

The Great Eastern Shipping Co. Ltd.

Business & Financial Review

November 2017



Forward Looking Statements

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

The Great Eastern Shipping Company

Shipping (Bulk)

Offshore

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

Tankers

- Crude
- Products/LPG

Dry Bulk

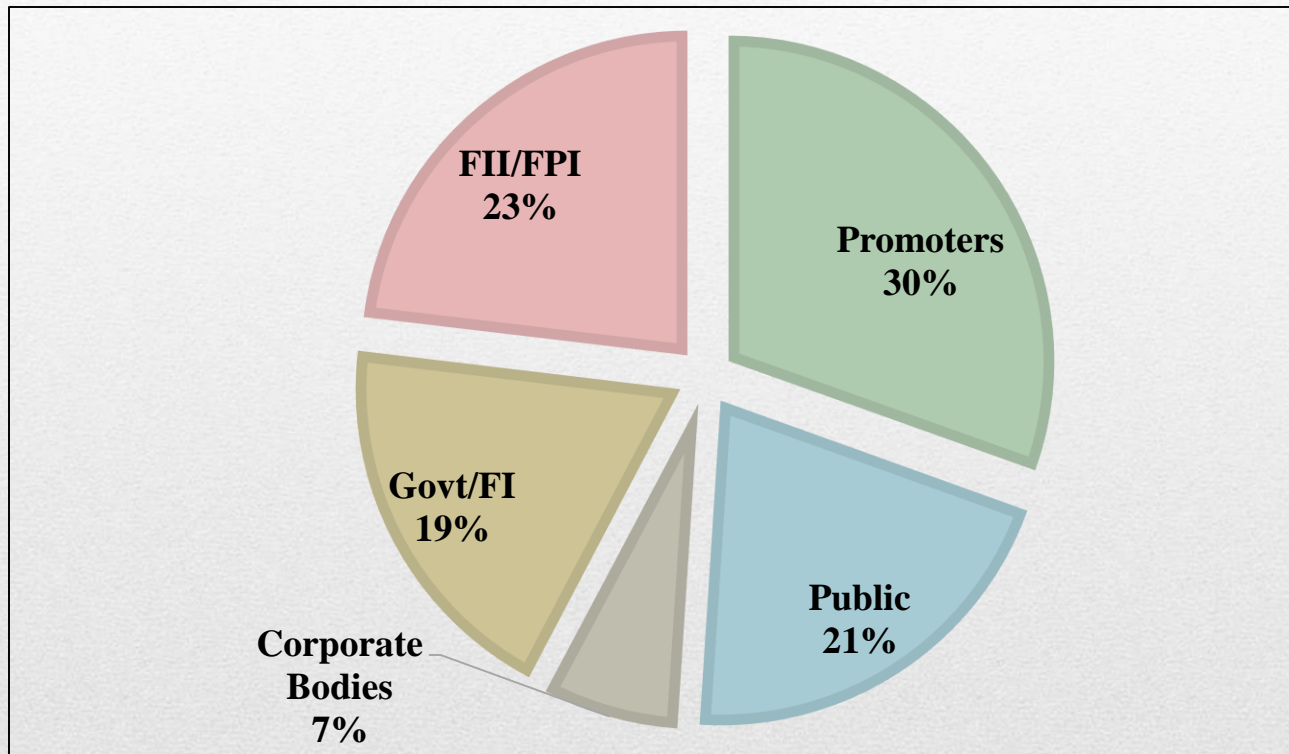
Logistics

Drilling

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

Shareholding Pattern

Shareholding Pattern as on September 30, 2017





Fleet Profile

Shipping			
Fleet	DWT	Number of ships	Average Age
Crude Carriers	1,608,683	12	12.14
Product Carriers	987,207	17	10.05
Gas Carriers	126,099	3	22.23
Dry Bulk Carriers	1,211,485	16	6.04
Total	3,933,474	48	10.06

Offshore		
Fleet	Number of Units	Average Age
Jack-Up Rigs	4	6.00
Platform Supply Vessels	4	8.15
Anchor handling Tug Cum Supply Vessels	8	8.00
Multipurpose Platform Supply & Support Vessels	2	7.50
ROV Support Vessels	5	6.17
Total	23	

Vessels on Order: NIL



Business Philosophy

4 Keys to our Success



Dynamically
managing
cycles



Diversified
Fleet

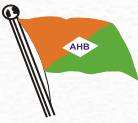


In-House
technical &
commercial
management

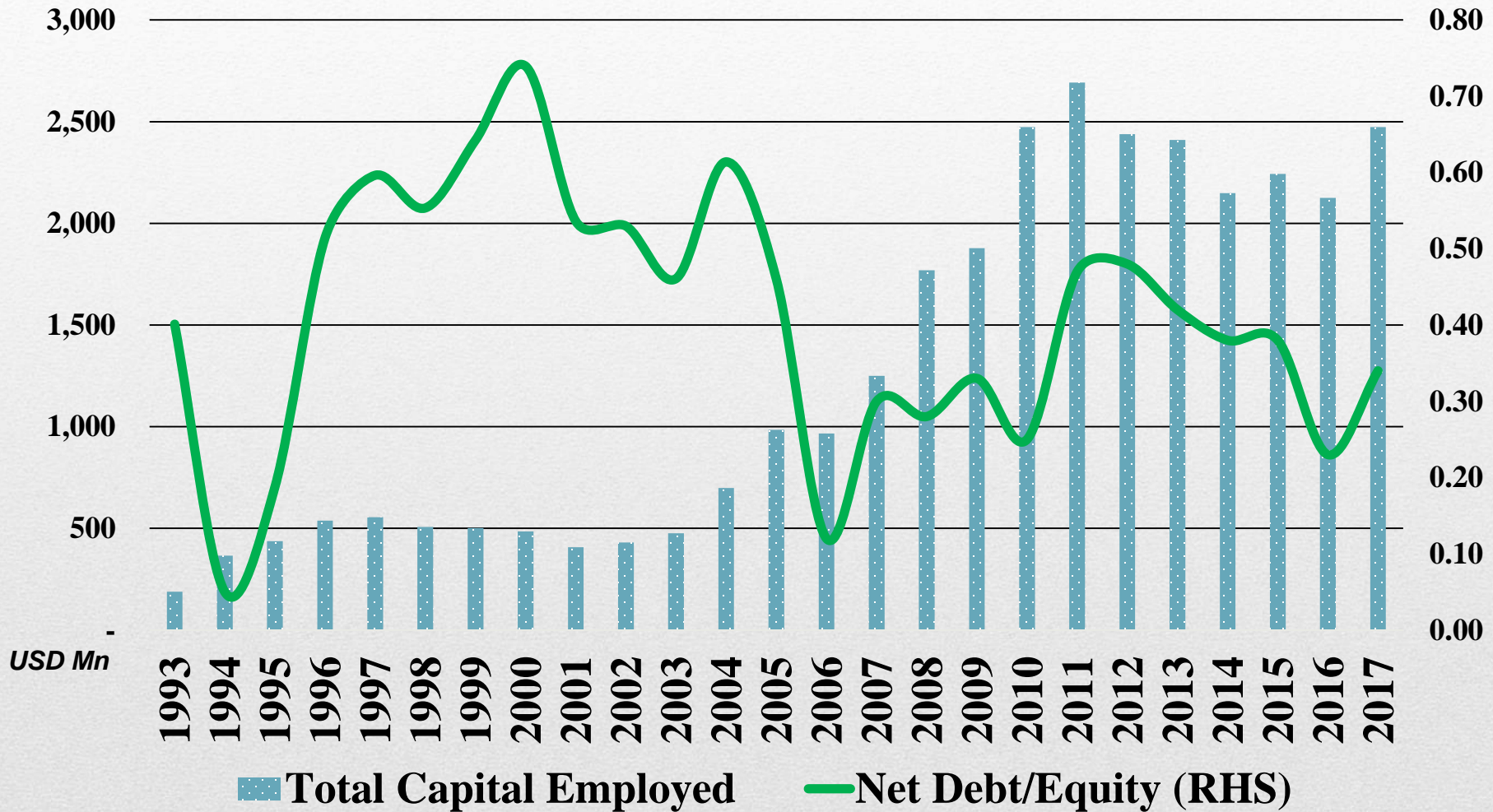


Strong
balance
sheet



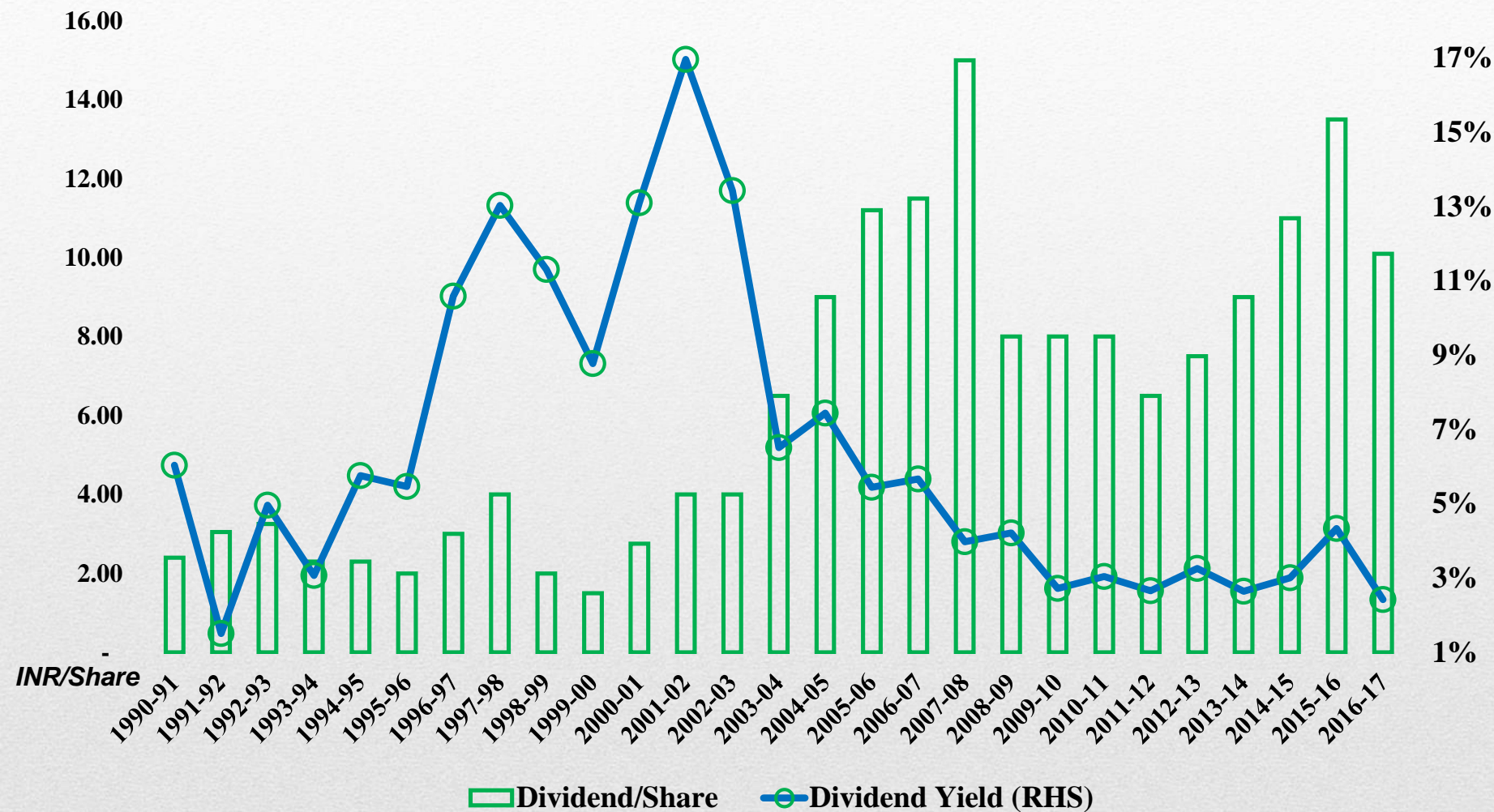


Net debt/Equity & Total Capital Employed (Consolidated)



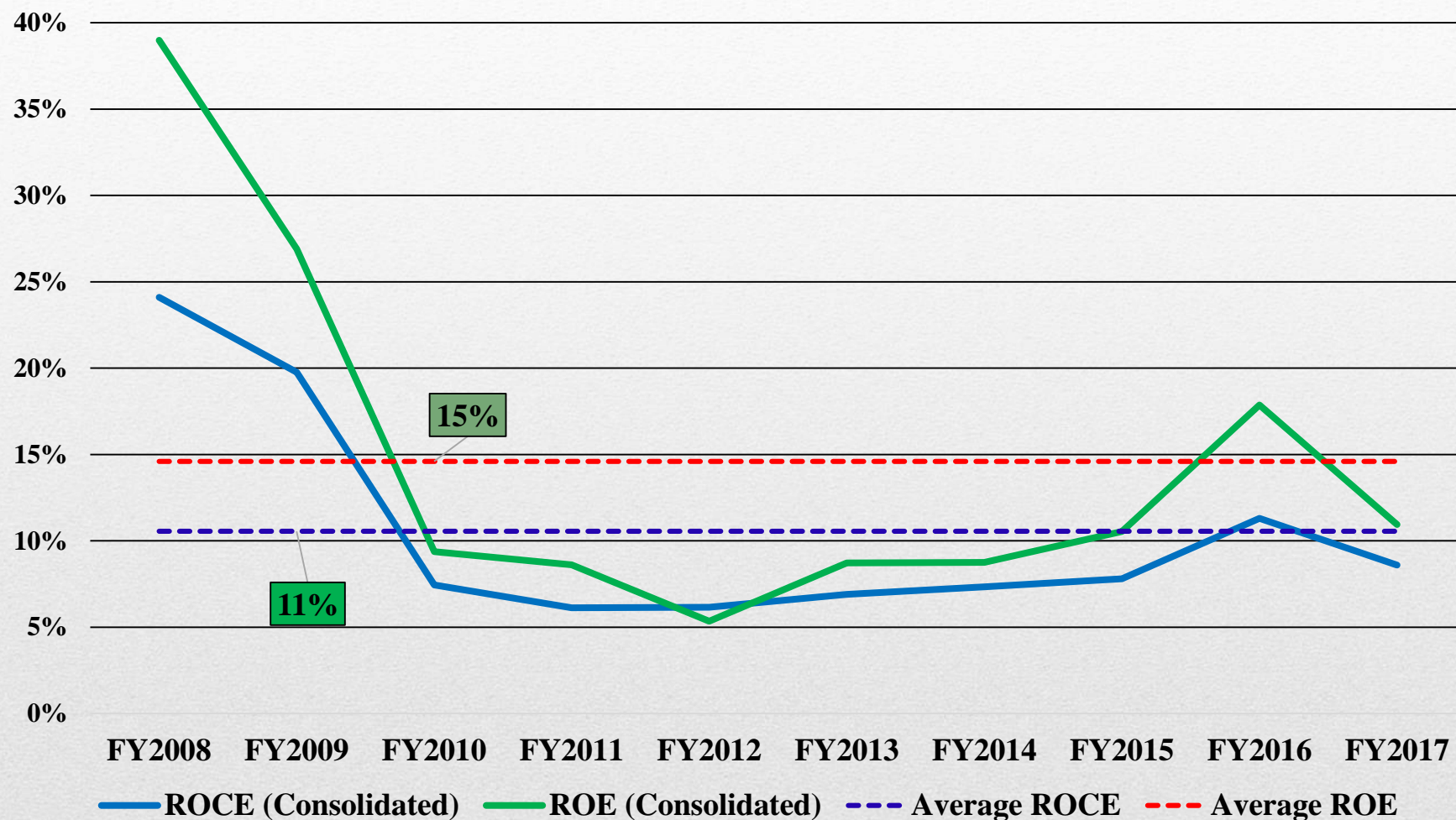


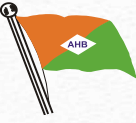
Dividend/Share (30+ years continuous dividend)





ROE & ROCE (Consolidated)





Shipping Markets



Key points on Tanker Markets – 9M CY17

Asset Prices:

- VLCC 5 yr old asset prices remained flat Y-O-Y
- Suezmax & Aframax 5 yr old asset prices fell by 10% Y-O-Y

Freight rates:

- BCTI fell by 37% YTD2017 & BDTI is at the same level after a spike in April 2017.

Crude Market:

- Crude oil supply increased due to Libya and Iraq crude output rise. However, excluding Libya, Iraq & Nigeria, OPEC compliance was at 100% in Q3CY17. Global refinery throughput was up by approx. 0.9 mn b/d in Q3CY17 Y-O-Y.

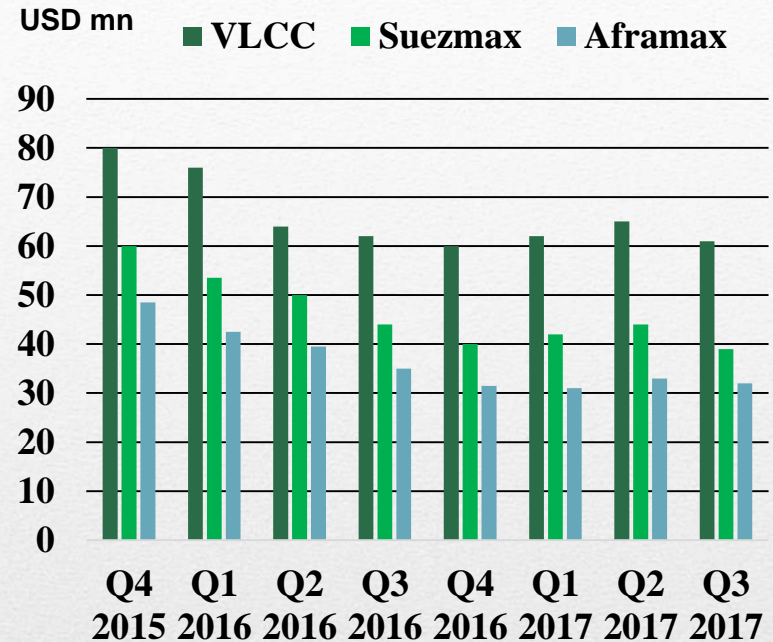
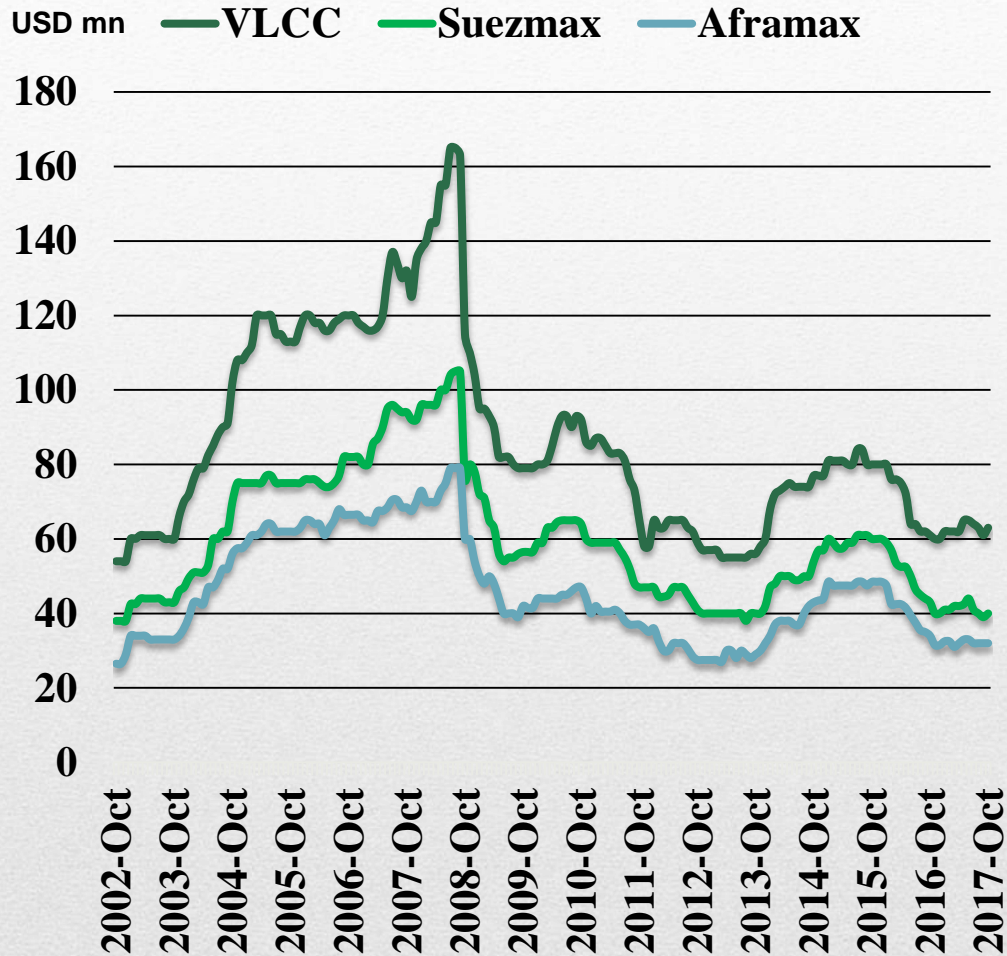
Product Market:

- Product Market demand has been robust with increase by 1.3 mn b/d in Q3CY17 Y-O-Y. The demand is largely driven by Europe and Asia.

Fleet Growth:

- Crude tankers net fleet growth in 9M CY17 is 5% and product tankers net fleet growth is 4%

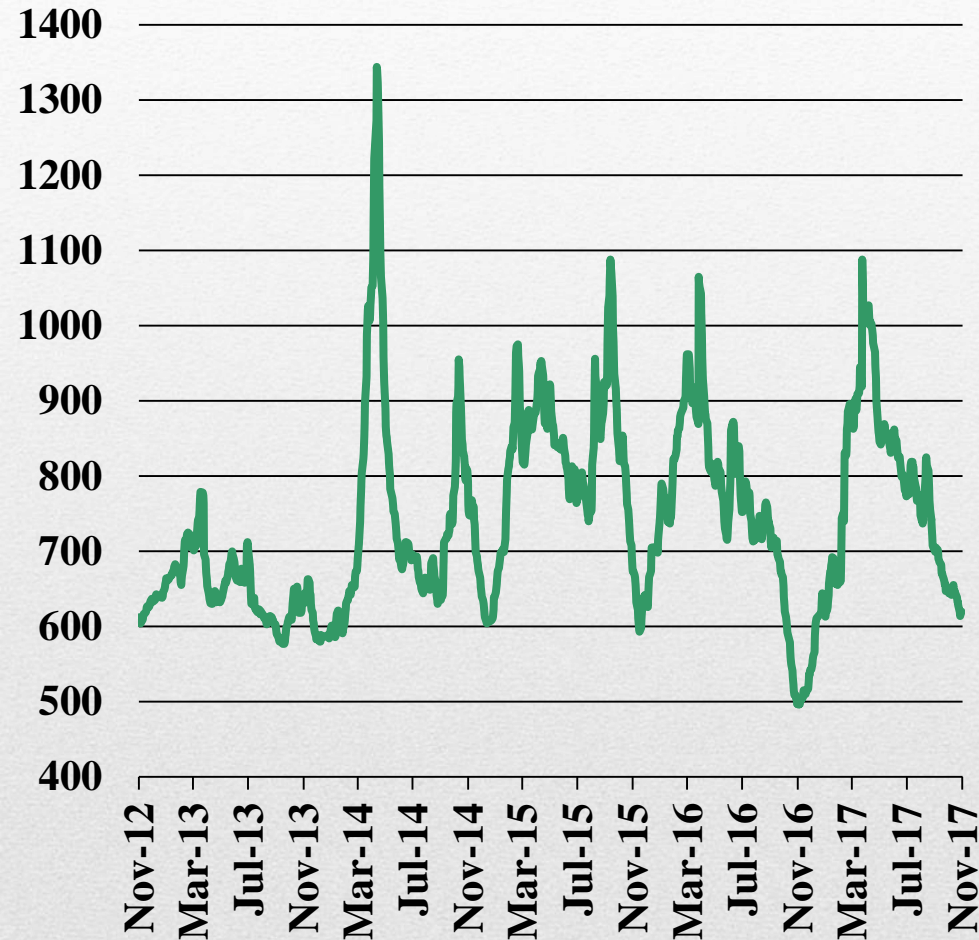
Tankers – Asset Price Movement (5-year old)



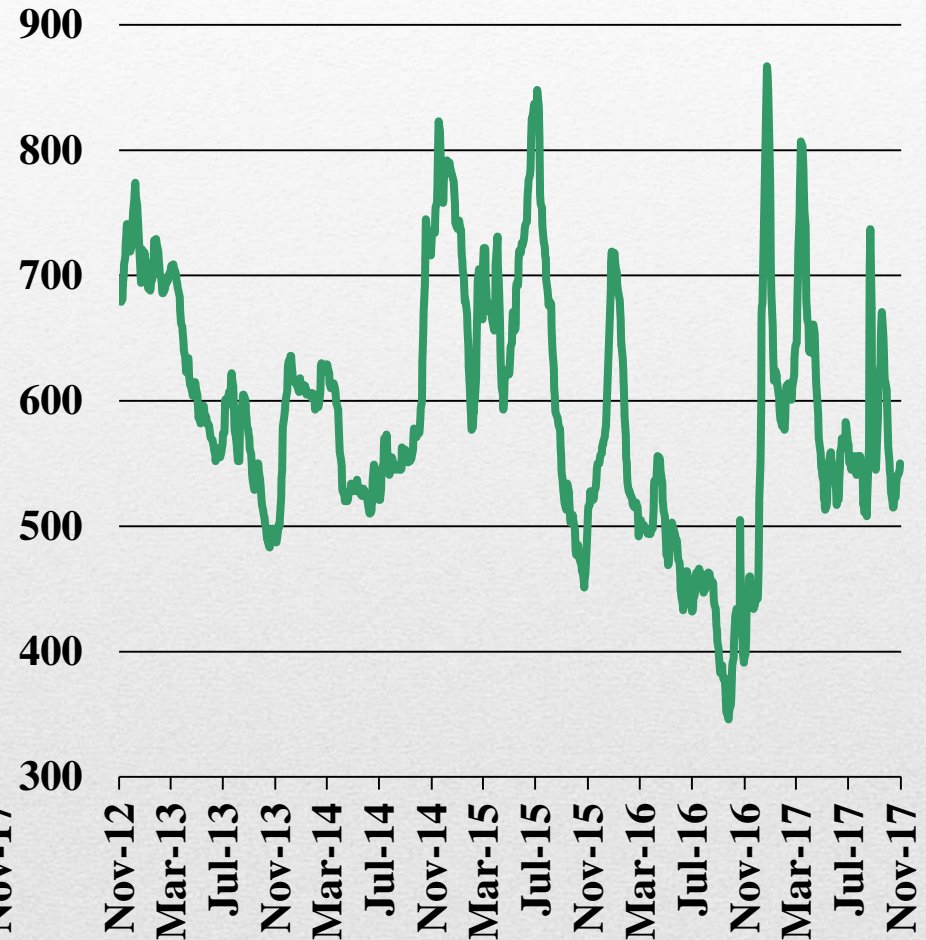
Source – Industry Reports

Downward Movements of BDTI & BCTI

Baltic Dirty Tanker Index

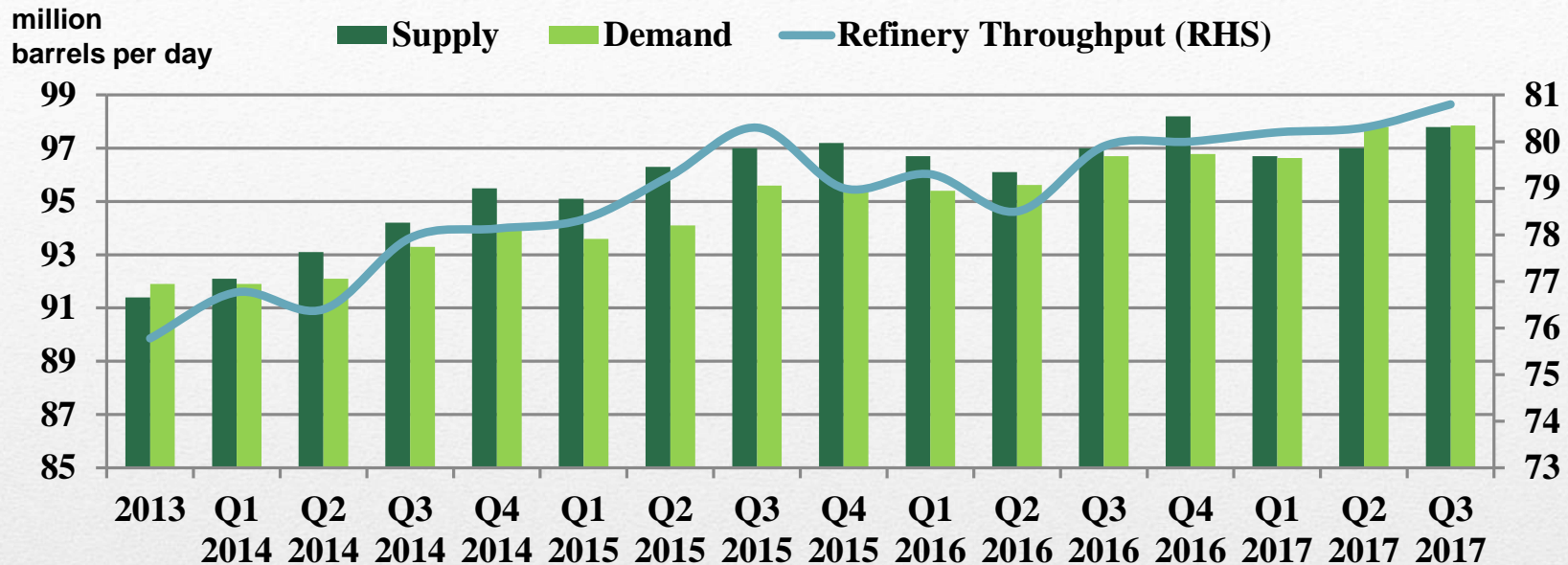


Baltic Clean Tanker Index



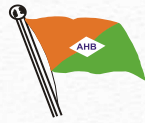
Source – Industry Reports

Refinery Throughput crosses \$81 Million Barrels per day in August 2017

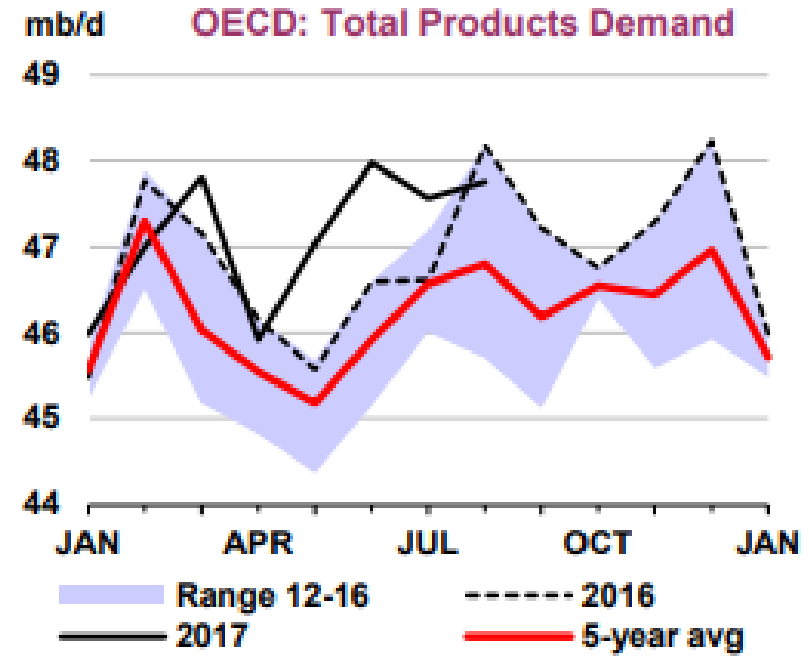
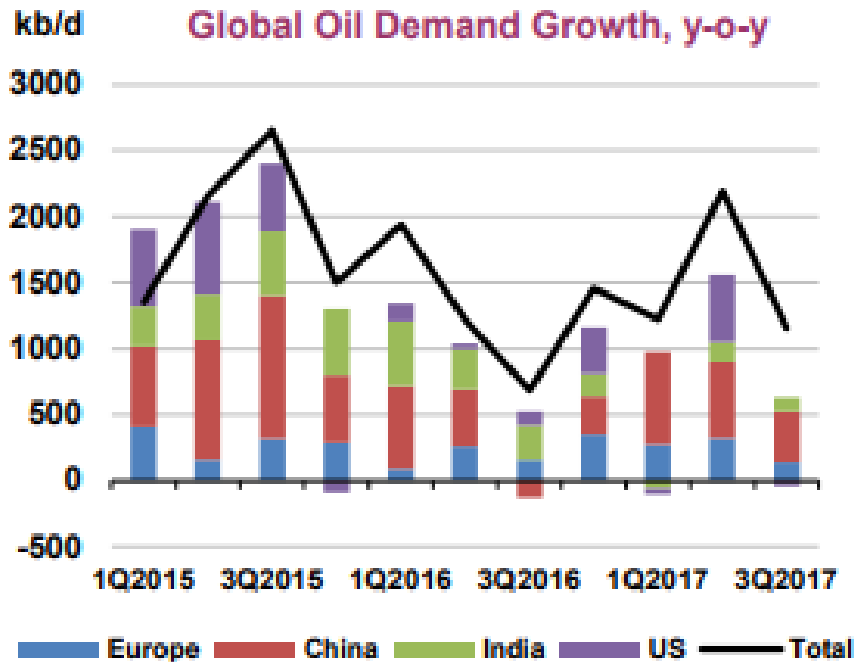


- In Q3CY17, Crude tankers rates have marginally improved due to higher demand for crude exports to European refineries and longer hauls of US Crude to Asia.
- In Q3CY17, Product tanker rates remains at subdued levels due to oversupply continue to exert pressure on the segment.

Source – Industry Reports

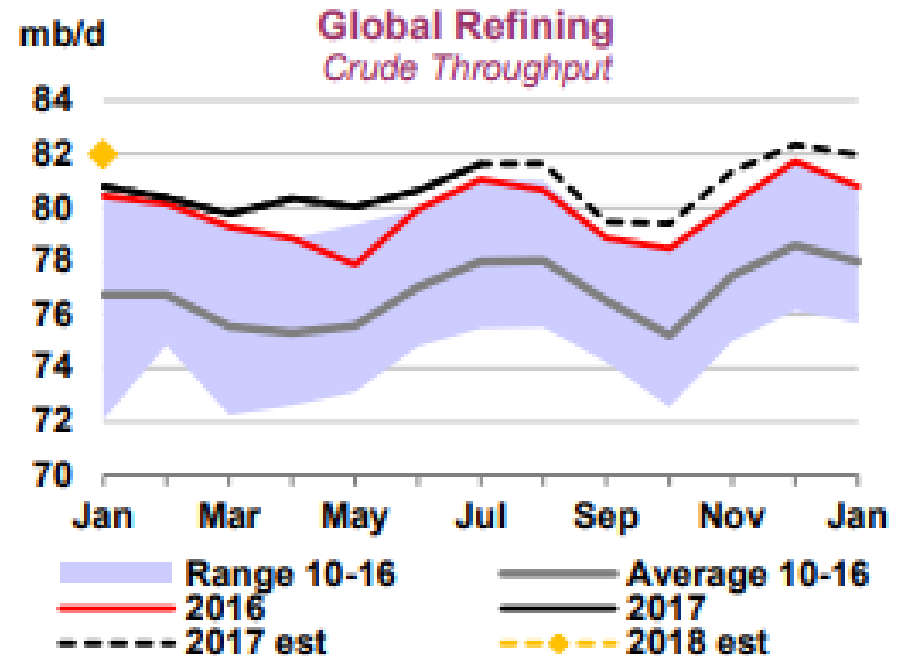
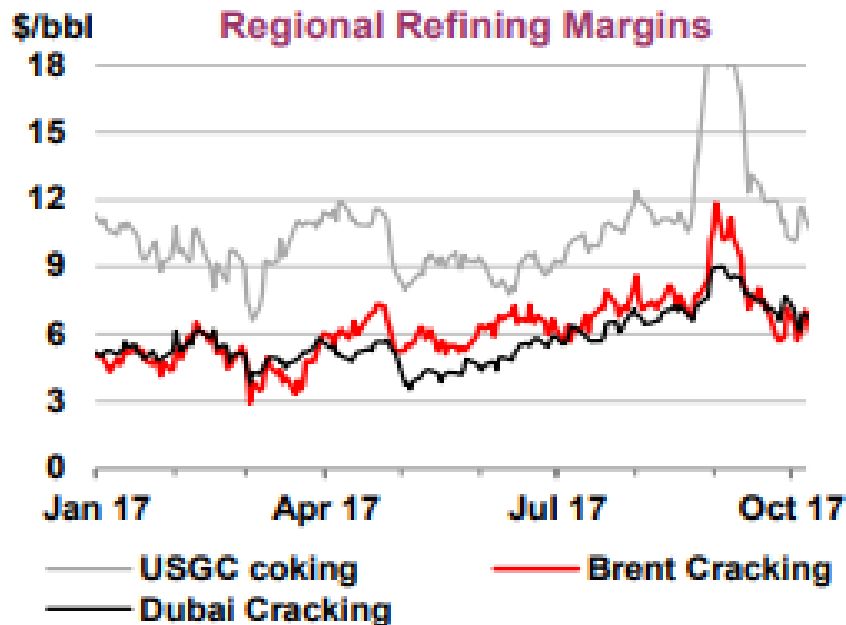


Crude & Products Demand has been healthy in Q3CY2017 (Y-O-Y)



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

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

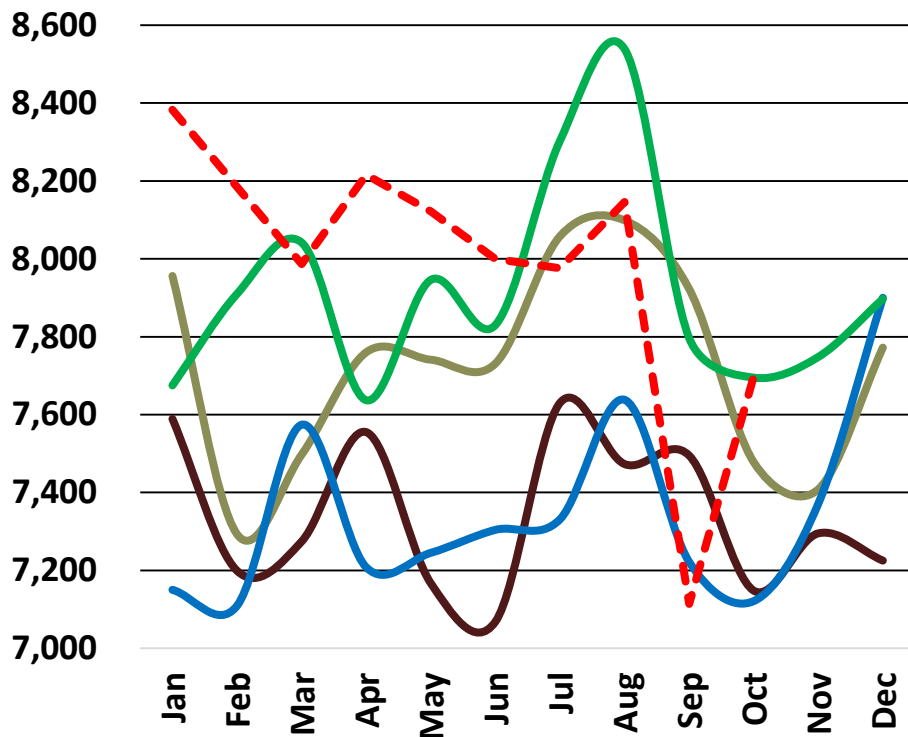


- Refining margins were high due to demand being strong in Asian and European refineries.
- Q3CY2017 global refinery throughput is up by 0.9 mn b/d Y-O-Y at 80.80 mb/d.

In 9M CY2017, China imports 12% higher crude oil than 9M CY2016

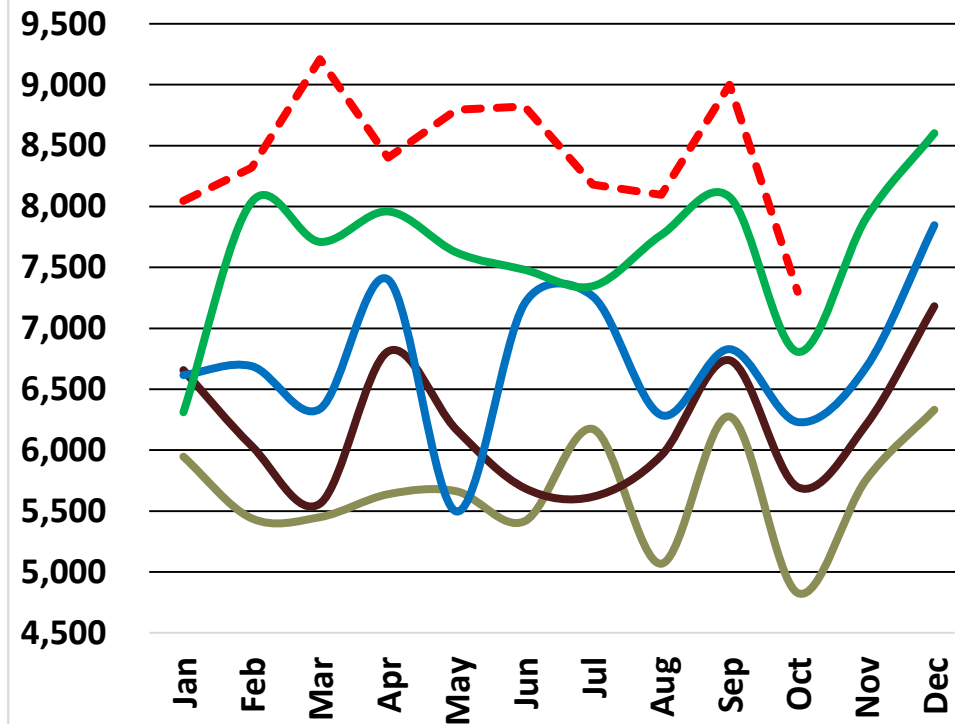
US Crude Oil Imports ('000 bpd)

— 2013 — 2014 — 2015 — 2016 - - - 2017



China Crude Oil Imports ('000 bpd)

— 2013 — 2014 — 2015 — 2016 - - - 2017



Source – Industry Reports



World Fleet Growth – Crude Tankers

Tanker Fleet - mn Dwt	31-Oct-17	1-Jan-16	1-Jan-15	1-Jan-14
VLCC	224.74	200.00	193.75	186.13
Suezmax	78.26	71.09	69.68	68.43
Aframax	68.13	64.37	64.15	63.71
Total (80k+)*	376.87	335.46	327.58	318.27

Order Book - mn dwt	2017	2018	2019+	Total
<i>Orderbook as % of current fleet</i>	<i>2%</i>	<i>7%</i>	<i>4%</i>	<i>13%</i>

Slippage – 15% YTD2017



World Fleet Growth – Product Tankers and VLGC

Product Fleet - mn Dwt	31-Oct-17	1-Jan-16	1-Jan-15	1-Jan-14
LR2	37.23	30.44	27.42	26.93
LR1	26.21	23.75	23.72	23.61
MR/Handy (35k+)	82.29	82.95	78.40	75.74
Total (35k+)*	147.95	137.14	129.54	126.28

Order Book - mn dwt	2017	2018	2019+	Total
<i>Orderbook as % of current fleet</i>	<i>2%</i>	<i>4%</i>	<i>4%</i>	<i>9%</i>

Slippage (Product) – 35% YTD2017

Fleet - No. of Vessels	31-Oct-17	1-Jan-17	1-Jan-16
VLGC	265	243	199

Order Book - No. of Vessels	2017	2018	2019+	Total
<i>Orderbook as % of current fleet</i>	<i>2%</i>	<i>4%</i>	<i>6%</i>	<i>12%</i>



Key points on Dry Bulk Markets – 9M CY17

Asset Prices:

- Capesize 5 year old asset prices rose by 35% in 9M CY2017
- Panamax & Supramax 5 year old asset prices rose by about 30% in 9M CY2017

Freight rates:

- BDI hits a 3.5 years high of 1,558 in Oct-17.

Coal Market:

- China total coal imports for 9M CY2017 have risen by 14% Y-O-Y

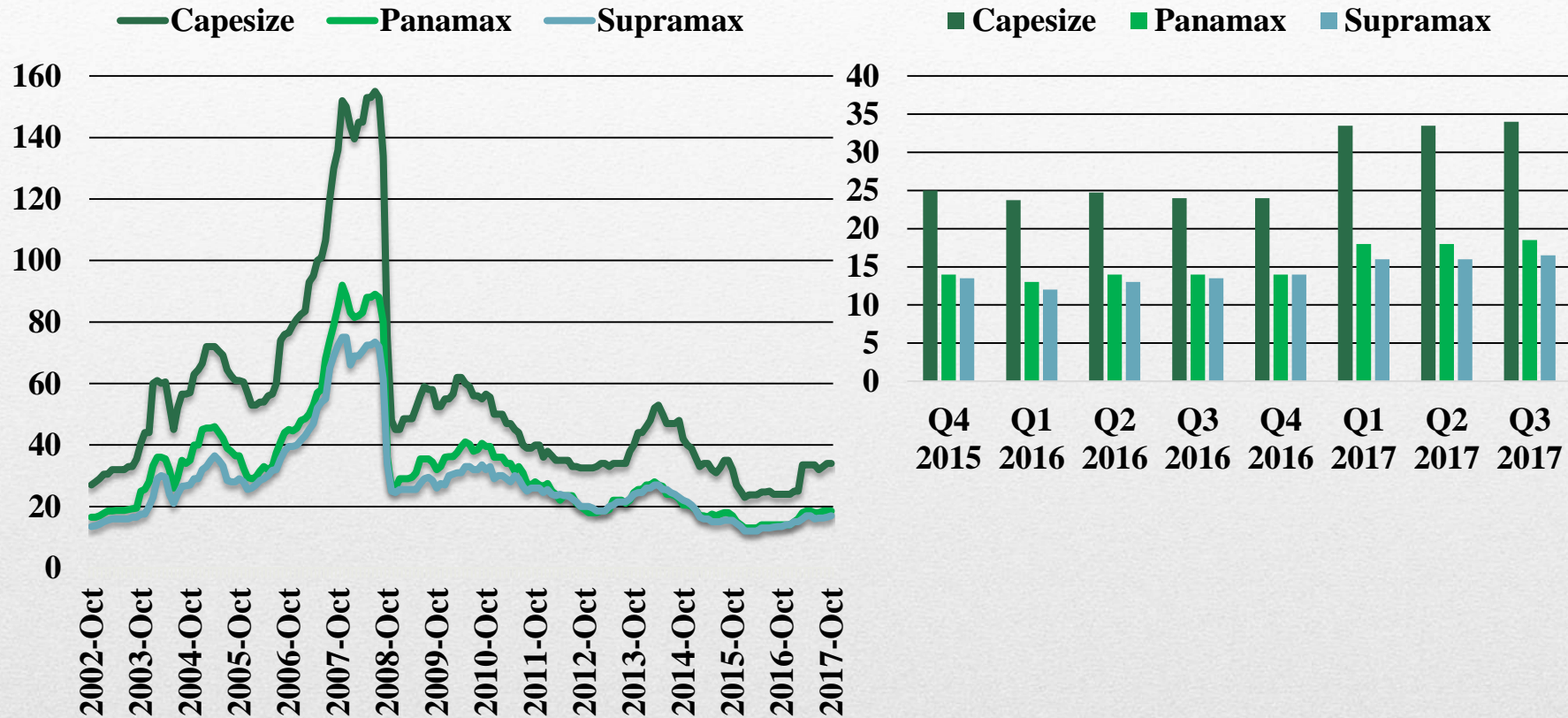
Iron Ore Market:

- China's Iron Ore imports grew by 7% Y-O-Y. China Iron Ore imports from Australia have increased 7-8% Y-O-Y & Brazil have increased 6-7% Y-O-Y. (*All comparisons are for 9M CY2017 and 9M CY2016*)

Fleet Growth:

- Dry Bulk net fleet growth in 9M CY2017 is approx 2.80%.

Bulkers – Asset Prices (5-year old)

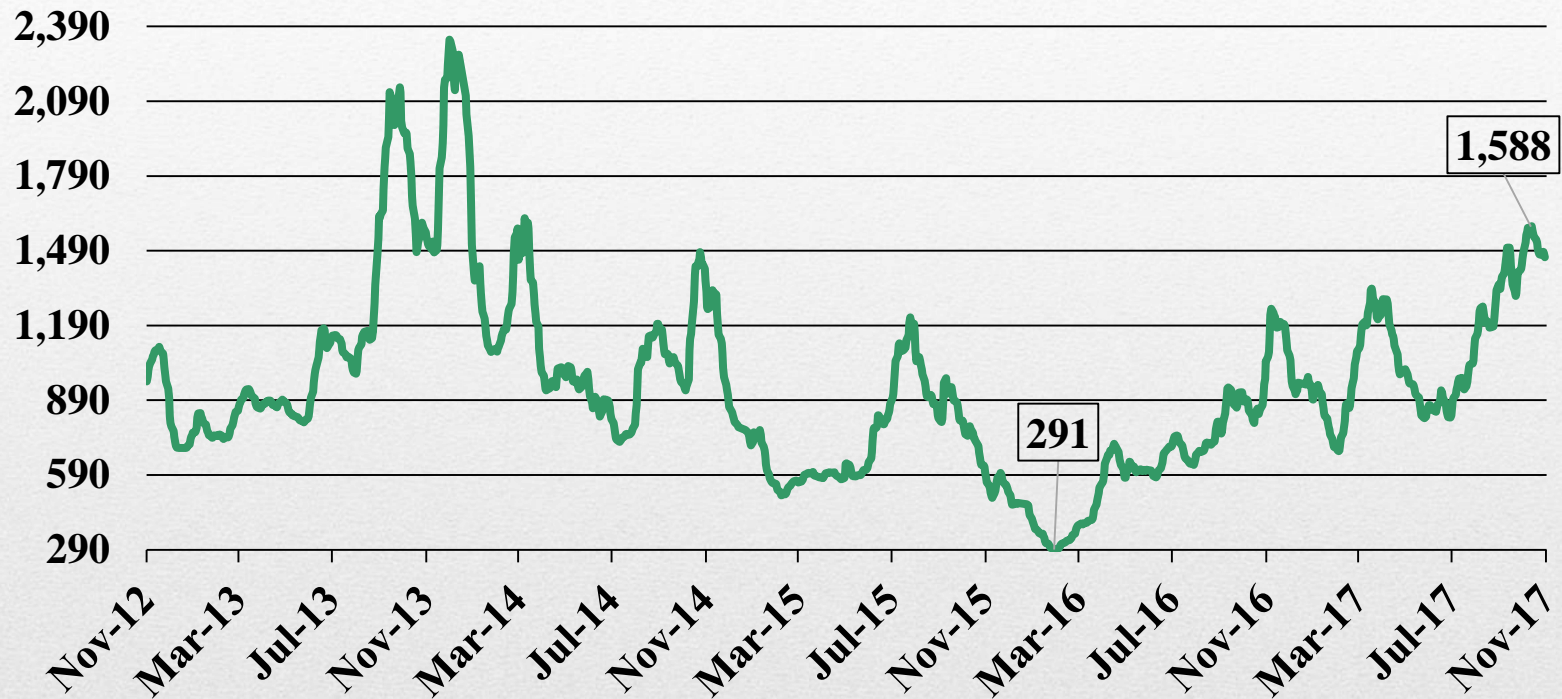


Dry Bulk asset prices rose by approx. 35% in CY2017 compared to CY2016.



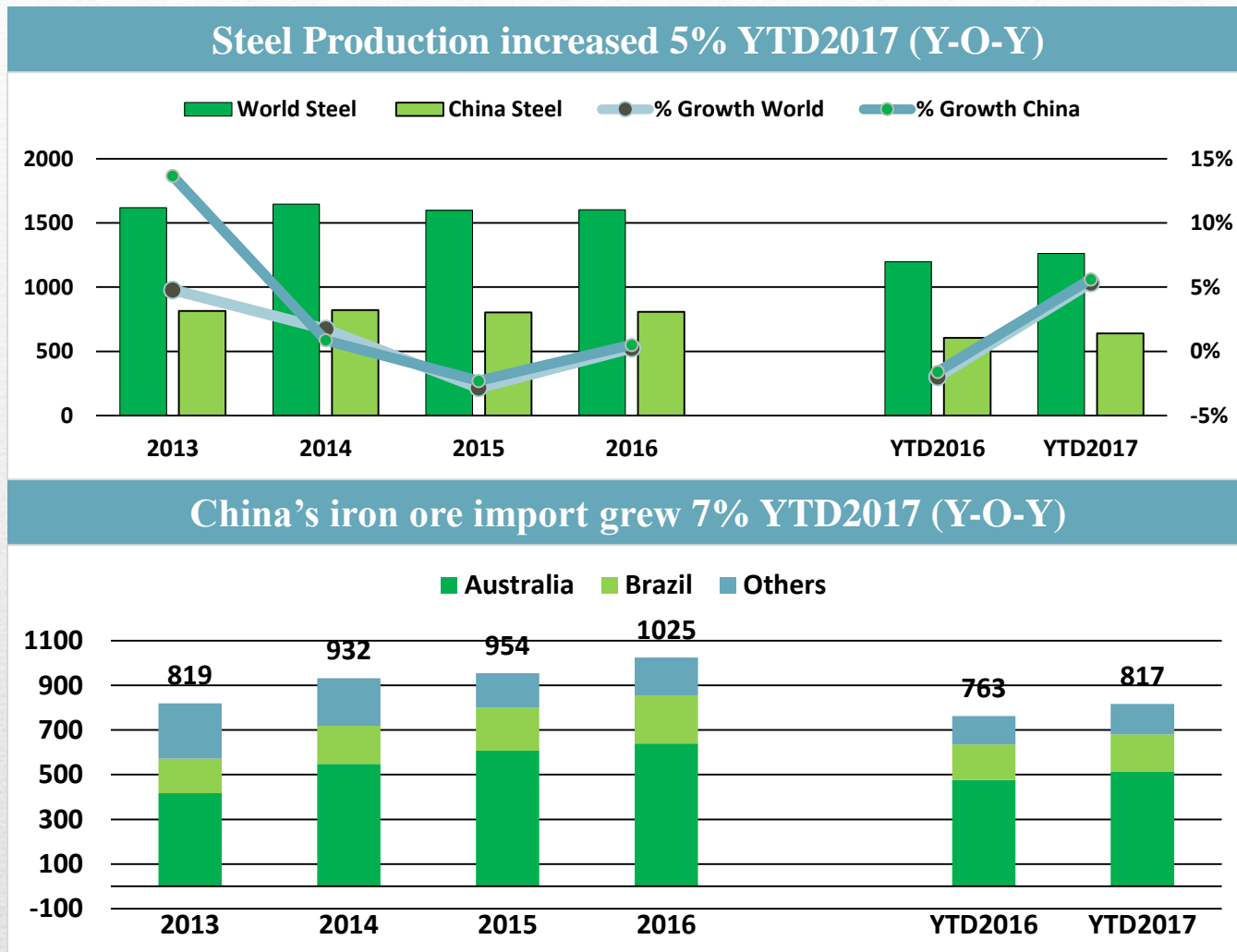
Baltic Dry Index (November 2012 – November 2017)

Dry Bulk freight index hit 3.5 years high post Q3 CY2017



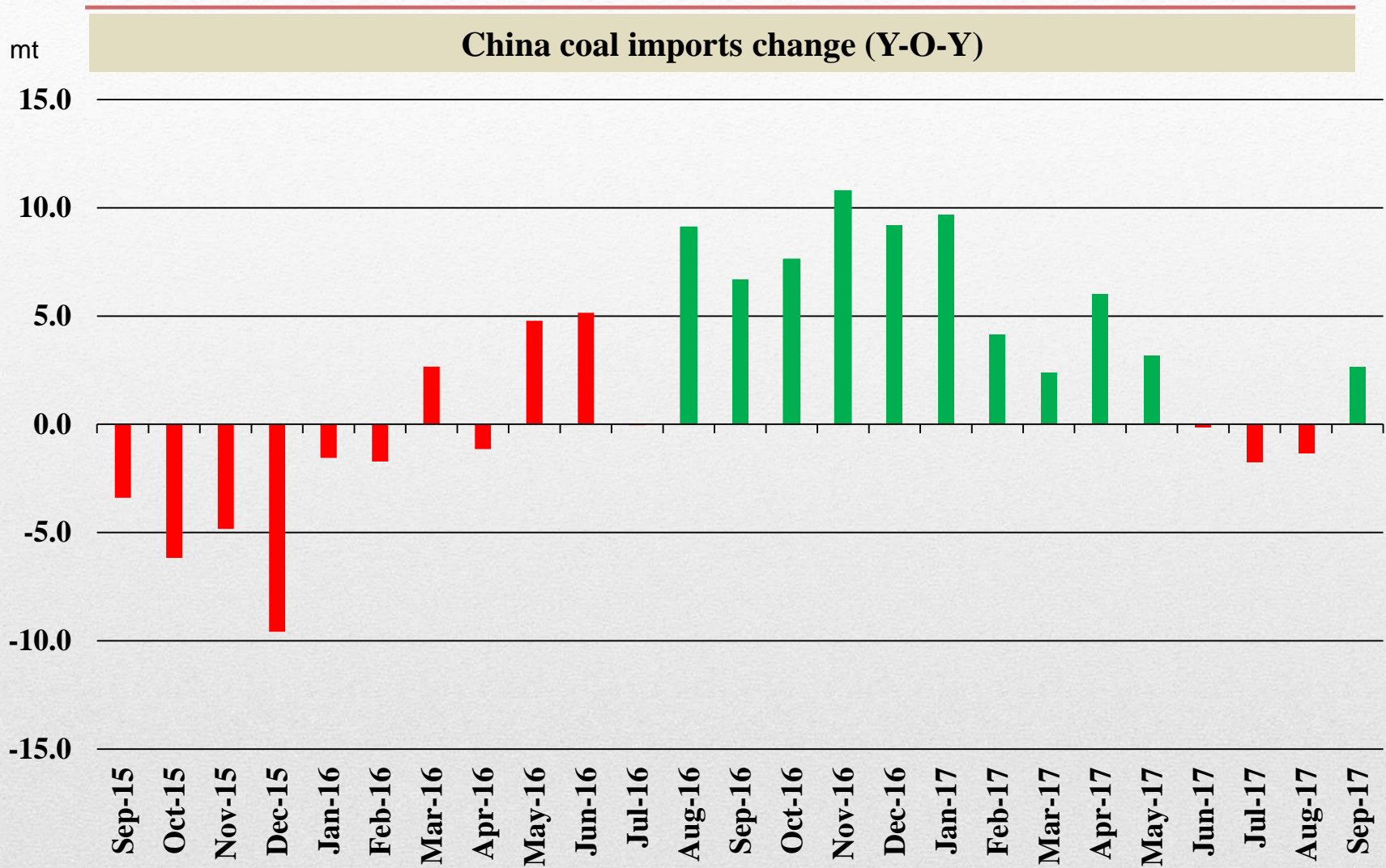
Baltic Dry Index hits 3.5 years high of 1,588 in Oct'17 from a low of 291 in Feb'17

Steel Production & China's Iron ore imports have grown significantly



Source – Industry Reports

Coal imports by China up by 14% YTD2017 (Y-O-Y)



Source – Industry Reports

World Fleet Growth – Dry Bulk

Fleet - Mn Dwt	31-Oct-17	1-Jan-17	1-Jan-16
Capesize	324	315	309
Panamax	201	196	195
Handymax	195	189	180
Handysize	96	94	93
Total	816	794	776

Orderbook - mn dwt	2017	2018	2019	2020+	Total
Gross Orderbook %Fleet	1%	3%	3%	1%	8%

Slippage – 34% (YTD 2017)



Scrapping picks up for tankers, and slows down for drybulk

Scrapping as % of world fleet (year-wise)

Vessel Category	Fleet as on		Scrapping		
	31 Oct 17	YTD 2017	2016	2015	2014
	(in mn dwt)		(% of beginning fleet)		
Crude	377	1.82%	0.35%	0.23%	1.60%
Product	148	0.88%	0.62%	0.61%	1.19%
Dry Bulk	816	1.62%	3.67%	4.03%	2.25%



Greatship (India) Limited

(a 100% subsidiary)

Business Review

November 2017



Offshore business- Fleet Profile

The Greatship Group

➤ Current Owned Fleet

- 4 Jack Up Rigs (350ft)
- 4 Platform Supply Vessels (PSV)
- 8 Anchor Handling Tug cum Supply Vessels (AHTSV)
- 2 Multipurpose Platform Supply and Support Vessels (MPSSV)
- 5 Platform / ROV Support Vessels (ROVSV)

Fleet Utilization

Category	Extent of coverage of fleet's operating days (per cent) (H2 FY18)
PSV	64
ROVSV	53
AHTSV	100
MPSSV	52
Jackup Rigs	79



Key points on E&P markets – Q3CY17

Day rates:

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

Fleet Growth:

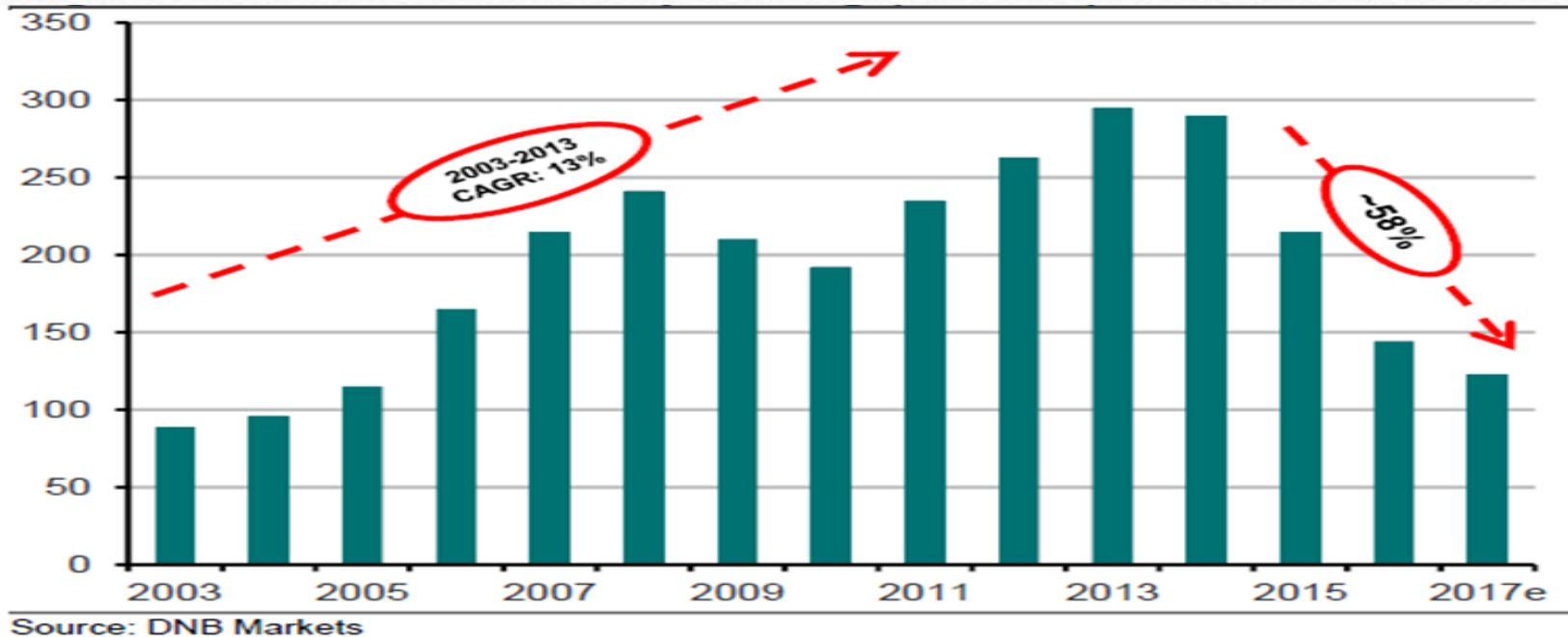
- Rigs: Remains flat in Q3CY17
- OSV's: Remains flat in Q3CY17

Fleet Utilization Levels: Around 50-60%

Slippage:

- OSV – 60% - 70% YTD2017
- Rigs – 60% - 70% YTD2017

Offshore E&P spending



- E&P spending in 2017 is expected to decline however, the same is expected to show a flattish trend in 2018

Number of 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

(Nos)	Jackup Rigs	AHTSVs	PSV
Current Fleet	544	2100	1640
Orderbook	98	128	161
<i>% of O/B to current fleet</i>	<i>18%</i>	<i>6%</i>	<i>10%</i>

- Q3CY2017 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 2016 were pushed forward to 2017 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

Q2 FY 2017-18



Q2 FY 2017-18 Financial Highlights

Standalone			Key Figures	Consolidated		
Q2'FY18	Q2'FY17	H1'FY18	(Amount in Rs. crs)	Q2'FY18	Q2'FY17	H1'FY18
			Income Statement			
557.96	578.93	1145.11	Revenue (including other income)	815.22	956.67	1672.65
248.34	326.63	522.35	EBITDA (including other income)	405.09	580.95	833.85
46.26	170.53	118.61	Net Profit	6.86	286.17	110.42
			Balance Sheet			
10627.93	9651.48	10627.93	Total Assets	15178.88	15861.53	15178.88
5169.91	4887.41	5169.91	Equity	7218.55	7103.66	7218.55
4513.77	3486.61	4513.77	Total Debt (Gross)	6735.61	6169.07	6735.61
1733.07	393.63	1733.07	Long Term Debt (Net of Cash)	2711.77	1881.38	2711.77
			Cash Flow*			
69.01	189.02	211.87	From operating activities	207.31	455.10	435.82
(188.89)	(412.39)	(322.86)	From investing activities	(195.74)	(416.79)	(360.11)
(126.17)	43.25	(173.77)	From financing activities	(264.77)	(90.30)	(440.32)
(246.05)	(180.12)	(284.76)	Net cash inflow/(outflow)	(253.19)	(51.99)	(364.61)
*Non-GAAP measures						

Q2 FY 2017-18 Financial Highlights

Standalone			Key Figures	Consolidated		
Q2'FY18	Q2'FY17	H1'FY18	(Amount in Rs. crs)	Q2'FY18	Q2'FY17	H1'FY18
			Key financial figures			
44.51%	56.42%	45.62%	EBITDA Margin (%)	49.69%	60.73%	49.85%
3.58%	14.21%	4.59%	Return on Equity (ROE) (%)	0.38%	14.23%	3.06%
5.48%	11.08%	5.89%	Return on Capital Employed (ROCE) (%)	4.32%	10.71%	5.11%
0.87	0.71	0.87	Gross Debt/Equity Ratio (x)	0.93	0.87	0.93
0.34	0.08	0.34	Net Debt/Equity Ratio (x)	0.38	0.26	0.38
64.22	67.11	64.36	Exchange rate USD/INR, average (Rs)	64.22	67.11	64.36
65.35	66.62	65.35	Exchange rate USD/INR, end of period (Rs)	65.35	66.62	65.35
			Share related figures			
3.07	11.31	7.87	Earnings per share, EPS (Rs)	0.45	18.98	7.32
3.06	11.29	7.85	Diluted earnings per share (Rs)	0.45	18.94	7.31
11.06	17.47	23.55	Cash Profit per share (Rs)	13.07	30.24	32.19
-	-	-	Dividend per share (Rs)	-	-	-

Q2 FY 2017-18 Performance Highlights

Breakup of revenue days

Revenue Days	Q2'FY18	Q2'FY17
Owned Tonnage	4,089	3,131
Inchartered Tonnage	-	101
Total Revenue Days	4,089	3,232
Total Owned Tonnage (mn.dwt)*	3.93	2.88

* As on 30th September 2017

Average TCY Details

Average (TCY \$ per day)	Q2'FY18	Q2'FY17	% Chg
Crude Carriers	15,975	23,591	(32)%
Product Carriers (Incl. Gas)	13,833	19,975	(31)%
Dry Bulk	8,940	6,324	41%

Mix of Spot & Time

Days (in %)	Q2'FY18	Q2'FY17
<u>Dry Bulk</u>		
Spot %	43%	31%
Time %	57%	69%
<u>Tankers</u>		
Spot %	66%	30%
Time %	34%	70%
<u>Total</u>		
Spot %	58%	30%
Time %	42%	70%



THANK YOU

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