SUSTAINABILITY” tab



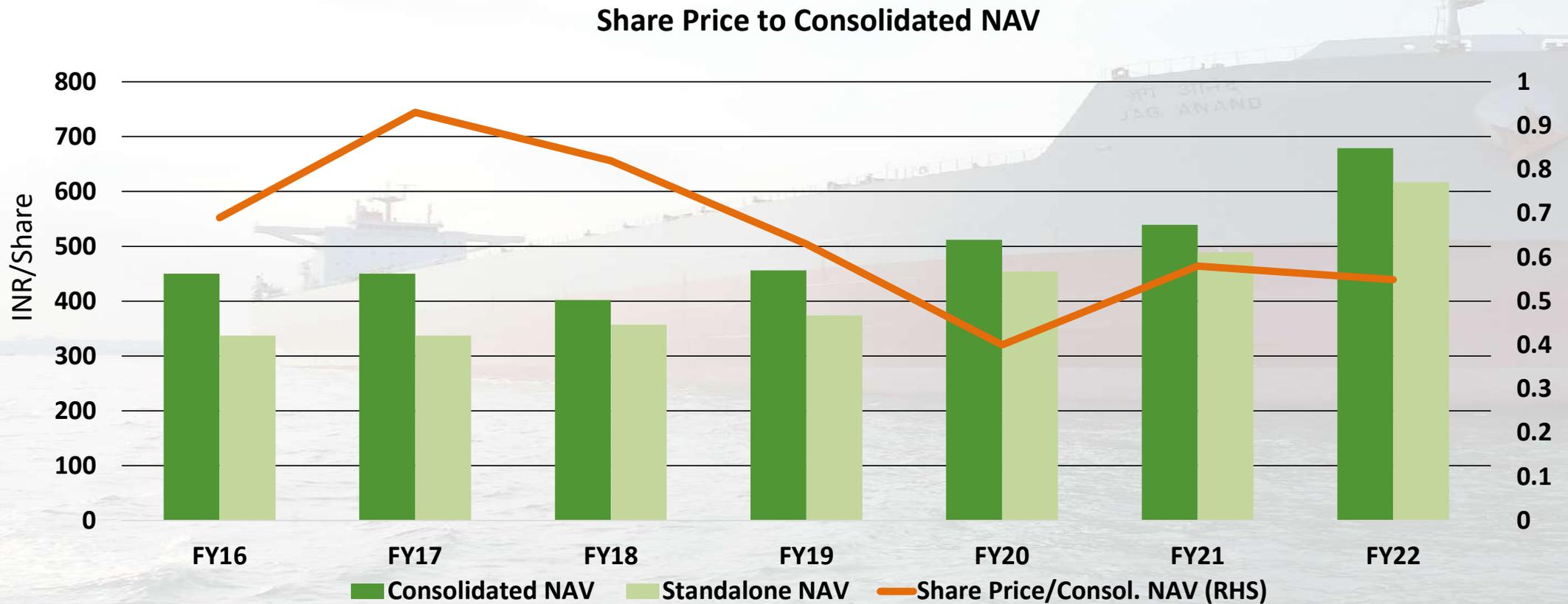
# FINANCIALS

# Counter Cyclical Investments have Generated Strong Cash Flows

6 Year Cycle



# Share Price to Consolidated NAV



\* For FY22 we have taken share price as on 14<sup>th</sup> June 2022

# THANK YOU

visit us at [www.greatship.com](http://www.greatship.com)