



THE GREAT EASTERN  
SHIPPING CO. LTD.

 The Great Eastern  
Shipping Co. Ltd.



# Q2FY24 Earnings Presentation 31 OCTOBER 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.

# Q2FY24 HIGHLIGHTS



- Net profits of INR 595 Cr on a consolidated basis
- Our consolidated NAV has moved in H1FY24 to INR 1,263/share. First time, our shipping NAV has moved past INR 1,000/Share
- Declared 2nd Interim dividend of INR 6.30 /Share for Q2FY2024

# REPORTED HIGHLIGHTS



- GE Shipping Q2FY24 consolidated Net Profit at INR 595 Cr
- Declared 2<sup>nd</sup> Interim dividend of INR 6.30/Share for Q2FY2024

Fig in INR Crores	Standalone			Conslidated		
	Q2 FY24	Q2 FY23	H1 FY24	Q2 FY24	Q2 FY23	H1 FY24
<b>Income Statement</b>						
Revenue*	1,182	1,402	2,290	1,461	1,700	2,796
EBITDA*	723	878	1,469	876	1,046	1,719
<b>Net Profit</b>	<b>536</b>	<b>688</b>	<b>1,102</b>	<b>595</b>	<b>769</b>	<b>1,171</b>
<b>Balance Sheet</b>						
Total Assets	12,849	11,757	12,849	15,990	14,993	15,990
Equity	9,317	7,500	9,317	11,149	9,134	11,149
Gross Debt	2,505	3,014	2,505	3,473	4,204	3,473
Net Debt	(2,658)	(812)	(2,658)	(2,617)	(575)	(2,617)
<b>Cash Flows</b>						
- From Operating Activities	475	745	1,156	570	927	1,312
- From Investing Activities	139	166	171	120	118	106
- From Financing Activities	(219)	(286)	(399)	(315)	(354)	(564)
<b>Net Cash Inflow/Outflow</b>	<b>395</b>	<b>625</b>	<b>928</b>	<b>375</b>	<b>691</b>	<b>854</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.

	Standalone			Consolidated		
	Q2	Q2	H1	Q2	Q2	H1
Fig in INR Crores	FY24	FY23	FY24	FY24	FY23	FY24
<b>Income Statement</b>						
Revenue*	1,182	1,402	2,290	1,461	1,700	2,796
EBITDA*	710	838	1,385	843	969	1,619
Net Profit	548	680	1,065	596	731	1,125
<b>Balance Sheet</b>						
Total Assets	12,849	11,757	12,849	15,990	14,993	15,990
Equity	9,317	7,500	9,317	11,149	9,134	11,149
Gross Debt	3,019	3,633	3,019	3,987	4,823	3,987
Net Debt	(2,145)	(193)	(2,145)	(2,104)	44	(2,104)

\* Including Other Income

- GE Shipping Q2FY24 consolidated Net Profit at INR 596 Cr
- Declared 2<sup>nd</sup> Interim dividend of INR 6.30/Share for Q2FY2024



# NORMALISED FINANCIAL HIGHLIGHTS



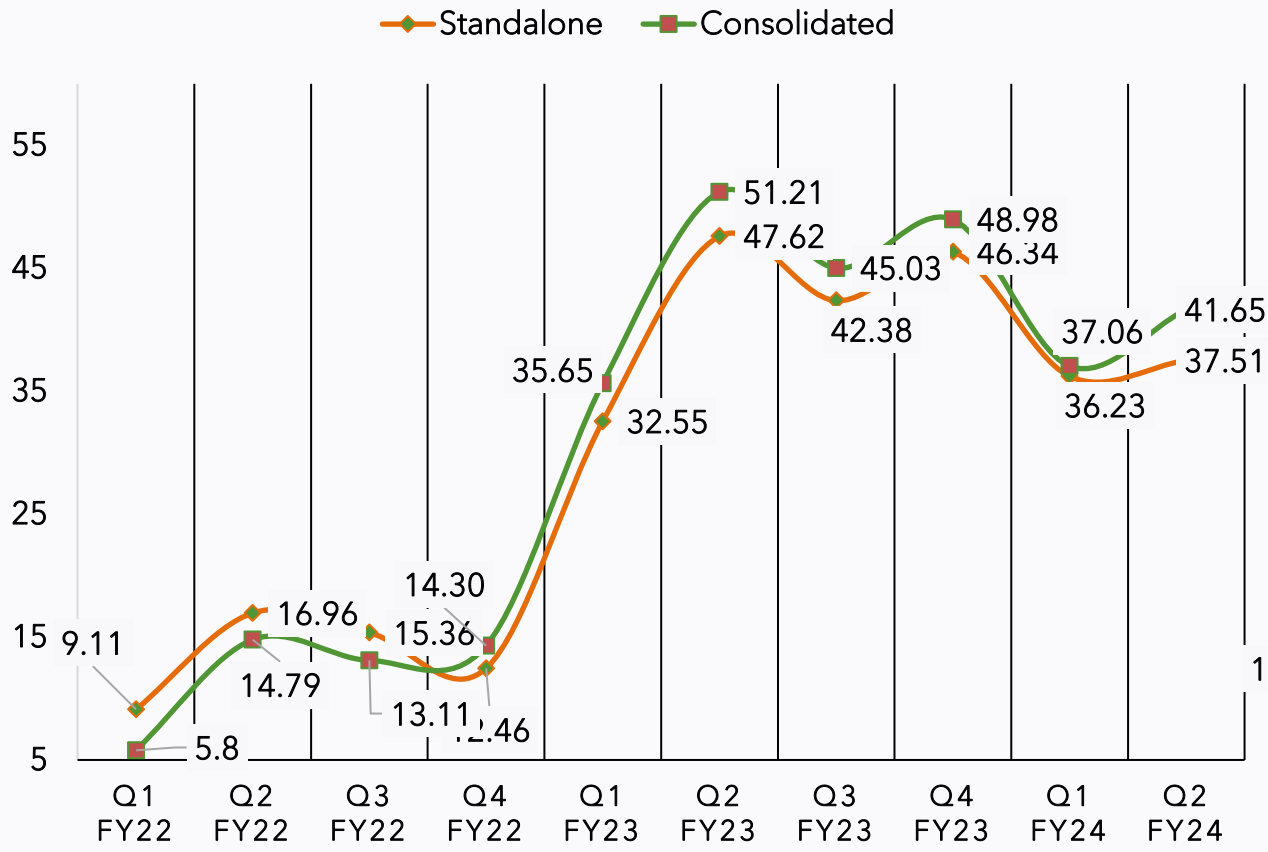
	Standalone			Consolidated		
	Q2 FY24	Q2 FY23	H1 FY24	Q2 FY24	Q2 FY23	H1 FY24
<b>Key Financial Figure</b>						
Return on Equity (ROE%)**	24%	38%	24%	22%	33%	21%
Return on Capital Employed (ROCE%)**	19%	26%	19%	17%	23%	16%
Gross Debt/Equity (x)	0.32	0.48	0.32	0.36	0.53	0.36
Net Debt/Equity (x)	(0.23)	(0.03)	(0.23)	(0.19)	0.00	(0.19)
Earnings Per Share (EPS - INR/Share)	38.37	47.62	74.60	41.76	51.21	78.81
Cash Profit Per Share (INR/Share)	46.68	55.65	90.85	54.84	63.89	104.48
Dividend Per Share (INR/Share)	6.30	7.20	19.20	6.30	7.20	19.20
Net Asset Value Per Share (INR/Share)	1020	809	1020	1,241-1,285	901-968	1,241-1,285

\*\*Annualised

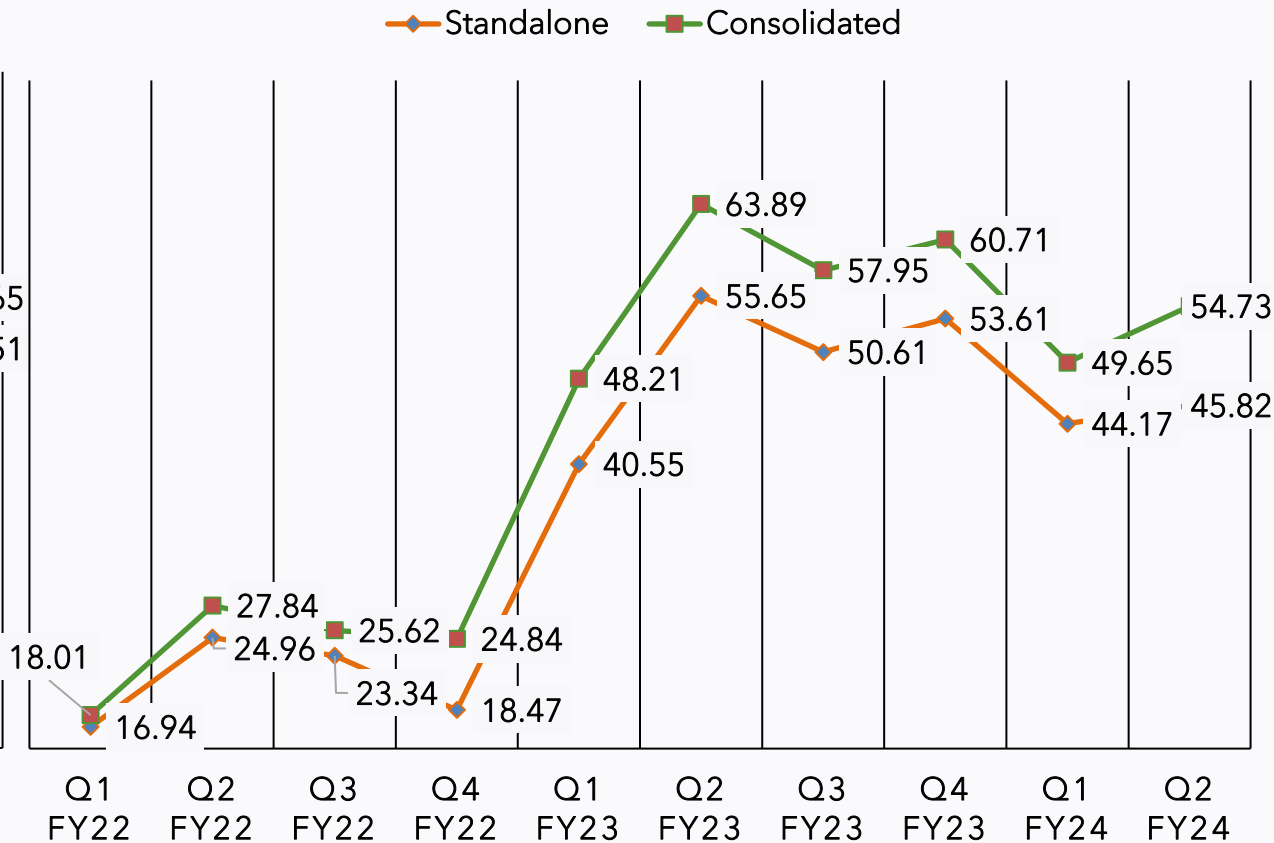
# NORMALISED FINANCIALS - KEY RATIOS



## Earnings per Share (INR/Share)

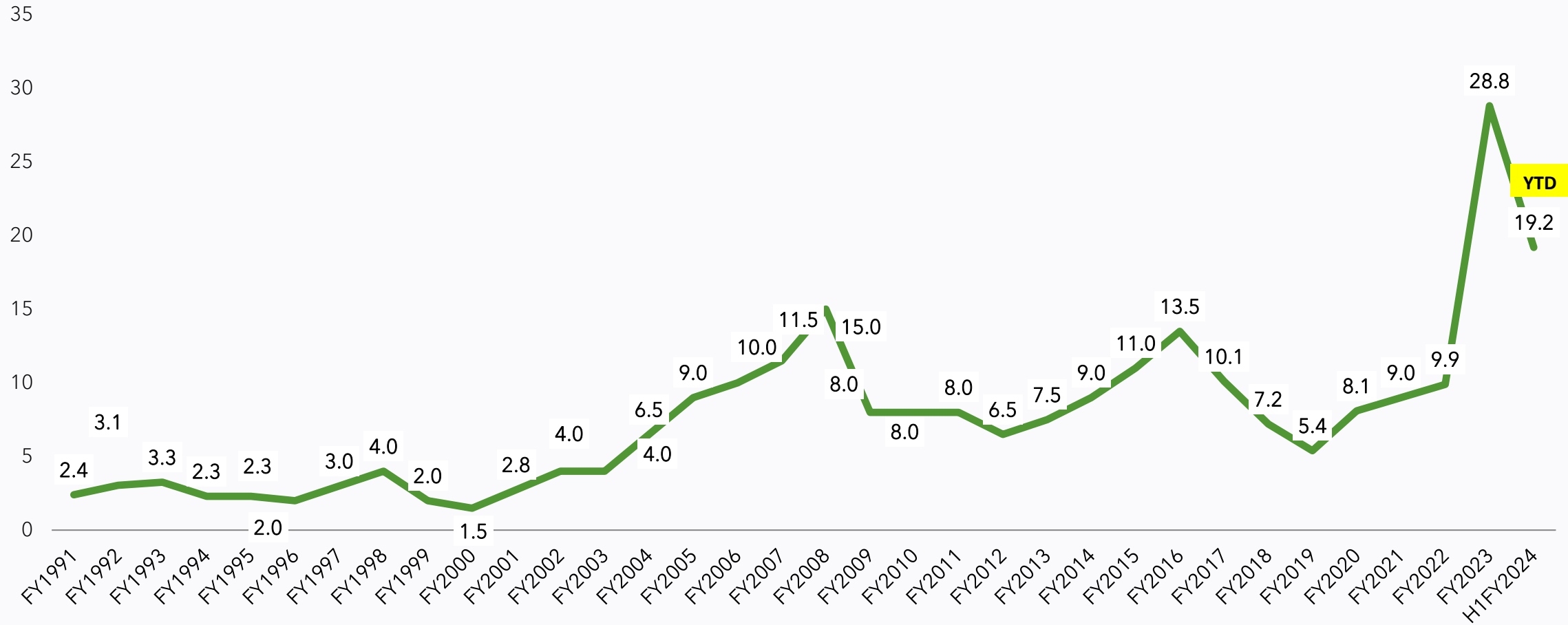


## Cash Profit per Share (INR/Share)





# CONSISTENT DIVIDEND PAYOUTS



Dividend Per Share (INR/Share)

# PROFIT & LOSS STATEMENT - INDUSTRY FORMAT



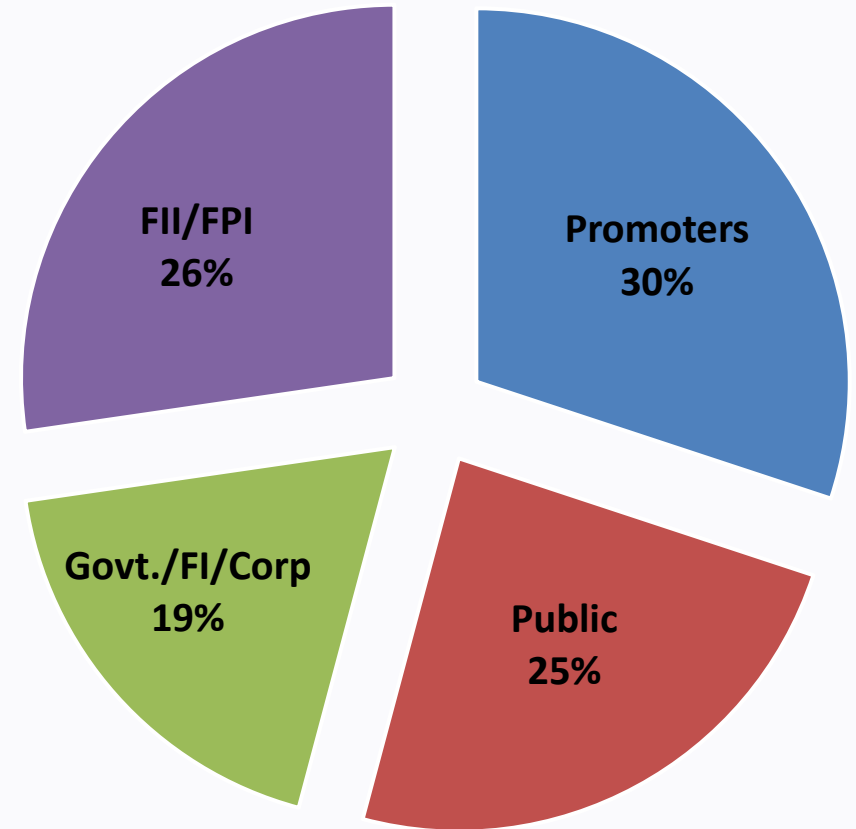
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	Standalone			Consolidated		
	Q2 FY24	Q2 FY23	H1 FY24	Q2 FY24	Q2 FY23	H1 FY24
Figures in INR Crores						
Operating Revenue	930	1,239	1,964	1,184	1,440	2,461
Less: Direct Operating Expenses/Voyage Expenses Time Charter Equivalent (A)	177	311	332	184	317	340
	753	928	1,632	1,001	1,123	2,121
Profit on Sale of Ships and Other Assets	141	117	142	141	117	142
Other Income	111	46	185	136	143	193
Total Other Income (B)	252	163	326	277	260	335
Other Operating Expense	222	202	431	334	293	642
Administrative and General Expense	73	52	142	98	72	189
Total Expense (C)	295	253	573	432	364	832
EBITDA D = (A+B+C)	710	838	1,385	846	1,019	1,624
Depreciation and Amortisation (E)	119	115	232	187	181	366
Impairment (F)	-	-	-	-	-	-
Operating Profit Including Other Income G= (D-E-F)	591	723	1,153	659	838	1,258
Finance Expense (H)	53	67	103	77	88	139
Derivative Losses/ (Gains) (I)	24	23	(42)	8	18	(55)
Foreign Currency Exchange Losses/(Gains) (J)	(37)	(63)	(41)	(38)	(45)	(39)
Income Tax Expense (K)	16	9	32	17	8	42
Net Profit (G-H-I-J)	536	688	1,102	595	769	1,171

GE Shipping – Q2FY24 Results



# SHAREHOLDING PATTERN



30-SEP-2023

# PERFORMANCE REVIEW



Breakup of Revenue Days (Shipping) Revenue Days	Q2 FY24	Q2 FY23
Owned Tonnage	<b>3,734</b>	3,761
Inchartered Tonnage	<b>35</b>	267
<b>Total Revenue Days</b>	<b>3,769</b>	<b>4,028</b>
Total Owned Tonnage (mn.dwt)	<b>3.28</b>	3.44

Breakup of Revenue Days (Offshore) Revenue Days	Q2 FY24	Q2 FY23
Offshore Logistics	<b>1,448</b>	1,523
Drilling Services	<b>365</b>	339
<b>Total</b>	<b>1,813</b>	<b>1,862</b>

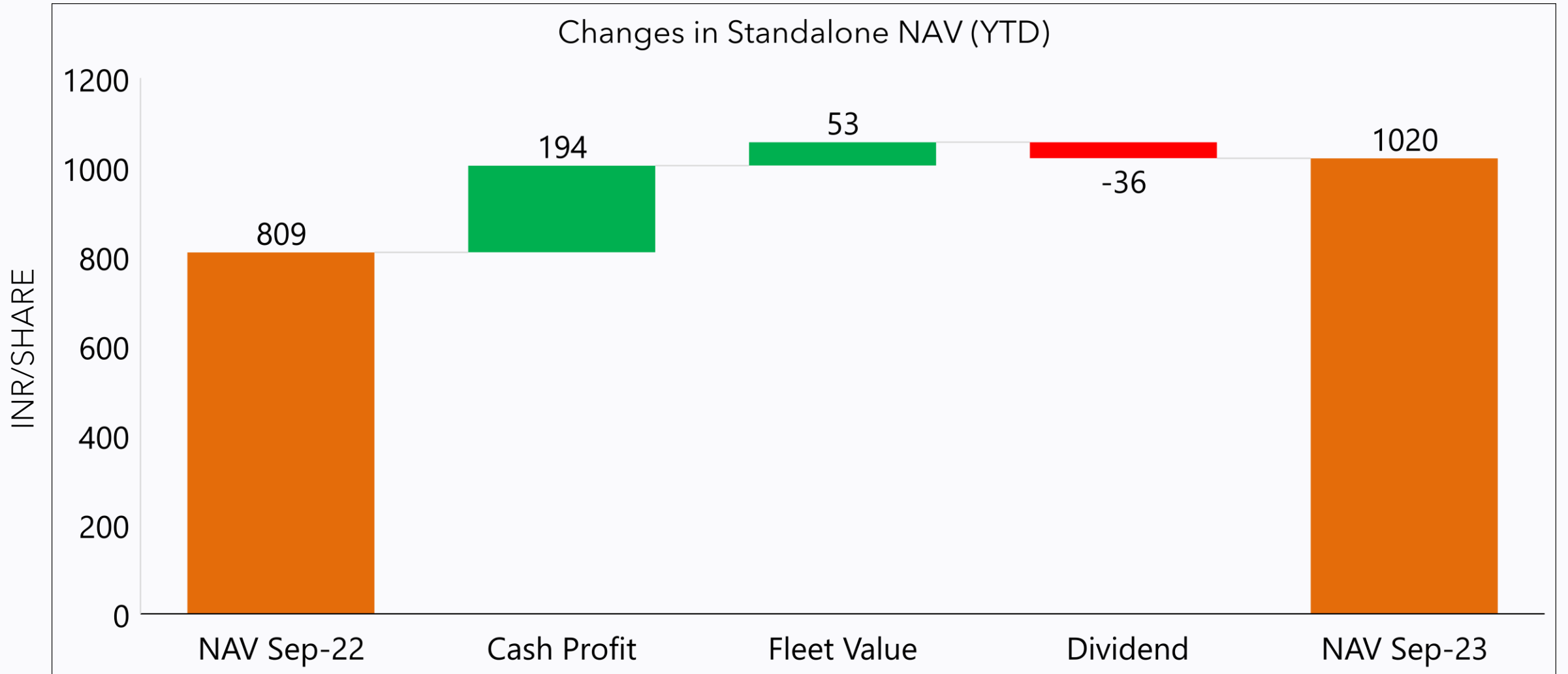
# PERFORMANCE REVIEW



Avg TCYs in Various Categories Avg (TCYs USD/Day)	Q2 FY24	Q1 FY24	QoQ %	Q2 FY23	YoY %
Crude Carriers	<b>40,645</b>	53,344	-24%	33,076	23%
Product Carriers	<b>27,743</b>	33,142	-16%	35,691	-22%
LPG Carriers	<b>31,100</b>	28,860	8%	31,235	0%
Dry Bulk	<b>11,720</b>	13,608	-14%	21,882	-46%



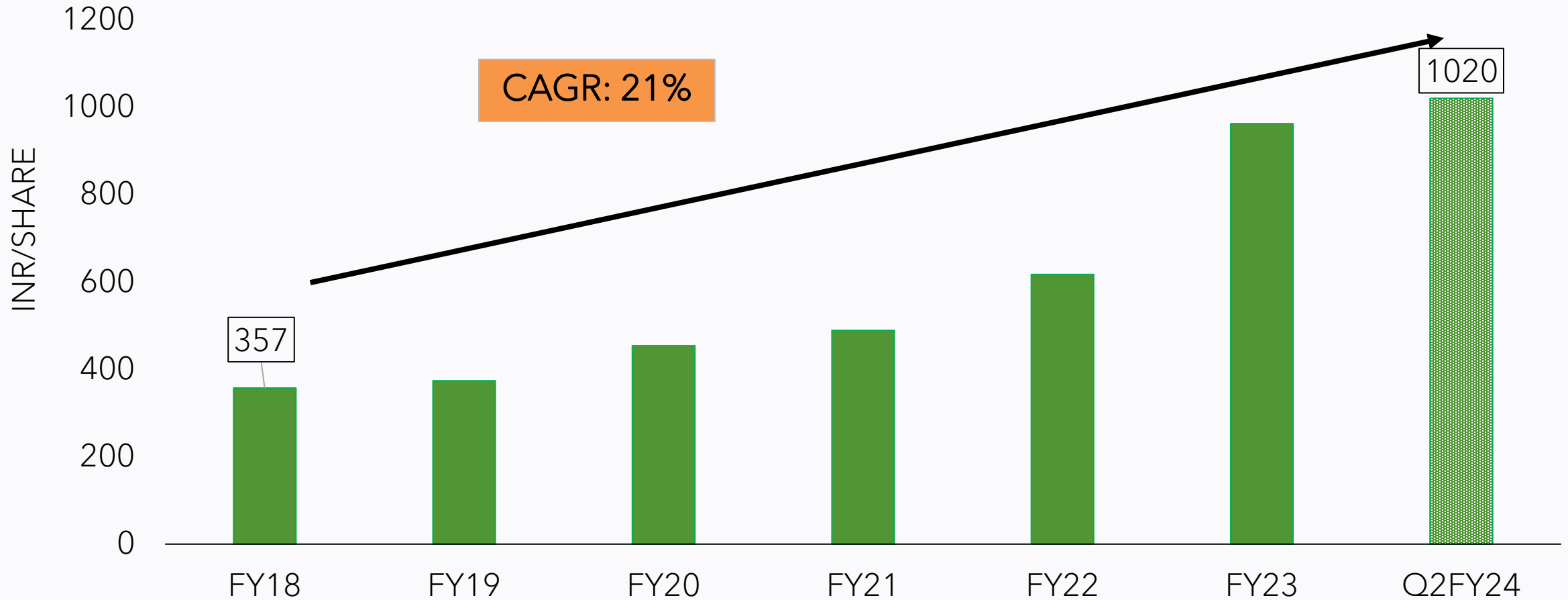
# CHANGES IN STANDALONE NAV (YTD)



# 5 YEARS MOVEMENT IN STANDALONE NAV

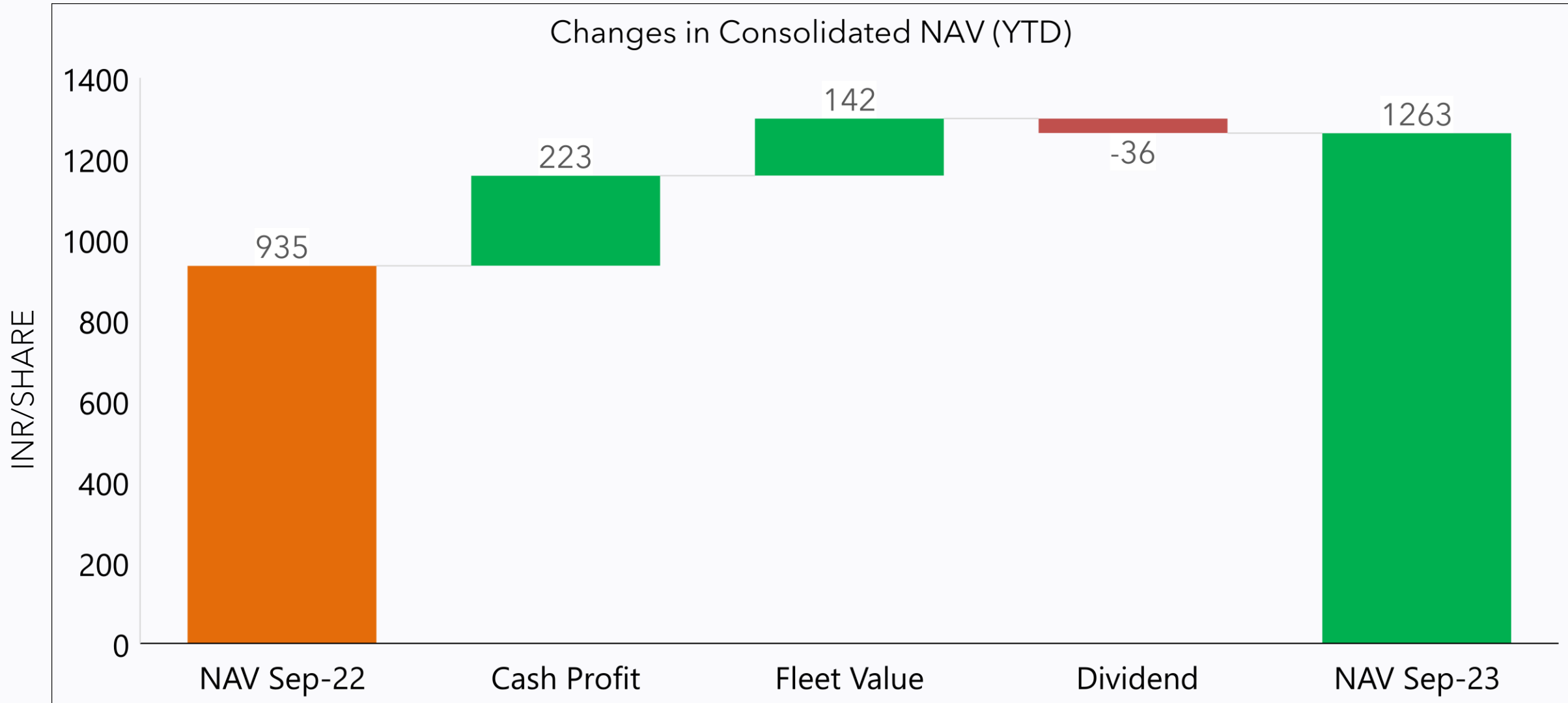


Standalone NAV - Continue to touch new highs





# CHANGES IN CONSOLIDATED NAV (YTD)



# REVENUE COVERAGE



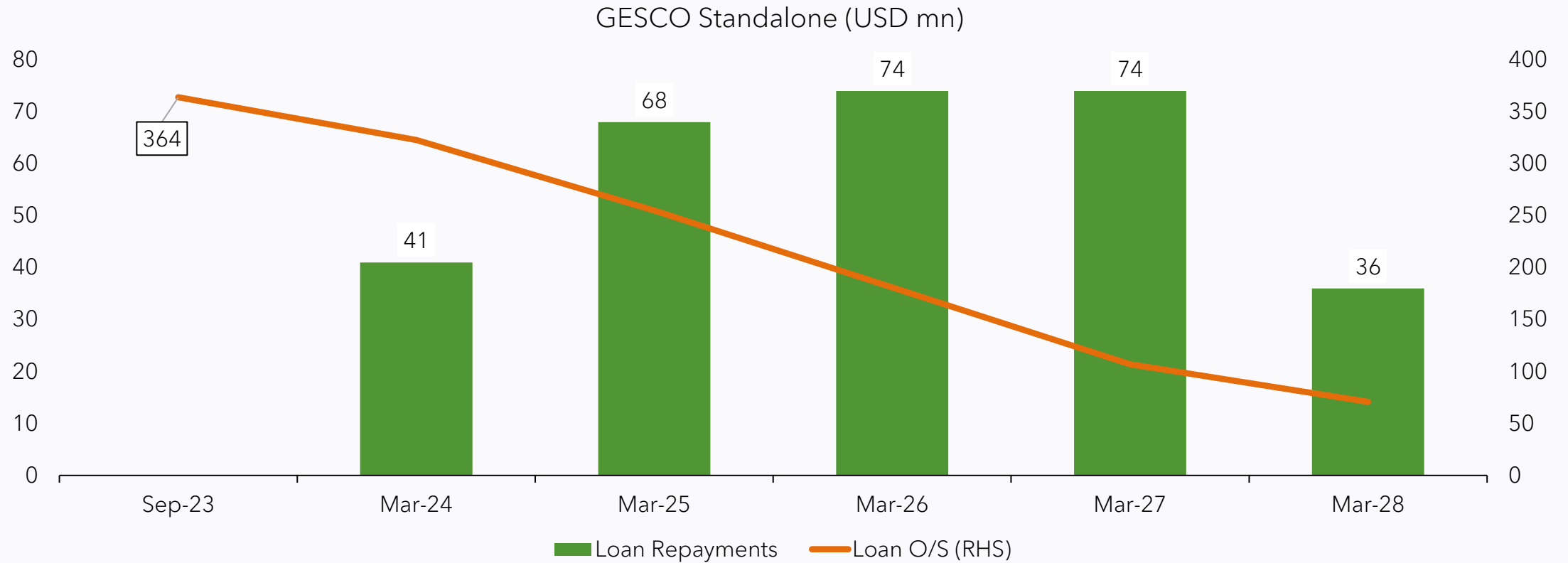
## Coverage of Operating Days (Shipping)

Category	FY24
Crude Carriers	18%
Product Carriers	23%
LPG Carriers	89%
Dry Bulk	43%

## Revenue Days

Jack Up Rigs	90%
AHTSV	78%
MPSV	54%
PSV/ROVSV	93%

# STANDALONE DEBT REPAYMENT SCHEDULE



- 1) Effective all-in USD cost of debt of about 4.00% basis Sep-23
- 2) 95% of debt portfolio is fixed.

# FLEET PROFILE



Fleet Profile - Shipping Fleet	DWT Q2FY24	Fleet (30 Oct'23)	
		No	Avg Age
Crude Carriers	842,958	6	14.93
Product Carriers**	1,138,662	19	15.64
Gas Carriers	185,363	4	17.95
Dry Bulk Carriers*	1,158,355	13	10.23
<b>Total</b>	<b>3,325,338</b>	<b>42</b>	<b>13.70</b>

Fleet Profile - Offshore Fleet	No. of Units	Avg Years Yrs.
Jack Up Rigs	4	12.07
Platform Supply Vessels	4	14.23
Anchor Handling Tug cum Supply Vessels	9	14.00
Multipurpose Platform Supply & Support Vessels	2	13.55
ROV Support Vessels	4	12.09

\*We sold and delivered our Supramax Bulk Carrier “Jag Rohan” in October -2023

\*\*We took delivery of MR tanker in October 2023



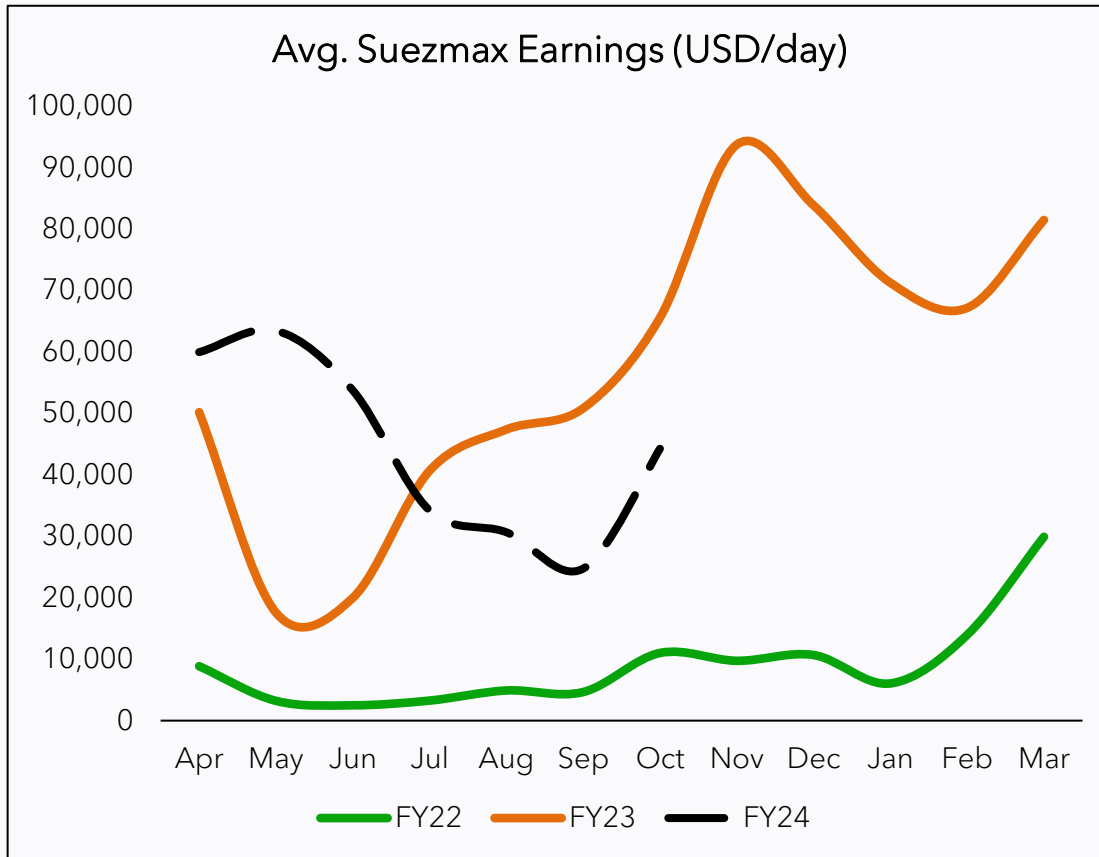
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# SHIPPING MARKET

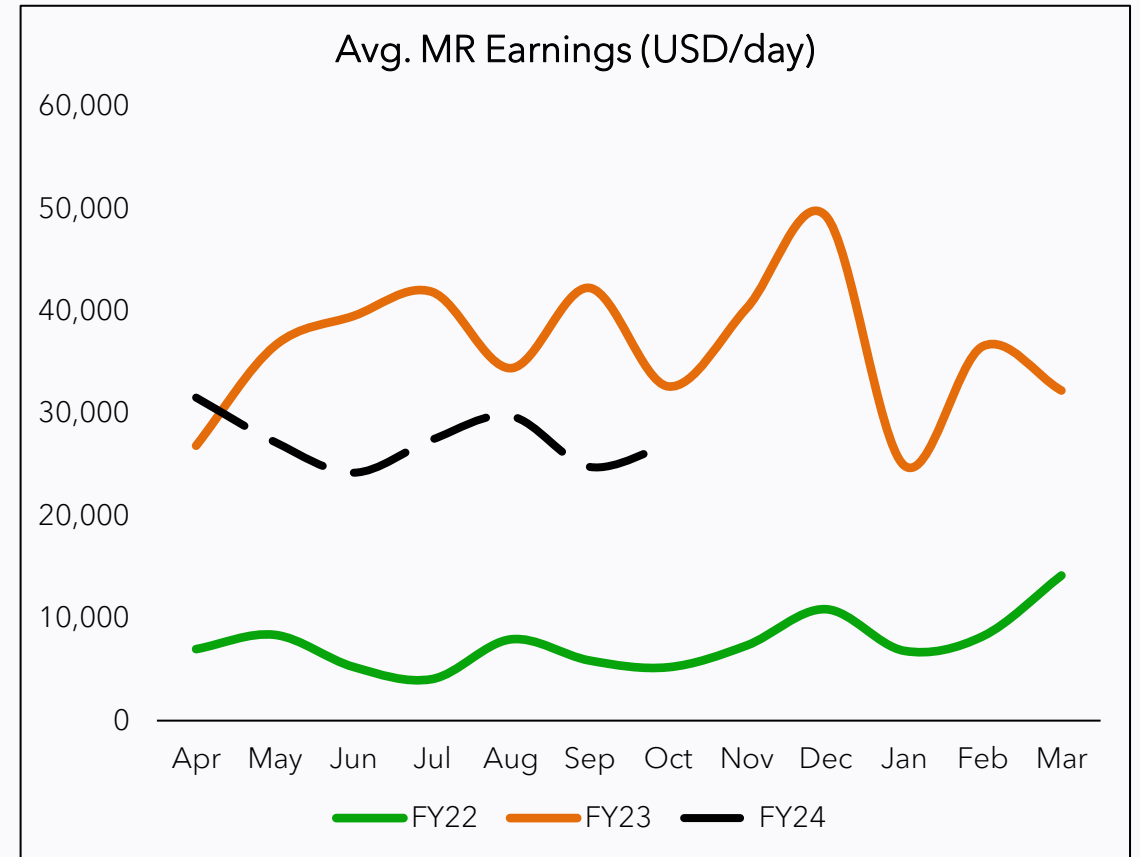


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# CRUDE AND PRODUCT TANKERS



USD/day	FY24	FY23	% change
6M	44,483	37,772	18%



USD/day	FY24	FY23	% change
6M	27,494	36,918	-26%

Sources: Industry Reports

# CRUDE AND PRODUCT TANKERS



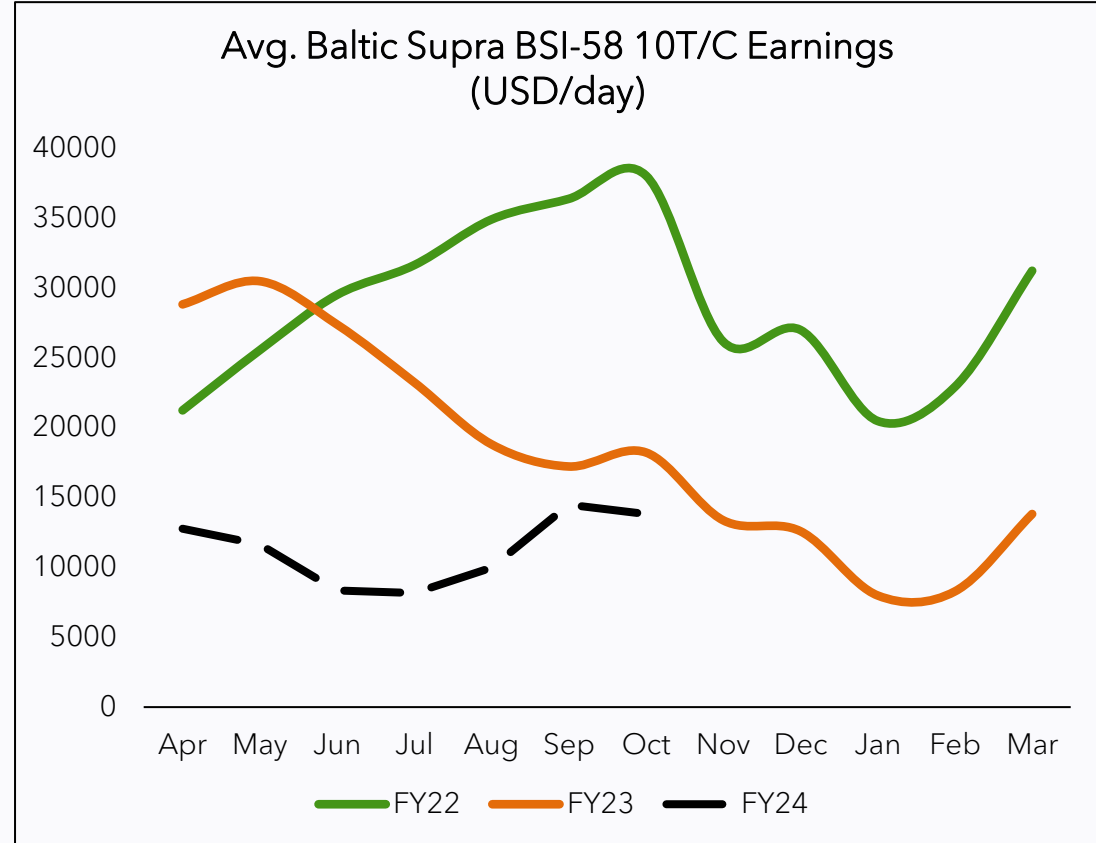
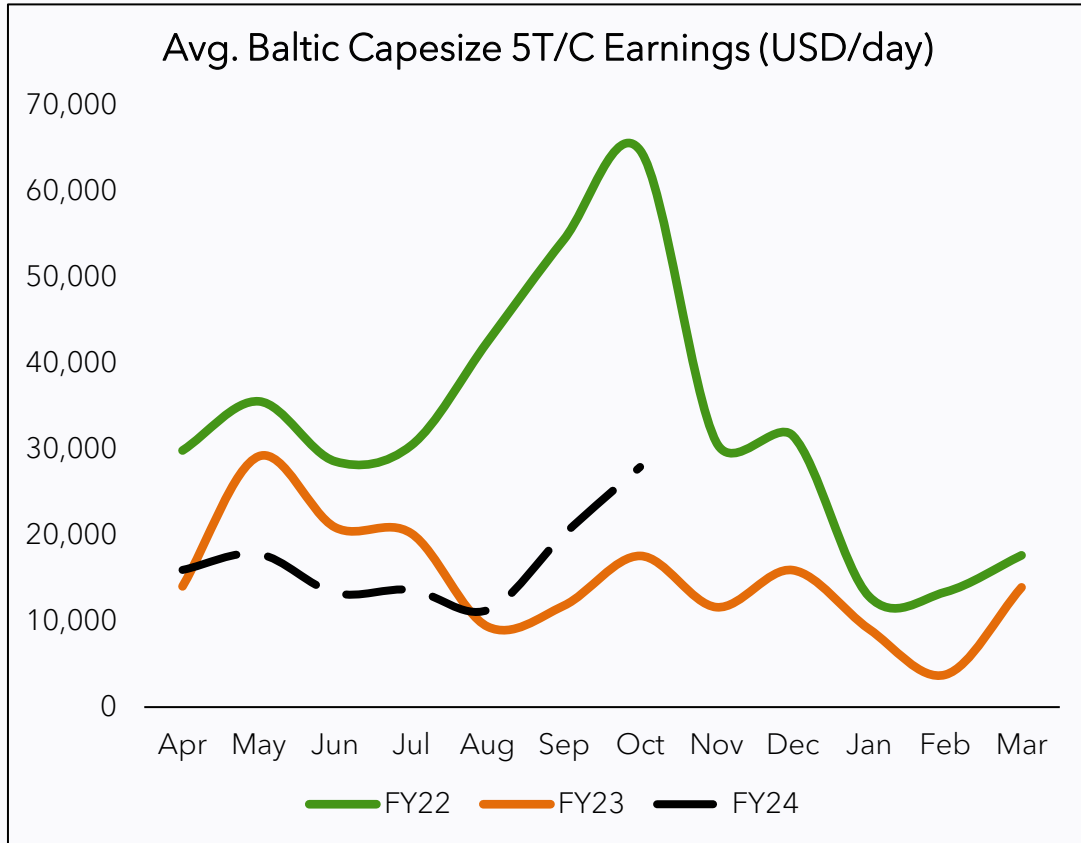
- Crude tanker earnings were down in 2QFY24 (~46% q/q drop in Suezmax earnings) amidst lower exports from Middle East and Russia due to implementation of OPEC+ production cuts.
- Product tanker earnings saw 5% q/q drop in 2QFY24.
- Overall seaborne crude trade was flat y/y in 2QFY24 but product trade grew by 4% y/y.
- Both, Crude & product fleet supply growth was relatively constrained at 2.8% in 2QFY24
- Asset prices continue to remain firm - strongest since 2008
- Orderbook for crude and product tankers are at ~4.1% and ~10% of the fleet respectively.



# DRY BULK



DB Freight picked up in H1FY24 Y-O-Y, however both capes and sub-capes averaged lower Y-O-Y



USD/day	FY24	FY23	% change
6M	15,315	17,556	-12%

USD/day	FY24	FY23	% change
6M	10,892	24,308	-55%

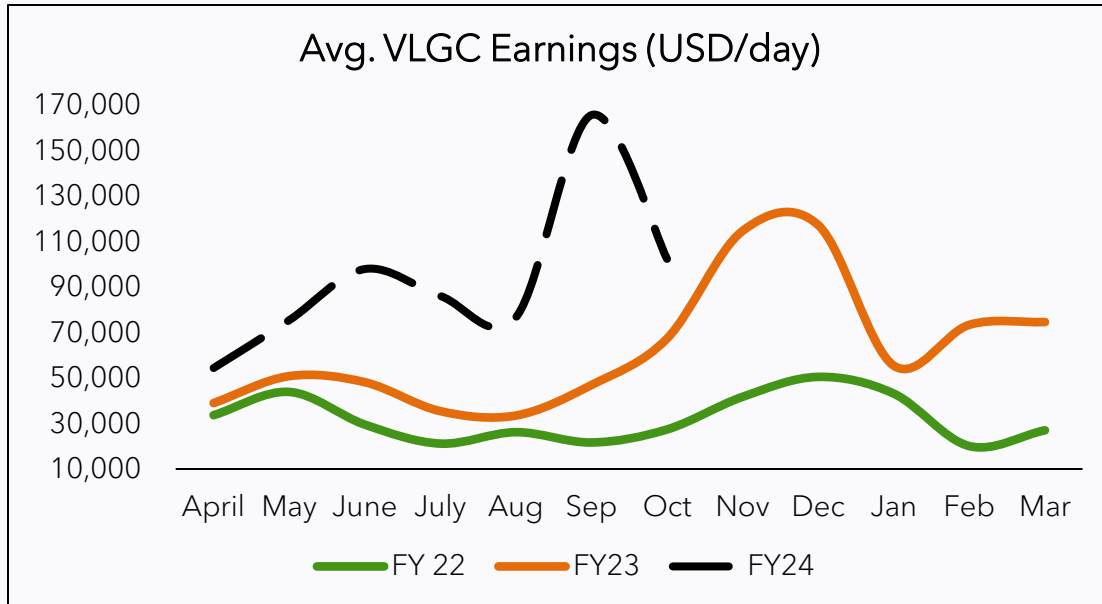
Sources: Industry Reports

# DRY BULK



- Spot earnings continued to remain down y/y during the quarter but witnessed recovery in September-2023.
- Ton - Mile demand increased by ~ 5 % y/y as against a nominal fleet supply growth of 3 %.
- Effective fleet supply growth remained higher as all Covid related congestion seen last year completely reversed.
- Asset prices stabilized during the quarter but are down ~ 20 % from 2022 peak levels.
- Coal imports into China increased ~ 27 % y/y during the quarter due to higher coal requirement for electricity generation.
- Grain trade increased ~ 8 % y/y during the quarter due to higher exports from Brazil.
- Order book continues to be close to all time lows at 8.1 % of fleet

# LPG GAS



VLGC Spot earnings sustained healthy levels during Q2FY-24 and were much higher YoY in comparison to Q2FY-23.

USD/day	FY24	FY23	% change
6M	92,773	42,317	119%

- VLGC trade increased by 4% y/y in 2QFY24. US supplies have seen robust growth of 16% fueled by 15% y/y growth in demand from China.
- Due to higher waiting times at Panama canal, ballast miles are seen to increase as shipowners try to avoid Panama Canal while ballasting from North East Asia to USA.
- Asset prices further increased - matching all time high levels seen during 2014.
- VLGC Orderbook - At elevated level in historical context.



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## FLEET SUPPLY

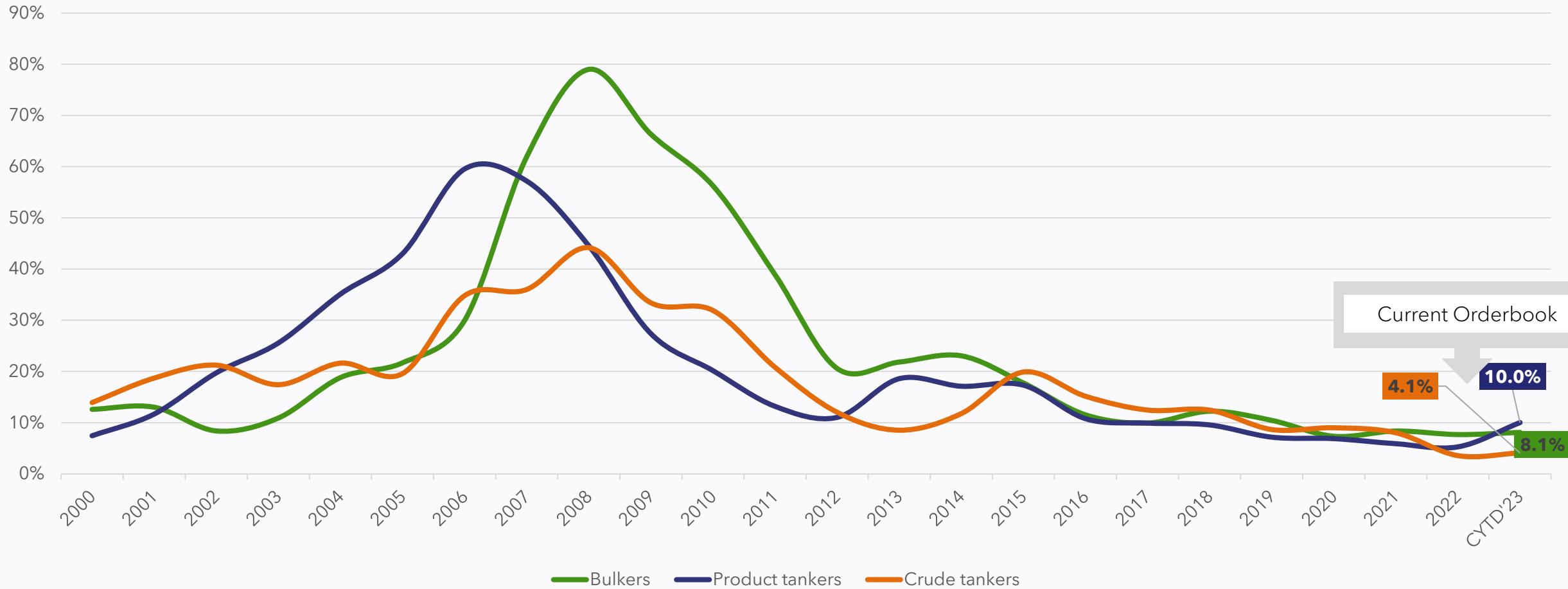


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# LOW ORDER BOOK TO FLEET RATIO



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







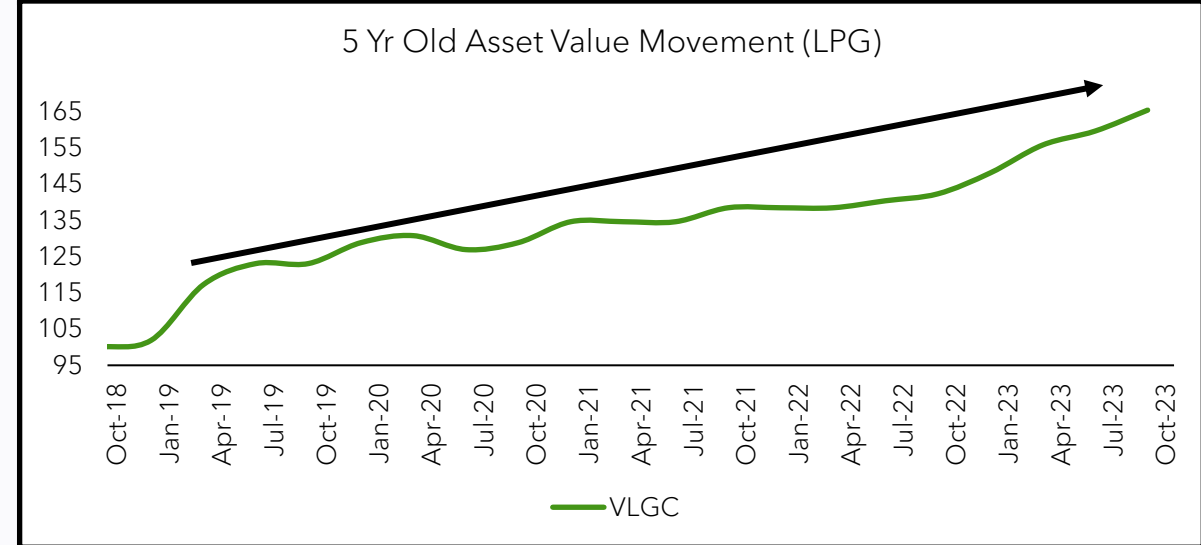
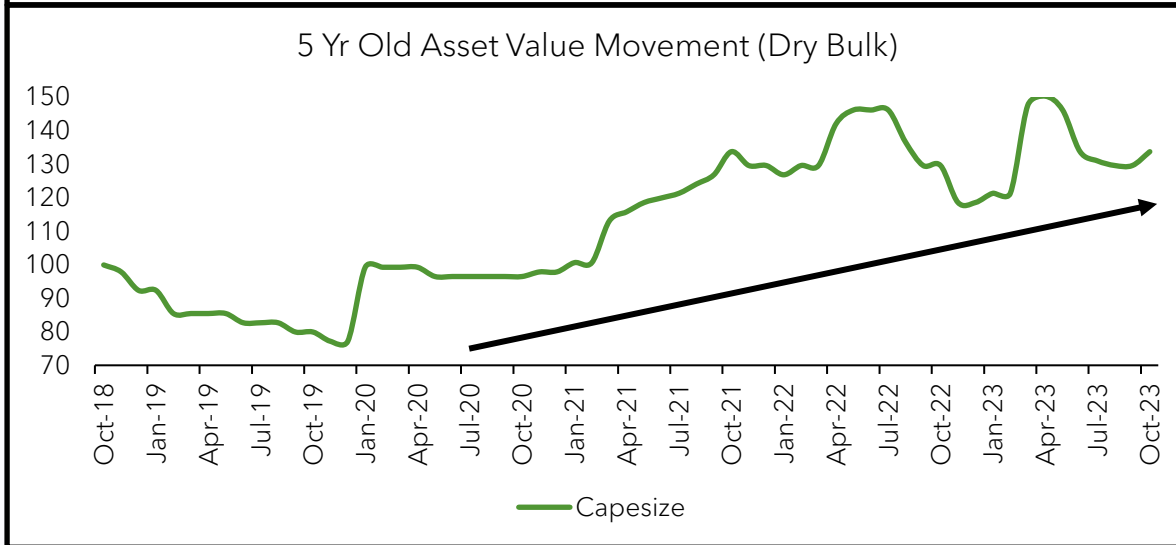
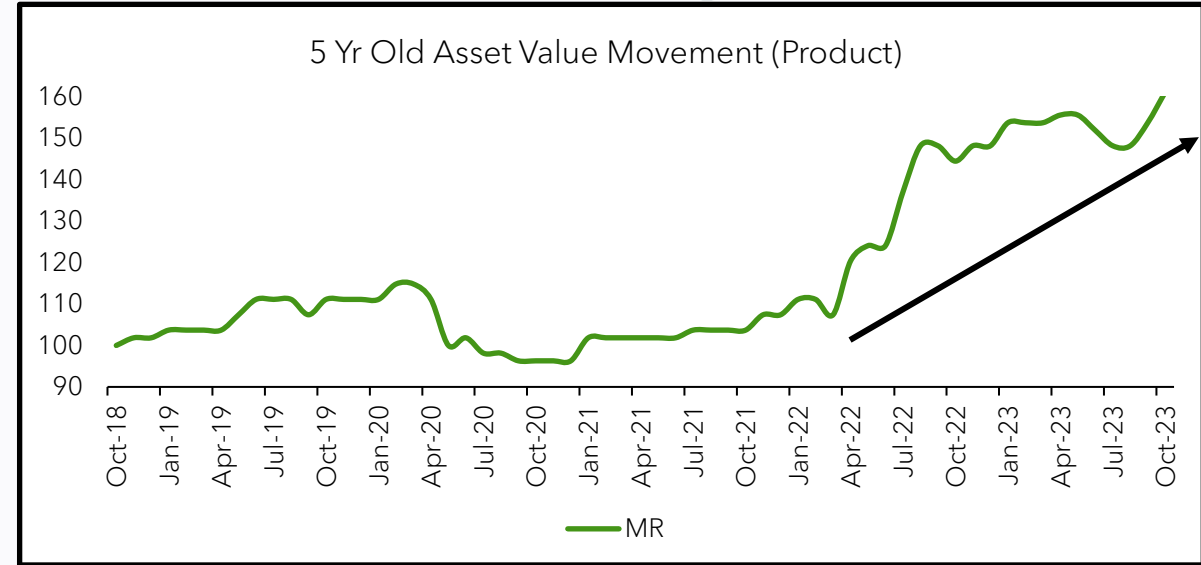
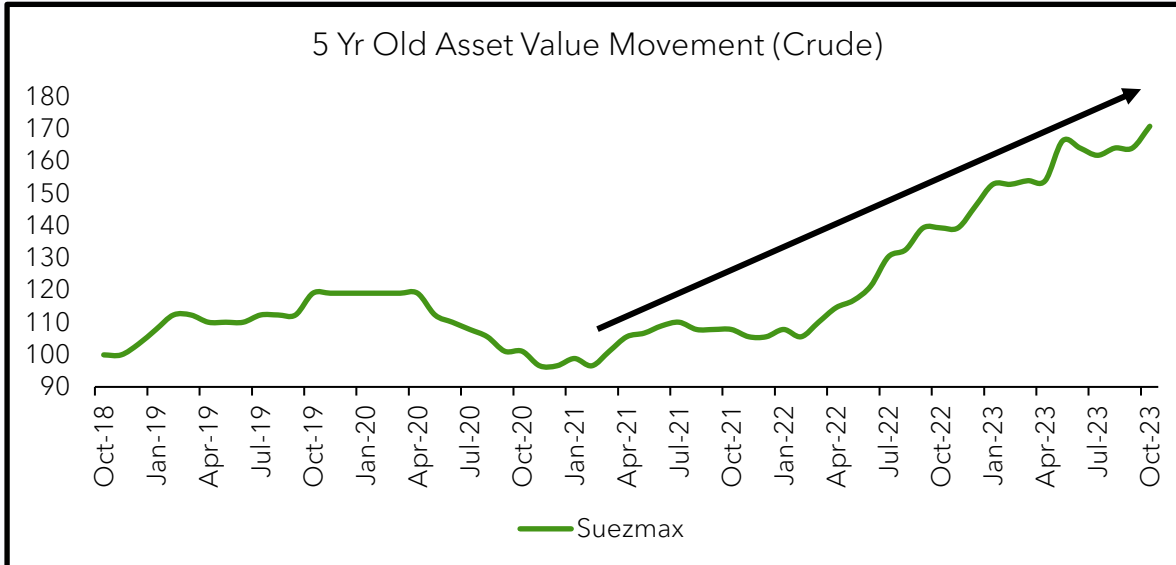
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## ASSET PRICE MOVEMENT

# ASSET PRICE MOVEMENT (INDEXED OVER LAST 5 YRS)





# SCRAPPING



Vessel Category	Oct'23
Crude	462
Product	184
Dry Bulk	996

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	0.11	0.76	2.11	0.57	0.60	1.72	1.22	0.54	0.62
Dry Bulk	0.50	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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# JACK UP RIGS - MARKET

## Demand Side:

- Ramp up in demand from Middle East was the prime mover at the start of this upcycle. After a flurry of tendering activity over last 12-18 months, the focus for most operators & contractors has now shifted towards preparing and mobilizing the rigs against awarded contracts.
- Activity in other regions is also picking up. Recent market reports indicate that in some regions, tenders have been cancelled or reissued due to limited supply

## Utilization:

- The fleet utilization calculated basis rigs under contract has been inching up gradually. Once all the awarded rigs commence their contracts, the working rig count is expected to reach 380-390 units.
- While this absolute count will be still lower than the peak in 2013-14, the fleet base has also reduced over this period. As a result, the utilization % is expected to reach levels similar to those in 2013-14.
- The fleet base also includes some old cold stacked units. If these units are not activated due to technical challenges involved in reactivation, the effective supply-demand balance will remain extremely tight.

## Supply Side:

- No Jack Up new building orders have been placed for the past many years.
- Many yards have repurposed their capacity towards other offshore projects.
- Channel checks indicate that for yards to consider taking fresh orders, the pricing needs to be significantly higher than previous highs.
- Given these developments, new building supply is expected to be fairly limited over the next few years.

# FLEET SUPPLY

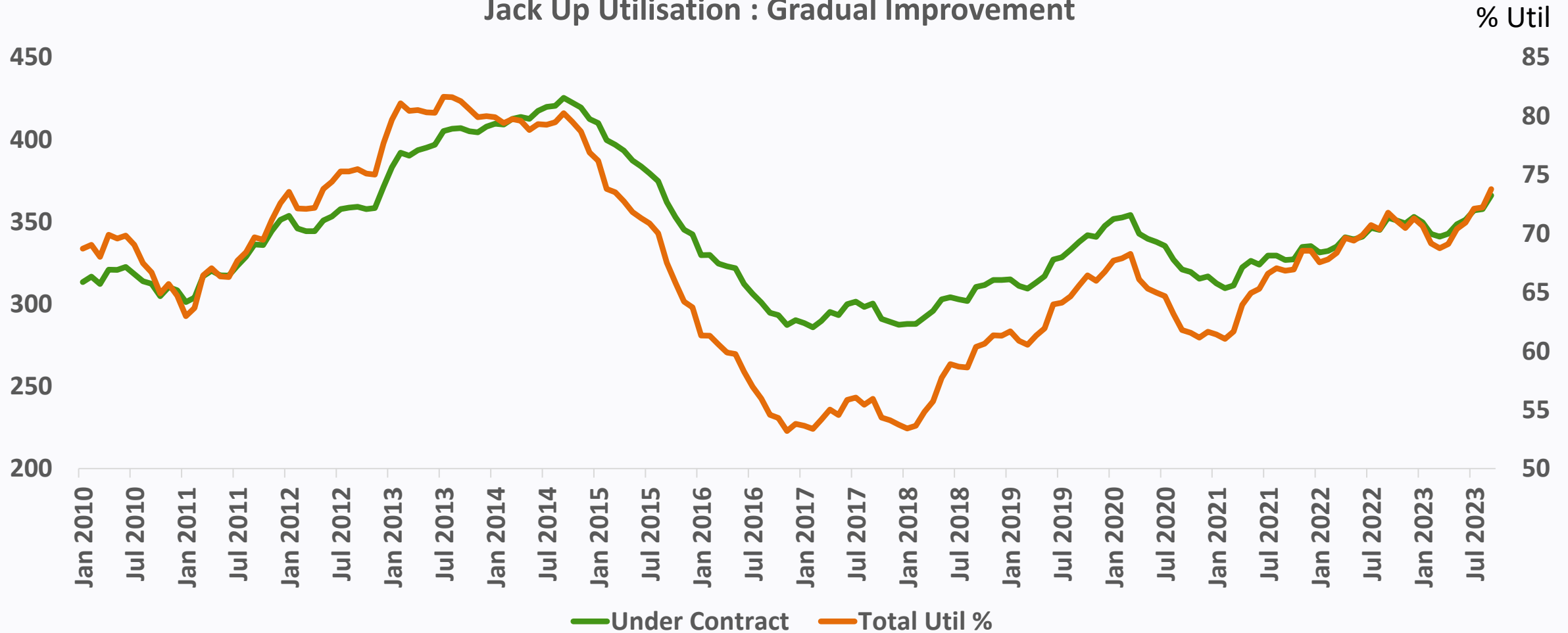


Number	Jack-up Rigs	PSV+AHTSV
Current Fleet	496	3,390
Under Contract Fleet	358	2,324
Order Book	21	79
O/B to Current Fleet	4.2%	2.3%
Total Scrapping since Jan 2016 (Nos)	143	668
No of Vessels/Rigs more than 20/30 years old (% Fleet)	33%	20%
Cold stacked more than 3 years	54	477

# MARKET TRENDS: UTILISATION



Jack Up Utilisation : Gradual Improvement

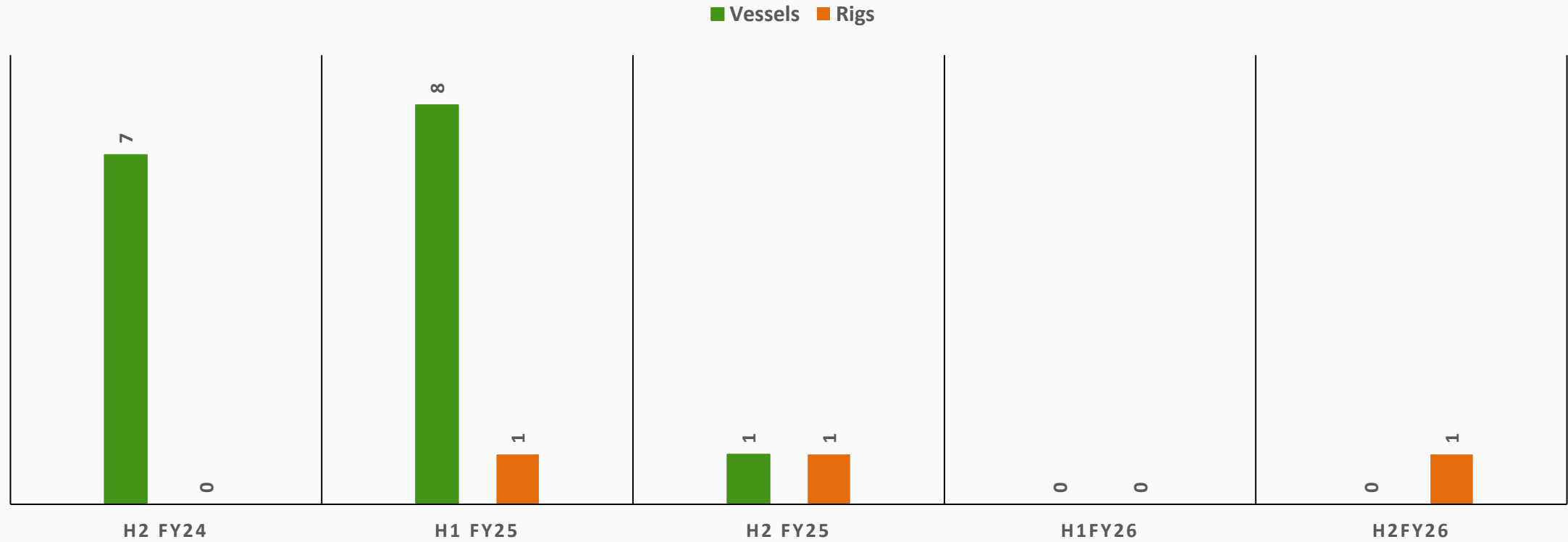


# REPRICING



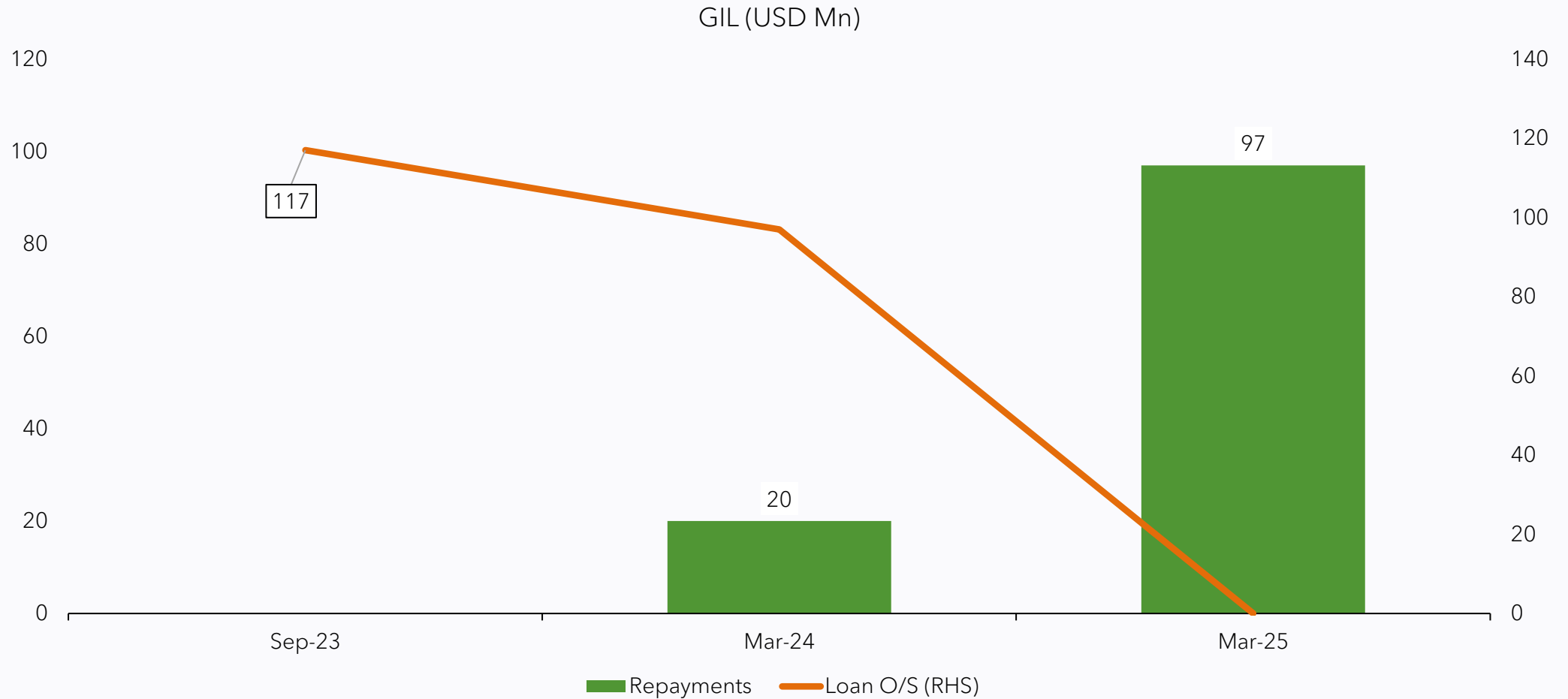
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*Of the Remaining 3 vessels, 2 will come up for repricing in H1FY27 & 1 vessel will come up for repricing in H1FY29  
Remaining 1 rig will come up for repricing in H2FY 27*





# DEBT REPAYMENT SCHEDULE





25/07/2022

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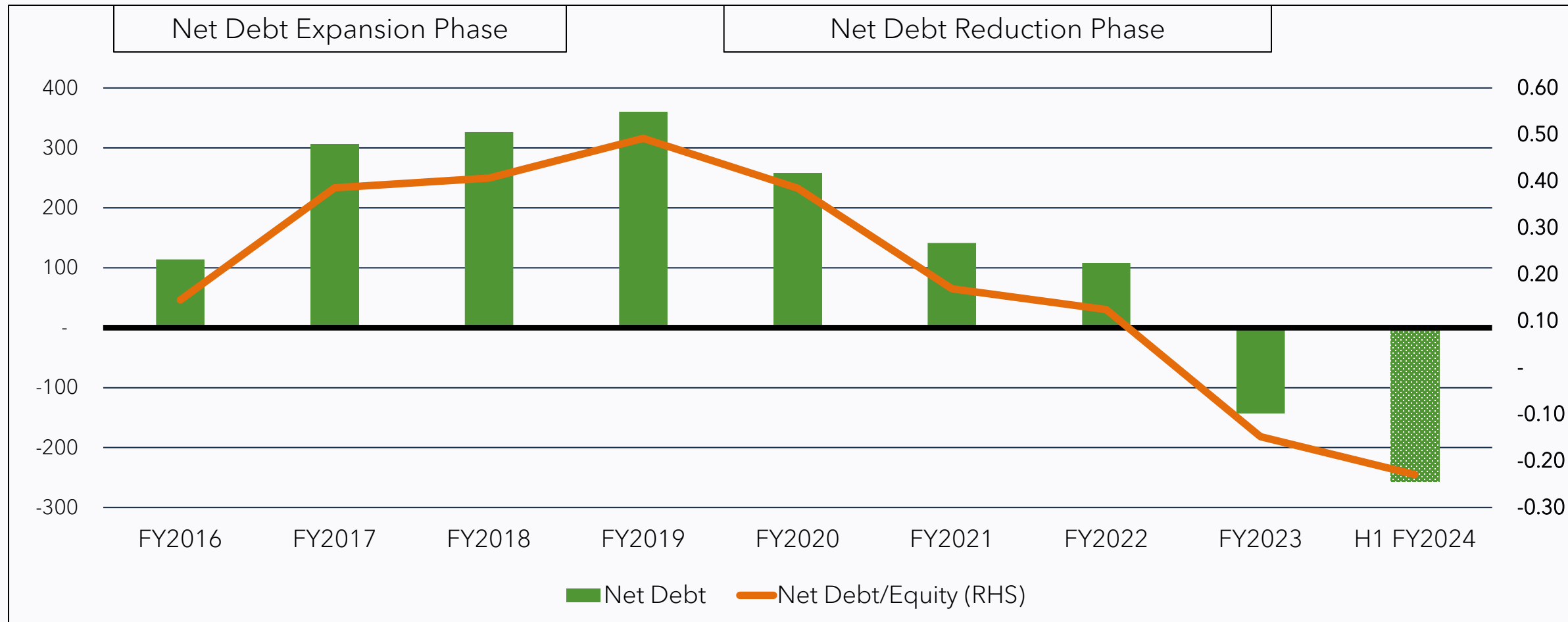
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# FINANCIALS

# STRONG CASHFLOWS LED NET DEBT USD 360 MN TO NET CASH OF USD 250 MN



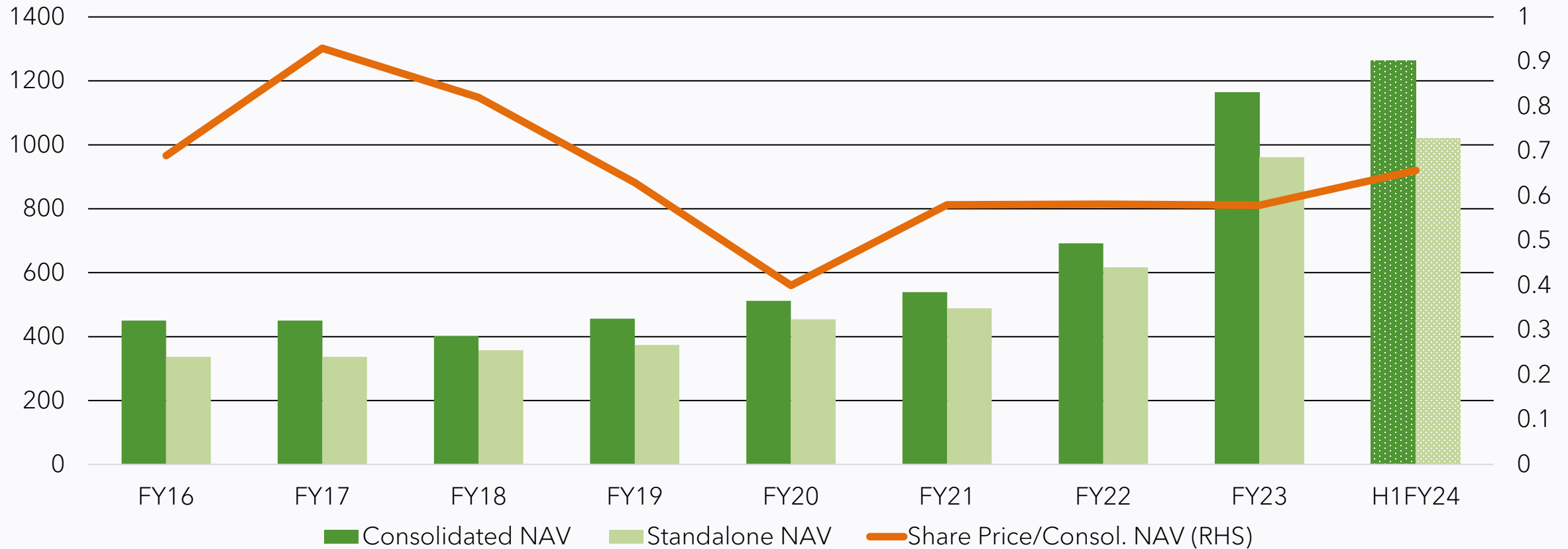
USD Mn



# SHARE PRICE TO CONSOLIDATED NAV



INR/Share



\* For H1FY24 we have taken share price as on 27<sup>th</sup> Oct 2023

# GREAT EASTERN CSR FOUNDATION



GECSRF supports NGOs working under health, education and livelihoods

## CURRENT PARTNERS

### EDUCATION



### HEALTH



### LIVELIHOODS





# THANK YOU

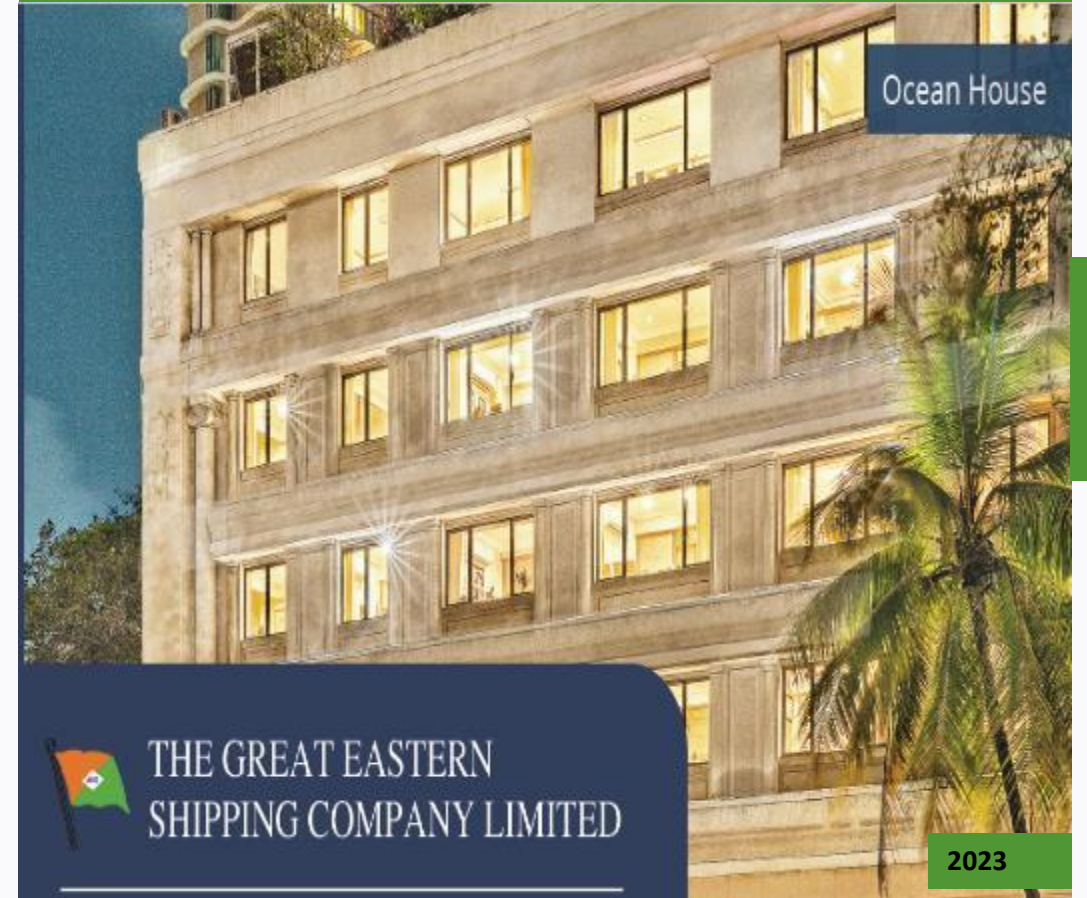
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