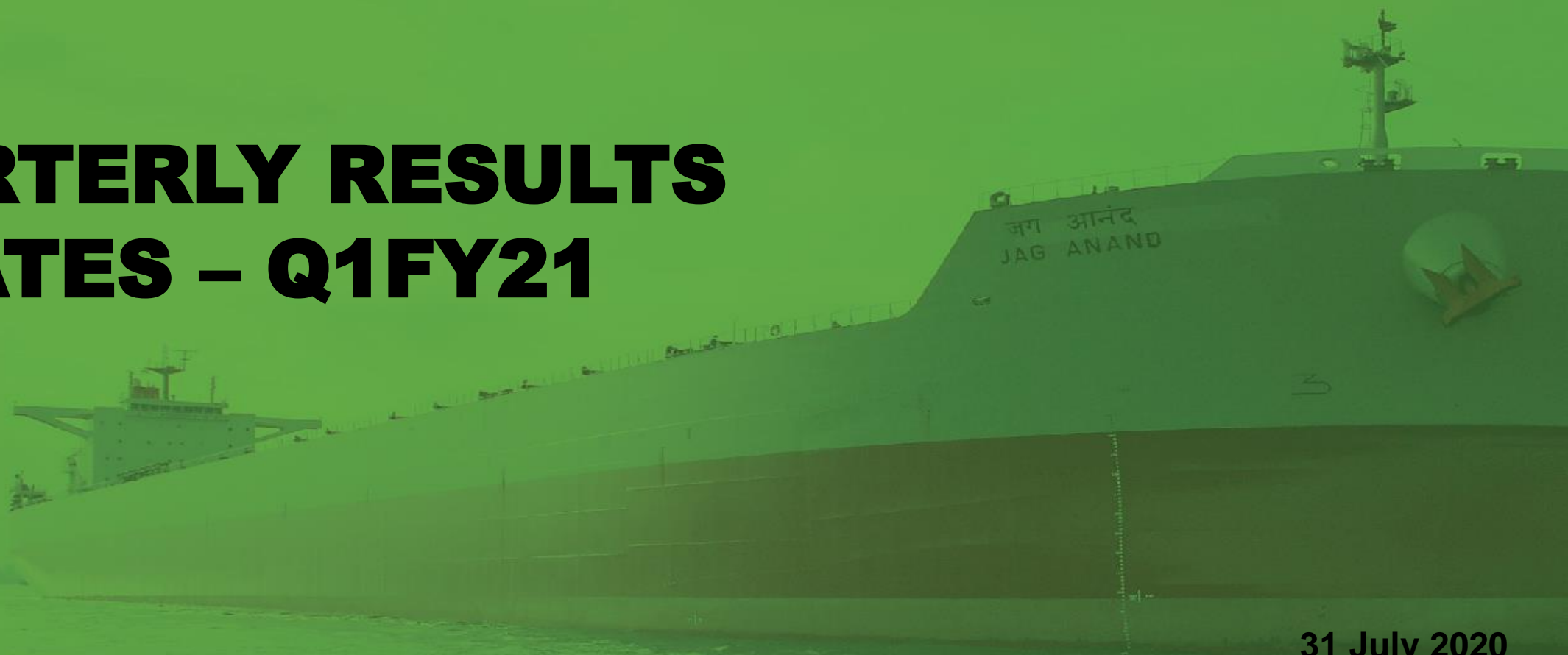




The Great Eastern
Shipping Co. Ltd.

QUARTERLY RESULTS UPDATES – Q1FY21



31 July 2020

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.

FINANCIAL RESULTS

Q1 FY 2020-21

REPORTED FINANCIAL HIGHLIGHTS

GE Shipping Q1FY21 consolidated Net Profit at Rs. 468 Crores

Standalone		Key Figures	Consolidated	
Q1FY21	Q1FY20	(Amount in Rs. Crs)	Q1FY21	Q1FY20
		Income Statement		
1,025	569	Revenue (including other income)	1,197	773
637	165	EBITDA (including other income)	717	261
465	(50)	Net Profit	468	(54)
		Balance Sheet		
10,284	10,283	Total Assets	14,050	14,252
5,500	5,008	Equity	7,229	6,755
3,560	4,078	Total Debt (Gross)	5,194	5,917
730	1,599	Long Term Debt (Net of Cash)	1,201	2,235
		Cash Flow		
637	218	From operating activities	691	305
17	64	From investing activities	31	26
(125)	(86)	From financing activities	(190)	(166)
530	197	Net cash inflow/(outflow)	531	165

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

GE Shipping Q1FY21 consolidated Normalized Net Profit at Rs. 423 Crores

Standalone		Key Figures	Consolidated	
Q1FY21	Q1FY20	(Amount in Rs. Crs)	Q1FY21	Q1FY20
		Income Statement		
957	631	Revenue (including other income)	1,128	833
593	232	EBITDA (including other income)	672	327
422	17	Net Profit	423	12
		Balance Sheet		
10,284	10,283	Total Assets	14,050	14,252
5,500	5,008	Equity	7,229	6,755
4,169	4,722	Total Debt (Gross)	5,803	6,561
1,339	2,243	Long Term Debt (Net of Cash)	1,810	2,879
		Cash Flow		
637	218	From operating activities	691	305
17	64	From investing activities	31	26
(125)	(86)	From financing activities	(190)	(166)
530	197	Net cash inflow/(outflow)	531	165

NORMALIZED FINANCIAL HIGHLIGHTS

Standalone		Key Figures	Consolidated	
Q1FY21	Q1FY20		Q1FY21	Q1FY20
		Key financial figures		
31.93%	1.36%	*Return on Equity (ROE) (%)	24.12%	0.69%
19.58%	2.60%	*Return on Capital Employed (ROCE) (%)	15.03%	3.26%
0.76	0.94	Gross Debt/Equity (x)	0.80	0.97
0.24	0.45	Net Debt/Equity (x)	0.25	0.43
28.70	1.14	Earnings per share, EPS (INR/Share)	28.77	0.78
36.59	9.38	Cash Profit per share (INR/Share)	41.08	13.56
-	-	Dividend per share (INR/Share)	-	-
456	383	Net Asset Value per share (INR/Share)	494-536	452-477

*Annualized figures

PERFORMANCE REVIEW

Break up of Revenue days (Shipping)

Revenue Days	Q1 FY21	Q1 FY20
Owned Tonnage	4,018	4,142
Inchartered Tonnage	-	35
Total Revenue Days	4,018	4,177
Total Owned Tonnage (mn.dwt)	3.70	3.85

Break up of Revenue days (Offshore)

Revenue Days	Q1 FY21	Q1 FY20
Offshore Logistics	1,626	1,470
Drilling Services	306	314
Total	1,932	1,784

Average TCYs earned over last few quarters in various (Shipping) categories

Average (TCY \$ per day)	Q1 FY21	Q4 FY20	Q-o-Q Change	Q1 FY20	Y-o-Y Change
Crude Carriers	40,109	32,338	24%	14,824	171%
Product Carriers	27,112	18,274	48%	14,581	86%
LPG Carriers	28,908	25,932	11%	16,774	72%
Dry Bulk	7,218	8,321	-13%	10,998	-34%

REVENUE VISIBILITY & COVERAGE

Category-wise coverage of operating days (Shipping) --- FY21

Category	Extent of coverage of fleet's operating days	Revenue Visibility
Crude Carriers	27%	Rs 513 Cr
Product Carriers	16%	
LPG Carriers	79%	
Dry Bulk	23%	

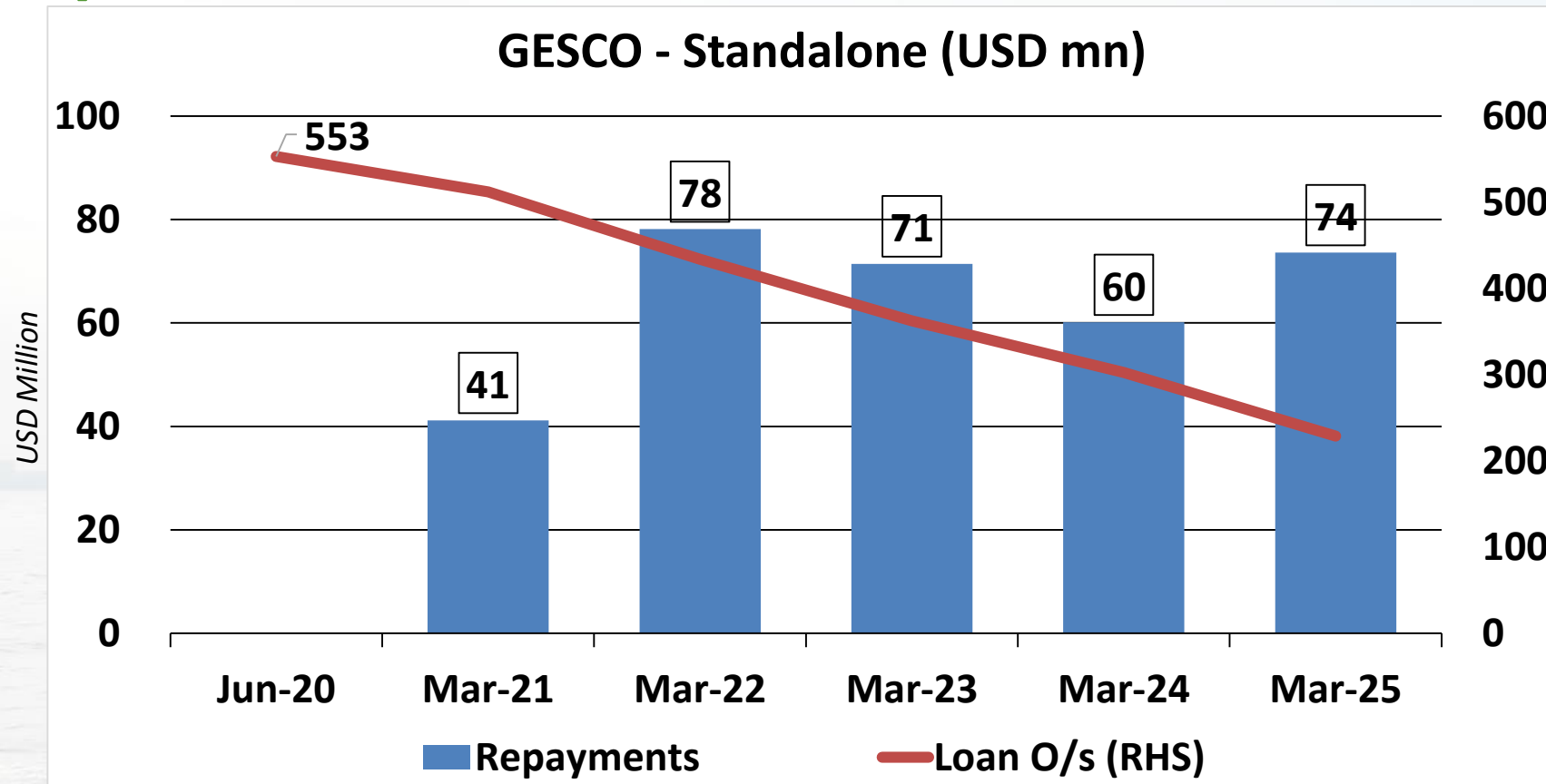
Category-wise coverage of operating days (Offshore) --- FY21

Category	Extent of coverage of fleet's operating days	Revenue Visibility
Jackup Rigs	94%	Rs 472 Cr
AHTSV	72%	
MPSVV	68%	
PSV/ROVSV	92%	

FLEET PROFILE

SHIPPING			
Fleet	DWT	Number of Ships	Average Age (Yrs.)
Crude Carriers	1,461,591	11	14.33
Product Carriers	987,207	17	12.77
Gas Carriers	224,113	5	18.89
Dry Bulk Carriers	1,026,462	13	7.78
Total	3,699,373	46	12.37
OFFSHORE			
Fleet	Number of Units		Average Age (Yrs.)
Jack Up Rigs	4		8.81
Platform Supply Vessels	4		10.96
Anchor handling Tug Cum Supply Vessels	8		10.82
Multipurpose Platform Supply & Support Vessels	2		10.28
ROV Support Vessels	5		8.98

GESCO STANDALONE DEBT REPAYMENT SCHEDULE (NEXT 5 YEARS)



GESCO: We have effective all-in USD cost of debt of less than 4%. 85% of debt portfolio is fixed.

SHIPPING MARKET



IMPACT OF COVID-19



IMPACT OF COVID-19 ON SHIPPING

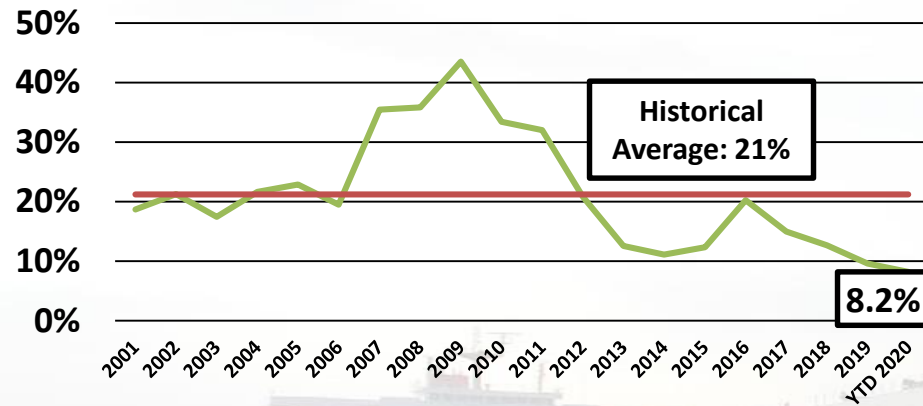
Operational Disruptions due to COVID-19

- Drydocking
- Crew Changes
- S&P transactions



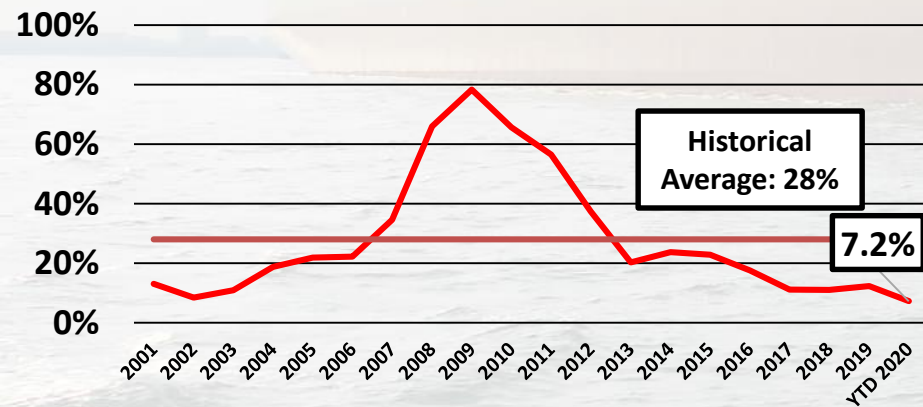
SUPPLY SIDE - SHIPPING

LOWEST ORDERBOOK IN 20 YEARS



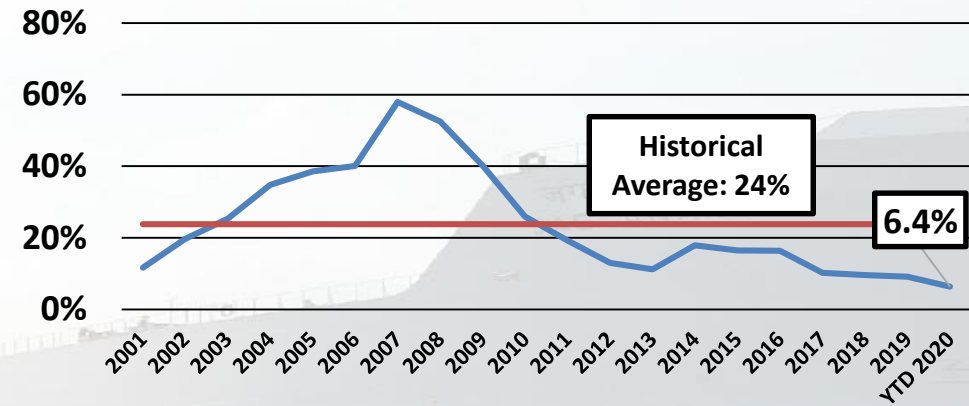
— Crude tankers Orderbook (% of Total fleet)

— Average Historical Orderbook



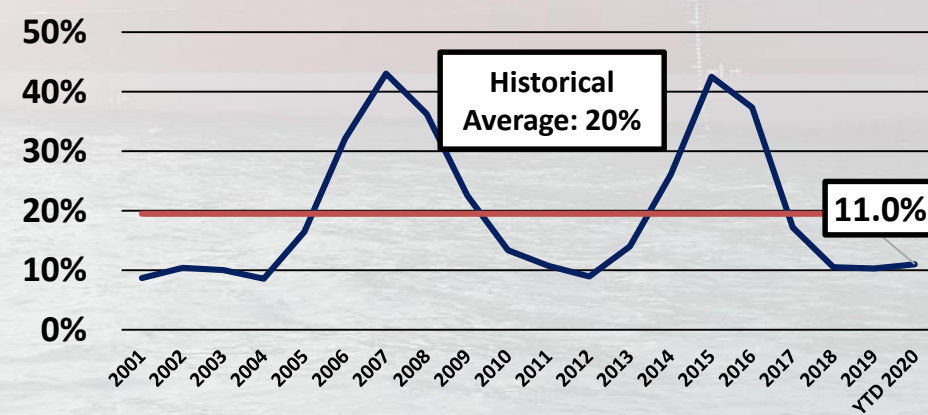
— Dry Bulk Orderbook (% of Total fleet)

— Average Historical Orderbook



— Product tankers Orderbook (% of Total fleet)

— Average Historical Orderbook



— LPG Carriers Orderbook (% of Total fleet)

— Average Historical Orderbook

SCRAPPING

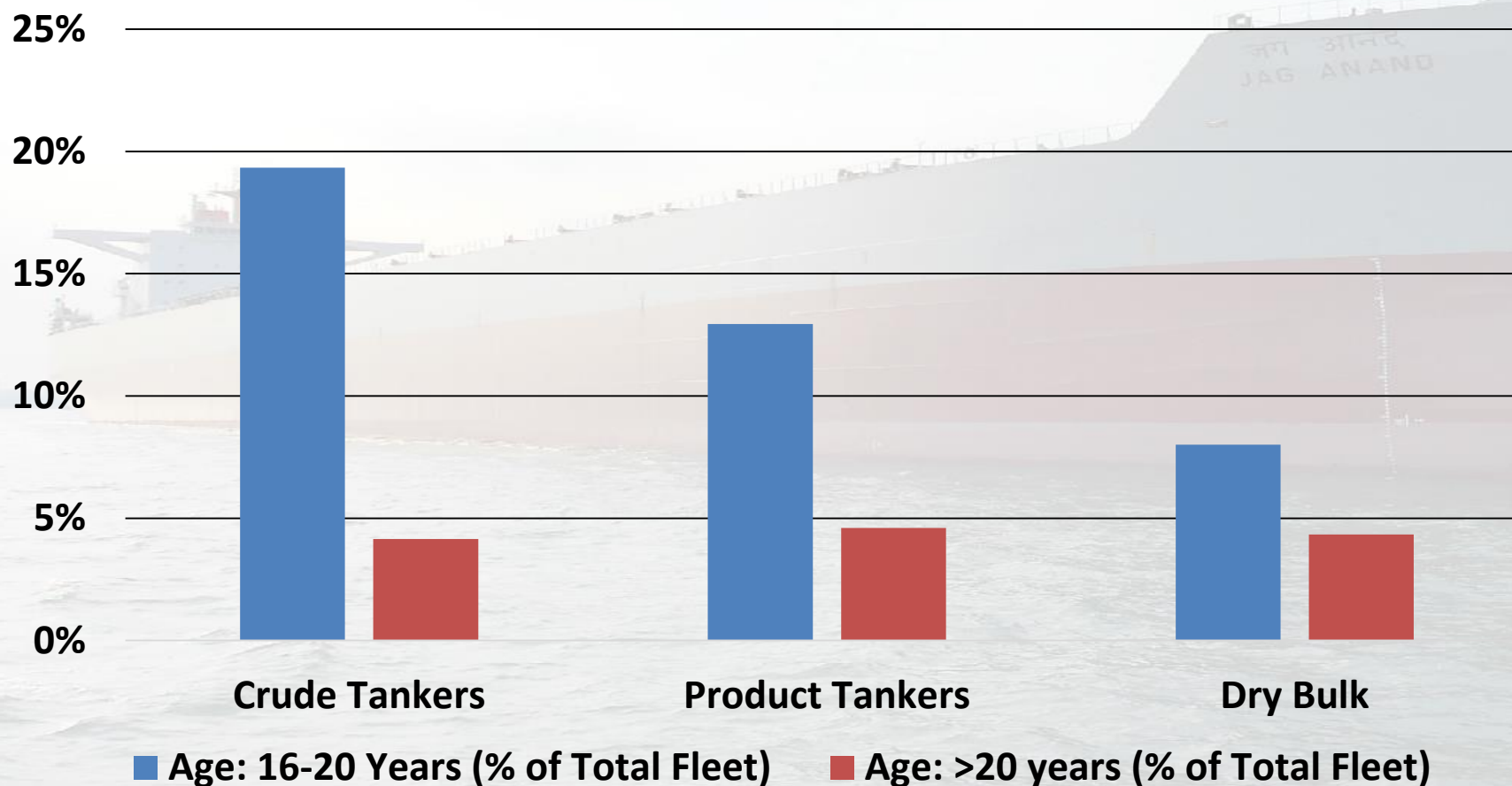
Vessel Category	Fleet (mn Dwt)	Scrapping (% of beginning world fleet)						
	15 Jul 20	H1CY20	2019	2018	2017	2016	2015	2014
Crude	423	0.17%	0.61%	4.62%	2.35%	0.35%	0.23%	1.60%
Product	162	0.23%	0.43%	1.64%	1.42%	0.62%	0.61%	1.19%
Dry Bulk	900	0.87%	0.92%	0.54%	1.77%	3.67%	4.03%	2.25%

Scrapping was low for Crude and Product tanker sector in H1CY2020

SCRAPPING POTENTIAL

ASSET CLASS WISE

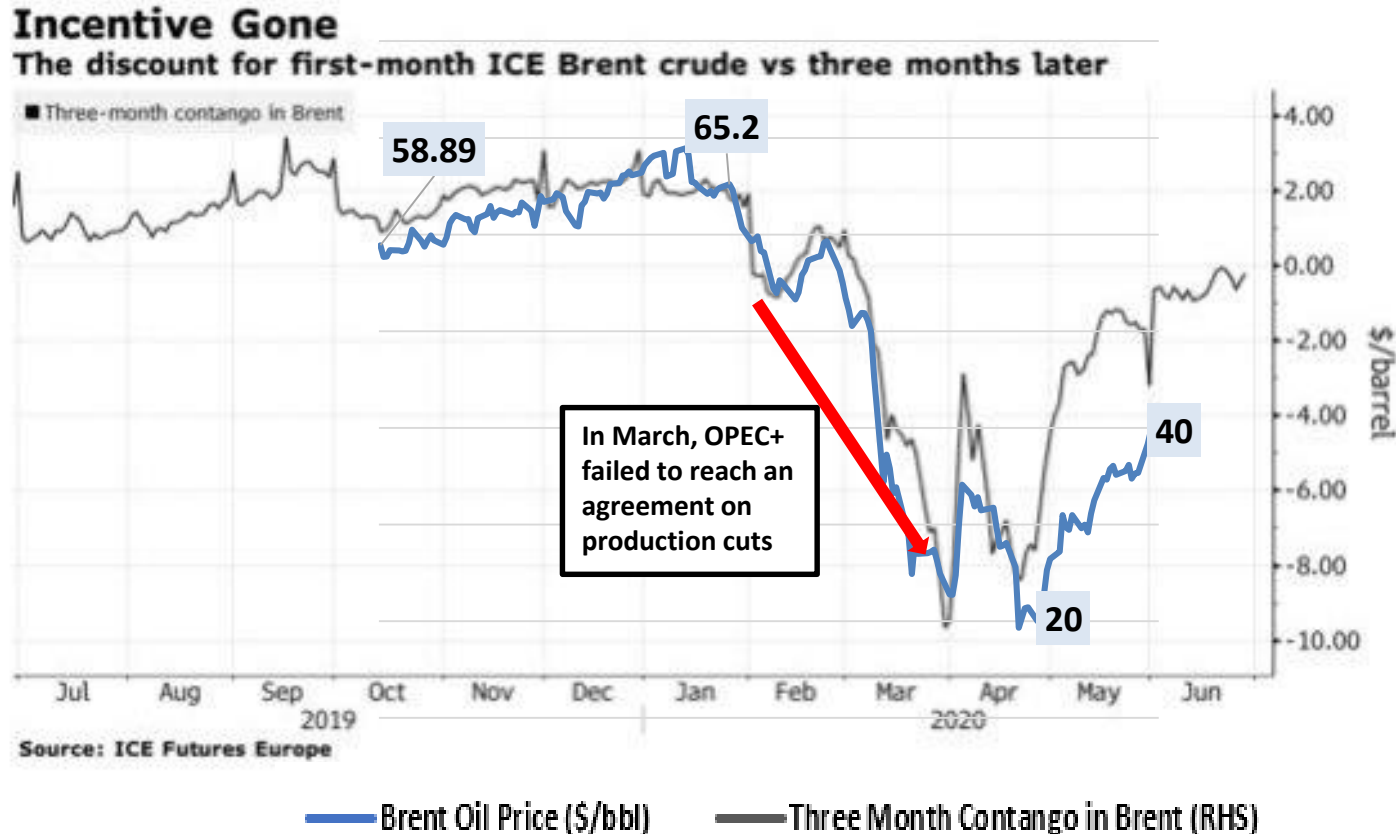
Assets above 15 years as % of total fleet





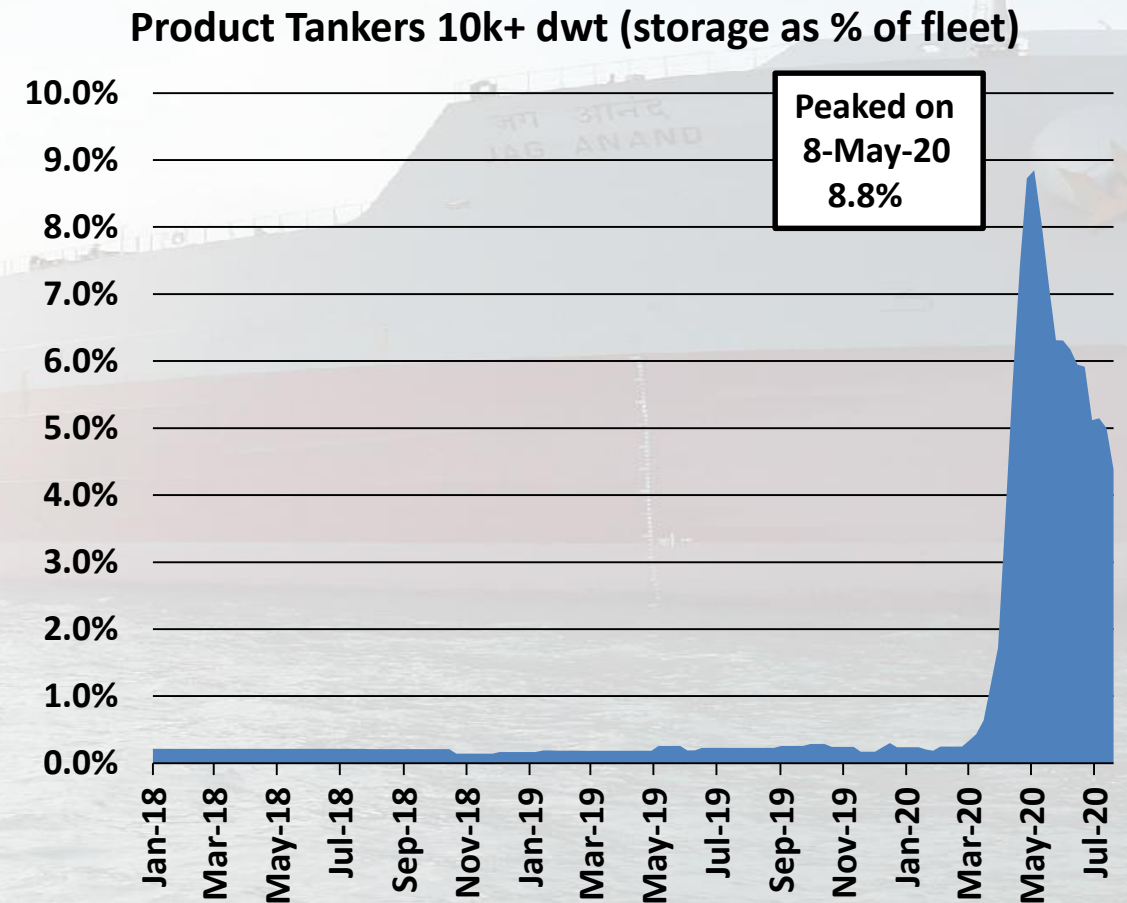
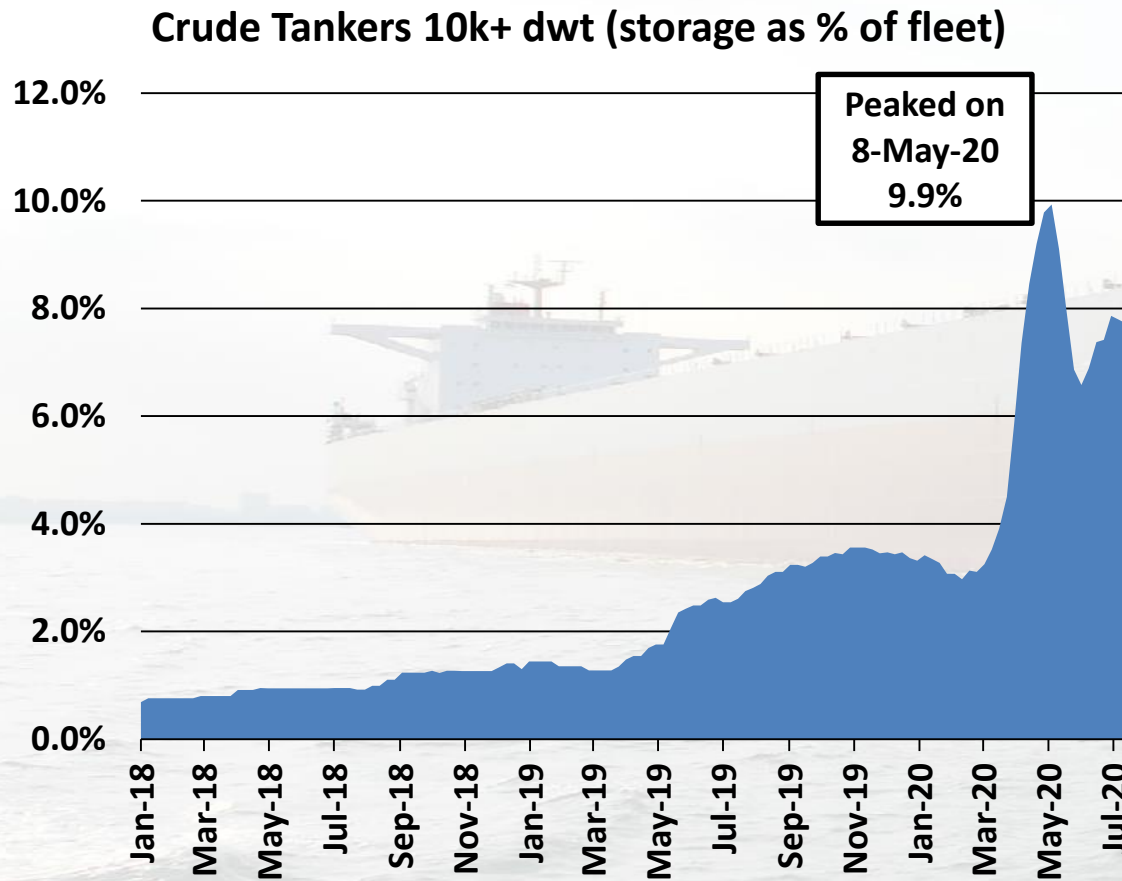
OIL CONTANGO & FLOATING STORAGE

BRENT OIL PRICE & OIL CONTANGO



During March-April'20, Oil Contango was above the floating storage cost economics therefore increased in floating storage demand. While currently, Oil Contango narrowed, hence floating storage also lowered.

OIL CONTANGO Vs. FLOATING STORAGE OF OIL



Note: These excludes dedicated storage



DEMAND SIDE - SHIPPING

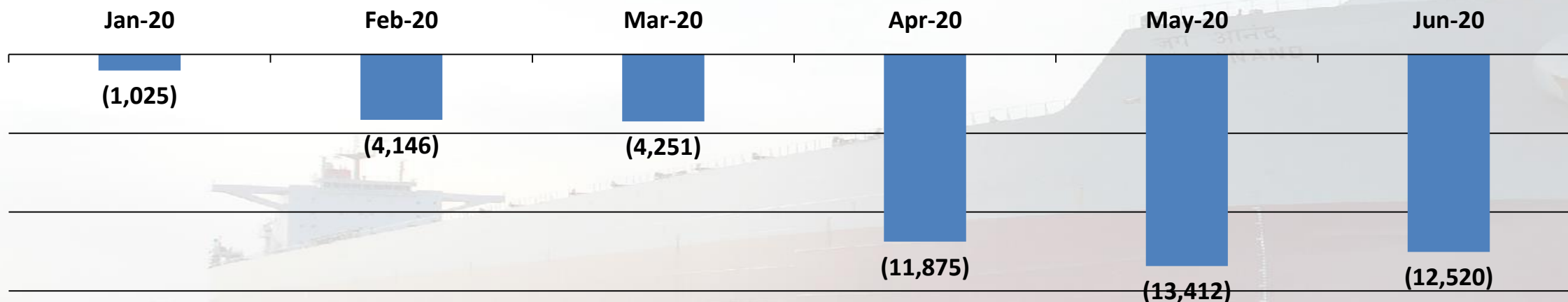
TANKER MARKET



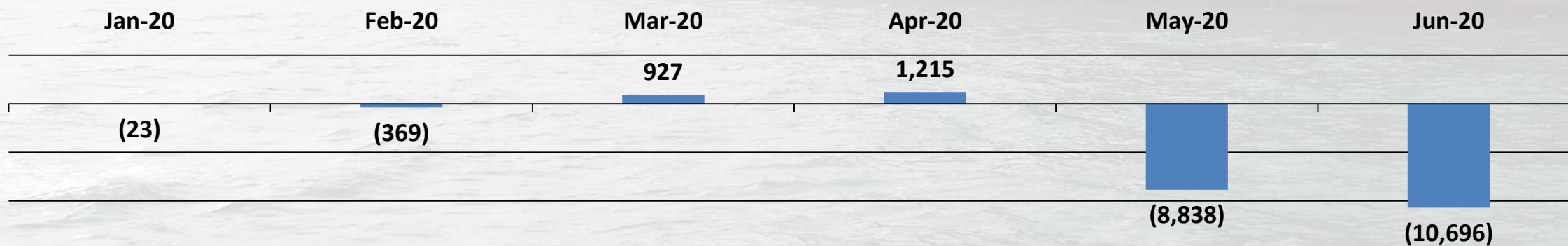
CRUDE OIL

DEMAND & SUPPLY IMPACT

Crude Oil Demand Y/Y Change (kbpd)



Crude Oil Supply Y/Y Change (kbpd)

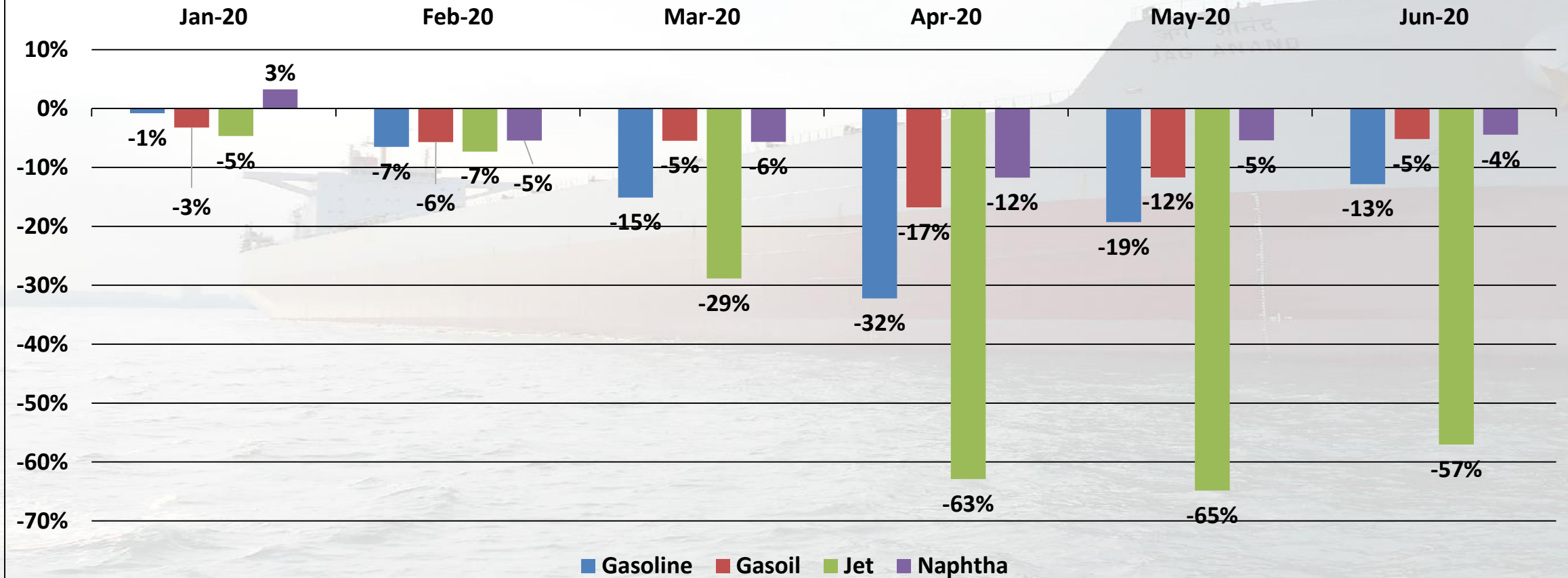


kbpd: Thousand Barrels Per Day

Sources: Industry Reports

DECLINE IN CORE PRODUCTS DEMAND DURING JAN-JUN 2020

Product-wise fall in demand y/y (%)

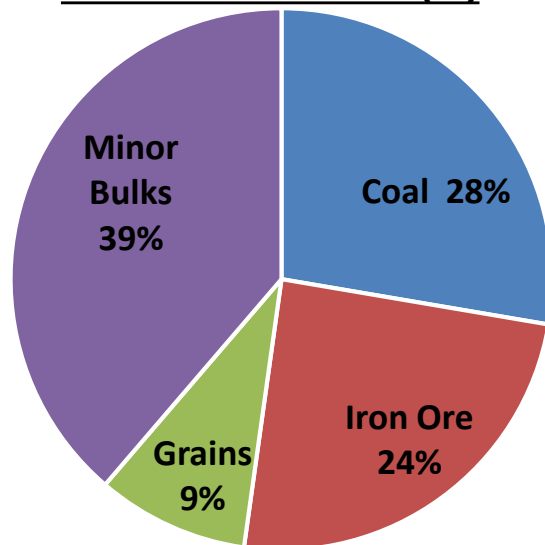


DRY BULK MARKET

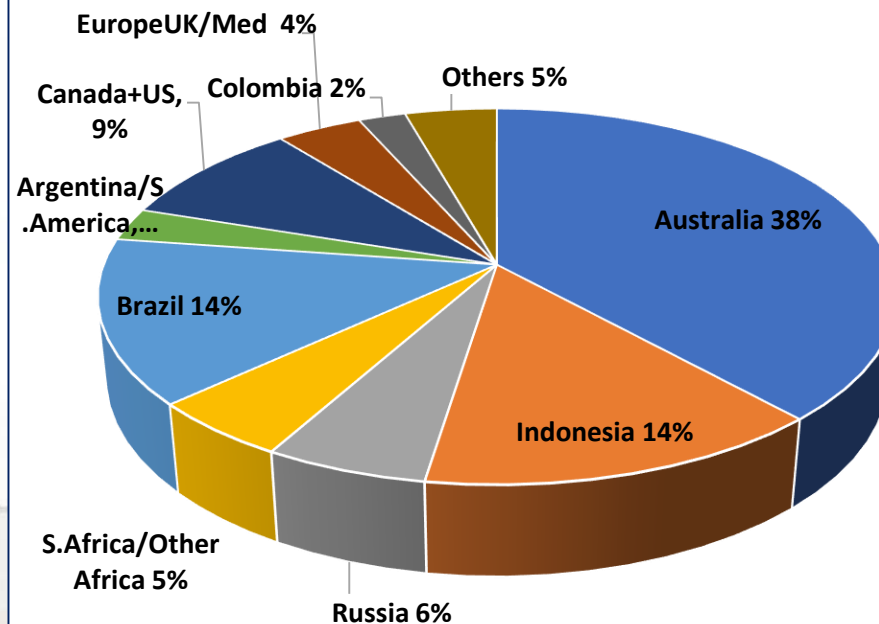


DRY BULK MARKETS

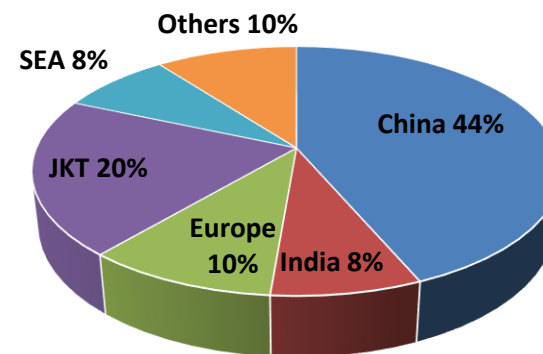
Commodity wise Break up of
Global DB demand (%)



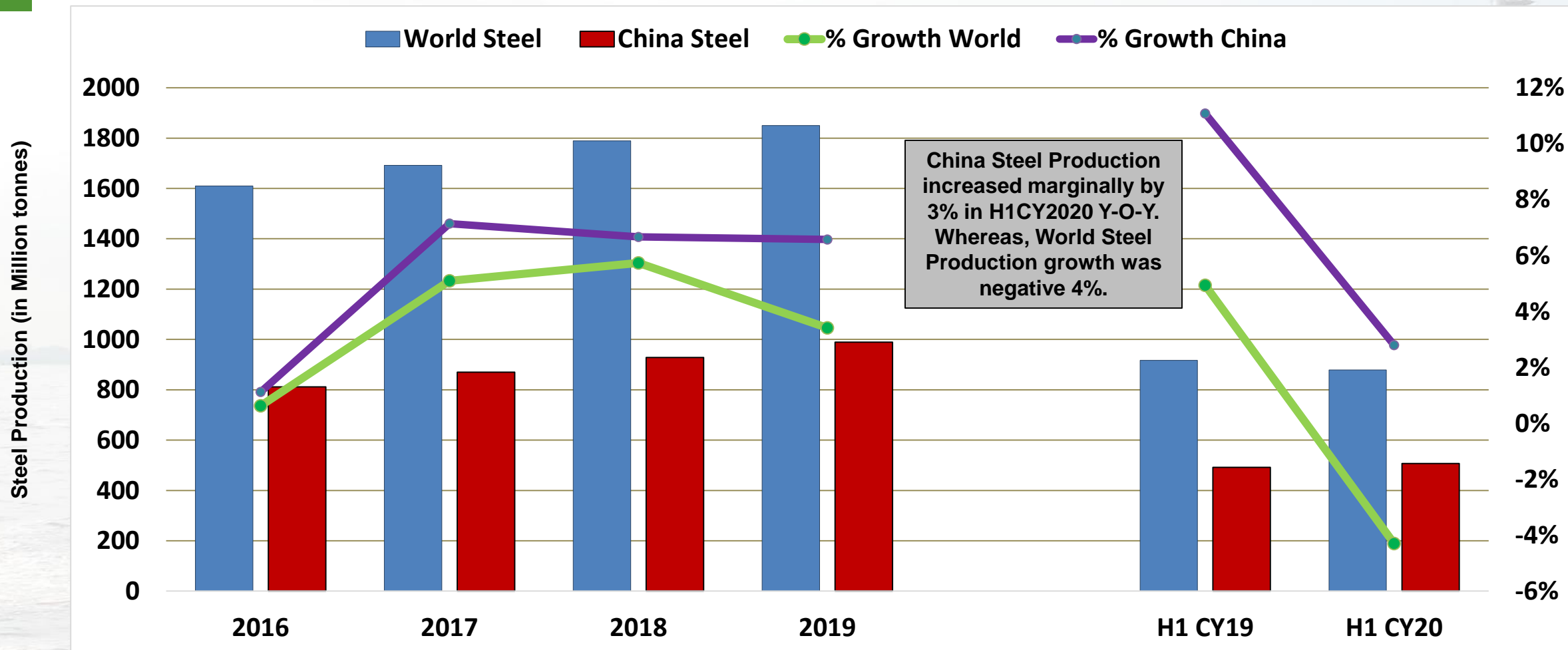
Major Exporters - Iron ore/Coal/Grains (MMT,%)



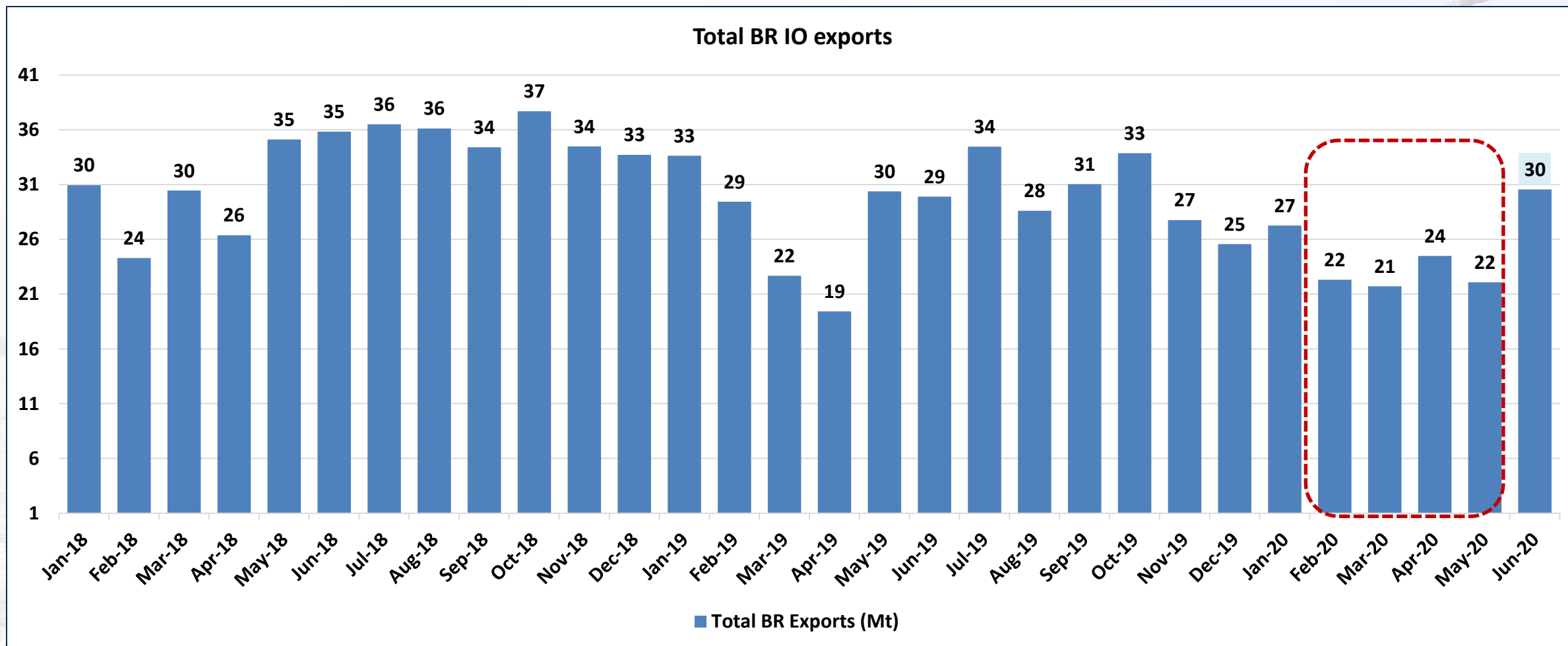
Major Importers of - Iron Ore/Coal/Grains (%)



CHINA & WORLD STEEL PRODUCTION



BRAZIL IRON ORE EXPORTS



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



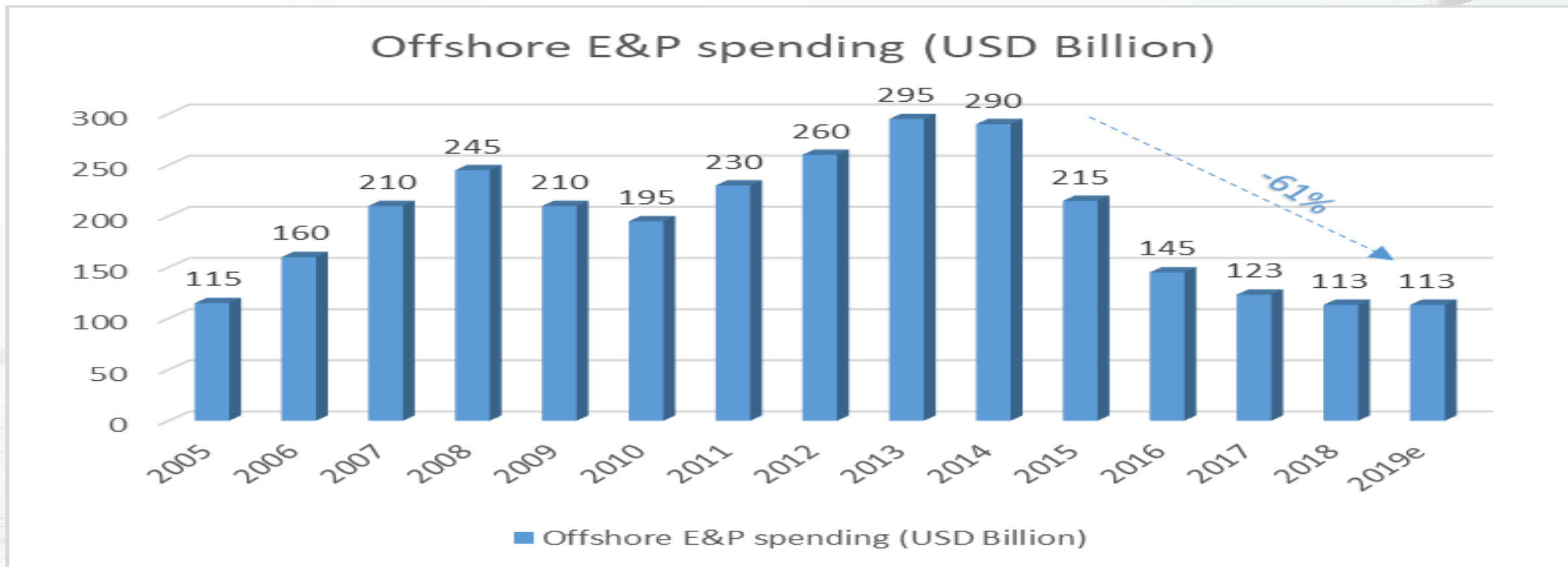
OFFSHORE BUSINESS FLEET PROFILE

Fleet Utilization

Current Owned Fleet Type	Fleet Count	Extent of coverage of fleet's operating days (FY21)
Jack Up Rigs (350ft)	4	94%
Anchor Handling Tug cum Supply Vessels (AHTSV)	8	72%
Multipurpose Platform Supply and Support Vessels (MPSSV)	2	68%
Platform Supply Vessels (PSV) / ROV Support Vessels (ROVSV)	9	92%

As on 30th June 2020

OFFSHORE E&P SPENDING



The E&P spending after declining marginally in 2018 was flattish in 2019. Spending in 2020 is expected to see a sharp fall of about 20-30%.

KEY POINTS ON E&P MARKETS

Q2CY2020

Day Rates

- The steep fall in oil price and Covid-19 impact on the world economy has stalled the recovery.
- Some regions have witnessed early terminations & renegotiations. As a result charter rates have again come under pressure.

Fleet Growth

- Rigs: Competitive fleet has remained unchanged over last 1 year and has shrunk by 6-7% over the last 5 years due to scrapping and cold stacking.
- OSV's: Competitive fleet has reduced marginally over last 1 year and by about 8-9% over the last 5 years.
- Very few new orders for vessels as well as rigs in last 4-5 years.

Global Fleet Utilization

- Rigs: 60-70% (Term) (Decreased by about 3.5% from June19 levels and by about 5% in the last quarter)
- Vessels: 40-50% (Term) (Utilization remained almost flattish from June 19 till Mar 20 but decreased by about 6% during last quarter)

Slippage

- OSVs: 80%-90%(CY2019)
- Rigs: 50% - 60%(CY2019)

GLOBAL FLEET SUPPLY

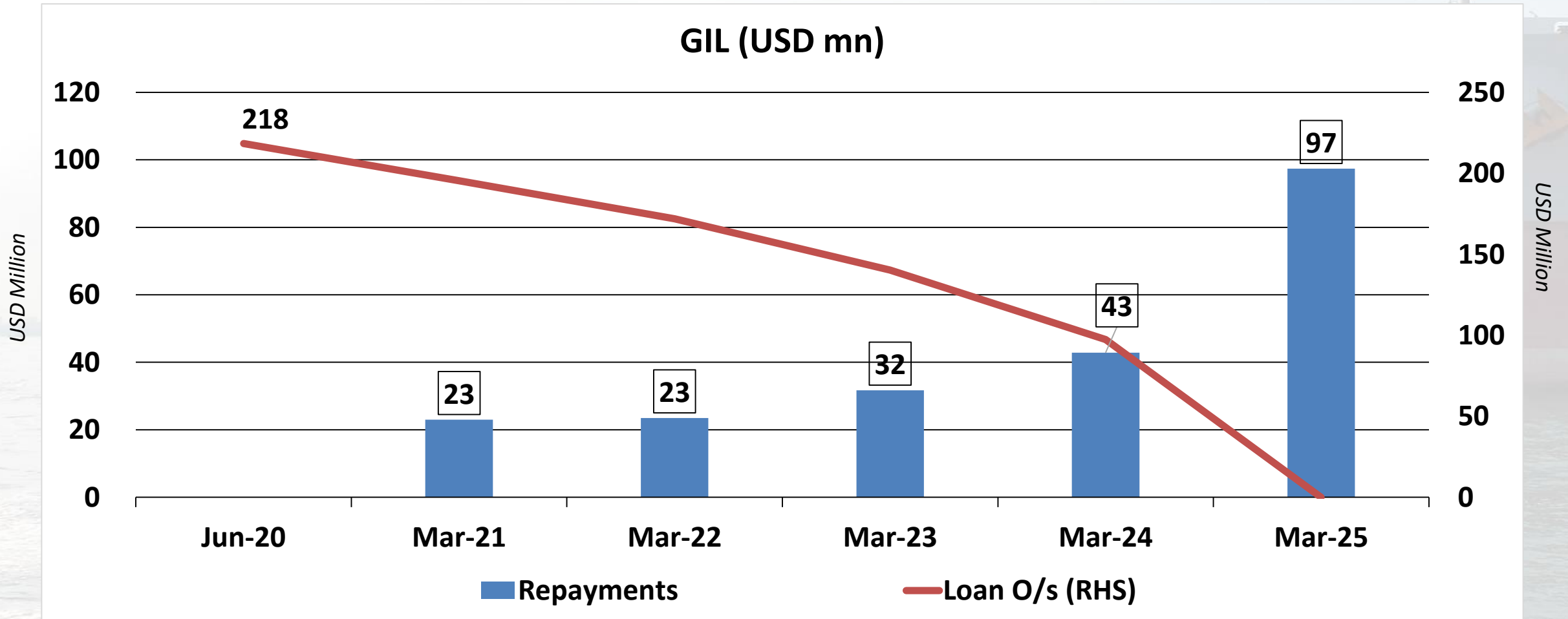
OFFSHORE

Fleet Profile

Number	Jackup Rigs	PSVs + AHTSVs
Current Fleet	526	3591
Orderbook	47	178
<i>O/B to current fleet</i>	8.9%	5%
<i>Scrapping over last 5 years (as %age of fleet)</i>	3.64%	1.9%
<i>No. of Vessels/Rigs more than 20/30 years old (as %age of fleet)</i>	39%	19%

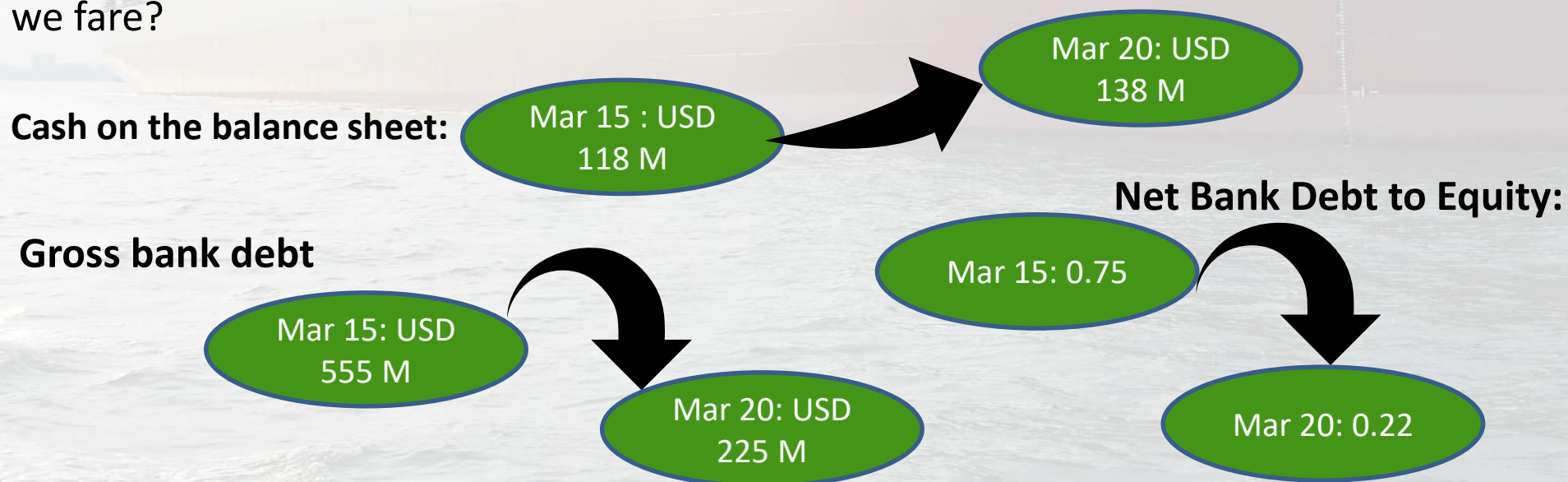
Fleet composition is expected to correct over next few years with older vessels and rigs expected to get scrapped.

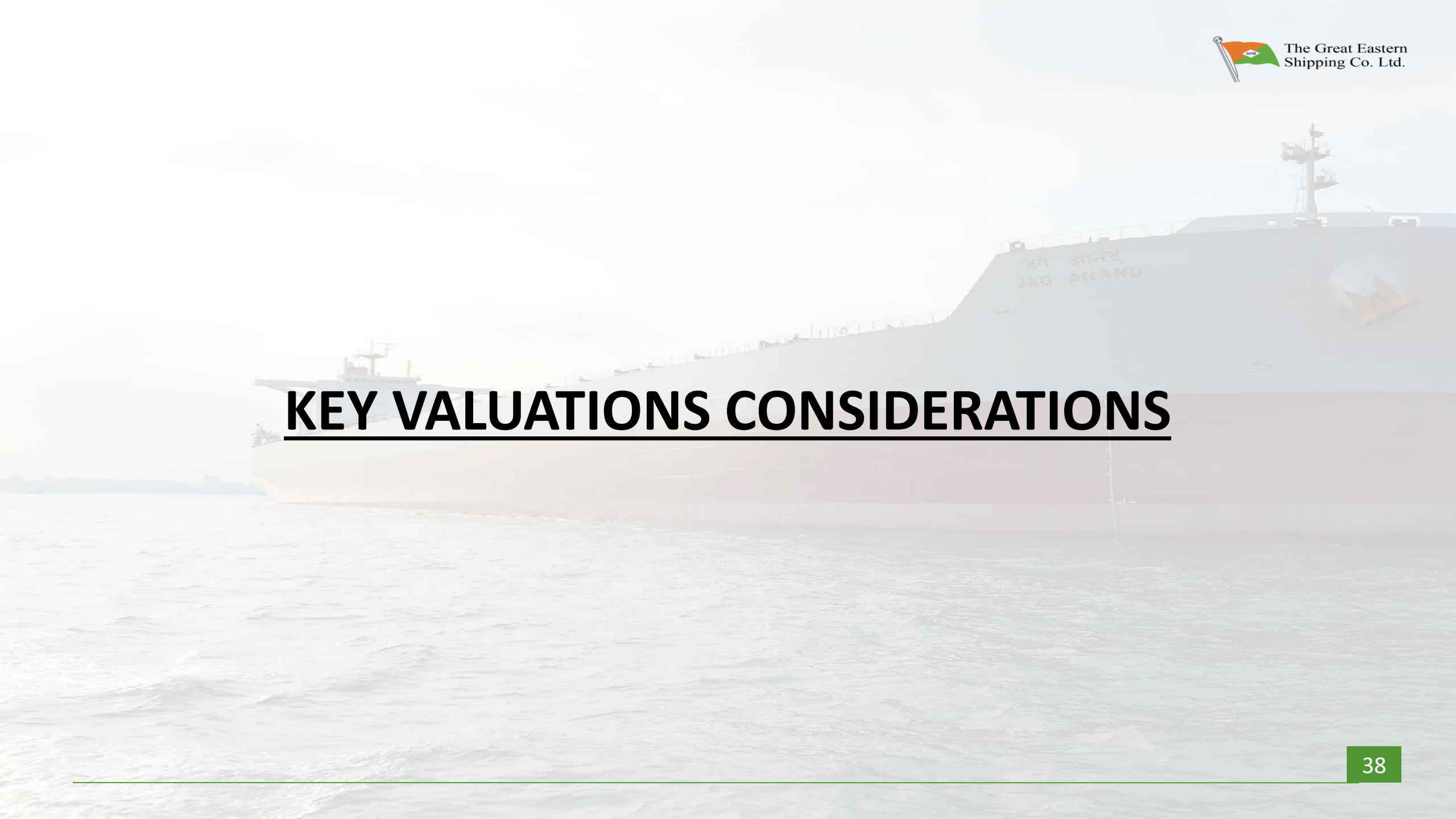
GIL STANDALONE DEBT REPAYMENT SCHEDULE (NEXT 5 YEARS)



LAST 5 YEARS: SNAPSHOT OFFSHORE

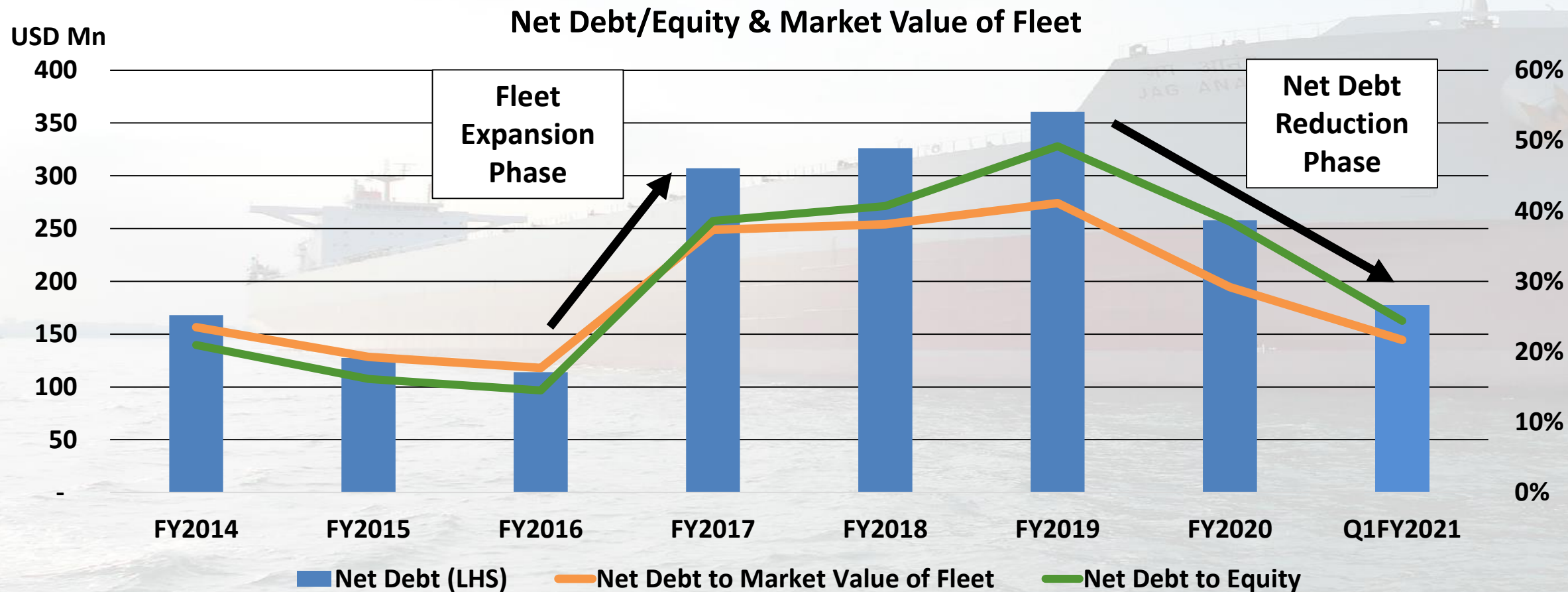
- Most challenging years for the offshore sector since the late 80s.
- Utilization levels across asset classes dropped to historic lows, charter rates came down to levels that barely generated any +ve EBIDTA.
- Large part of the industry went through financial restructuring/reorganization/forced consolidation.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



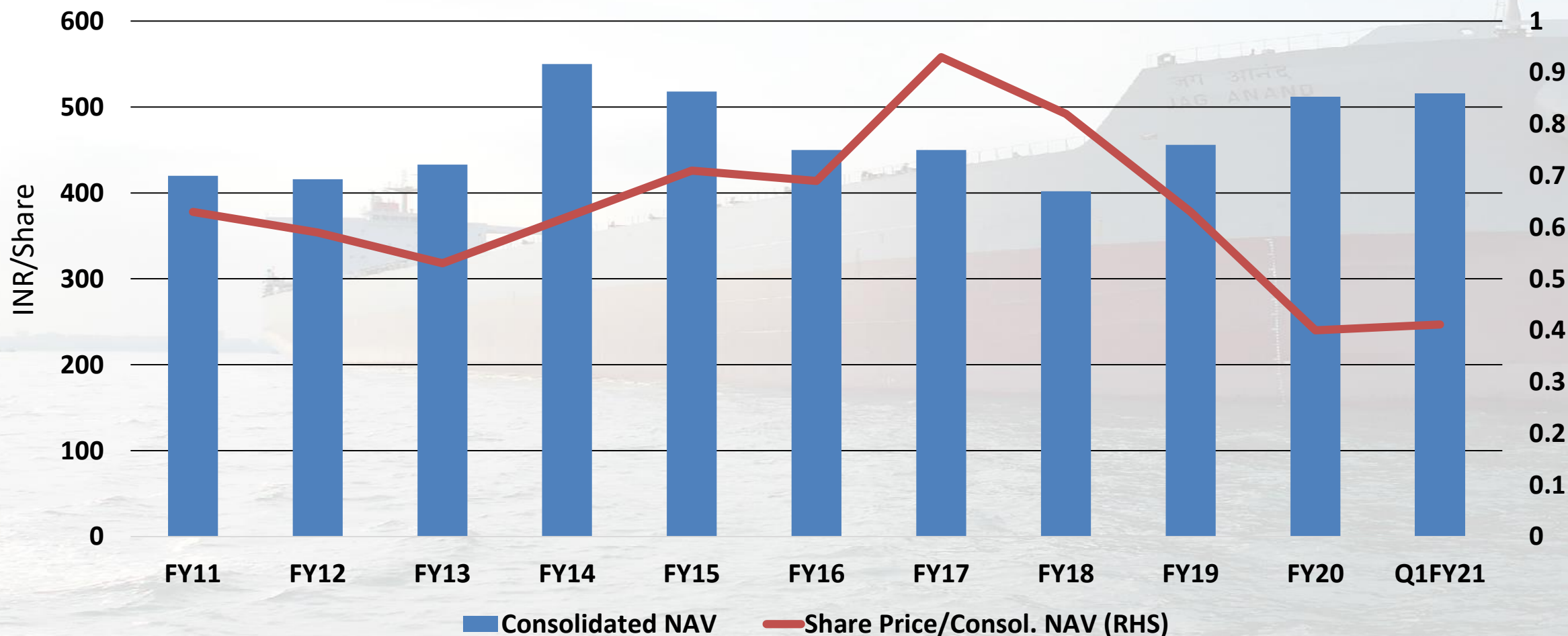


KEY VALUATIONS CONSIDERATIONS

NET DEBT/EQUITY & MARKET VALUE OF FLEET - **STANDALONE**

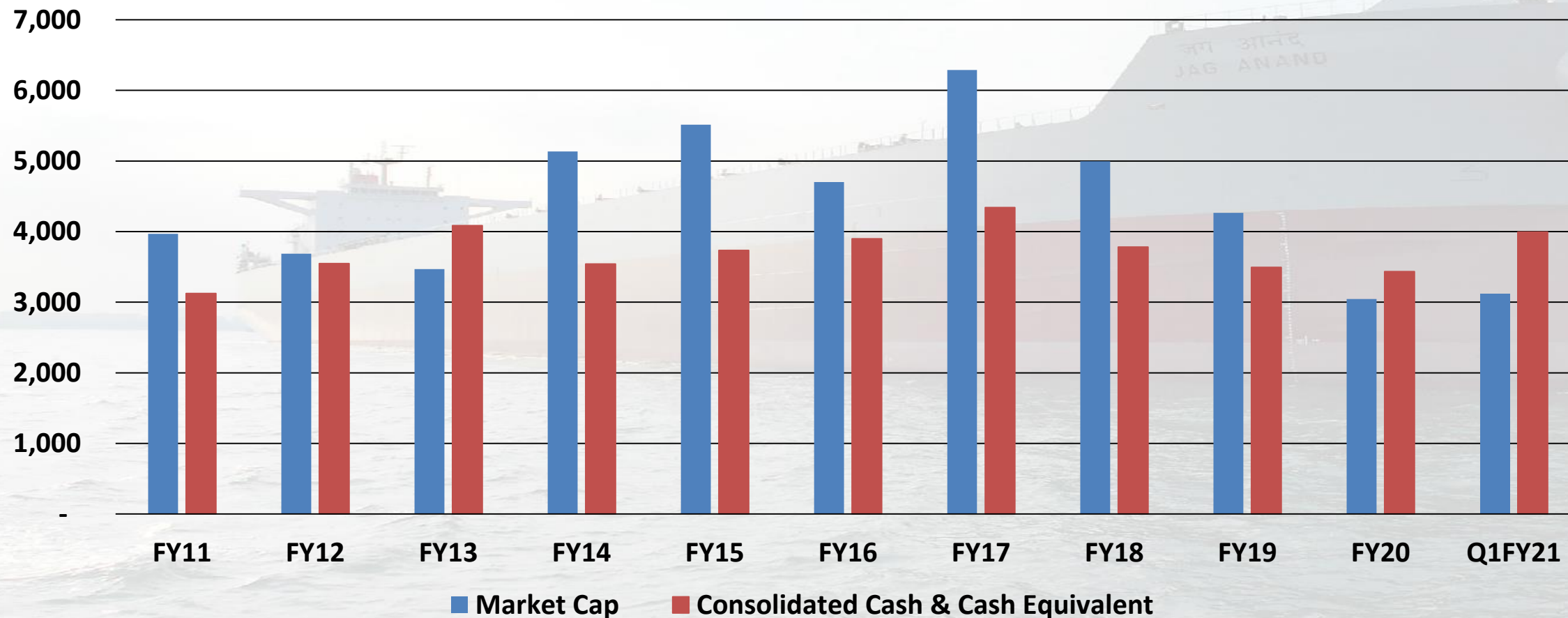


SHARE PRICE TO CONSOLIDATED NET ASSET VALUE



MARKET CAPITALIZATION VS CONSOLIDATED CASH & CASH EQUIVALENT

INR Crores



SUMMARY – SHIPPING & OFFSHORE

Market Positives (Shipping):

- Historically low orderbook
- Potential Scrapping
- Demand/Supply – Finely balanced

Market Negatives (Shipping):

- Commodity demand uncertainties

Market Negatives (Offshore):

- E&P spends reduced significantly

Company Positives:

- Deleveraged balance sheet
- Proven ability to manage shipping cycles
- Capital Available for future buying opportunities





THANK YOU
visit us at www.greatship.com