



The Great Eastern
Shipping Co. Ltd.

BUSINESS OVERVIEW

27 May 2019



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.

CORPORATE PROFILE



Shipping (Bulk)

Offshore

(Through wholly-owned subsidiary
Greatship (India) Limited)

Tankers

- Crude
- Products/LPG

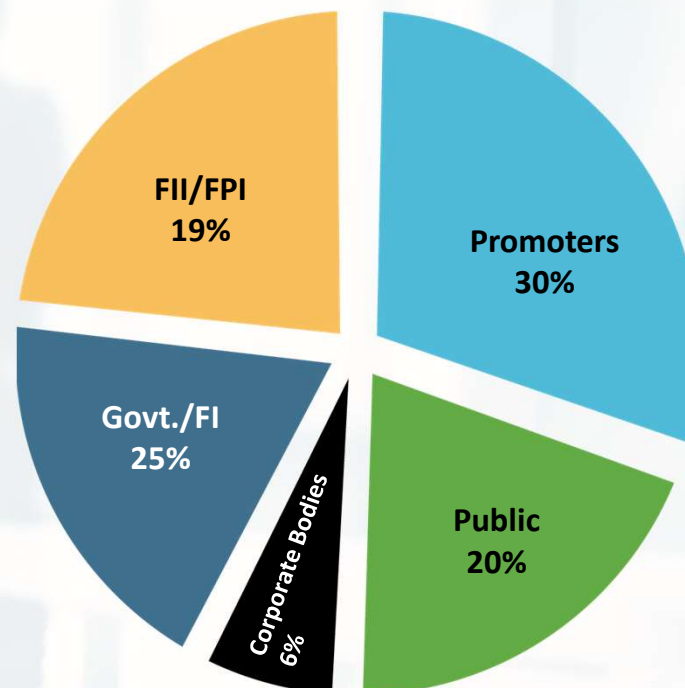
Dry Bulk

Logistics

Drilling

India's largest private sector shipping company over 70 years of
experience

SHAREHOLDING PATTERN



Shareholding Pattern as on 31 March 2019

FLEET PROFILE

SHIPPING

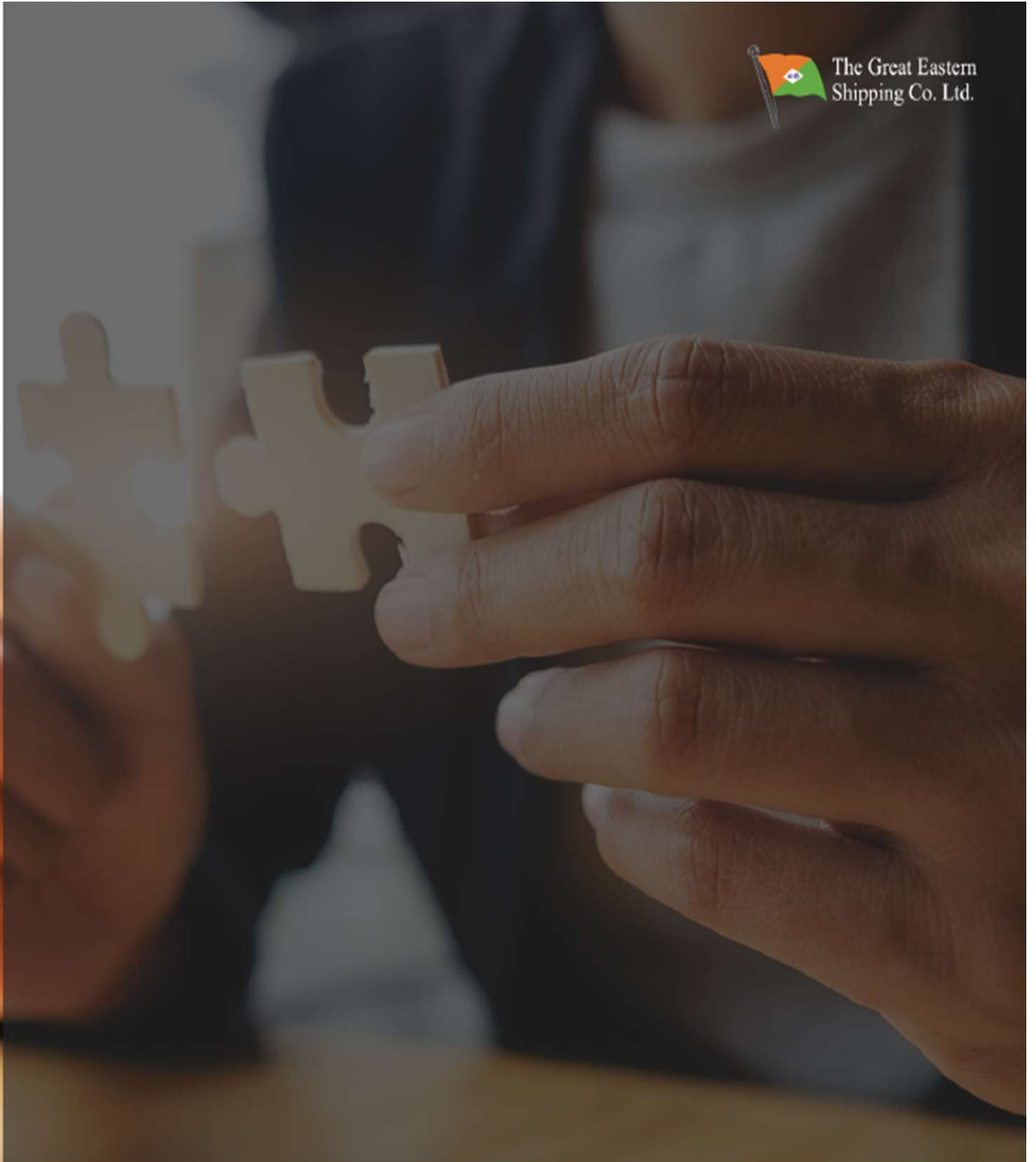
Fleet	DWT	Number of Ships	Average Age (Yrs.)
Crude Carriers	1,608,683	12	13.64
Product Carriers	987,207	17	11.54
Gas Carriers	224,113	5*	17.67
Dry Bulk Carriers	1,026,462	13	6.55
Total	3,846,465	47	11.44

OFFSHORE

Fleet	Number of Units	Average Age (Yrs.)
Jack Up Rigs	4	7.53
Platform Supply Vessels	4	9.70
Anchor handling Tug Cum Supply Vessels	8	9.55
Multipurpose Platform Supply & Support Vessels	2	9.01
ROV Support Vessels	5	7.72

**Sold & Delivered 1994 built Very Large Gas Carrier "Jag Vishnu"*

BUSINESS **PHILOSOPHY**



4 KEYS TO OUR SUCCESS



**Dynamically
managing
cycles**



**Diversified
Fleet**



**In-House
technical &
commercial
management**

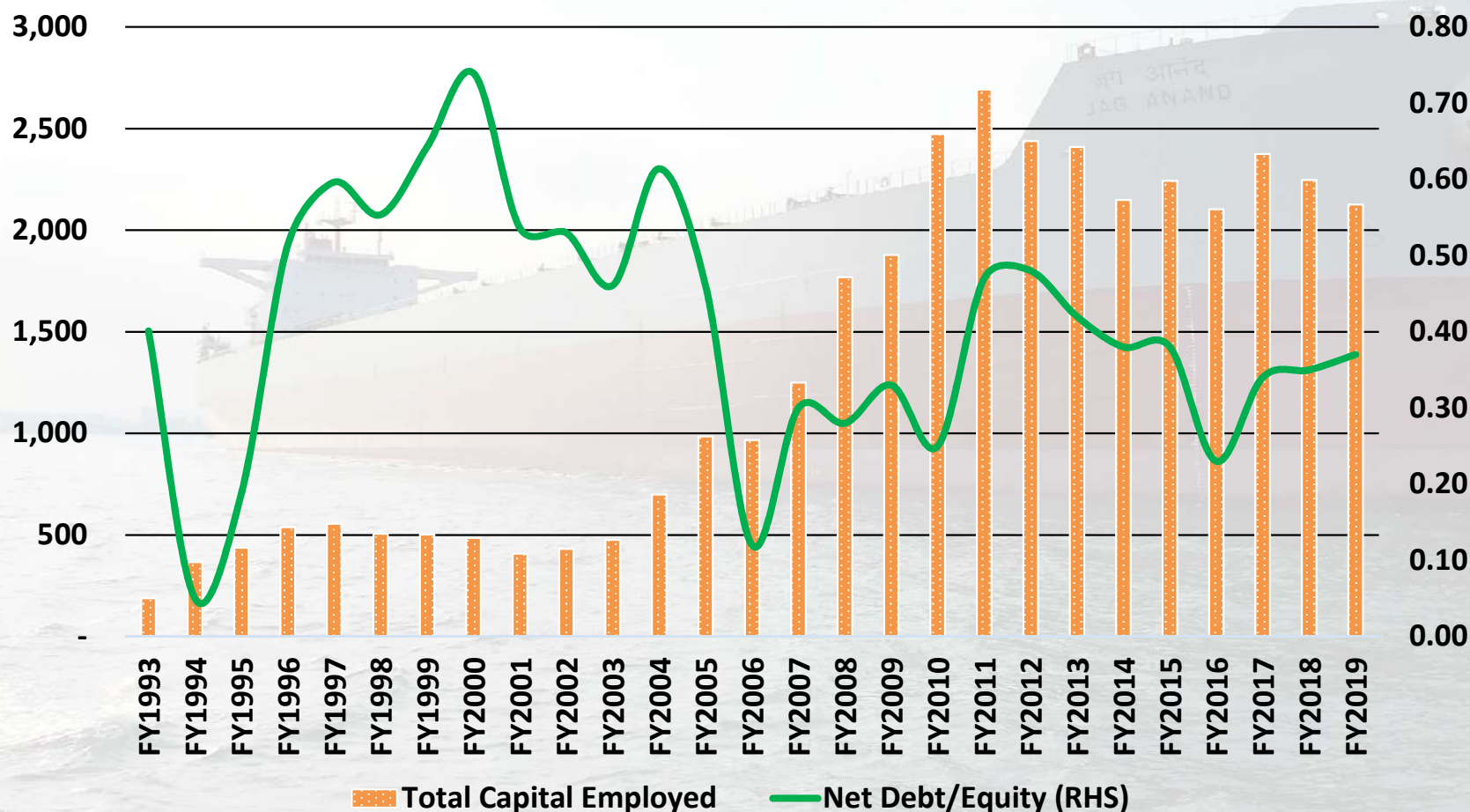


**Strong
balance
sheet**



NET DEBT/EQUITY & TOTAL CAPITAL EMPLOYED (CONSOLIDATED)

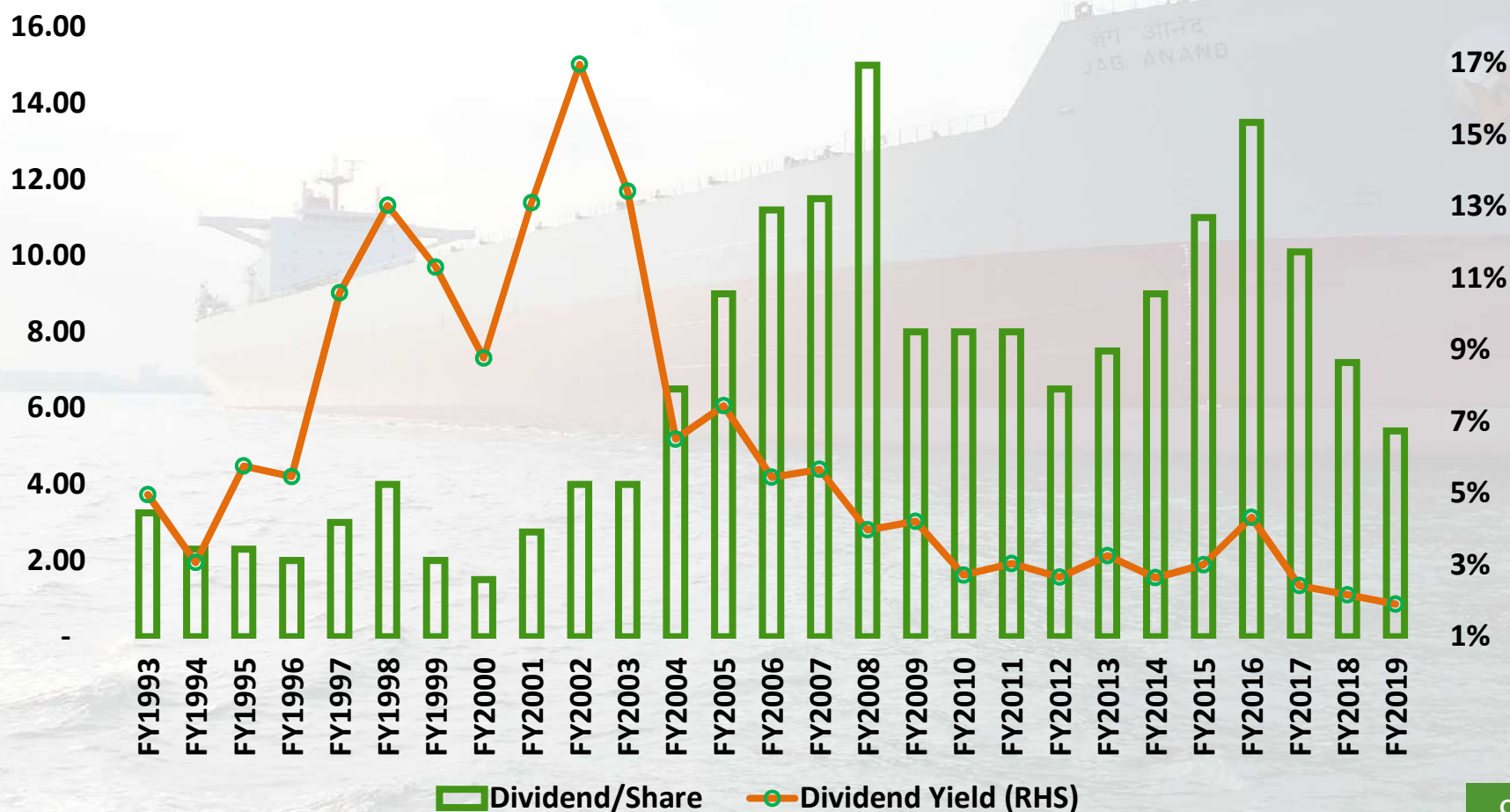
USD Mn



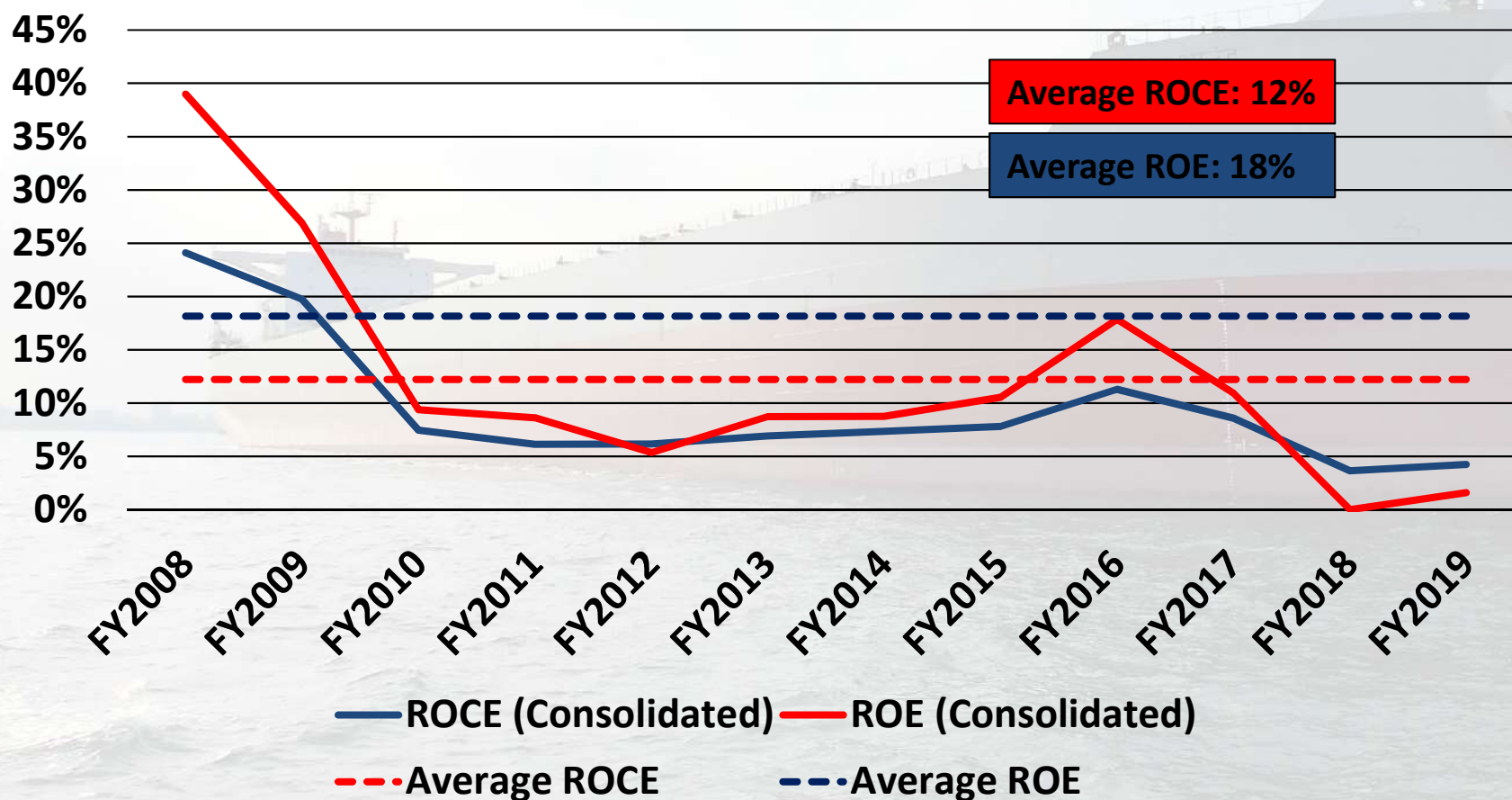
DIVIDEND/SHARE

(30+ YEARS CONTINUOUS DIVIDEND)

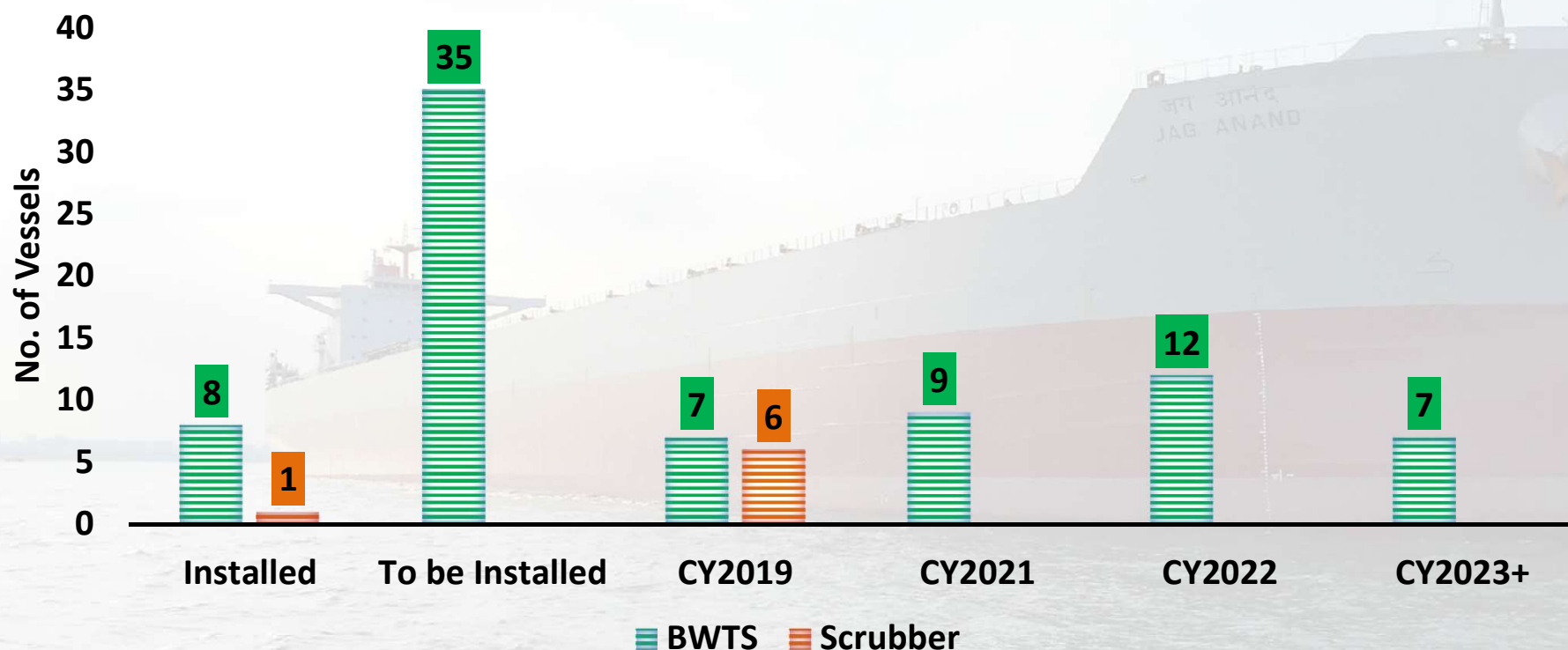
INR/Share



ROE & ROCE (CONSOLIDATED)



BWTS & SCRUBBER INSTALLATION SCHEDULE



- Total 8 Vessels have been fitted with BWTS and 35 vessels are scheduled to be installed with BWTS
- 1 Vessel has been fitted with Scrubber and 6 Vessels are scheduled to be installed with Scrubbers in CY2019

Note: No BWTS/Scrubbers scheduled to be installed in CY2020

FIRST SCRUBBER INSTALLATION



Jag Lokesh – First Indian flagged tanker vessel to be fitted with Exhaust Gas Cleaning System ahead of the IMO 2020 regulation deadline

SHIPPING MARKET

Business & Financial Review November 2017



IMO REGULATIONS ON BALLAST WATER TREATMENT SYTEM

What is Ballast Water Treatment System(BWTS) IMO regulations?

1. Ballast water has to be taken onboard by ships for stability and can contain thousands of aquatic or marine microbes, plants and animals, which are then carried across the globe. Untreated ballast water released at the ship's destination could potentially introduce a new invasive marine species.
2. The International Convention for the Control and Management of Ships' Ballast Water and Sediments was adopted in 2004 to introduce global regulations to control the transfer of potentially invasive species. With the treaty in force from September 2019, ships need to manage their ballast water.
3. Under the Convention, all ships in international traffic are required to manage their ballast water to a certain standard which can be done by installing a Ballast Water Treatment system onboard.
4. The Compliance Date:

New Vessels	On delivery (post September 2019)
Existing Vessels	First scheduled drydocking after September 2019

IMO 2020

What is IMO 2020?

- 1) The International Maritime Organization (IMO) will require shipowners to reduce sulfur emissions from 3.5% currently to 0.5% starting 1st January, 2020.
- 2) There are two options for shipowners to comply with IMO 2020 sulfur regulations:
 - Installing a scrubber to enable the vessel to continue to burn High Sulfur Fuel Oil (HSFO)
 - Change to burning 0.5% compliant fuel which may be Very Low Sulfur Fuel Oil (VLSFO) or Marine Gas Oil (MGO)
- 3) HSFO market for bunker fuels is currently at 3.5-4 million barrels a day. Of which, approximately 2-2.5 million barrels a day may need to be replaced by MGO or VLSFO.
- 4) Scrubbers can cost \$2-\$5 million to install depending on the size of the ship.
- 5) Scrubber Economics favors larger vessels that consume more fuel and have trading patterns consisting of more time at sea.

IMO 2020

Type of Fuel	Sulfur Content	Composition	2020	Possible issues post 2020
HSFO	3.5%	Fuel oil from refinery	Scrubber Installed Vessels	Low Availability, Higher CAPEX for scrubbers
MGO	0.1%	Diesel from the refinery	Allowed including ECA Areas	Expensive
LSFO	0.5%	Blends HSFO with a straight run LSFO or other low sulfur intermediate refinery fuels	Allowed in Non-ECA areas. Currently being tested.	Compatibility, Stability, Standardization & Availability

KEY POINTS ON **TANKER MARKET**

Asset Prices

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

Freight Rates

- BCTI rose by 10% & BDTI fell 35% during Q1CY19 sequentially

Crude Market

- U. S. production is up about 1.8 million barrels a day year-on-year, U. S. exports were up about 1.20 million barrels a day, whereas, imports have been down 1 million barrels a day year-on-year Q1CY19.
- In Q1CY2019 Y-O-Y, overall crude loadings were down by 1 million barrels a day

Product Market

- In Q1CY2019 Y-O-Y, overall trade growth for Core Refined Products was higher by 0.30 million barrels a day.
- This was largely driven by long haul gasoil imports into Europe. The trade was also supported by Jet/Kerosene loadings from Asia Pacific.

LPG Market

- US export grew by 9% in Q1CY2019 Y-O-Y, due to improved arbitrage between US & Far East LPG Prices.
- Overall VLGC loadings is up by 2 Mt Y-O-Y Q1CY2019 with 1.48% absolute fleet growth. Correspondingly Baltic LPG index averaged US \$29.68 / ton during Q1CY2019 flat Y-O-Y.

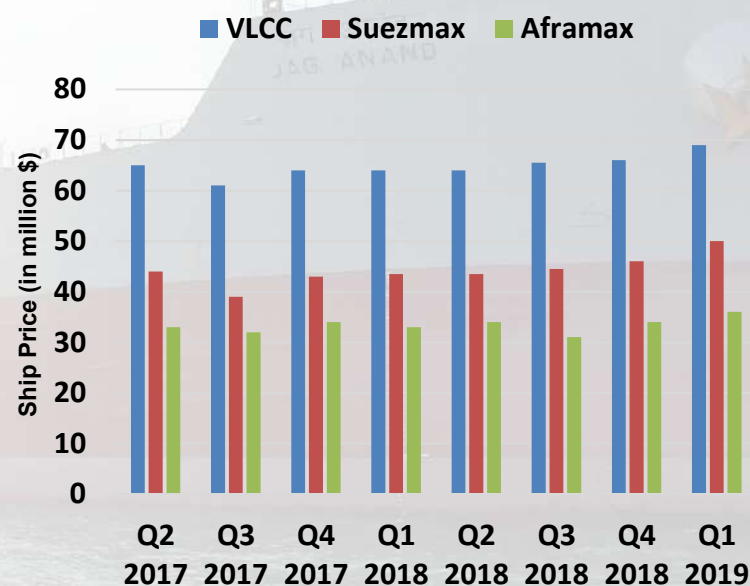
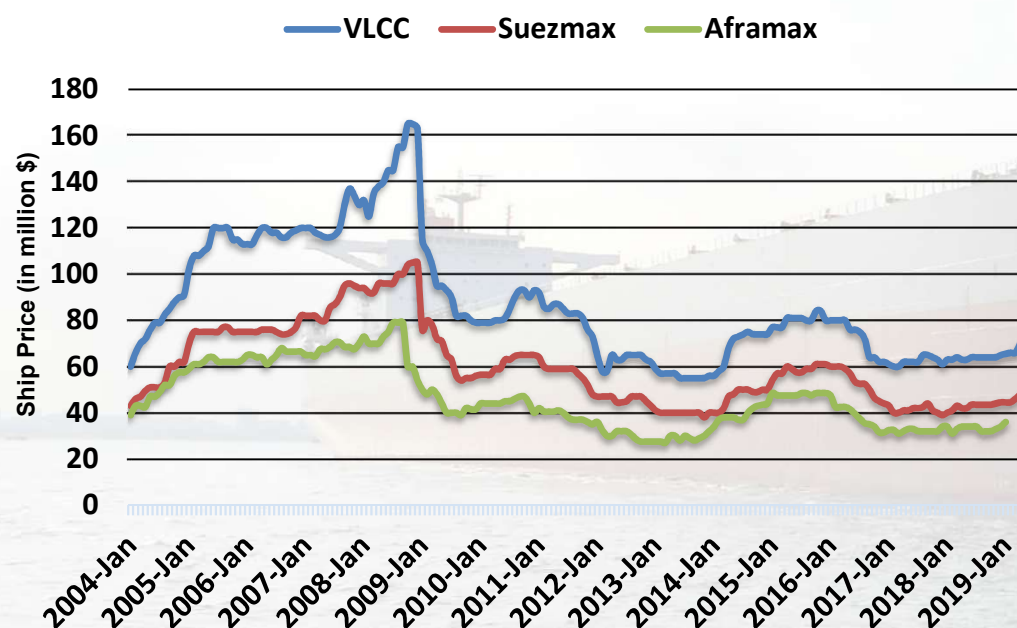
Fleet Growth

- Crude tankers net fleet growth in Q1CY19 is 2.72%, product tankers net fleet growth is 1.92% and VLGC growth in net fleet is 1.48% sequentially

** 5 yr old prices in Q1CY2019 are for Eco Tankers whereas in Q1CY2018 for Non-Eco*

Source – Industry Reports

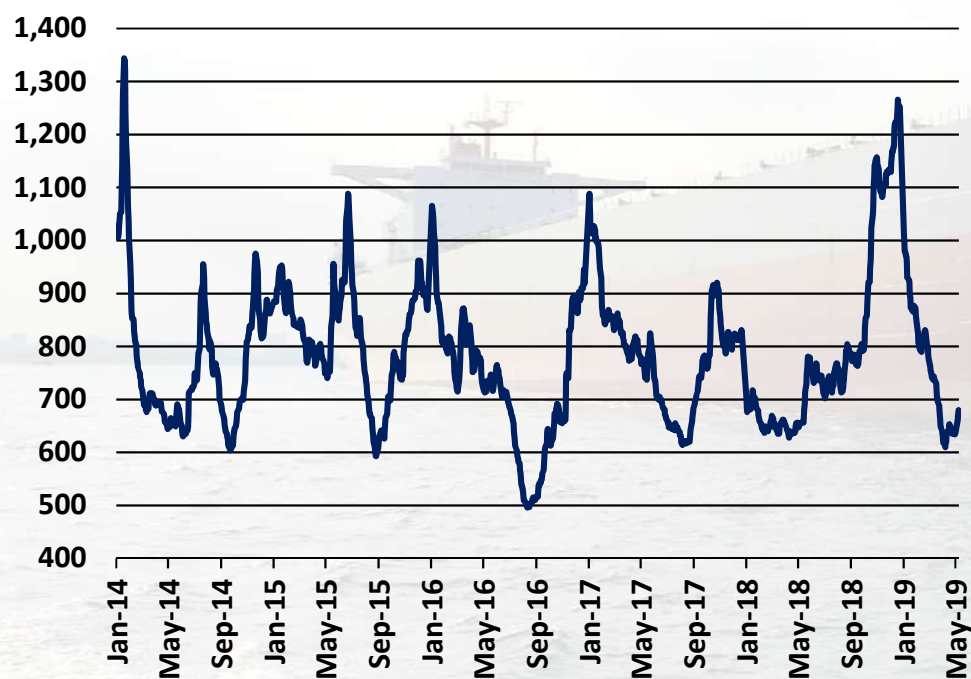
TANKERS – ASSET PRICE MOVEMENT (5-YEAR OLD)



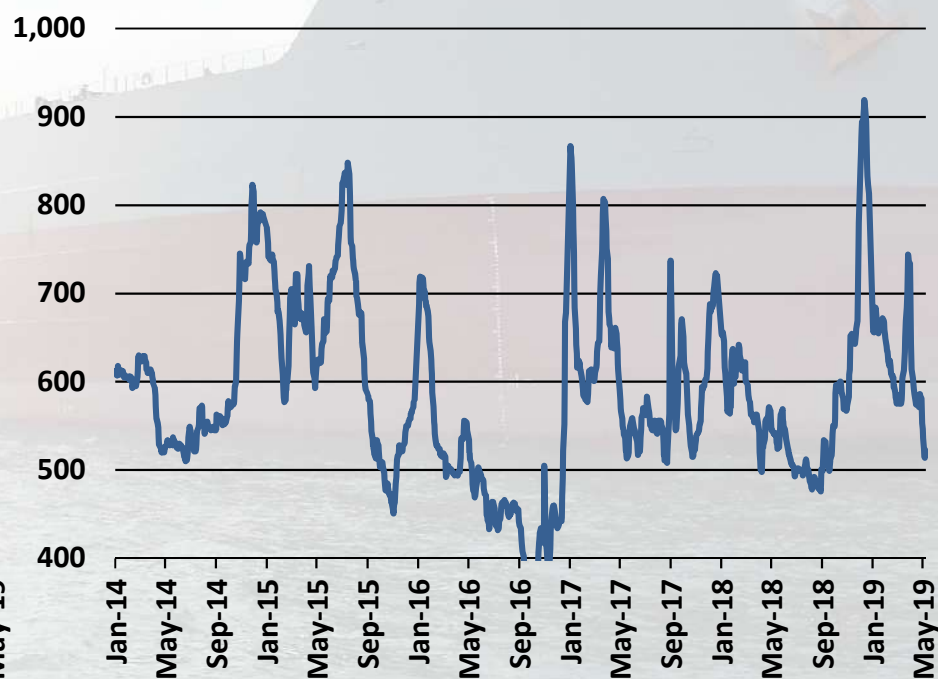
Wet Bulk asset prices has improved by 8% to 10% in Q1CY2019 Y-O-Y.

BALTIC DIRTY & CLEAN INDEX

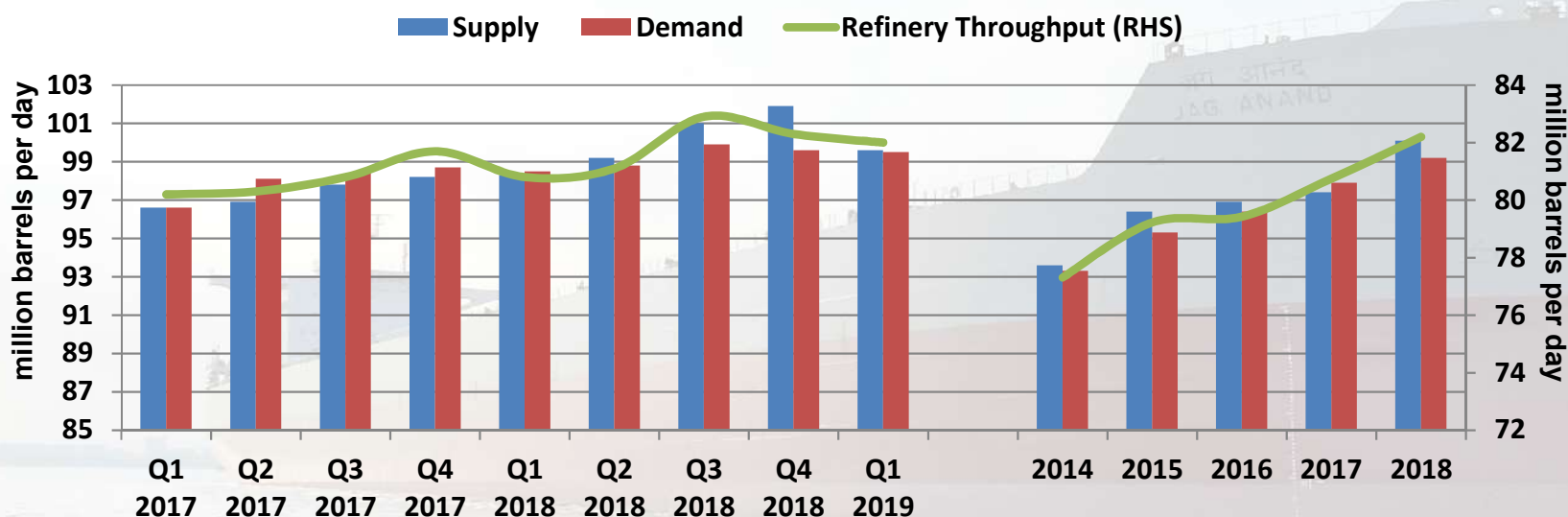
BALTIC DIRTY TANKER INDEX



BALTIC CLEAN TANKER INDEX

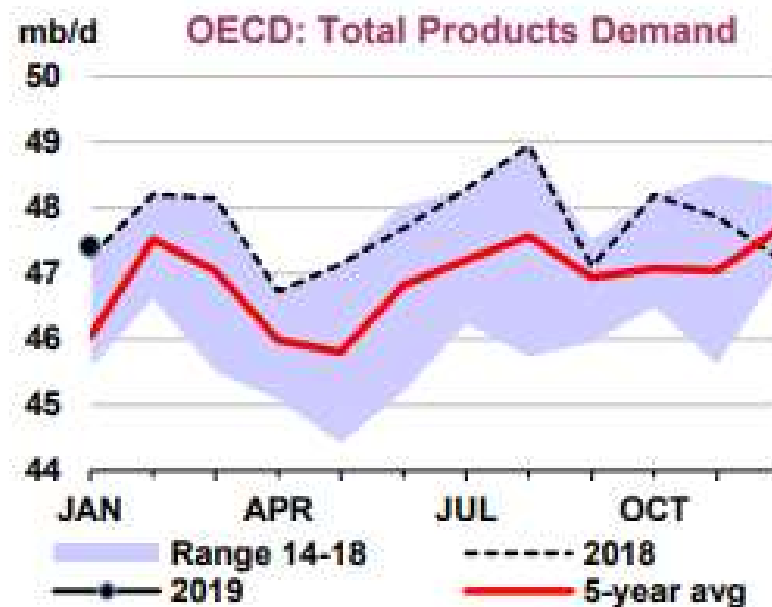


TOTAL OIL SUPPLY & DEMAND



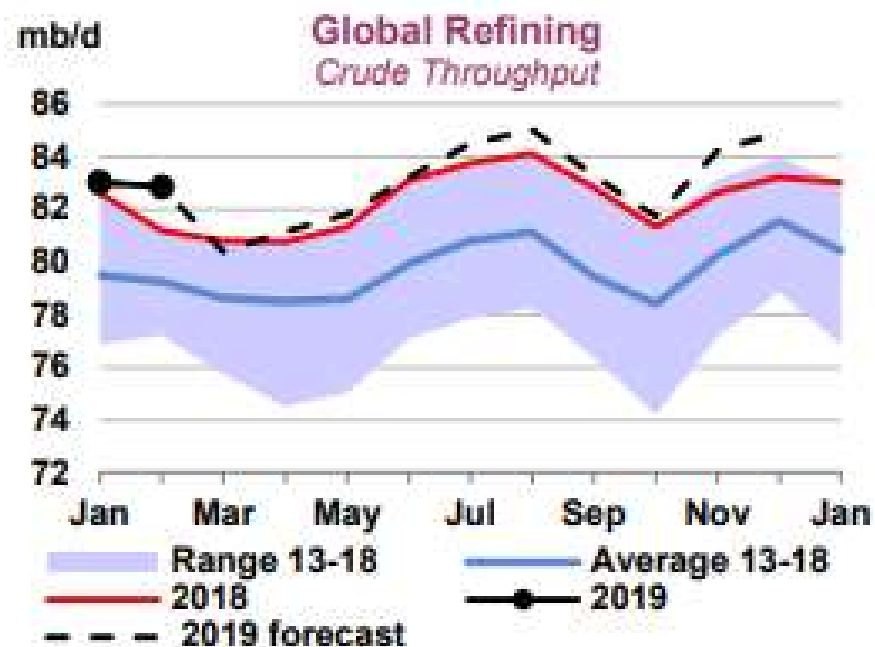
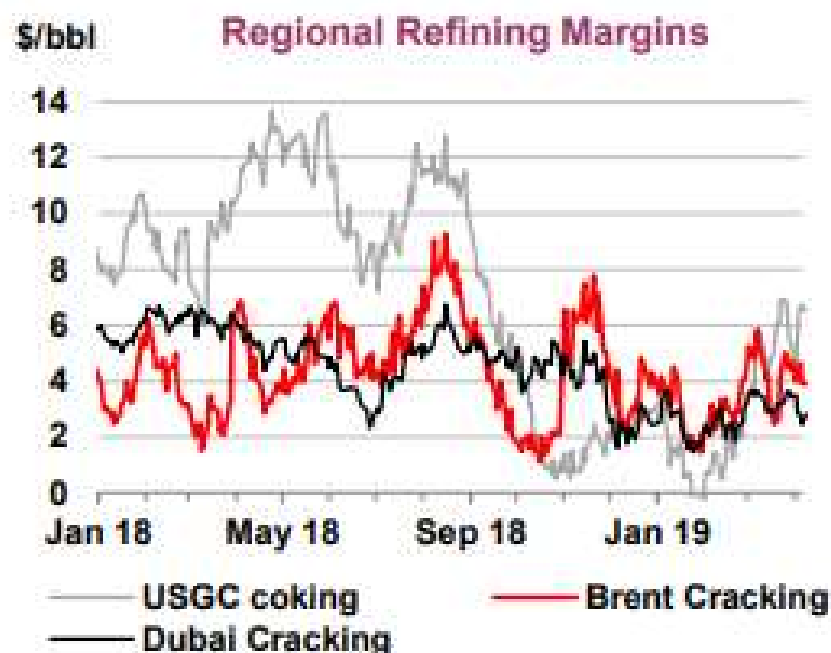
In Q1CY19, refining throughput has held strongly despite seasonality Y-O-Y especially in OECD Europe & Non-OECD Asia

CRUDE & PRODUCT GROWTH



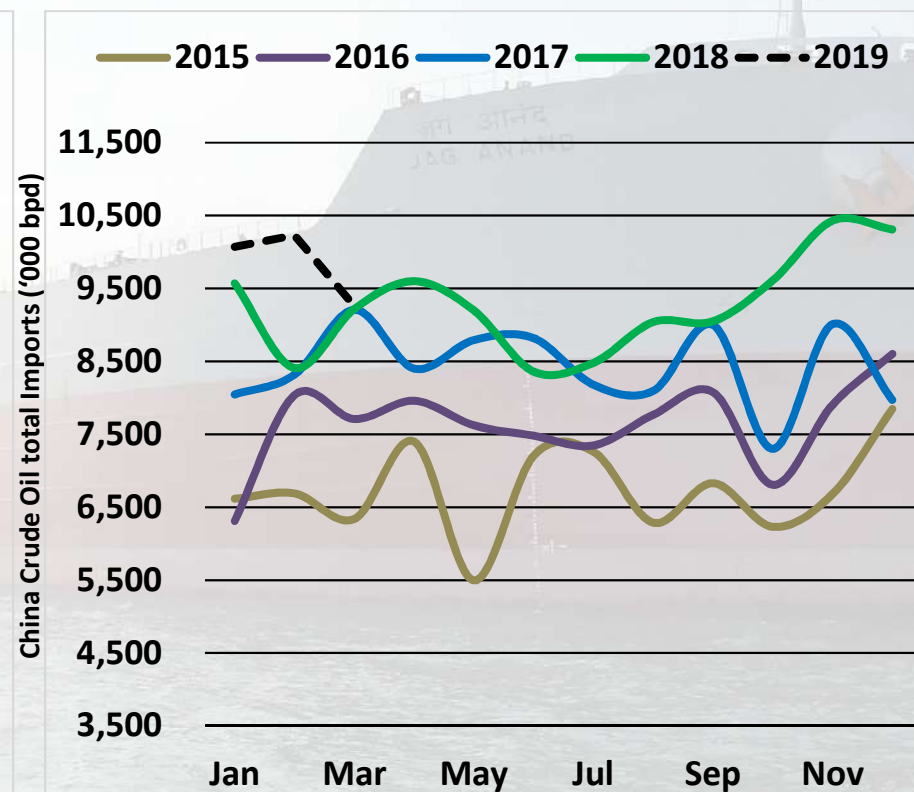
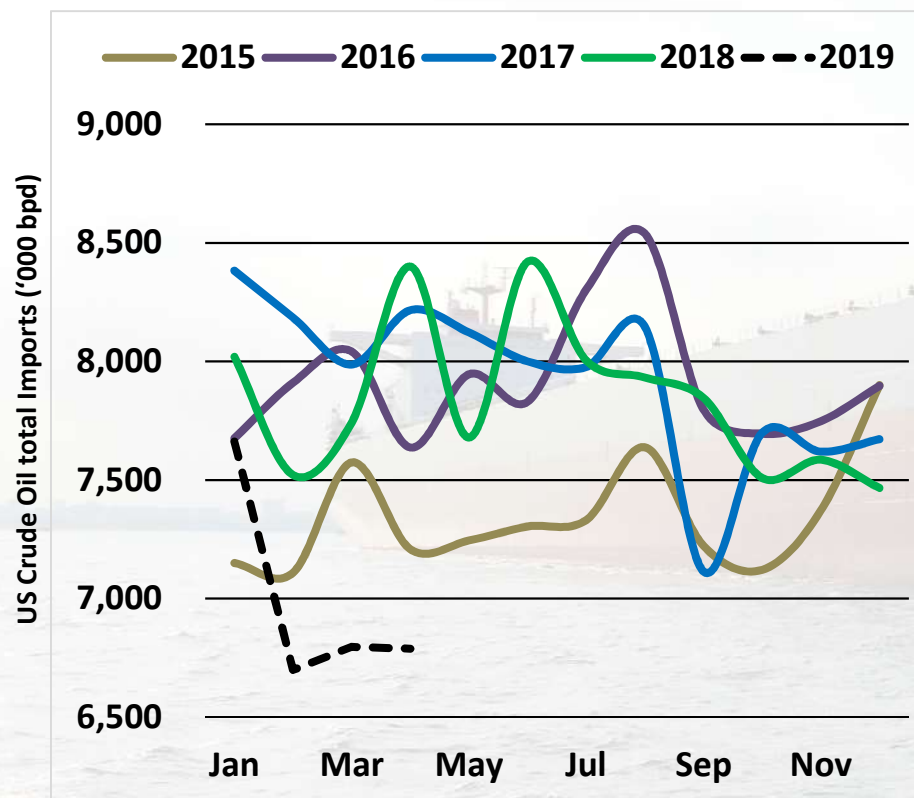
- Crude demand growth was approx. 0.9 Mn barrels a day in Q1CY2019 Y-O-Y
- Core refined products demand growth was 1.2 Mn barrels a day largely due to middle distillate demand growth.
- Both Crude & Product demand is principally fuelled by positive demand in Non-OECD Asia.

REFINERY MARGINS



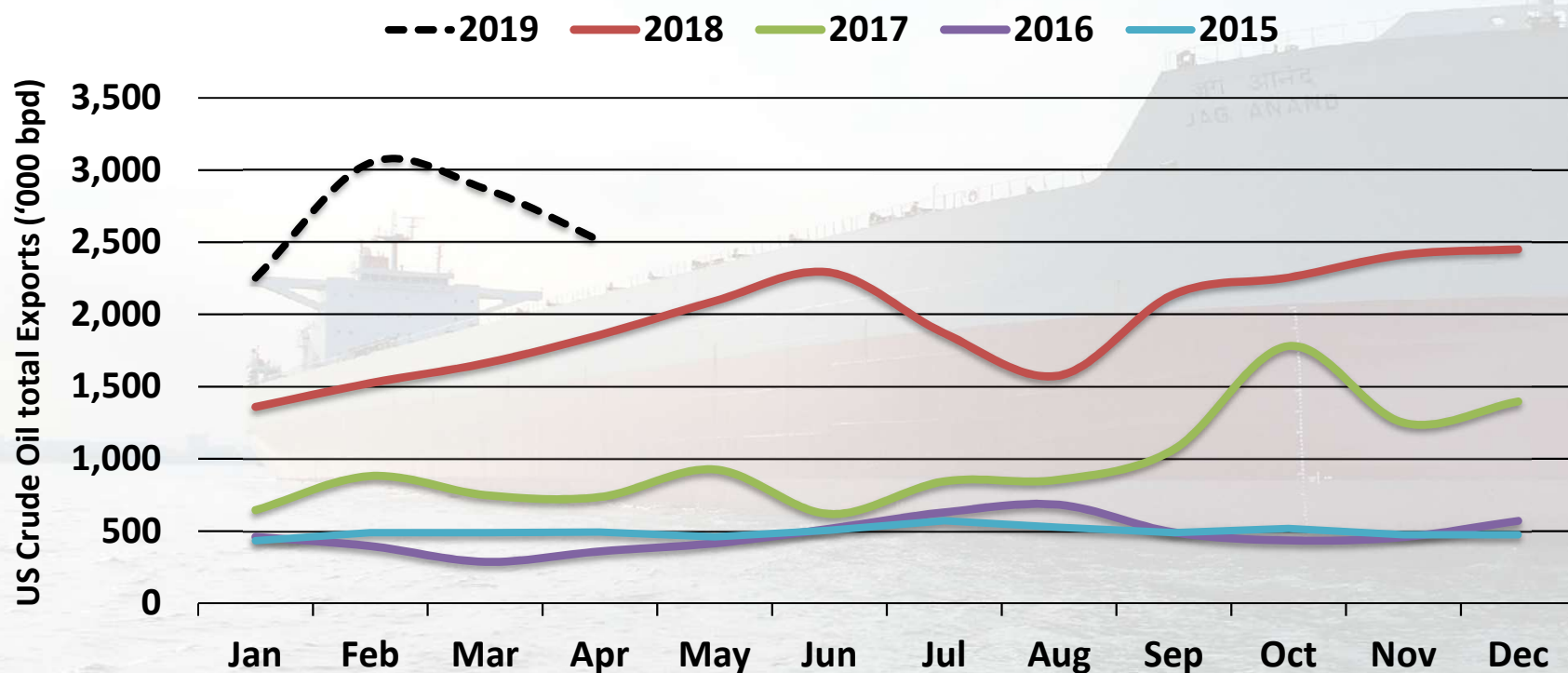
Refining Margins were negatively impacted in Asia whereas Atlantic basin continues to enjoy healthy margins especially in US.

CRUDE OIL IMPORTS (US & China)



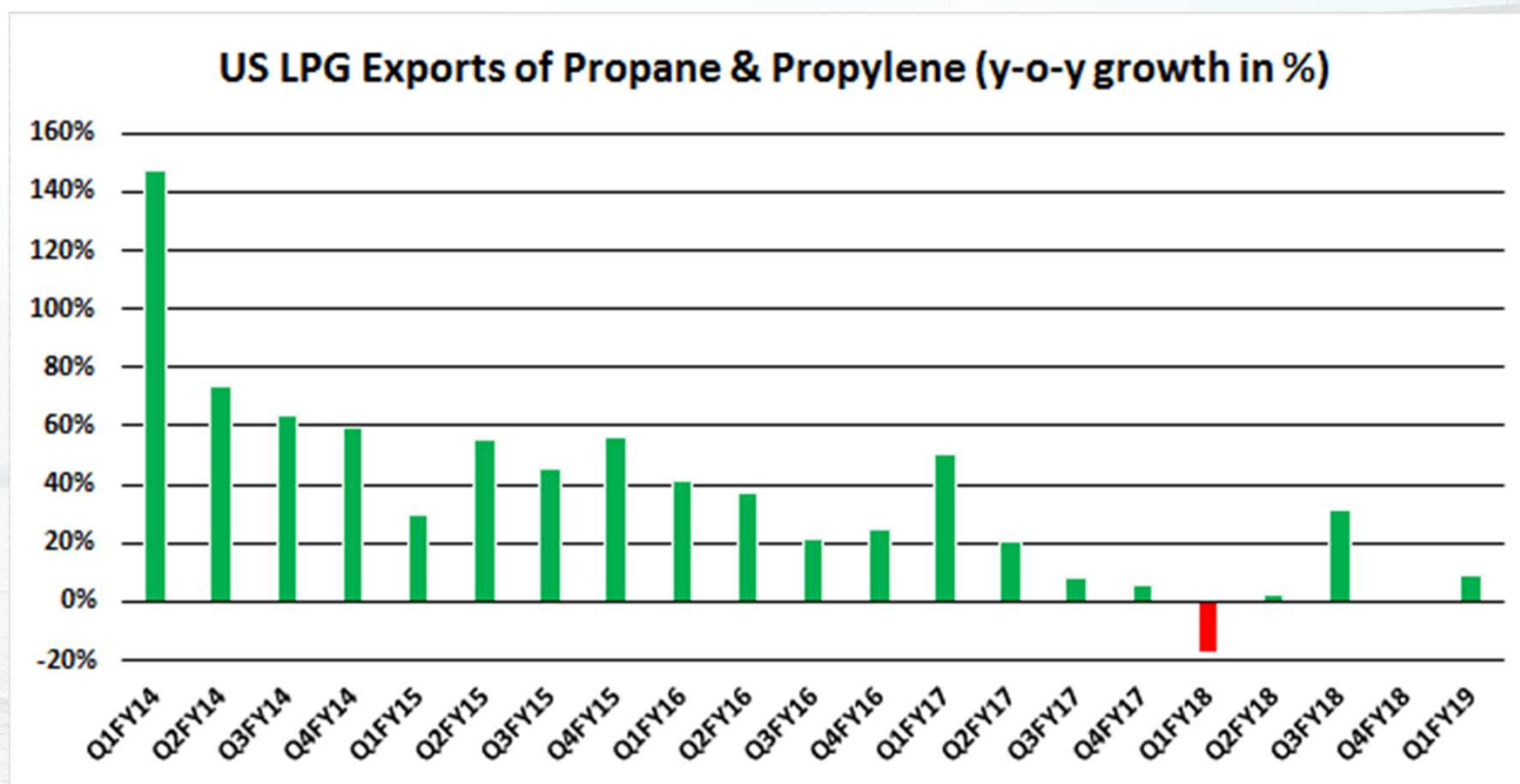
In Q1CY2019, China imported 9%+ higher crude oil than Q1CY2018 as teapot refineries rush to exhaust their import quotas and new refineries were ramping up.

CRUDE OIL EXPORTS (US)



In Q1CY2019, US exported 80% higher crude oil than Q1CY2018

US LPG EXPORTS OF PROPANE & PROPYLENE



In Q1CY2019, US propane & propylene exports were up 9% Y-O-Y

WORLD FLEET GROWTH

CRUDE TANKERS

Tanker Fleet - mn Dwt	24-Apr-19	1-Jan-19	1-Jan-18	1-Jan-17	1-Jan-16
VLCC	234.99	233.34	225.10	213.80	200.00
Suezmax	87.98	84.59	80.60	74.60	71.09
Aframax	71.80	68.75	67.20	66.40	64.37
Total (80k+)*	400.58	392.03	378.90	355.00	335.46

Order Book (mn Dwt)	2019	2020	2021+	Total
<i>Orderbook as % of current fleet</i>	<i>4.4%</i>	<i>4.9%</i>	<i>1.3%</i>	<i>10.5%</i>

Slippage (YTD2019)	About 5%
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WORLD FLEET GROWTH

PRODUCT TANKERS & VLGC

Product Fleet - mn Dwt	24-Apr-19	1-Jan-19	1-Jan-18	1-Jan-17
LR2	40.10	37.9	36.60	33.50
LR1	27.33	26.9	26.51	25.20
MR/Handy (35k+)	84.44	83.3	82.40	80.40
Total (35k+)*	155.18	150.93	147.61	139.40

Order Book(mn Dwt)	2019	2020	2021+	Total
<i>Orderbook as % of current fleet</i>	3.4%	2.5%	1.4%	7.3%

Slippage Product (YTD2019)	About 10%
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Fleet - No. of Vessels	24-Apr-19	1-Jan-19	1-Jan-18
VLGC	275	271	266

Order Book (No. of Vessels)	2019	2020	2021+	Total
<i>Orderbook as % of current fleet</i>	5.1%	8.0%	0.7%	13.8%

KEY POINTS ON DRY BULK MARKETS

Asset Prices

- Capesize 5 yr old asset prices were down 8% in Q1CY2019 Y-O-Y
- Panamax & Supramax 5 yr old asset prices were flat in Q1CY2019 Y-O-Y

Freight Rates

- BDI hits 595 on 11-Feb-19 due to Vale's dam incident, seasonally low demand and Australia's Cyclone
- Q1CY2019, BDI fell about 53% from 1282 to 595 and then closed at 689

Coal Market

- China total coal imports for Q1CY2019 have fallen by 1.1% Y-O-Y. Indian coal imports have risen by 11% Y-O-Y in Q1CY2019

Iron Ore

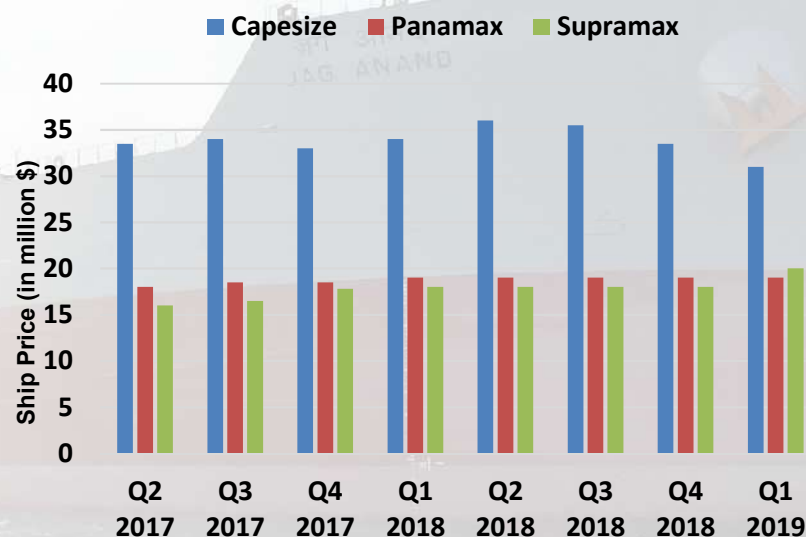
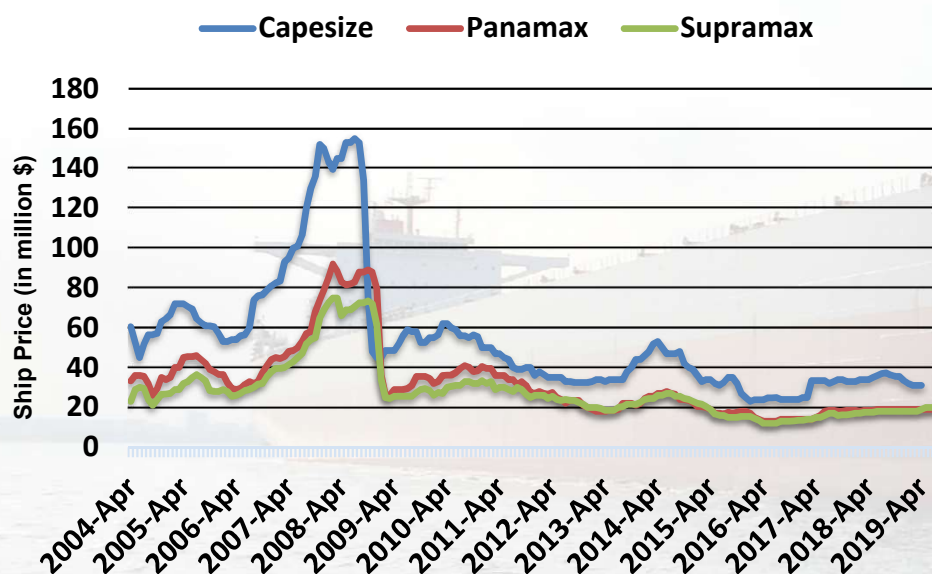
- China's Iron Ore imports fell by 4% in Q1CY2019 Y-O-Y

Fleet Growth

- Dry Bulk net fleet growth in Q1CY2019 was about 0.66%

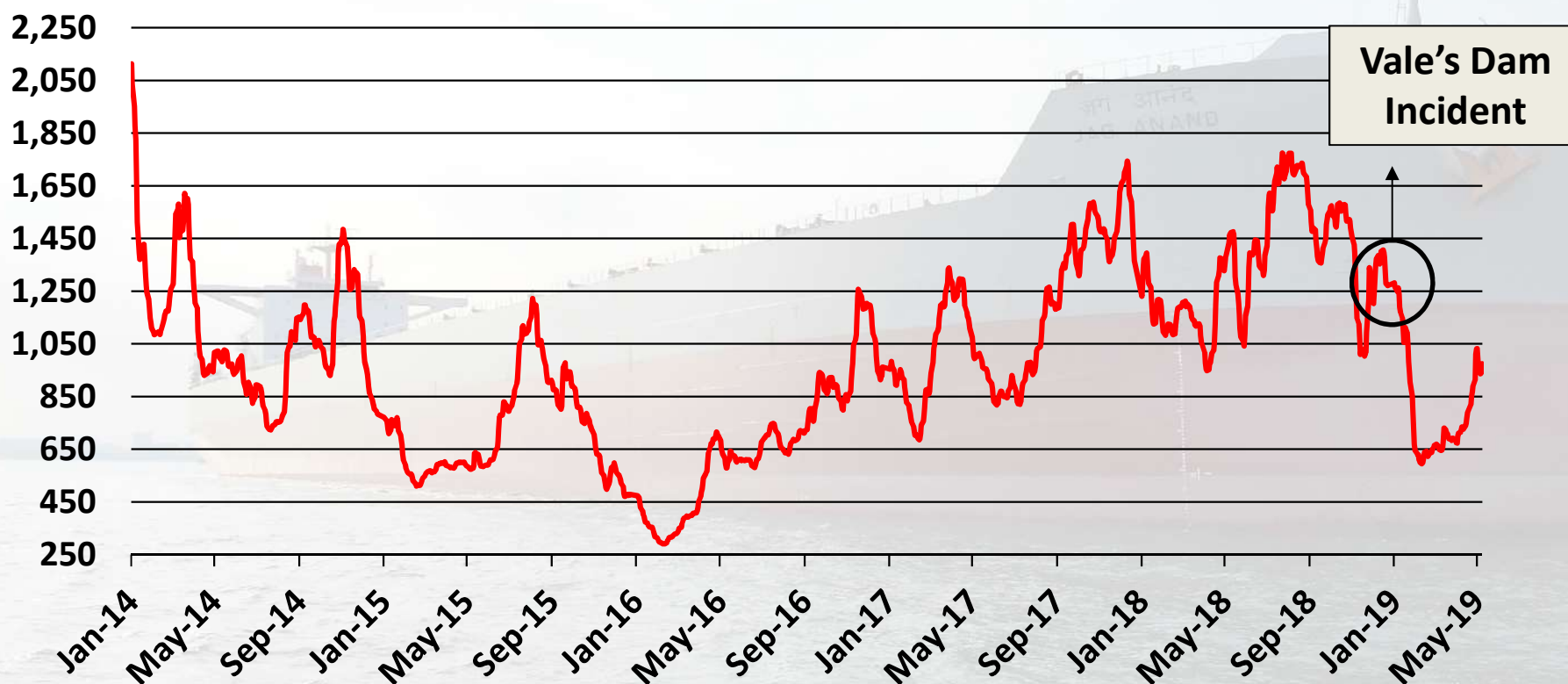
BULKER ASSET PRICES

5-YEAR OLD



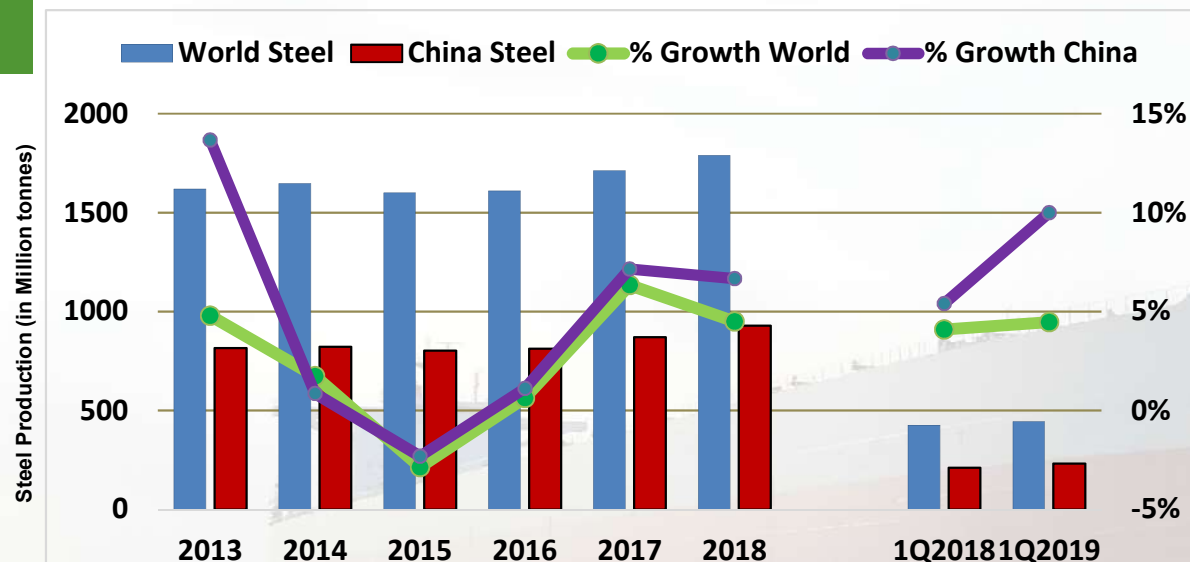
Capesize asset prices were down 8% in Q1CY2019 Y-O-Y. Panamax & Supramax asset prices were flat Q1CY2019 Y-O-Y.

BALTIC DRY INDEX

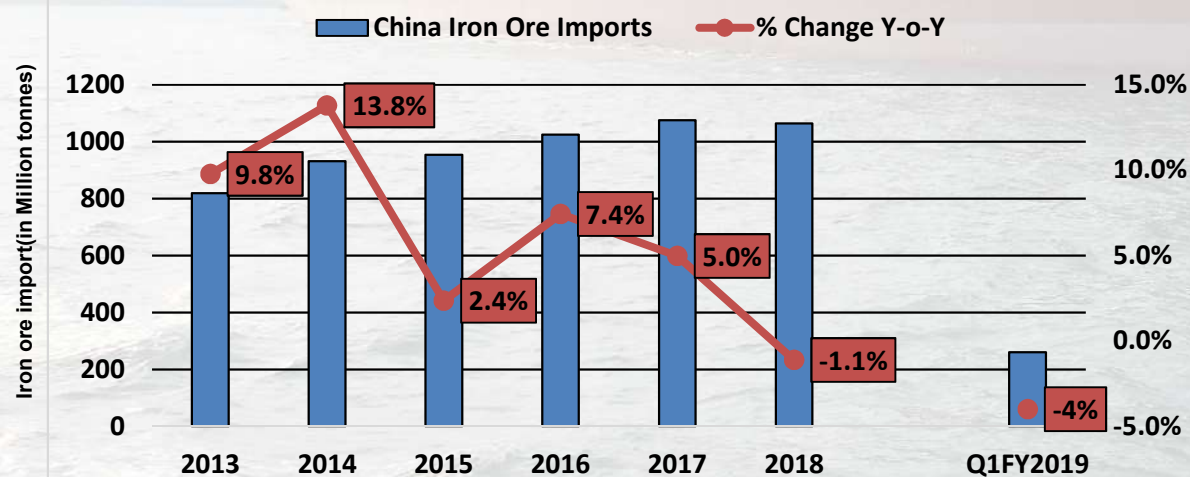


Baltic Dry Index hit 4.5 year high of 1,774 in Jul'18 before falling to 595 in Feb'19. Currently it is trading close to 1,000.

CHINA IRON ORE & STEEL PRODUCTION



**China Steel Production
increased 10% in
Q1CY2019 Y-O-Y**

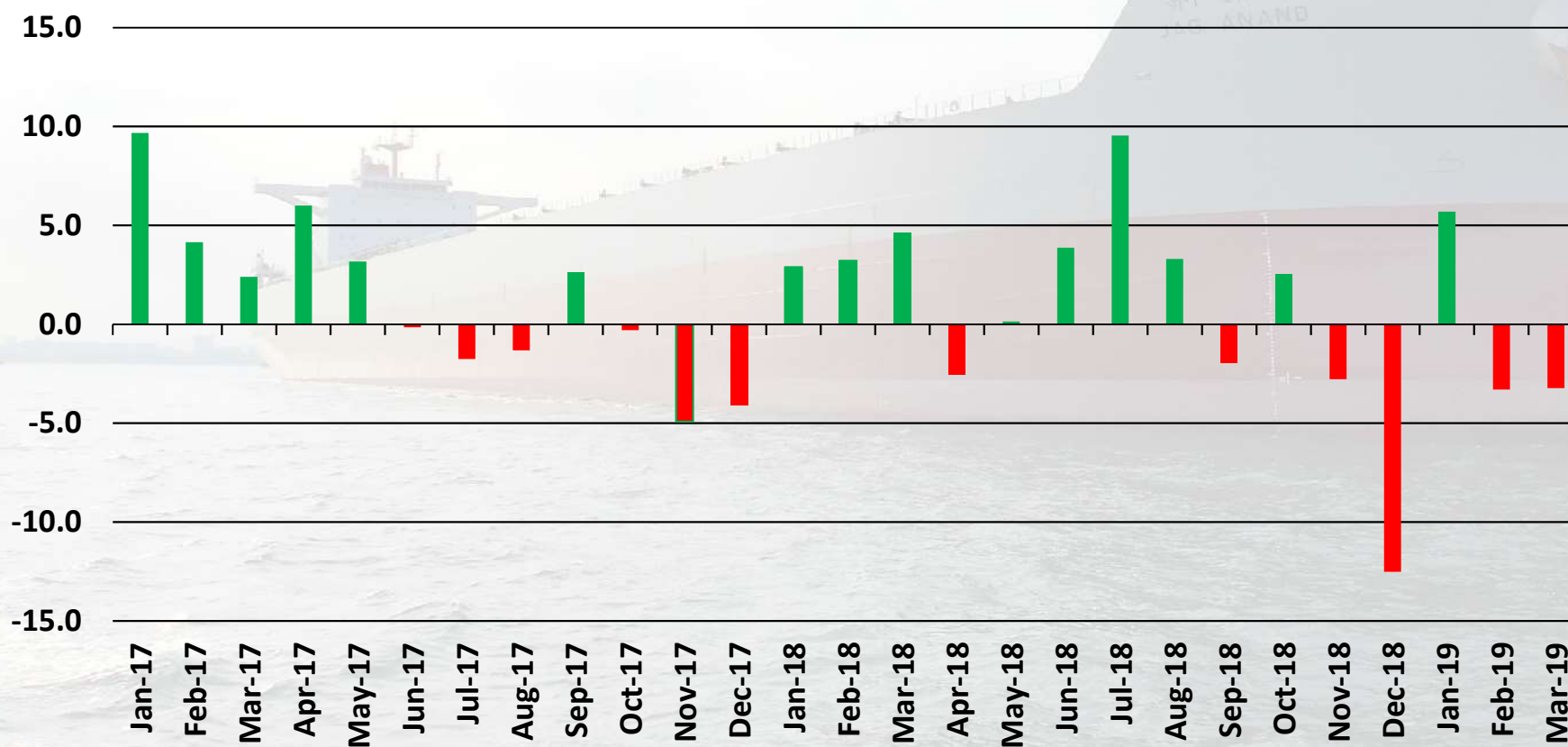


**China's iron ore import
shrunk 4% in Q1CY2019
Y-O-Y**

CHINA COAL IMPORTS

China coal imports change (Y-O-Y)

Mn Tonnes



Source – Industry Reports

WORLD FLEET GROWTH

DRY BULK

Fleet - Mn Dwt	24-Apr-19	1-Jan-19	1-Jan-18	1-Jan-17
Capesize	336	335	324	315
Panamax	210	207	202	196
Handymax	203	201	196	189
Handysize	99	98	96	94
Total	848	841	818	794

Orderbook (mn Dwt)	2019	2020	2021	2022+	Total
Orderbook (%Fleet)	4.1%	5.1%	1.6%	0.1%	10.9%

Slippage (YTD2019)	About 23%
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SCRAPPING

Vessel Category	Fleet (mn Dwt)	Scrapping (% of beginning world fleet)					
	24 Apr 19	Q1CY2019	2018	2017	2016	2015	2014
Crude	400.58	0.11%	4.62%	2.35%	0.35%	0.23%	1.60%
Product	155.18	0.06%	1.64%	1.42%	0.62%	0.61%	1.19%
Dry Bulk	848.00	0.39%	0.54%	1.77%	3.67%	4.03%	2.25%

Moderate to high scrapping for Dry Bulk, and low for Tankers

**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 (FY20)
PSV	96%
ROVSV	82%
AHTSV	90%
MPSSV	45%
Jackup Rigs	94%

As on 31st March 2019

KEY POINTS ON E&P MARKETS

Q1 CY2019

Day Rates

- Charter rates and utilization have started to pickup from the lows in certain geographies

Fleet Growth

- Rigs: Total fleet remains broadly same compared to last quarter however, there is a decline of about 3.2% over one year.
- OSV's: Total fleet remains broadly same compared to last quarter however, there is a decline of about 2% over one year. .

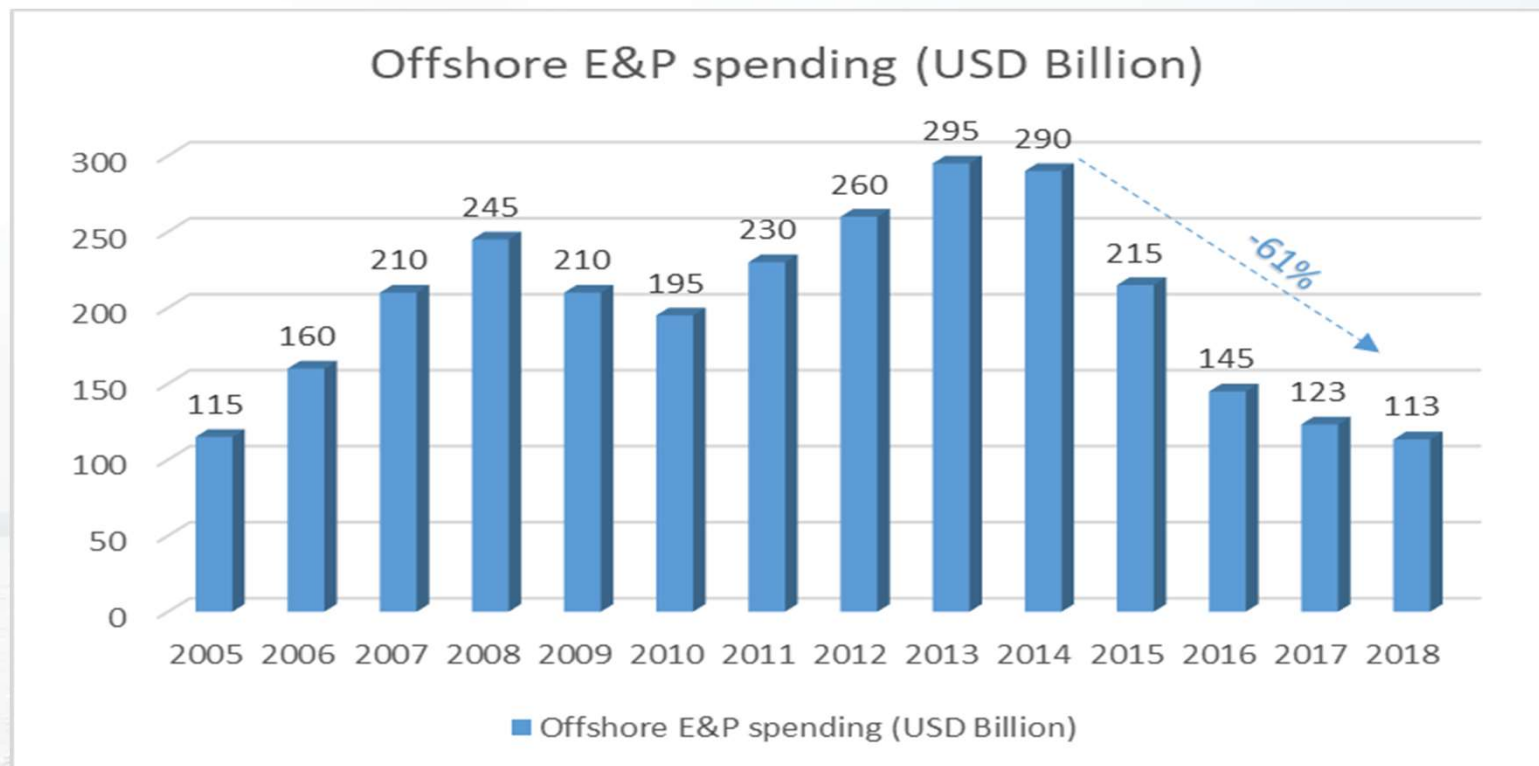
Fleet Utilization

- Rigs: 55-65% (Term)
- Vessels: 40-50% (Term)

Slippage

- OSVs: 80%-90%(CY2018)
- Rigs: 70% - 80%(CY2018)

OFFSHORE E&P SPENDING



According to various industry reports, after the sharp fall over last 3 years, the E&P spending declined marginally in 2018 and is expected to either stabilize or increase marginally in 2019.

GLOBAL FLEET SUPPLY OFFSHORE

Fleet & Orderbook

Number	Jackup Rigs	AHTSVs	PSV
Current Fleet	516	2019	1624
Orderbook	70	80	131
<i>O/B to current fleet</i>	13.6%	4.0%	8.1%

- YTD 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 44% of Jackup Rigs are currently 25 years and above.
- The activity has started to pick up in the OSV space and we have seen improvement in the charter rates. For Jackups, although, the activity has improved, charter rates continue to trudge at lower levels.
- 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 **RESULTS**

FY 2018-19

FINANCIAL HIGHLIGHTS

GE Shipping FY19 consolidated Net Loss at Rs. 21.45 Crores

Proposes a dividend of Rs. 5.40 per share

Standalone		Key Figures	Consolidated	
FY19	FY18	(Amount in Rs. Crs)	FY19	FY18
Income Statement				
2,913.41	2,193.29	Revenue (including other income)	3829.89	3140.57
864.62	986.88	EBITDA (including other income)	1345.38	1509.04
(19.47)	160.19	Net Profit	(21.45)	(210.49)
Balance Sheet				
10,340.73	10,537.67	Total Assets	14,370.22	14,663.85
5,065.72	5,225.42	Equity	6,809.67	6,927.73
4,103.92	4,222.63	Total Debt (Gross)	5,998.94	6,213.34
1,832.37	1,571.67	Long Term Debt (Net of Cash)	2,504.15	2,430.58
Cash Flow**				
676.63	518.98	From operating activities	1,075.40	978.93
(456.53)	(279.85)	From investing activities	(514.46)	(407.24)
(701.89)	(636.86)	From financing activities	(1,022.17)	(1,158.05)
(481.79)	(397.73)	Net cash inflow/(outflow)	(461.23)	(586.36)

** 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

Standalone		Key Figures	Consolidated	
FY19	FY18		FY19	FY18
		Key financial figures		
29.68%	45.00%	EBITDA Margin	35.13%	48.05%
-0.14%	-0.99%	#Return on Equity (ROE)	1.61%	0.01%
3.60%	2.88%	#Return on Capital Employed (ROCE)	4.25%	3.65%
0.81	0.81	Gross Debt/Equity Ratio	0.88	0.90
0.36	0.30	Net Debt/Equity Ratio	0.37	0.35
69.57	64.48	Average Exchange rate USD/INR	69.57	64.48
69.15	65.18	End of Period Exchange rate USD/INR	69.15	65.18
		Share related figures(in Rs.)		
(1.29)	10.62	Earnings per share, EPS	(1.42)	(13.96)
(1.29)	10.60	Diluted earnings per share	(1.42)	(13.96)
33.37	29.19	Cash Profit per share	58.65	37.09
5.40	7.20	Dividend per share	5.40	7.20

Excluding Deferred Tax Liabilities, Impairments, Unrealized Gains/Losses on Derivatives and Exchange rate

FINANCIAL HIGHLIGHTS

Breakup of Revenue Days

Revenue Days	Q4 FY19	Q4 FY18
Owned Tonnage	4,278	4,215
Inchartered Tonnage	105	69
Total Revenue Days	4,383	4,284
Total Owned Tonnage (mn.dwt)	3.90	3.88

Average TCY Details

Average (TCY \$ per day)	Q4'FY19	Q4'FY18	% Change
Crude Carriers	21,559	12,846	68%
Product Carriers (Incl. Gas)	16,371	14,598	12%
Dry Bulk	10,389	11,852	-12%

Mix of Spot & Time

Days (in %)	Q4'FY19	Q4'FY18
<u>Dry Bulk</u>		
Spot %	92%	76%
Time %	08%	24%
<u>Tankers</u>		
Spot %	84%	79%
Time %	16%	21%
<u>Total</u>		
Spot %	87%	78%
Time %	13%	22%

THANK YOU

THANK YOU

visit us at www.greatship.com