



THE GREAT EASTERN  
SHIPPING CO. LTD.



The Great Eastern  
Shipping Co. Ltd.



# Q1FY24 Earnings Presentation 03 AUGUST 2023

# DISCLAIMER



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.

# Q1FY24 HIGHLIGHTS



- Net profits of INR 576 Cr on a consolidated basis
- Our consolidated NAV has moved in Q1FY24 to INR 1202/share
- Declared 1st Interim dividend of INR 12.90/Share for Q1FY2024 which includes special dividend of INR 7.50/Share to commemorate the 75<sup>th</sup> anniversary of the company

# REPORTED HIGHLIGHTS



- GE Shipping Q1FY24 consolidated Net Profit at INR 576 Cr
- Declared 1<sup>st</sup> Interim dividend of INR 12.90/Share for Q1FY2024 which includes special dividend of INR7.50/Share

Fig in INR Crores	Standalone			Conslidated		
	Q1 FY24	Q1 FY23	FY23	Q1 FY24	Q1 FY23	FY23
<b>Income Statement</b>						
Revenue*	1,109	1,165	5,096	1,335	1,398	6,171
EBITDA*	746	616	3,098	843	723	3,608
<b>Net Profit</b>	<b>566</b>	<b>428</b>	<b>2,352</b>	<b>576</b>	<b>457</b>	<b>2,575</b>
<b>Balance Sheet</b>						
Total Assets	12,442	11,077	12,026	15,583	14,143	15,209
Equity	8,969	6,924	8,520	10,733	8,471	10,275
Gross Debt	2,515	3,173	2,531	3,550	4,380	3,623
Net Debt	(2,204)	71	(1,673)	(2,111)	421	(1,578)
<b>Cash Flows</b>						
- From Operating Activities	681	444	2,715	742	475	3,155
- From Investing Activities	32	(24)	(16)	(14)	(36)	(70)
- From Financing Activities	(180)	(408)	(1,621)	(249)	(460)	(1,884)
<b>Net Cash Inflow/Outflow</b>	<b>533</b>	<b>12</b>	<b>1,078</b>	<b>479</b>	<b>(21)</b>	<b>1,201</b>

\* Including Other Income

# NORMALISED FINANCIALS



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

# NORMALISED FINANCIAL HIGHLIGHTS



The Great Eastern Shipping Co. Ltd.

Fig in INR Crores	Standalone			Consolidated		
	Q1 FY24	Q1 FY23	FY23	Q1 FY24	Q1 FY23	FY23
<b>Income Statement</b>						
Revenue*	1,109	1,165	5,096	1,335	1,398	6,171
EBITDA*	675	612	3,032	776	727	3,513
Net Profit	517	465	2,411	529	509	2,581
<b>Balance Sheet</b>						
Total Assets	12,442	11,077	12,026	15,583	14,143	15,209
Equity	8,969	6,924	8,520	10,733	8,471	10,275
Gross Debt	2,996	3,705	3,016	4,031	4,913	4,108
Net Debt	(1,723)	604	(1,188)	(1,631)	954	(1,093)

\* Including Other Income

- GE Shipping Q1FY24 consolidated Net Profit at INR 529 Cr
- Declared 1<sup>st</sup> Interim dividend of INR 12.90/Share for Q1FY2024 which includes special dividend of INR7.50/Share

# NORMALISED FINANCIAL HIGHLIGHTS



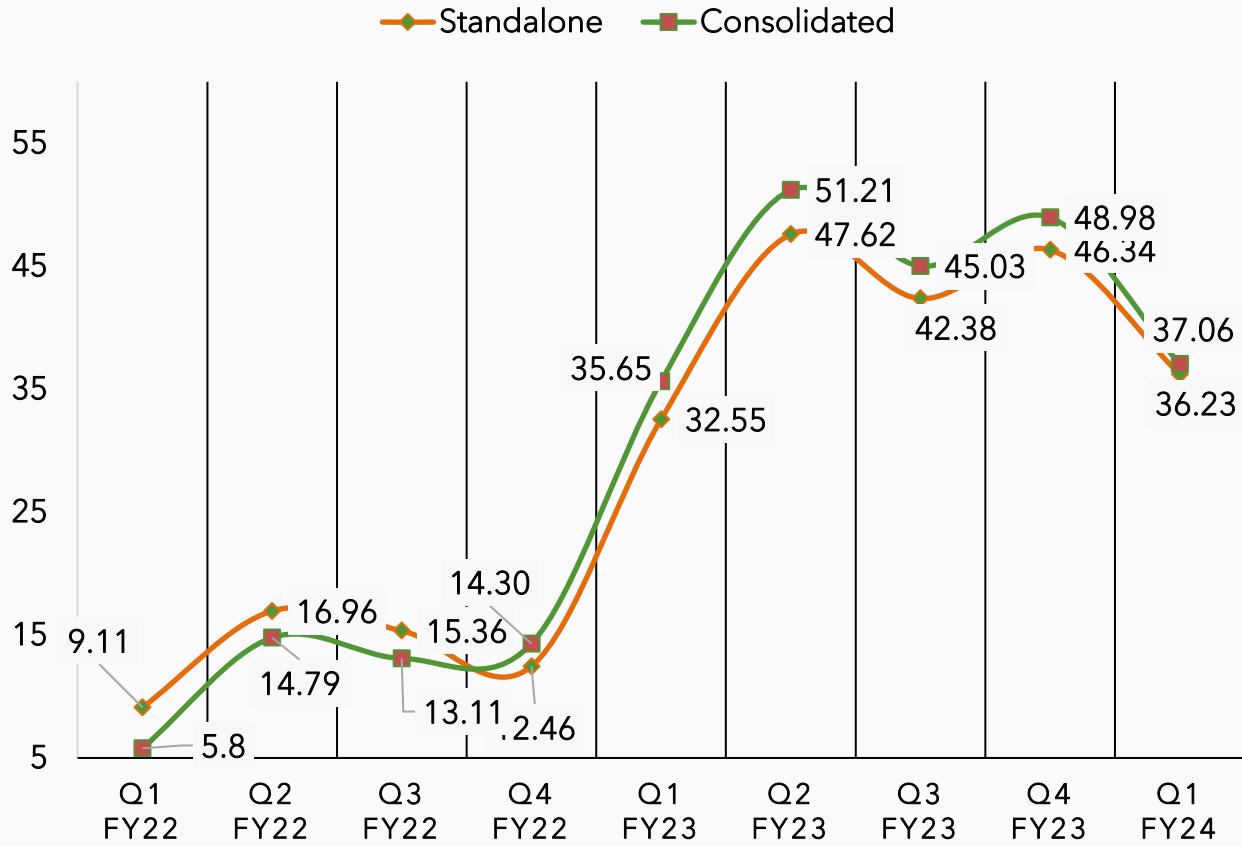
	Standalone			Consolidated		
	Q1 FY24	Q1 FY23	FY23	Q1 FY24	Q1 FY23	FY23
<b>Key Financial Figure</b>						
Return on Equity (ROE%)**	24%	28%	32%	20%	25%	28%
Return on Capital Employed (ROCE%)**	19%	19%	23%	16%	17%	20%
Gross Debt/Equity (x)	0.33	0.54	0.35	0.38	0.58	0.40
Net Debt/Equity (x)	(0.19)	0.09	(0.14)	(0.15)	0.11	(0.11)
Earnings Per Share (EPS - INR/Share)	36.23	32.55	168.89	37.06	35.65	180.77
Cash Profit Per Share (INR/Share)	44.17	40.55	200.42	49.65	48.21	230.64
Dividend Per Share (INR/Share)	12.90	5.40	28.80	12.90	5.40	28.80
Net Asset Value Per Share (INR/Share)	995	732	962	1,175-1,232	779-832	1,135-1,192

\*\*Annualised

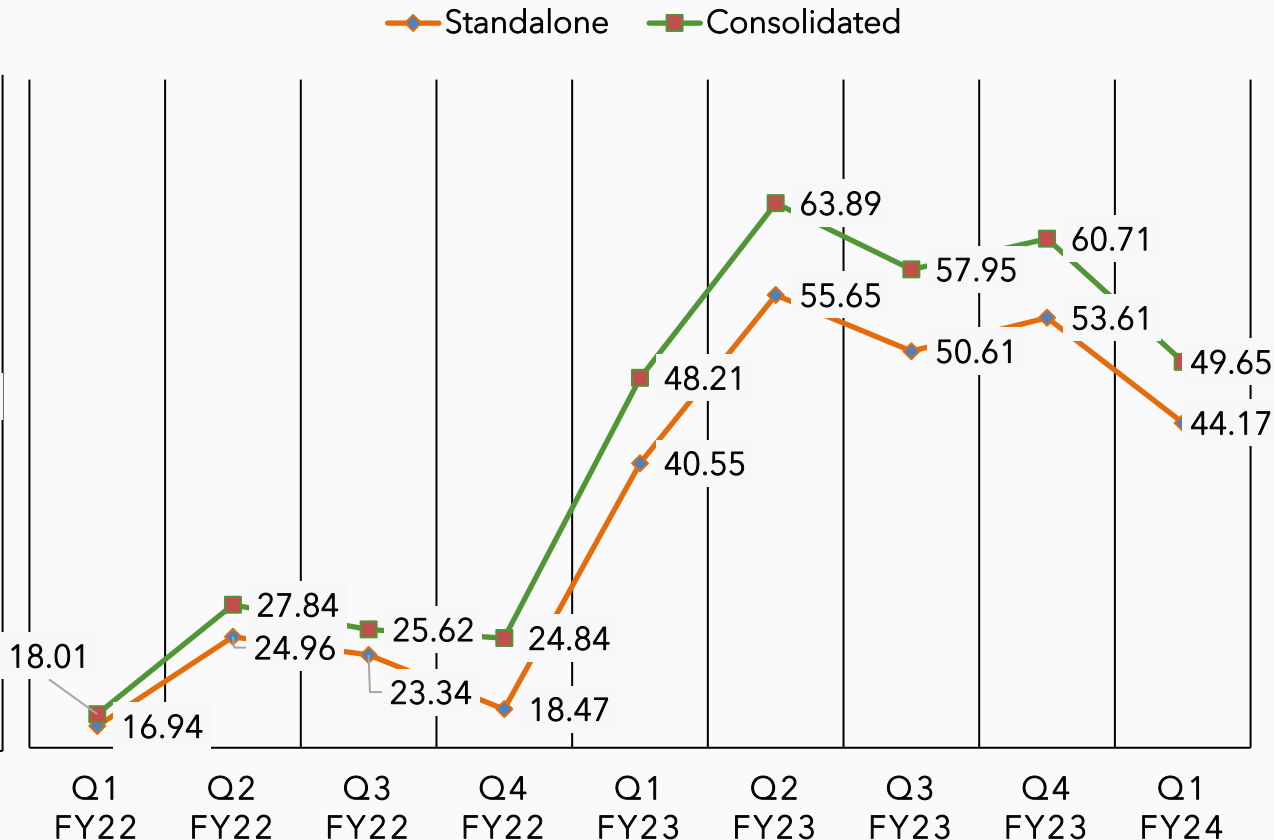
# NORMALISED FINANCIALS - KEY RATIOS



## Earnings per Share (INR/Share)

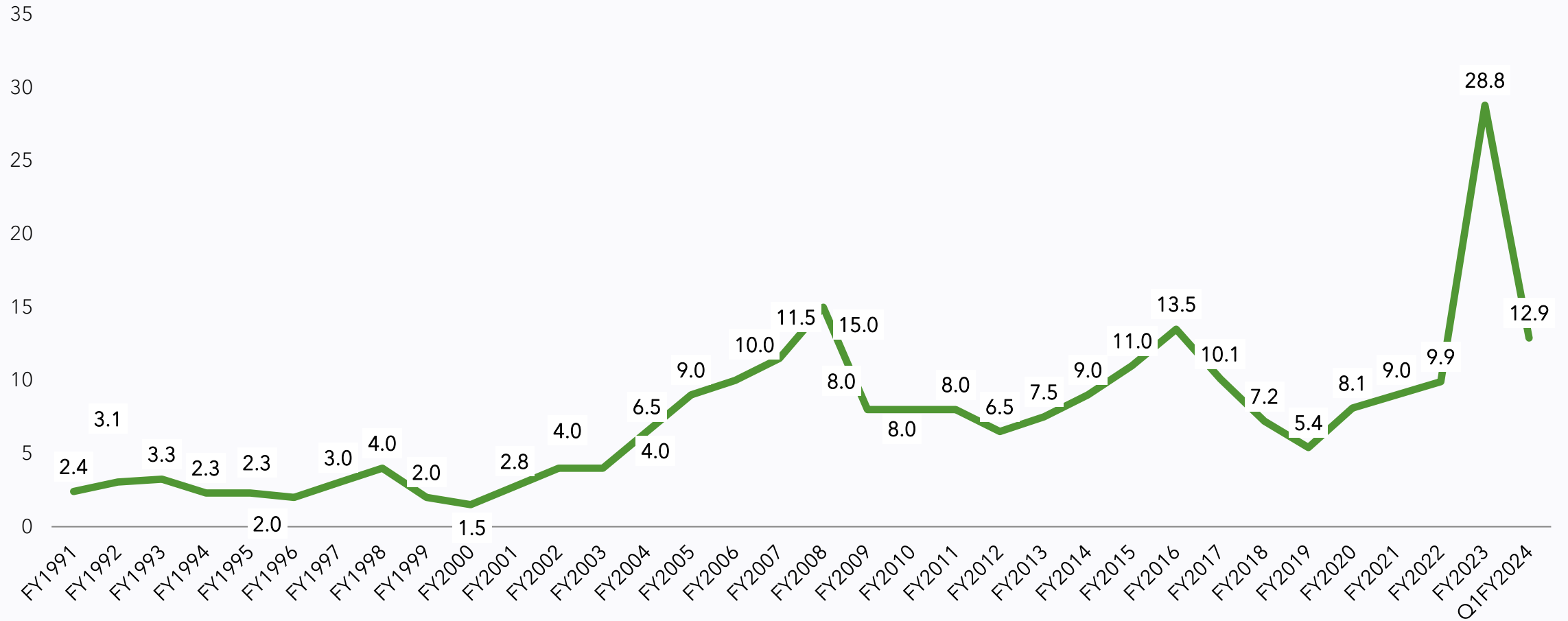


## Cash Profit per Share (INR/Share)





# CONSISTENT DIVIDEND PAYOUTS



Dividend Per Share (INR/Share)

# PROFIT & LOSS STATEMENT - INDUSTRY FORMAT

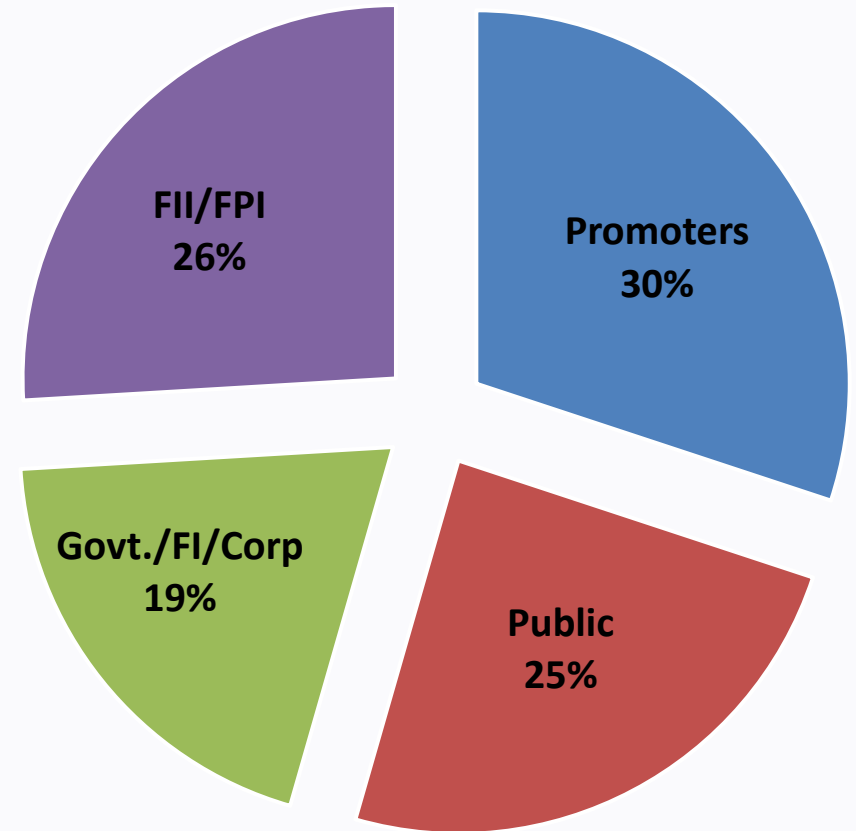


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Figures in INR Crores	Q1 FY24	Q1 FY23	FY23	Q1 FY24	Q1 FY23	FY23
Operating Revenue	1,035	1,157	4,809	1,277	1,359	5,660
Less: Direct Operating Expenses/Voyage Expenses	155	322	1,033	157	328	1,068
<b>Time Charter Equivalent (A)</b>	<b>880</b>	<b>835</b>	<b>3,776</b>	<b>1,120</b>	<b>1,031</b>	<b>4,592</b>
Profit on Sale of Ships and Other Assets	0	-	117	0	0	117
Other Income	74	8	171	57	39	394
<b>Total Other Income (B)</b>	<b>74</b>	<b>8</b>	<b>288</b>	<b>58</b>	<b>39</b>	<b>511</b>
Other Operating Expense	209	177	815	308	262	1,224
Administrative and General Expense	70	53	217	91	78	317
<b>Total Expense (C)</b>	<b>279</b>	<b>230</b>	<b>1,032</b>	<b>400</b>	<b>340</b>	<b>1,541</b>
<b>EBITDA D = (A+B+C)</b>	<b>675</b>	<b>612</b>	<b>3,032</b>	<b>779</b>	<b>730</b>	<b>3,562</b>
Depreciation and Amortisation (E)	113	114	450	180	179	712
Impairment (F)	-	-	-	-	-	-
<b>Operating Profit Including Other Income G= (D-E-F)</b>	<b>562</b>	<b>498</b>	<b>2,582</b>	<b>599</b>	<b>551</b>	<b>2,850</b>
Finance Expense (H)	49	71	259	62	93	343
Derivative Losses Gains (I)	- 67	63	90	(63)	47	63
Foreign Currency Exchange Losses/(Gains) (J)	(4)	(66)	(156)	(1)	(40)	(109)
Income Tax Expense (K)	17	2	37	25	7	(21)
<b>Net Profit (G-H-I-J)</b>	<b>566</b>	<b>428</b>	<b>2,352</b>	<b>576</b>	<b>457</b>	<b>2,575</b>



## SHAREHOLDING PATTERN



30-JUNE-2023

# PERFORMANCE REVIEW



Revenue Days	FY24	FY23
Owned Tonnage	<b>3,659</b>	3,929
Inchartered Tonnage	<b>91</b>	215
<b>Total Revenue Days</b>	<b>3,750</b>	<b>4,144</b>
Total Owned Tonnage (mn.dwt)	<b>3.44</b>	3.57

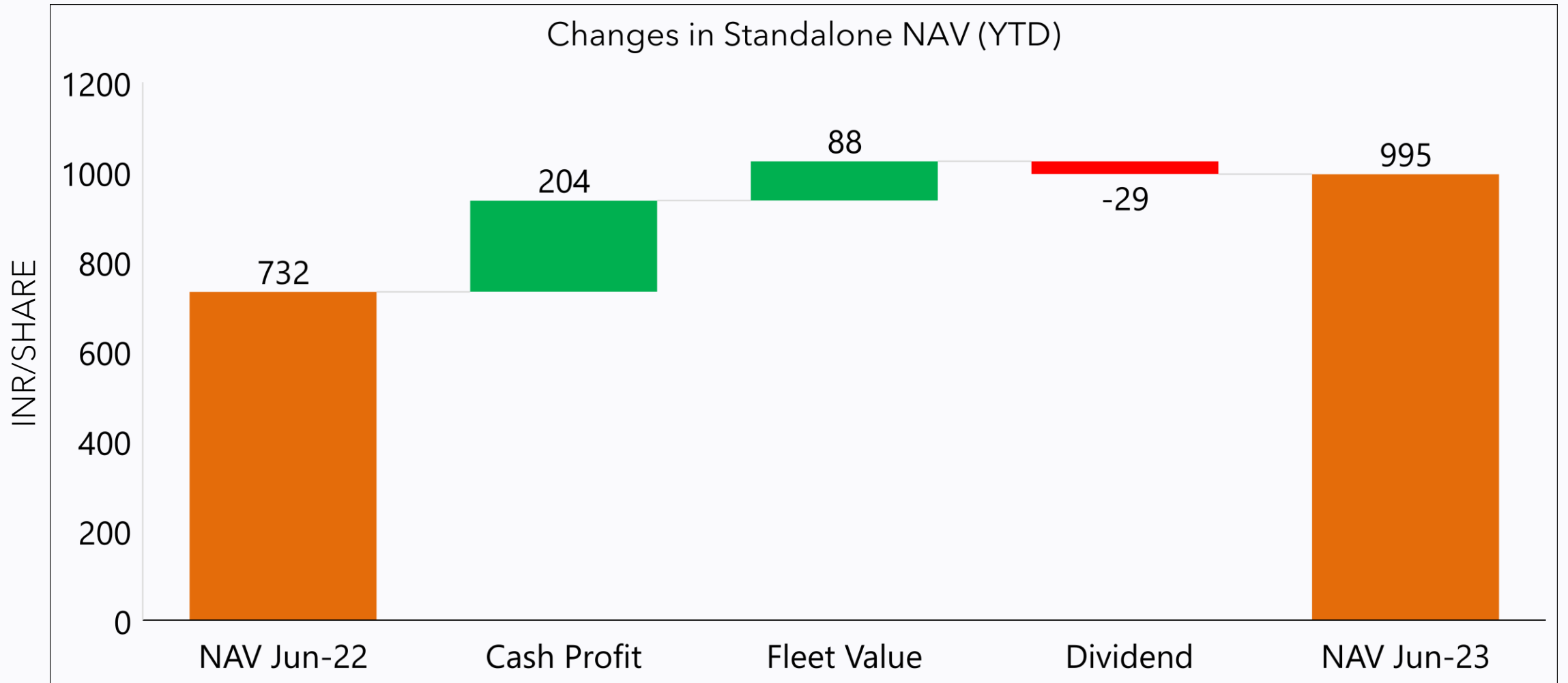
Breakup of Revenue Days (Offshore)	Q1	Q1
Revenue Days	FY24	FY23
Offshore Logistics	<b>1,520</b>	1,555
Drilling Services	<b>363</b>	356
<b>Total</b>	<b>1,883</b>	<b>1,911</b>

# PERFORMANCE REVIEW



Avg TCYs in Various Categories Avg (TCYs USD/Day)	Q1 FY24	Q4 FY23	QoQ %	Q1 FY23	YoY %
Crude Carriers	<b>53,344</b>	64,579	-17%	28,852	85%
Product Carriers	<b>33,142</b>	36,665	-10%	25,745	29%
LPG Carriers	<b>28,860</b>	29,175	-1%	26,196	10%
Dry Bulk	<b>13,608</b>	12,704	7%	27,235	-50%

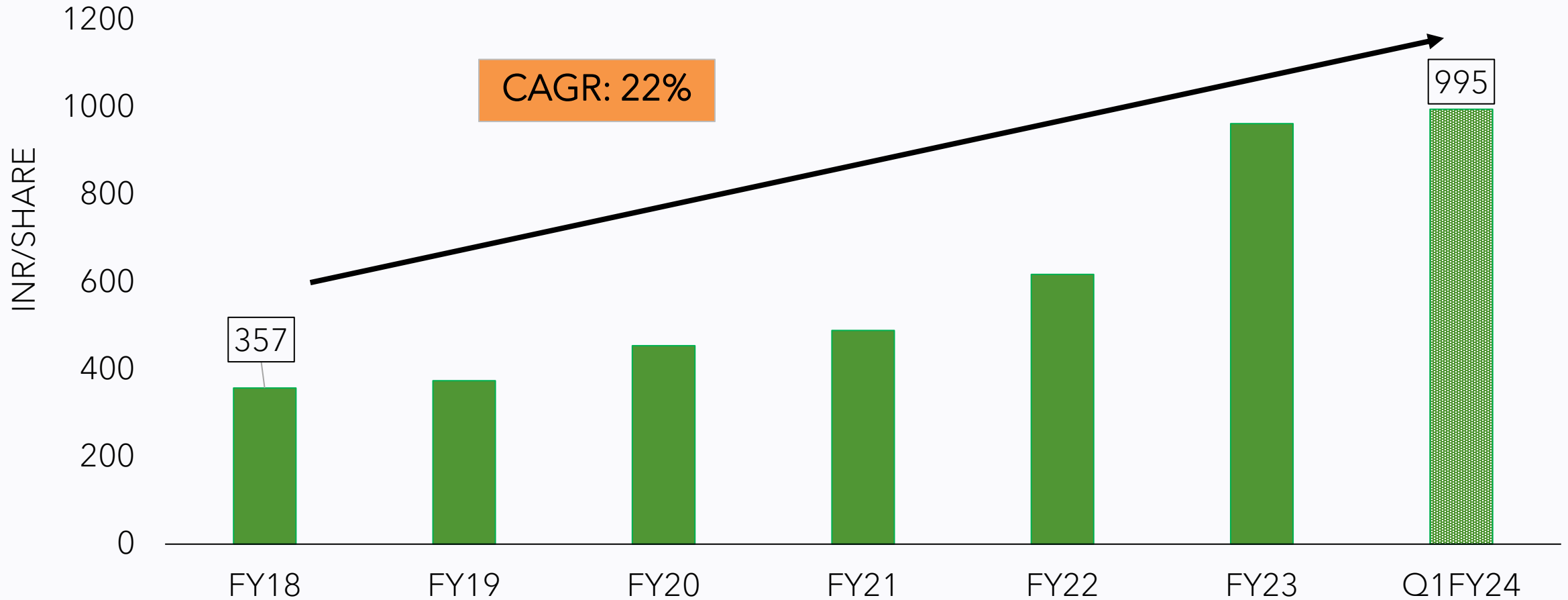
# CHANGES IN STANDALONE NAV (YTD)



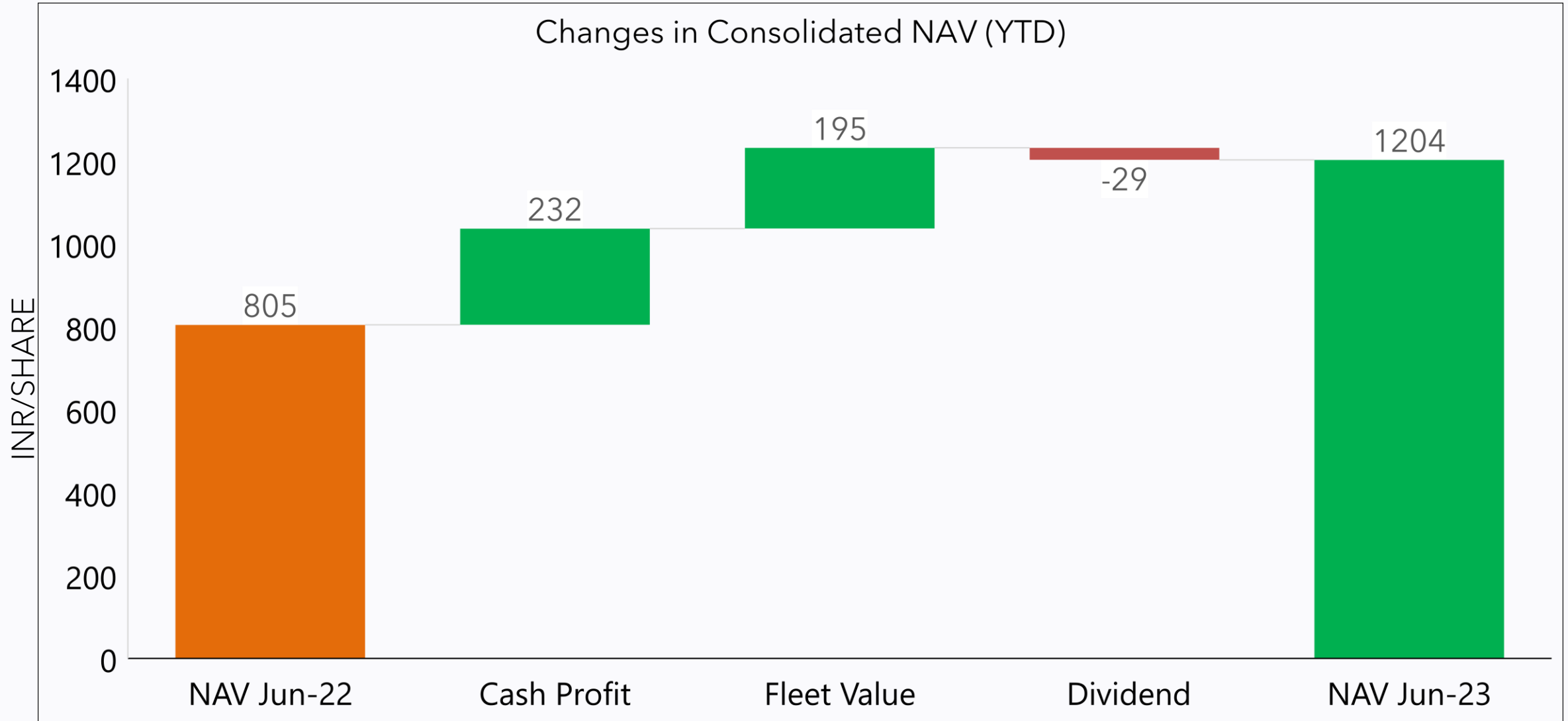
# 5 YEARS MOVEMENT IN STANDALONE NAV



Standalone NAV - Continue to touch new highs



# CHANGES IN CONSOLIDATED NAV (YTD)





# REVENUE COVERAGE



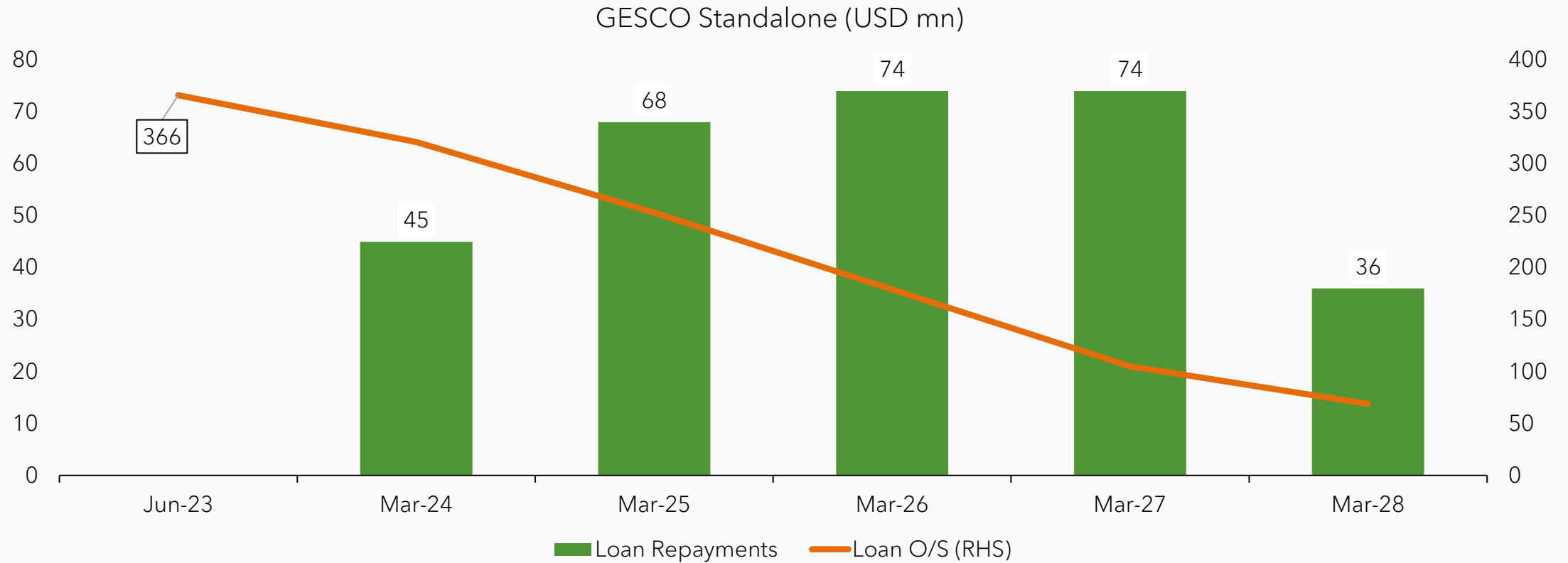
## Coverage of Operating Days (Shipping)

Category	FY24
Crude Carriers	19%
Product Carriers	18%
LPG Carriers	92%
Dry Bulk	28%

## Revenue Days

Jack Up Rigs	93%
AHTSV	70%
MPSV	27%
PSV/ROVSV	84%

# STANDALONE DEBT REPAYMENT SCHEDULE



- 1) Effective all-in USD cost of debt of about 4.00% basis Jun-23
- 2) 90% of debt portfolio is fixed.

# FLEET PROFILE



Fleet Profile - Shipping Fleet	DWT	Fleet (03 Aug'23)	
	Q1FY24	No	Avg Age
Crude Carriers	842,958	6	14.69
Product Carriers	1,092,465	18	15.39
Gas Carriers	185,363	4	17.72
Dry Bulk Carriers	1,210,805	14	10.32
<b>Total</b>	<b>3,331,591</b>	<b>42</b>	<b>13.50</b>

Fleet Profile - Offshore Fleet	No. of Units	Avg Years	
			Yrs.
Jack Up Rigs	4		11.83
Platform Supply Vessels	4		13.99
Anchor Handling Tug cum Supply Vessels	9		13.76
Multipurpose Platform Supply & Support Vessels	2		13.31
ROV Support Vessels	4		11.85

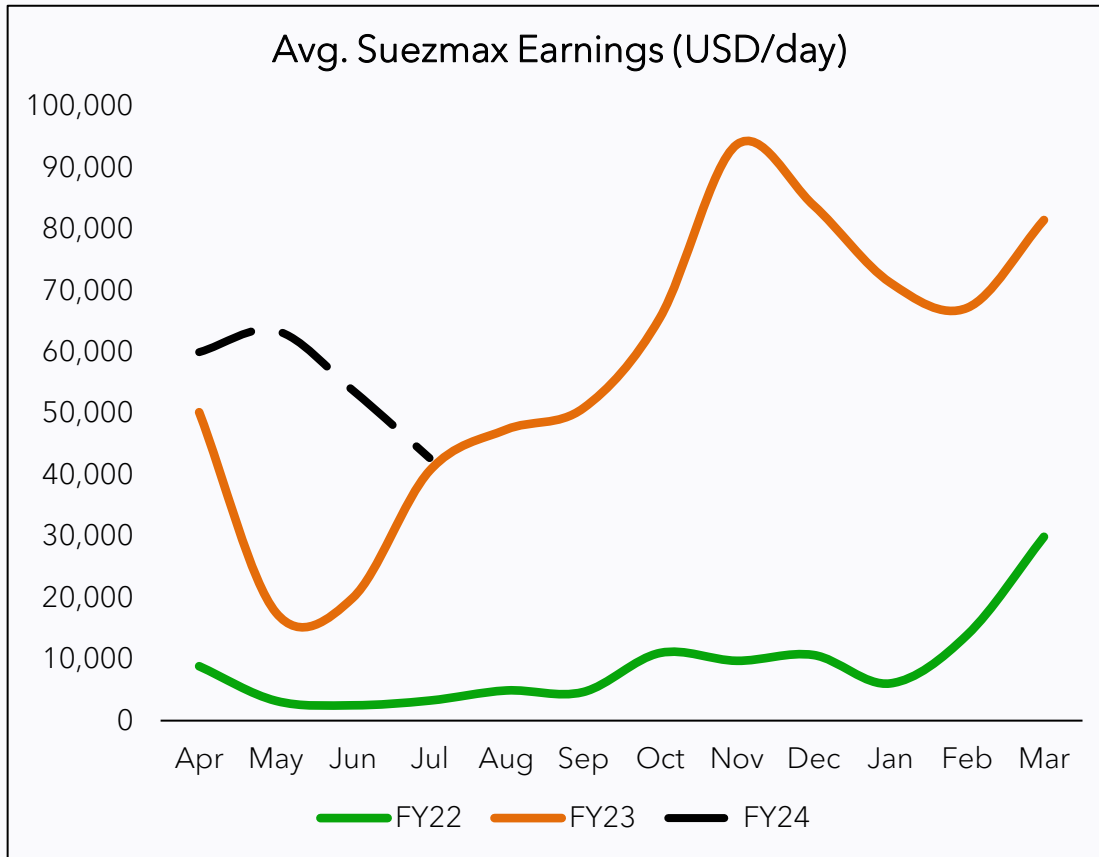


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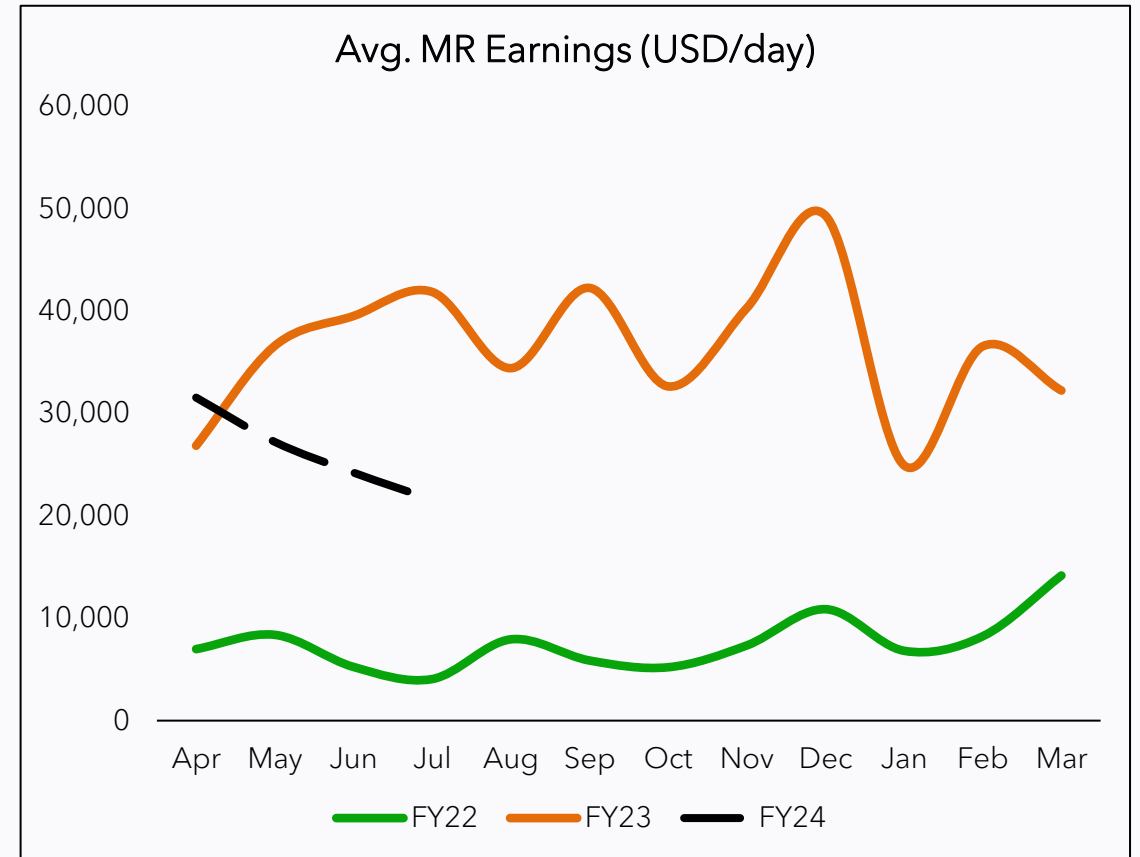
## SHIPPING MARKET

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# CRUDE AND PRODUCT TANKERS



USD/day	FY24	FY23	% change
3M	59,070	29,250	102%



USD/day	FY24	FY23	% change
3M	27,663	34,321	-19%

Sources: Industry Reports

# CRUDE AND PRODUCT TANKERS

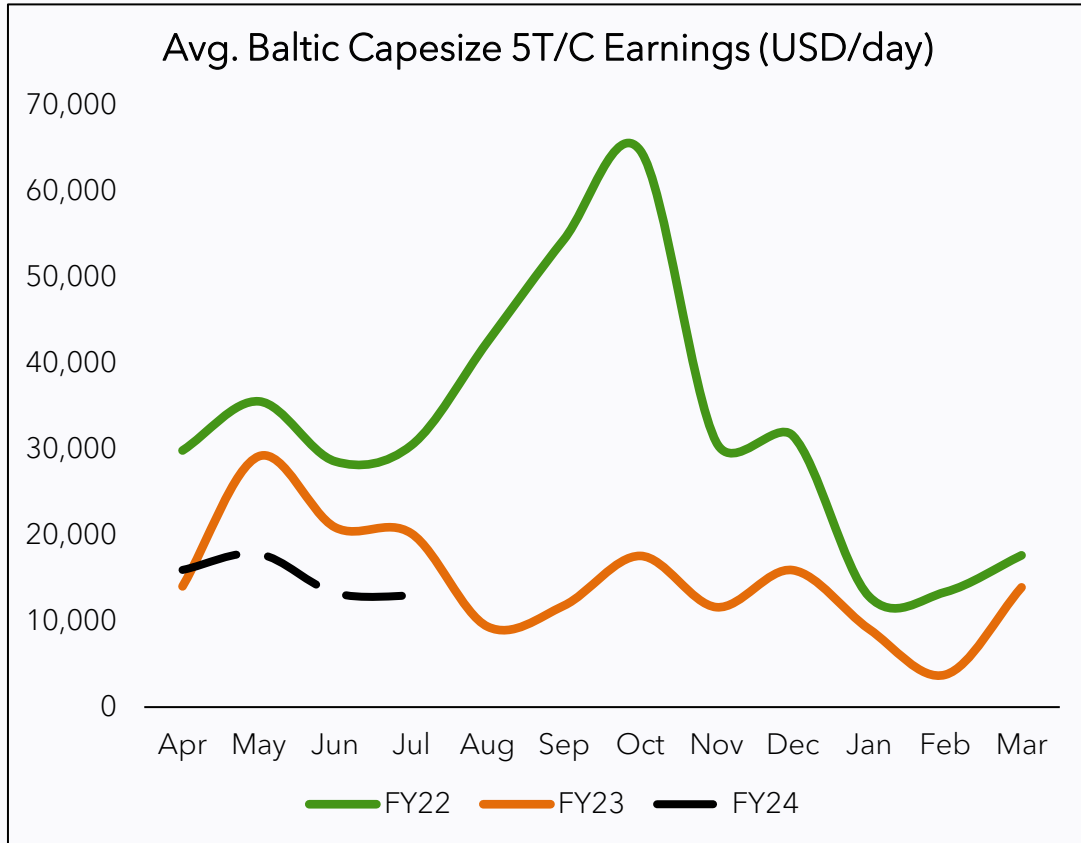


- Tanker spot earnings have softened QoQ in 1QFY24 led by OPEC+ crude production cuts starting May-23 and seasonal refinery maintenances.
- Overall seaborne crude & product trade grew by ~7% & 4% y/y respectively during 1QFY24.
- Trade disruptions led by EU's embargo on Russian oil continues to boost tanker ton-miles growth.
- Crude & product fleet supply growth was relatively constrained at 3.6% and 2.5% y/y respectively in 1QFY24
- Asset prices remain firm - strongest since 2008
- Orderbook for crude and product tankers are at ~2.8% and ~9.3% of the fleet respectively.

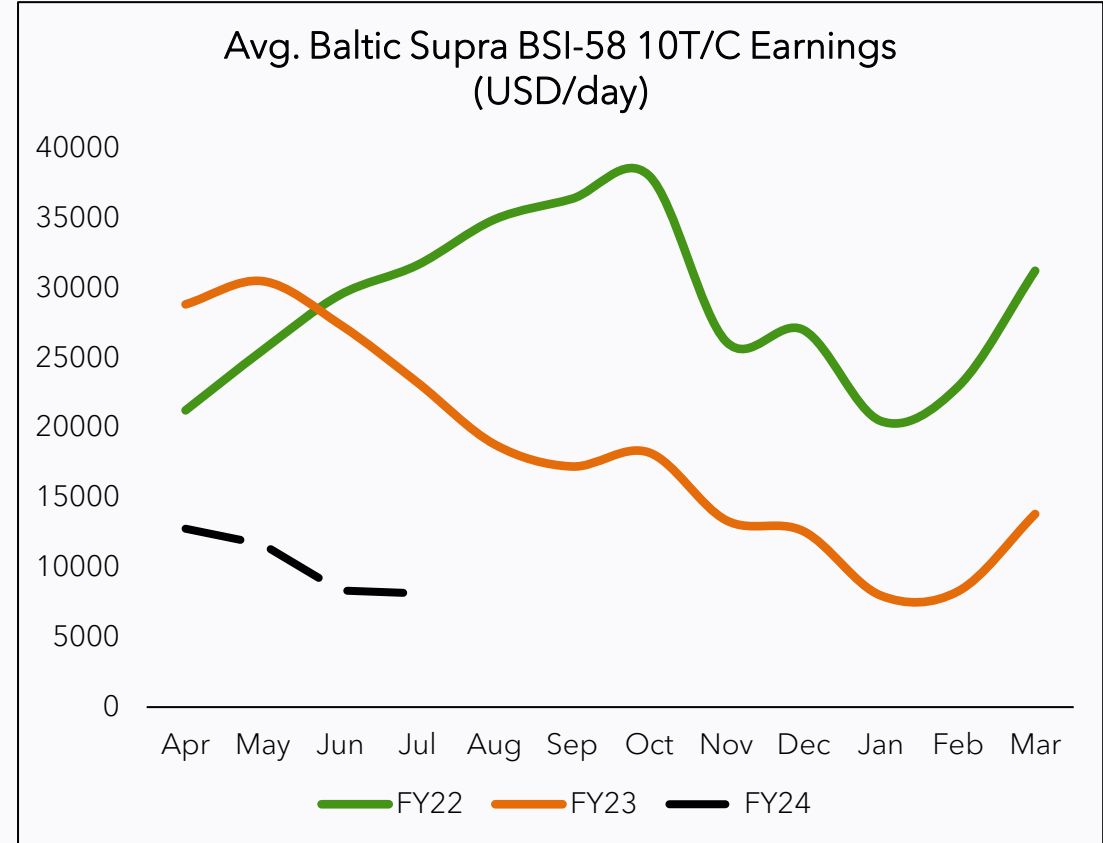
# DRY BULK



DB Freight softened in Q1FY24 Y-O-Y, both Capes & Sub-Capes continued to remain soft



USD/day	FY24	FY23	% change
3M	15,650	21,347	-27%



USD/day	FY24	FY23	% change
3M	10,910	28,873	-62%

Sources: Industry Reports

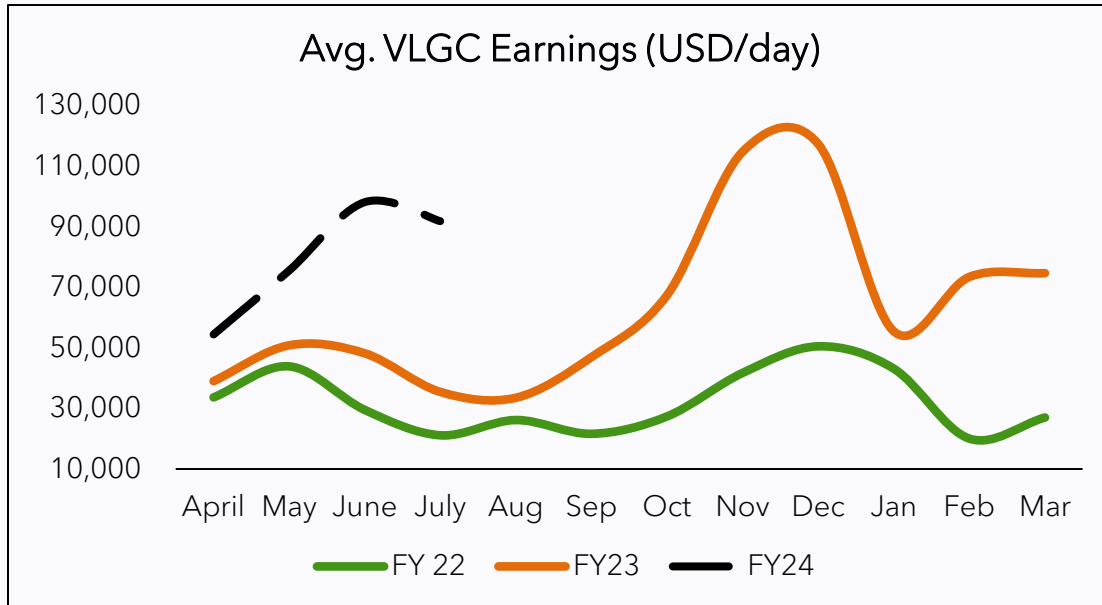
# DRY BULK



- Spot earnings continued to remain soft & materially down y/y during the quarter.
- Ton - Mile demand increased by ~ 2.5 % y/y as against a nominal fleet supply growth of 3 %.
- Effective fleet supply growth was higher as all Covid related congestion seen last year completely reversed.
- Asset prices declined by 10 - 15 % during the quarter & are down ~ 20 % y/y .
- China iron ore imports were up 5 % y/y during the quarter. However, demand for both Iron Ore & Steel was seen coming off during the end of the quarter.
- Coal imports into China increased 90 % y/y due to emergence of the El - Nino weather phenomenon.
- Russia has withdrawn from Ukraine grain export deal & increased attacks on Ukraine's grain infrastructure leading to a complete halt in grain exports from Ukraine.
- Order book continues to be close to all time lows at 7.4 % of fleet.



# LPG GAS



VLGC Spot earnings sustained healthy levels during Q1FY-24 and were much higher YoY in comparison to Q1FY-23.

USD/day	FY24	FY23	% change
3M	75,981	46,005	65%

- Spot earnings continued to be strong and materially higher y/y.
- Asset prices further increased - Recent sales suggest that asset values are at an all time high.
- China LPG imports were up by ~ 30 % YoY during the quarter with long - haul imports from US up by 50 % YoY.
- Severe drought in Panama Canal led to water levels falling to 10-year lows, resulting in more US - Asia cargos via COGH.
- VLGC Orderbook - At elevated level in historical context.



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## FLEET SUPPLY

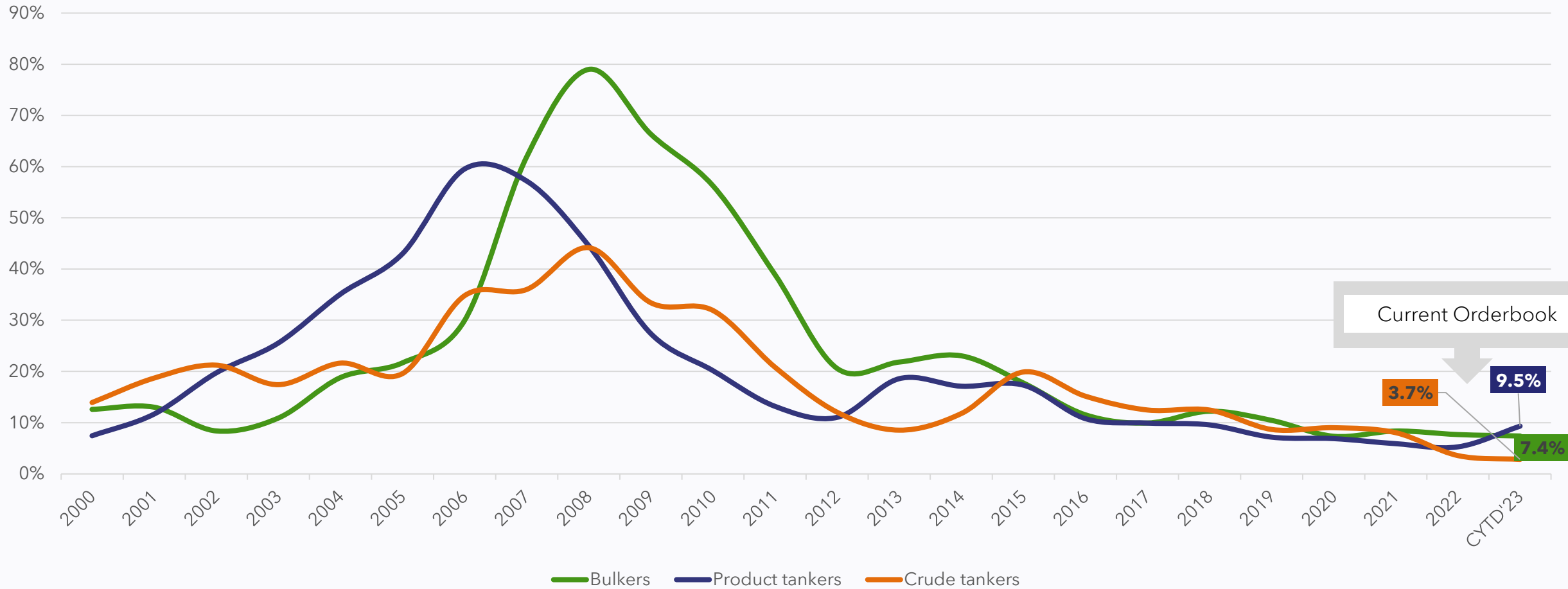


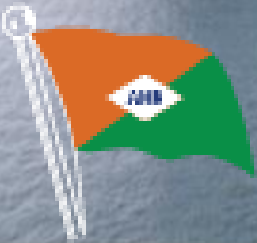
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# LOW ORDER BOOK TO FLEET RATIO



Historic Order Book as a % of fleet (Calendar Year)





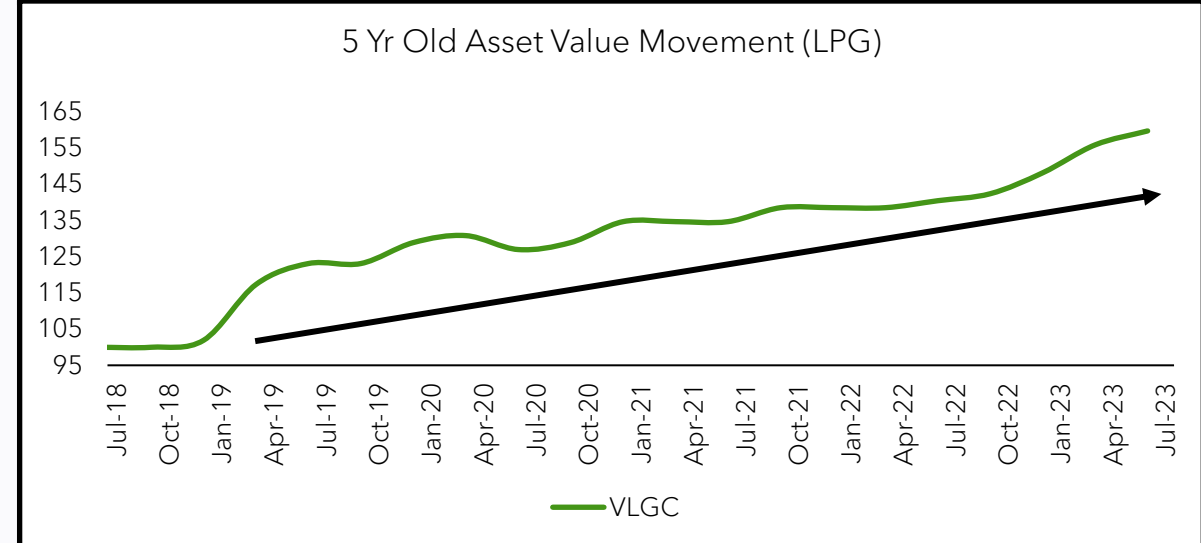
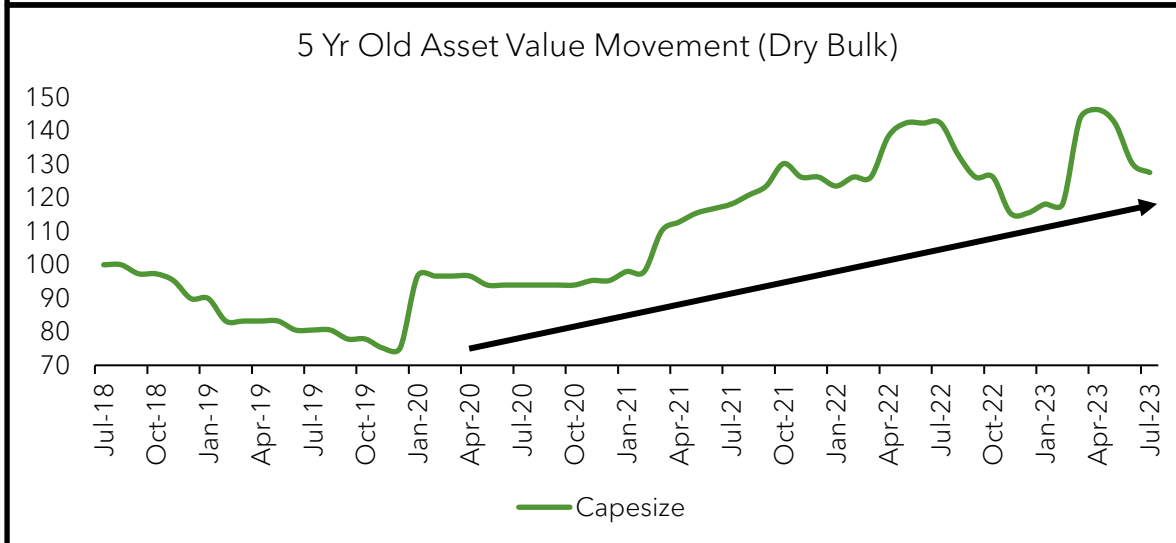
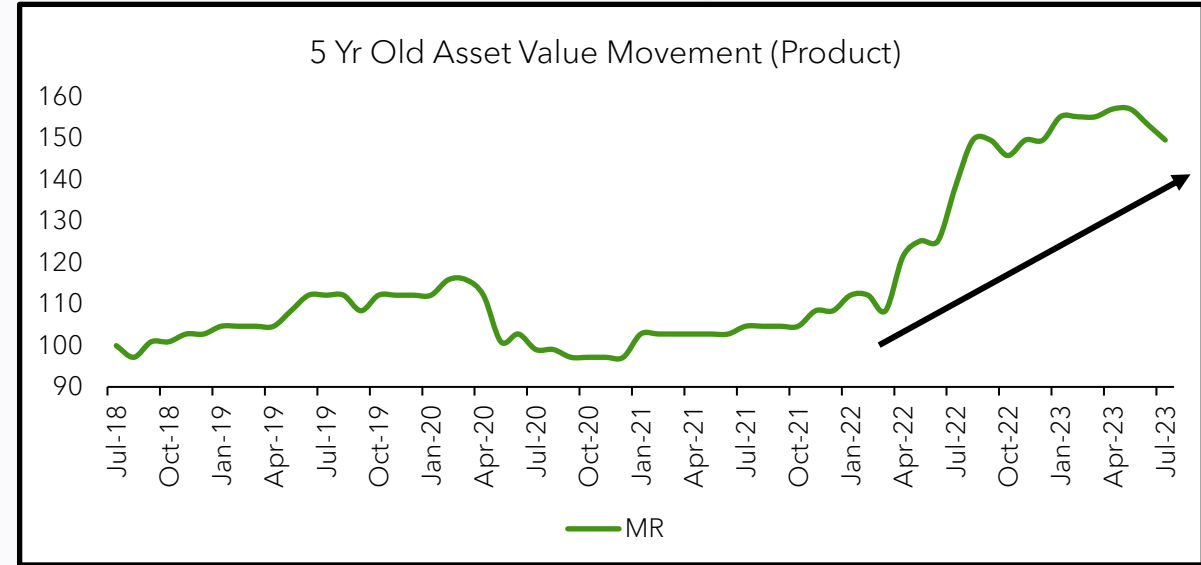
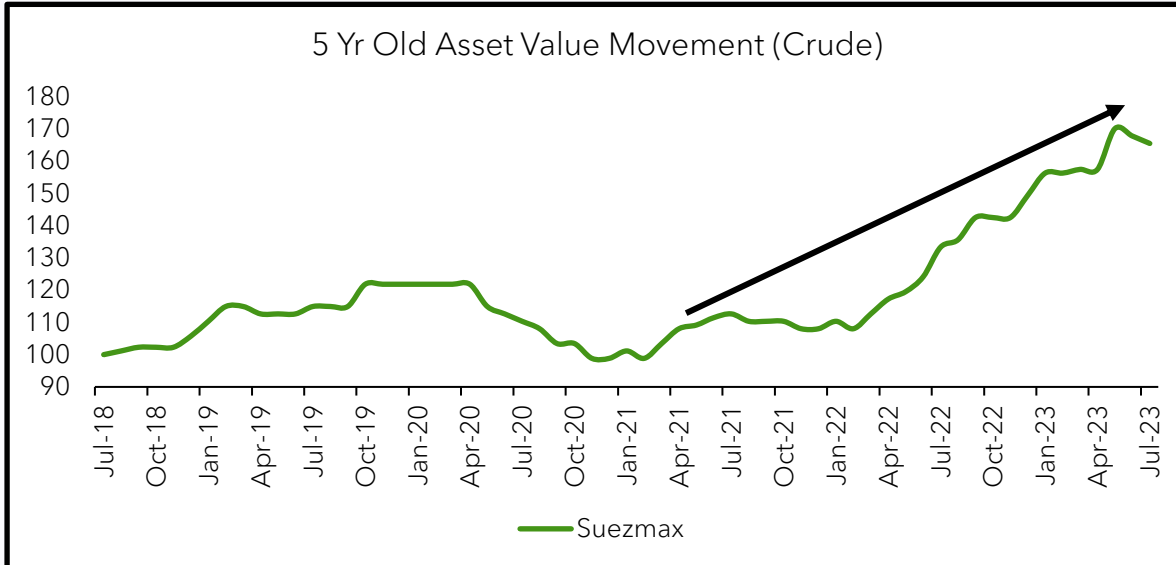
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## ASSET PRICE MOVEMENT

# ASSET PRICE MOVEMENT (INDEXED OVER LAST 5 YRS)



# SCRAPPING



Vessel Category	Jul'23
Crude	459
Product	183
Dry Bulk	989

Scraping (% Beginning world fleet)	CYTD	CY	CY	CY	CY	CY	CY	CY	CY
Vessel Category	2023	2022	2021	2020	2019	2018	2017	2016	2015
Crude	-	0.78	2.47	0.53	0.55	4.39	2.43	0.39	0.38
Product	0.10	0.76	2.11	0.57	0.60	1.72	1.22	0.54	0.62
Dry Bulk	0.26	0.50	0.56	1.74	0.93	1.85	1.85	3.78	4.02

- Overall Scrapping has been negligible in CY23 for both tankers and dry bulk.



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# FLEET SUPPLY



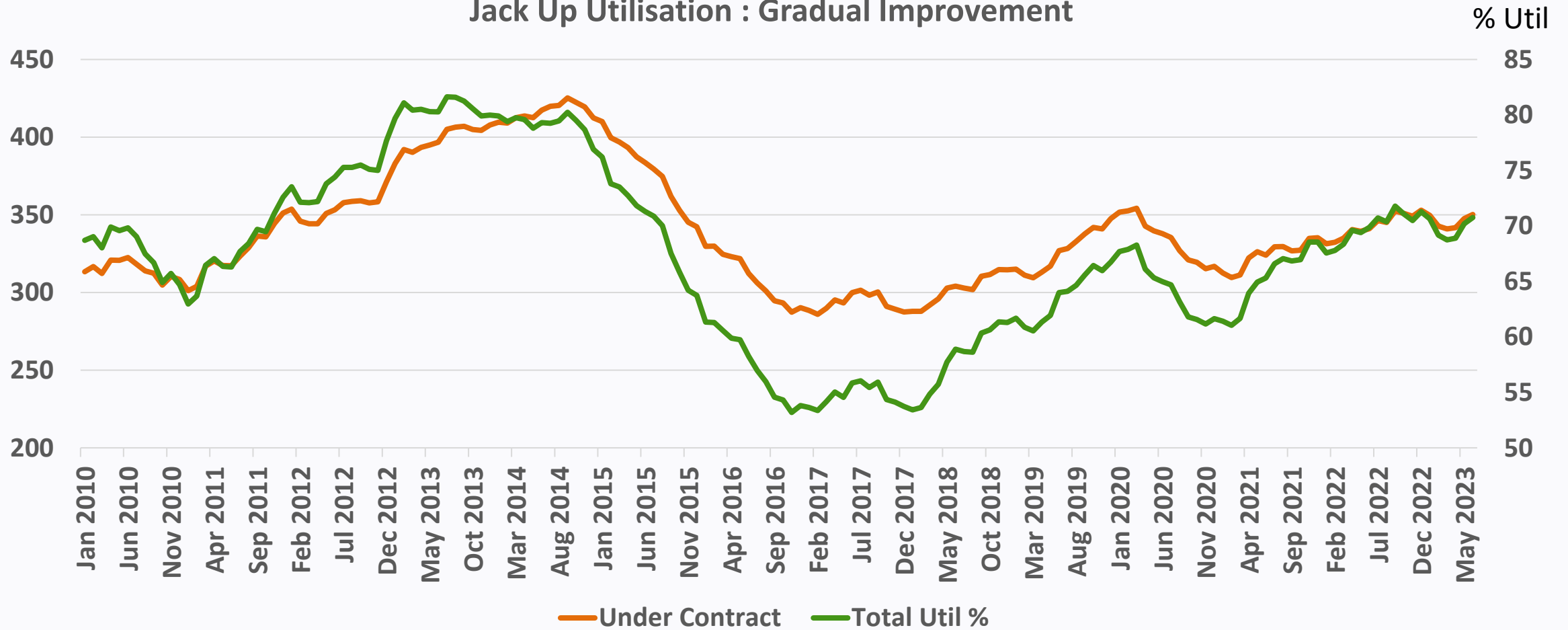
Number	Jack-up Rigs	PSV+AHTSV
Current Fleet	495	3,406
Under Contract Fleet	354	2,304
Order Book	20	83
O/B to Current Fleet	4.0%	2.4%
Total Scrapping since Jan 2016 (Nos)	143	648
No of Vessels/Rigs more than 20/30 years old (% Fleet)	33%	20%
Cold stacked more than 3 years	45	497



# MARKET TRENDS: UTILISATION



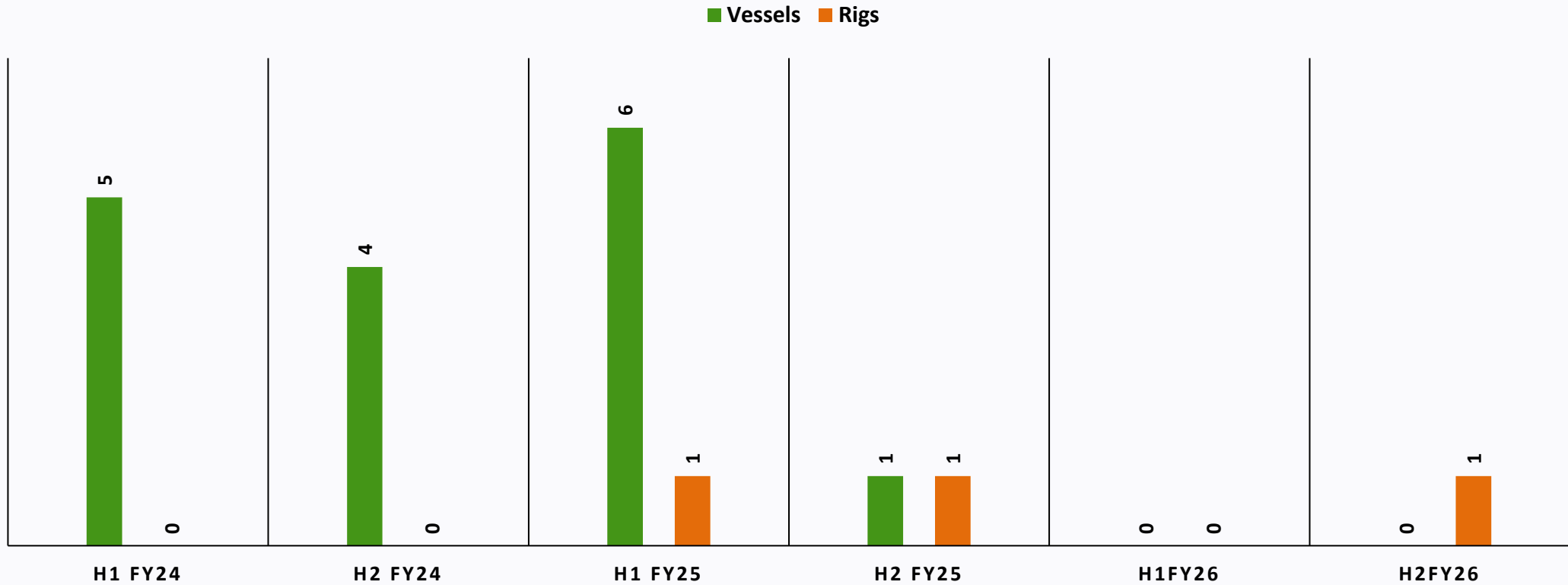
Jack Up Utilisation : Gradual Improvement



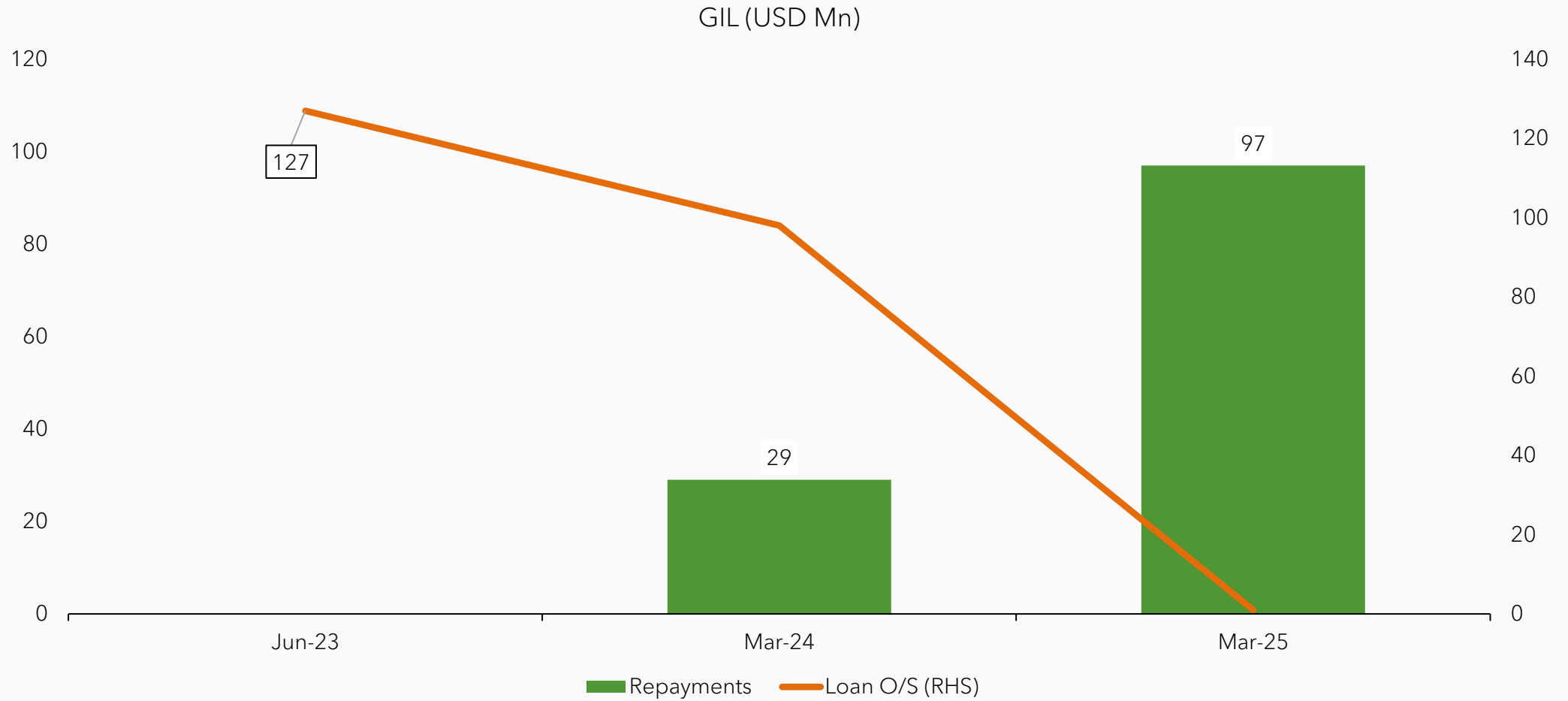
# REPRICING



Remaining 3 vessels will come up for repricing in FY27 & FY28  
Remaining 1 rig will come up for repricing in FY 27



# DEBT REPAYMENT SCHEDULE





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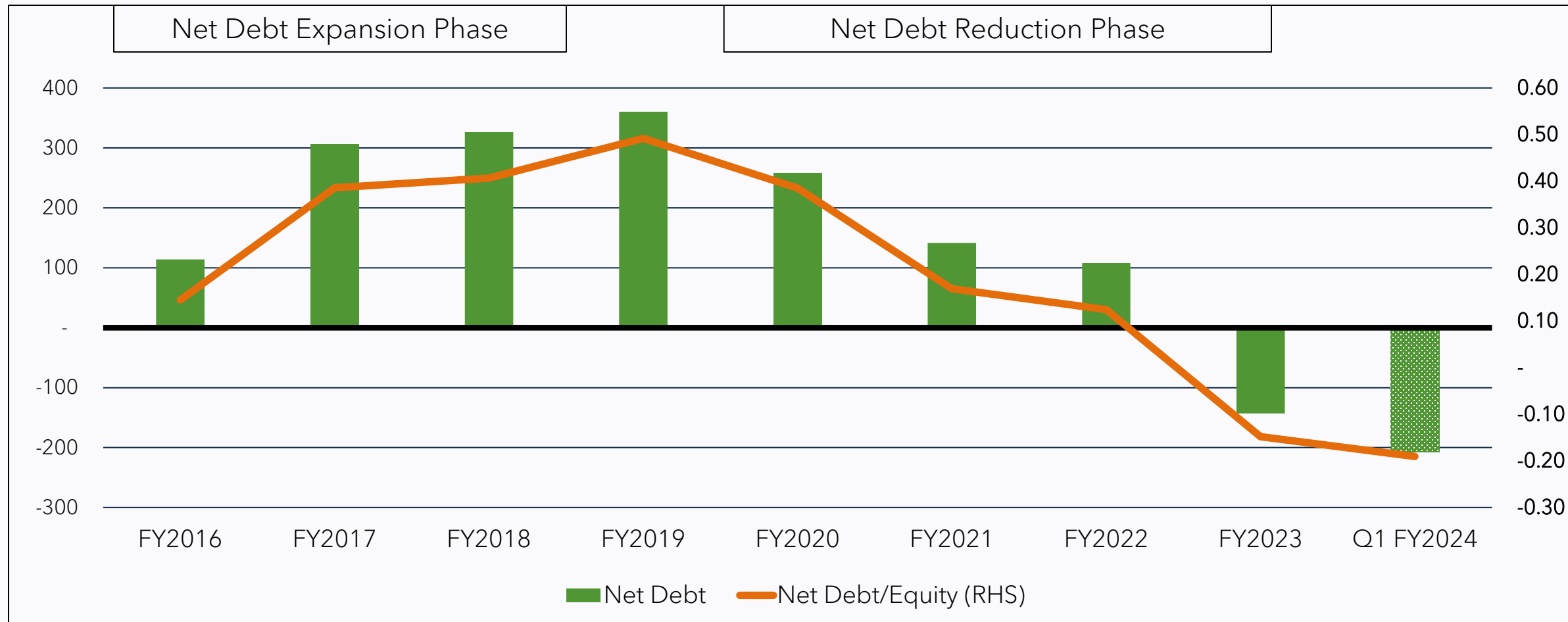
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# FINANCIALS

# STRONG CASHFLOWS LED NET DEBT USD 360 MN TO NET CASH OF USD 200 MN



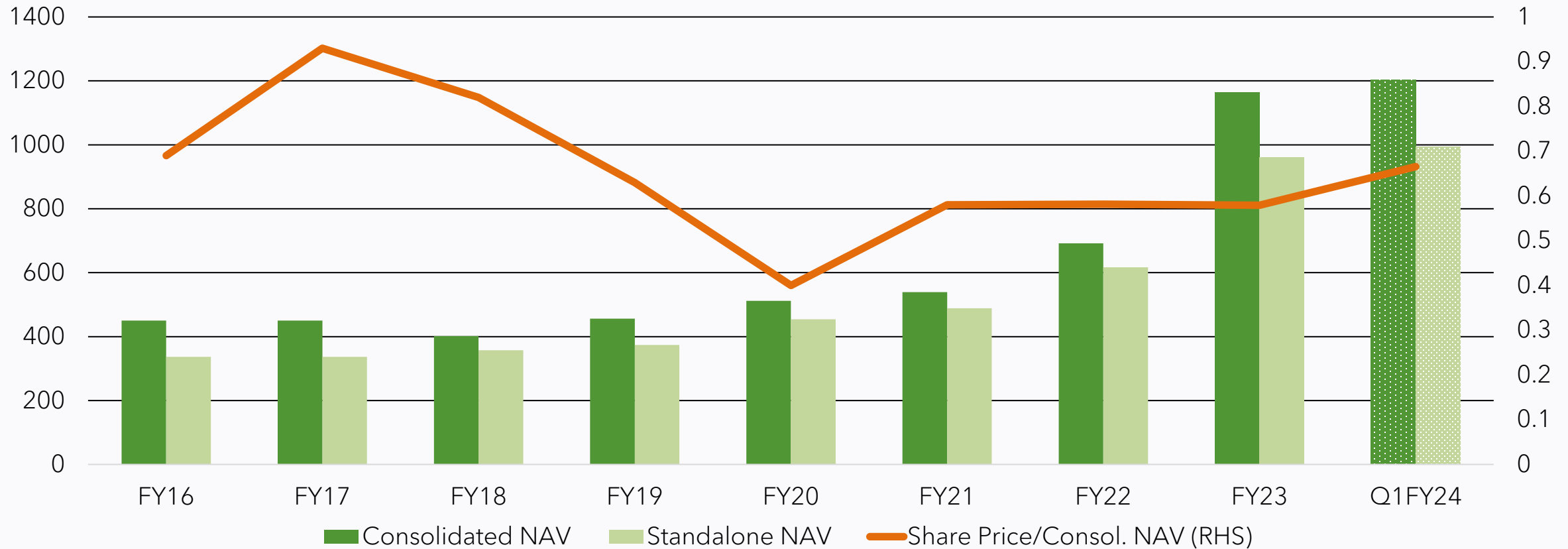
USD Mn



# SHARE PRICE TO CONSOLIDATED NAV



INR/Share



\* For Q1FY24 we have taken share price as on 03<sup>rd</sup> Aug 2023

# GREAT EASTERN CSR FOUNDATION



GECSRF supports NGOs working under health, education and livelihoods

## CURRENT PARTNERS

### EDUCATION



### HEALTH



### LIVELIHOODS



# THANK YOU

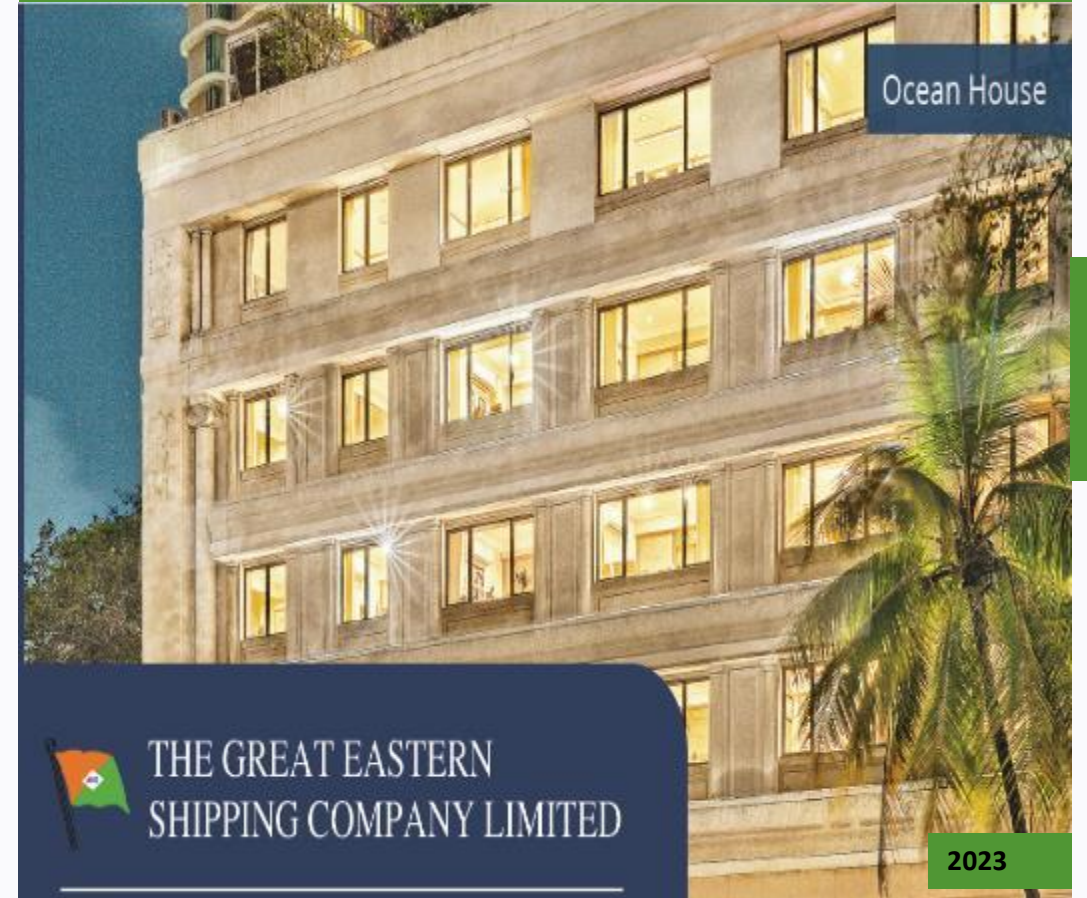
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