



The Great Eastern
Shipping Co. Ltd.

BUSINESS REVIEW

KOTAK CONFERENCE



24th-25th September 2018

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

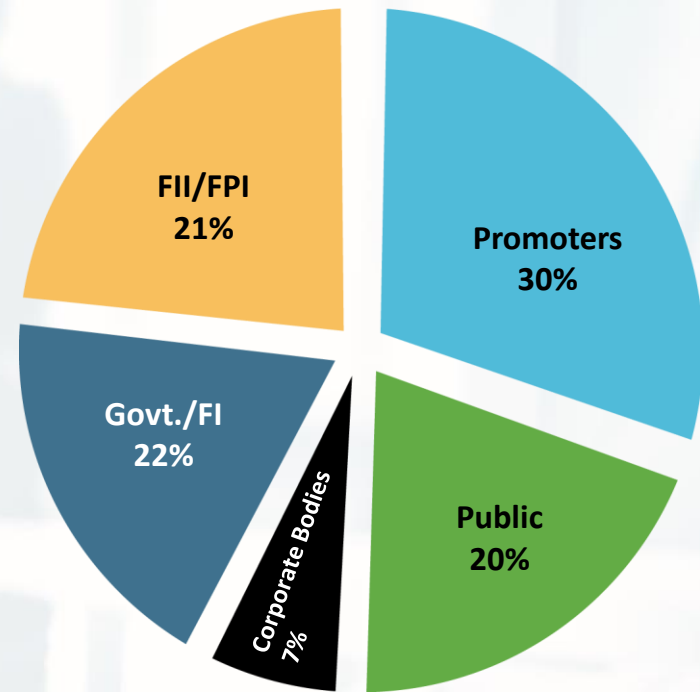
- Crude
- Products/LPG

Dry Bulk

Logistics

Drilling

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



Shareholding Pattern as on 30 June 2018

SHAREHOLDING PATTERN

FLEET PROFILE

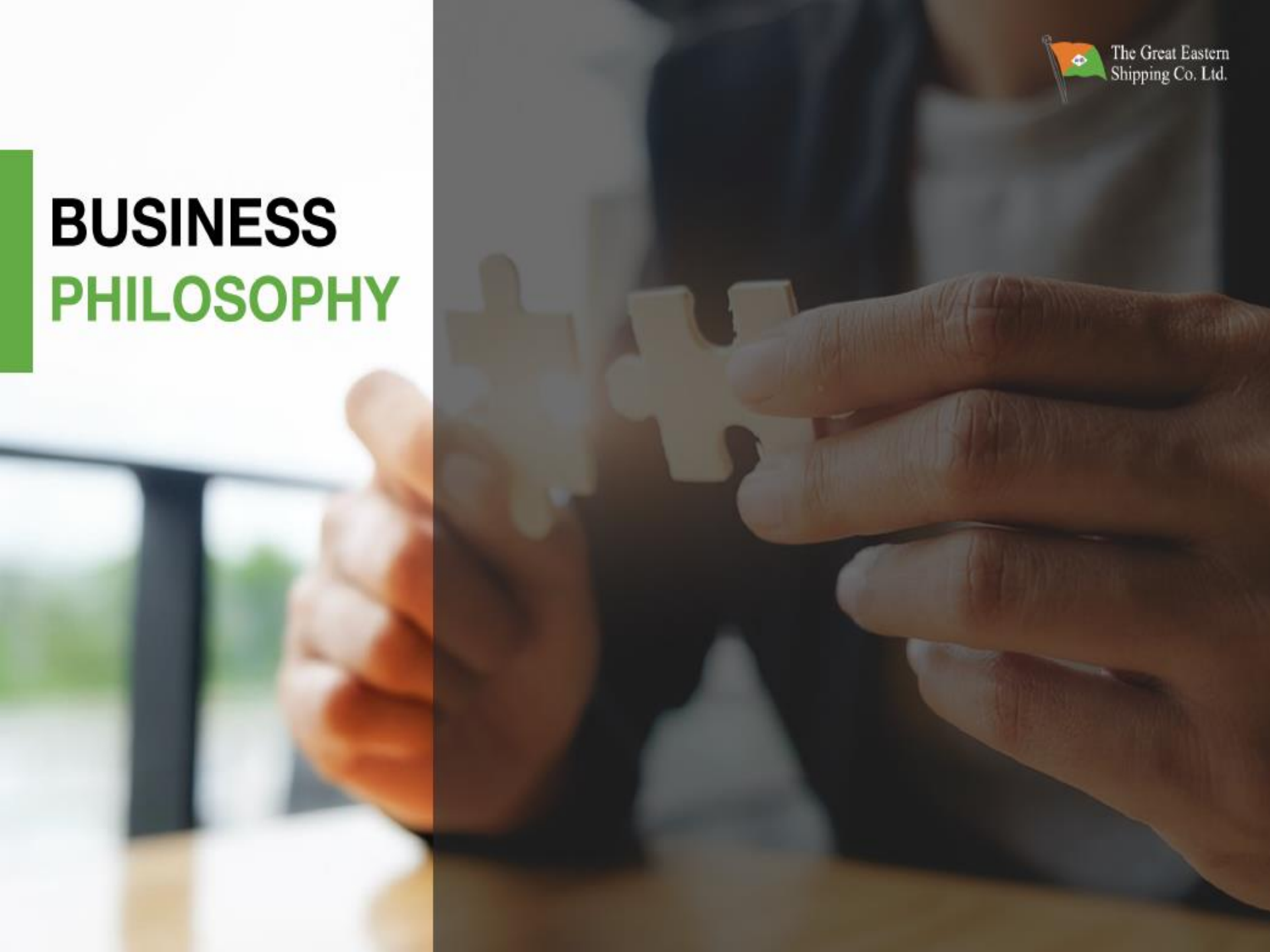
SHIPPING

| Fleet | DWT | Number of Ships | Average Age (Yrs.) |
|-------------------|------------------|-----------------|--------------------|
| Crude Carriers | 1,608,683 | 12 | 13.00 |
| Product Carriers | 987,207 | 17 | 10.91 |
| Gas Carriers | 273,466 | 6 | 18.38 |
| Dry Bulk Carriers | 1,106,942 | 14 | 5.99 |
| Total | 3,976,298 | 49 | 10.90 |

OFFSHORE

| Fleet | Number of Units | Average Age (Yrs.) |
|--|-----------------|--------------------|
| Jack Up Rigs | 4 | 6.94 |
| Platform Supply Vessels | 4 | 9.11 |
| Anchor handling Tug Cum Supply Vessels | 8 | 8.96 |
| Multipurpose Platform Supply & Support Vessels | 2 | 8.42 |
| ROV Support Vessels | 5 | 7.13 |

BUSINESS PHILOSOPHY



4 KEYS TO OUR SUCCESS



**Dynamically
managing
cycles**



**Diversified
Fleet**



**In-House
technical &
commercial
management**



**Strong
balance
sheet**



STRENGTH & FLEXIBILITY



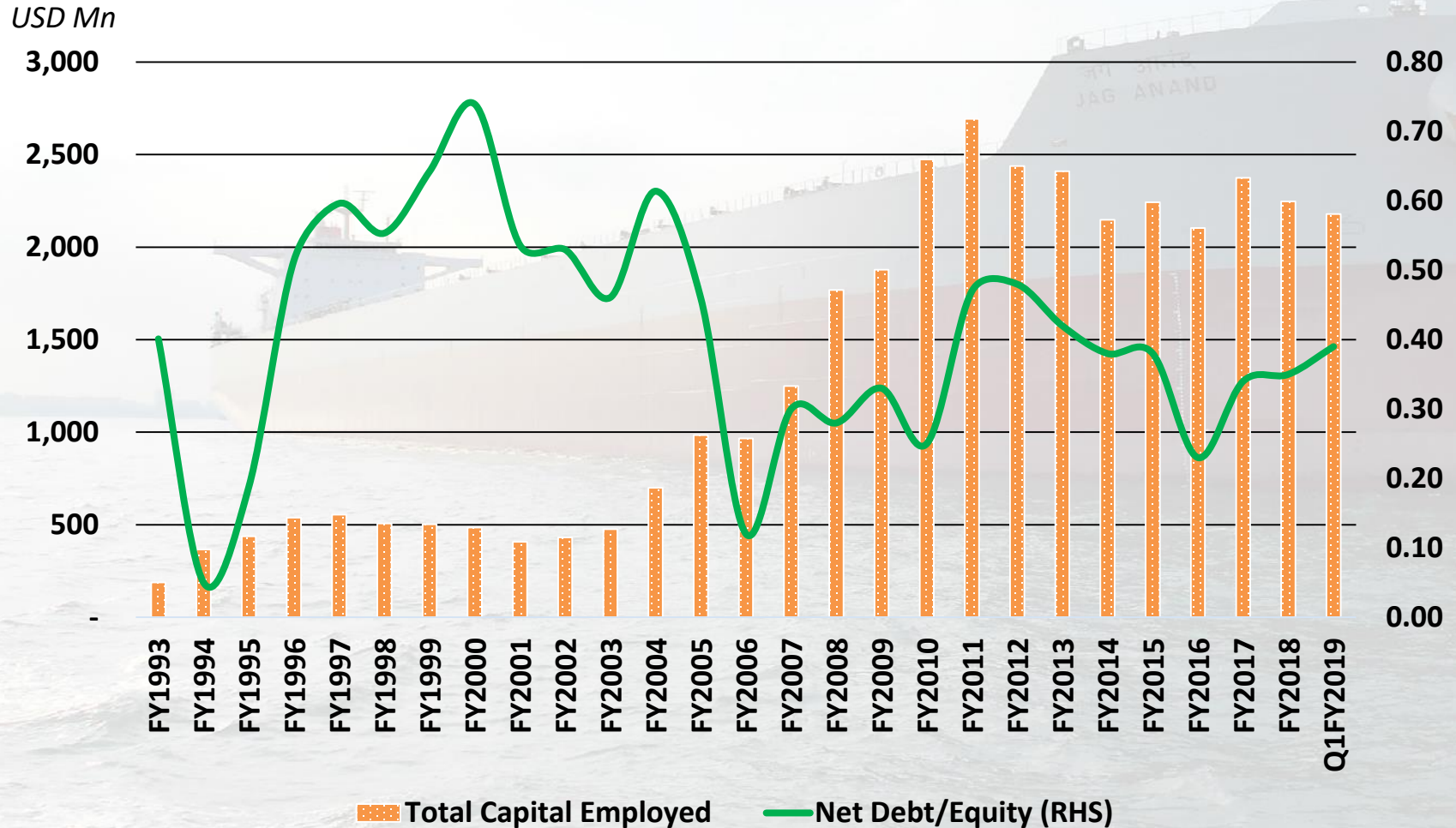
Strong Cash & Liquidity Position

Low cost of debt capital & strong relationship with lenders

Sales & Purchase: Capability to execute in secondhand/newbuilding market

Stringent adherence to Risk Management policies

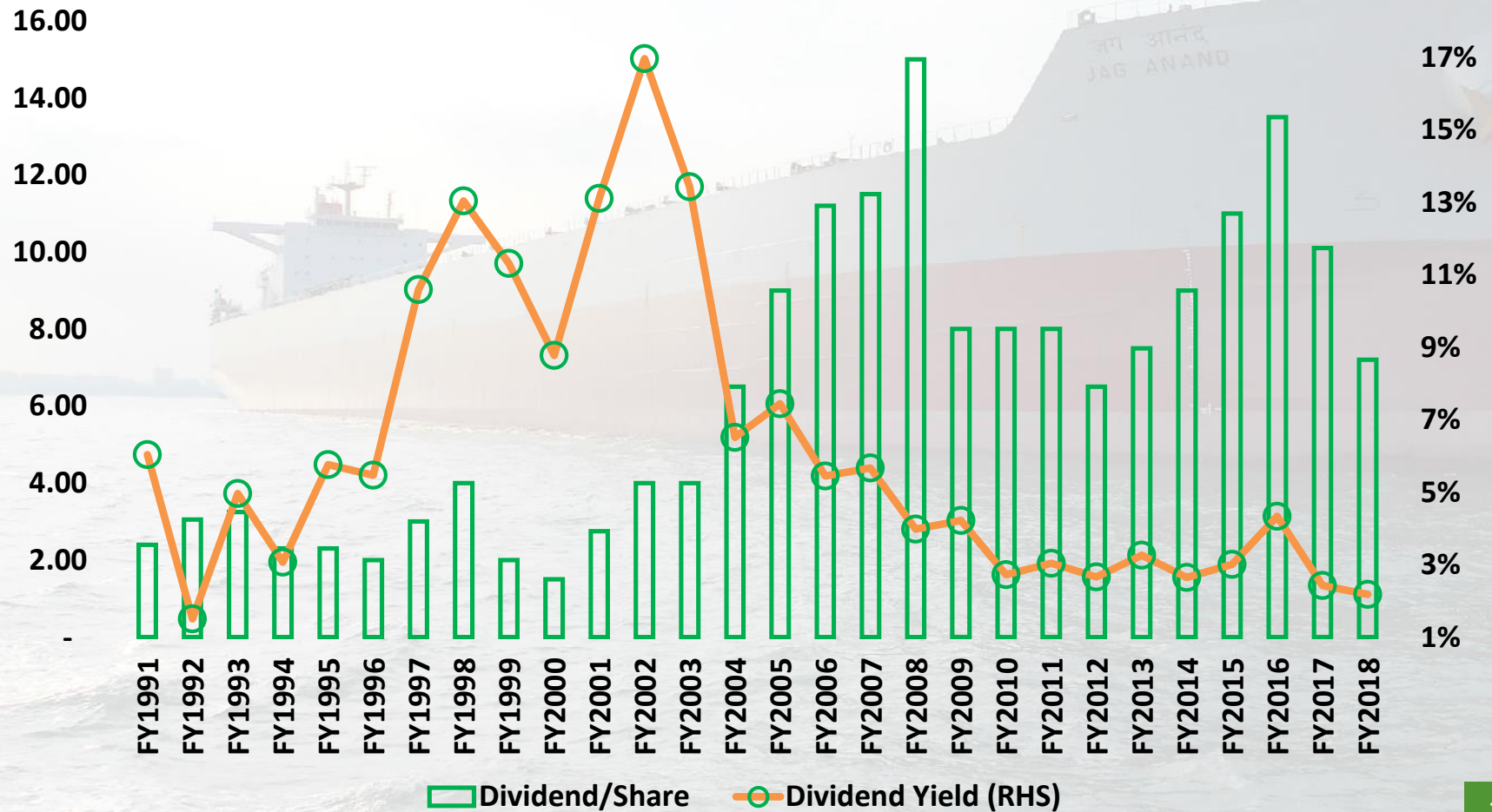
NET DEBT/EQUITY & TOTAL CAPITAL EMPLOYED (CONSOLIDATED)



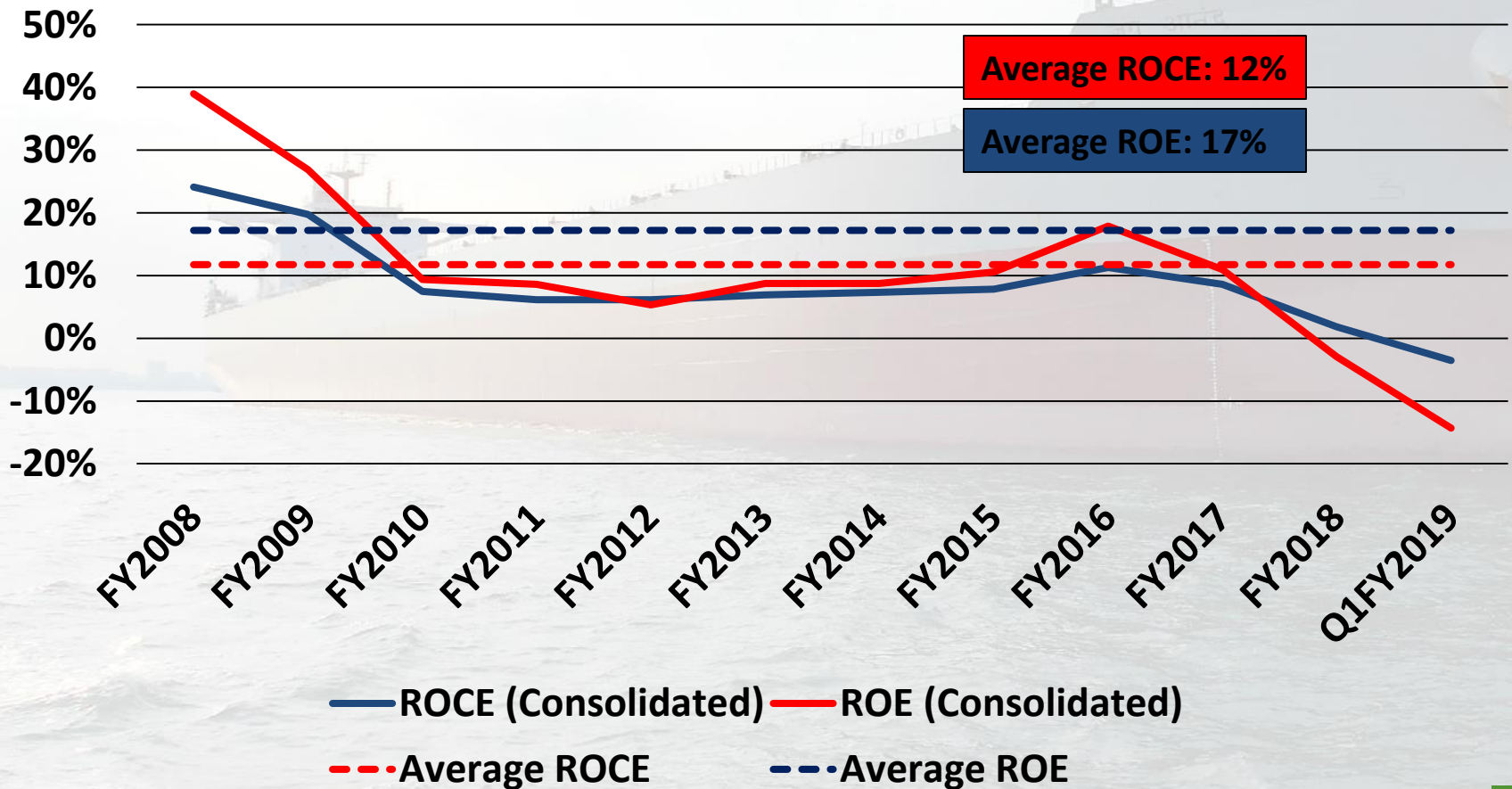
DIVIDEND/SHARE

(30+ YEARS CONTINUOUS DIVIDEND)

INR/Share

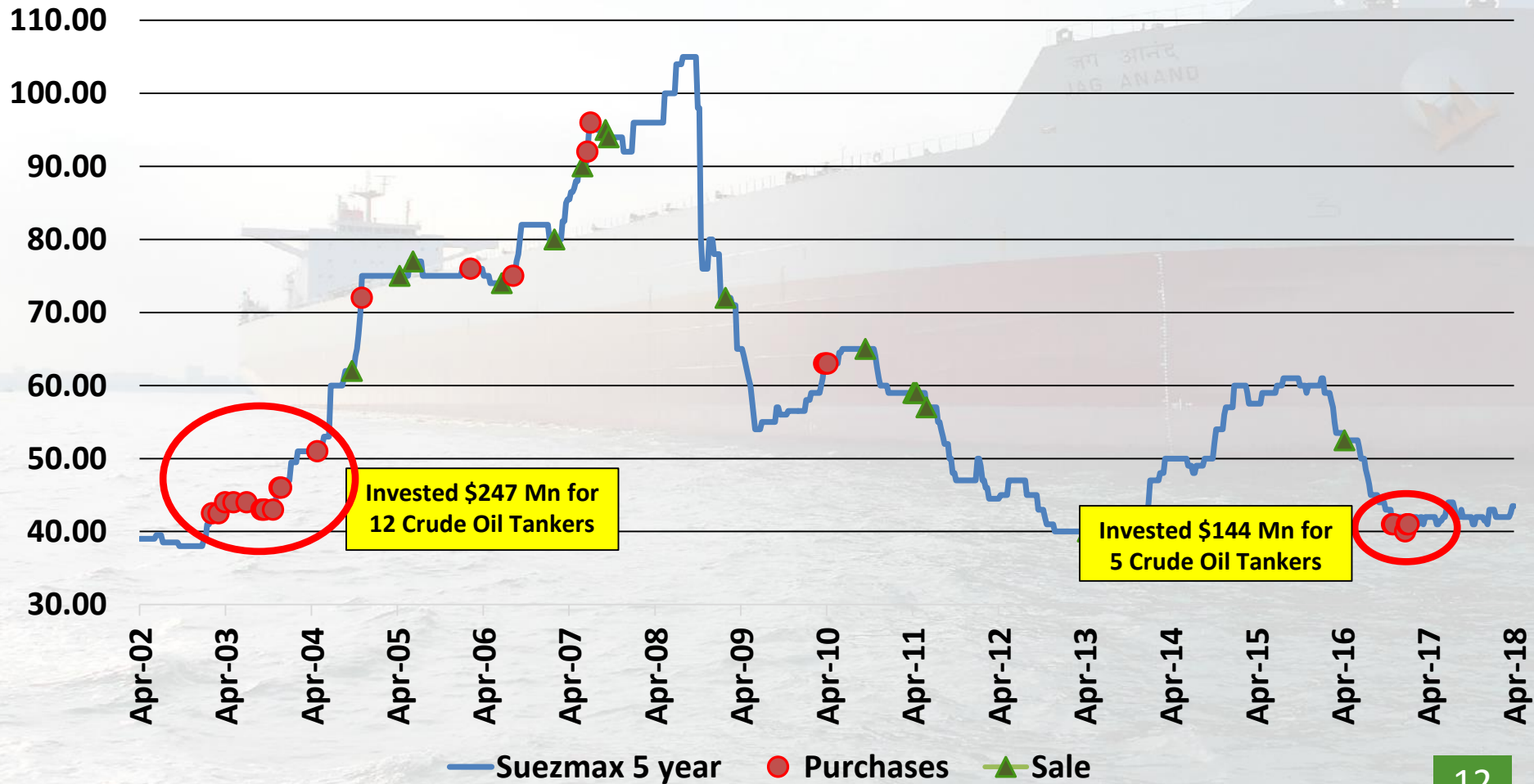


ROE & ROCE (CONSOLIDATED)



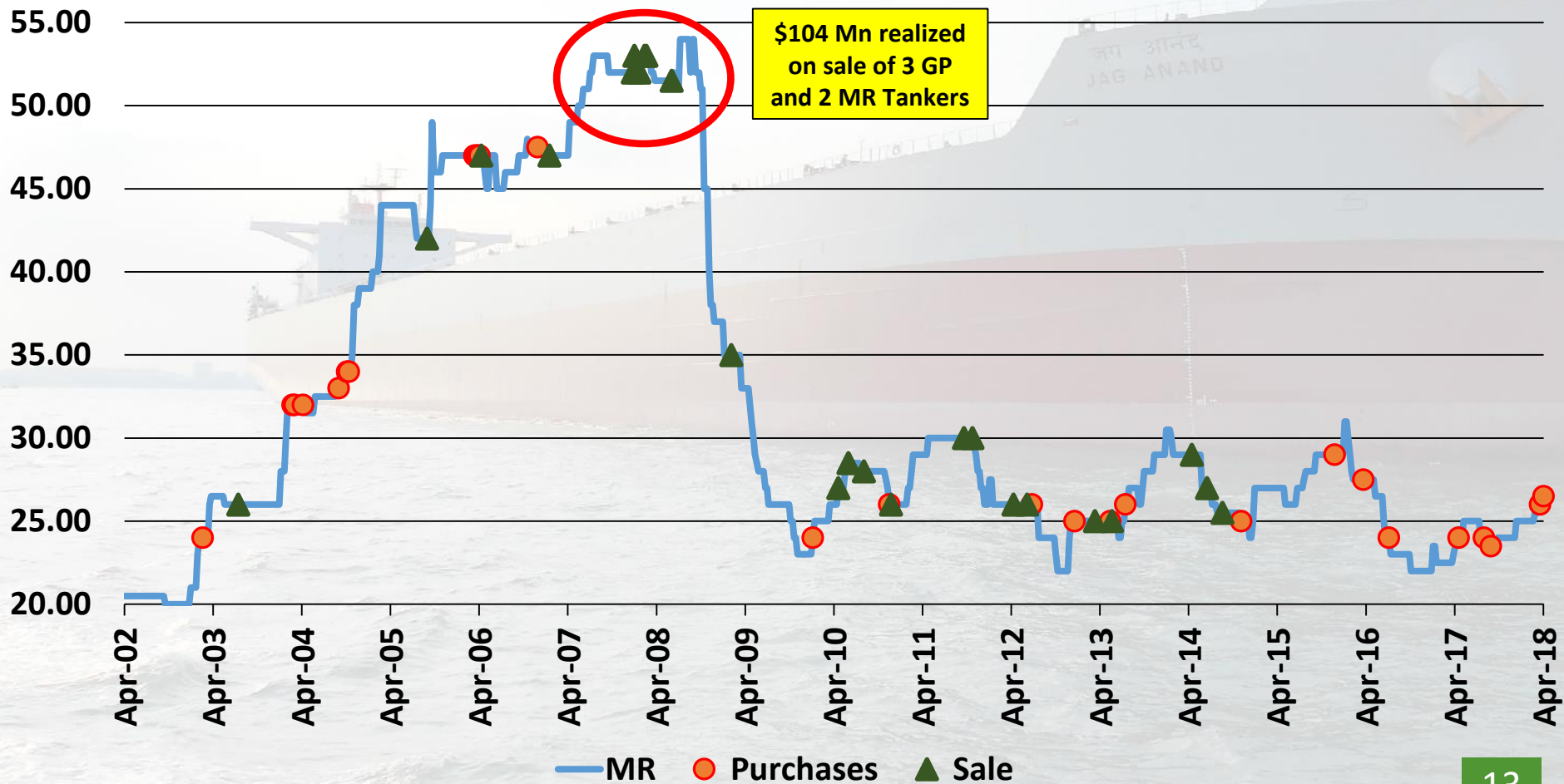
TIMING THE SALES & PURCHASE OF VESSELS

Sales & Purchase (Crude Oil Tankers) vs Suezmax 5 year old



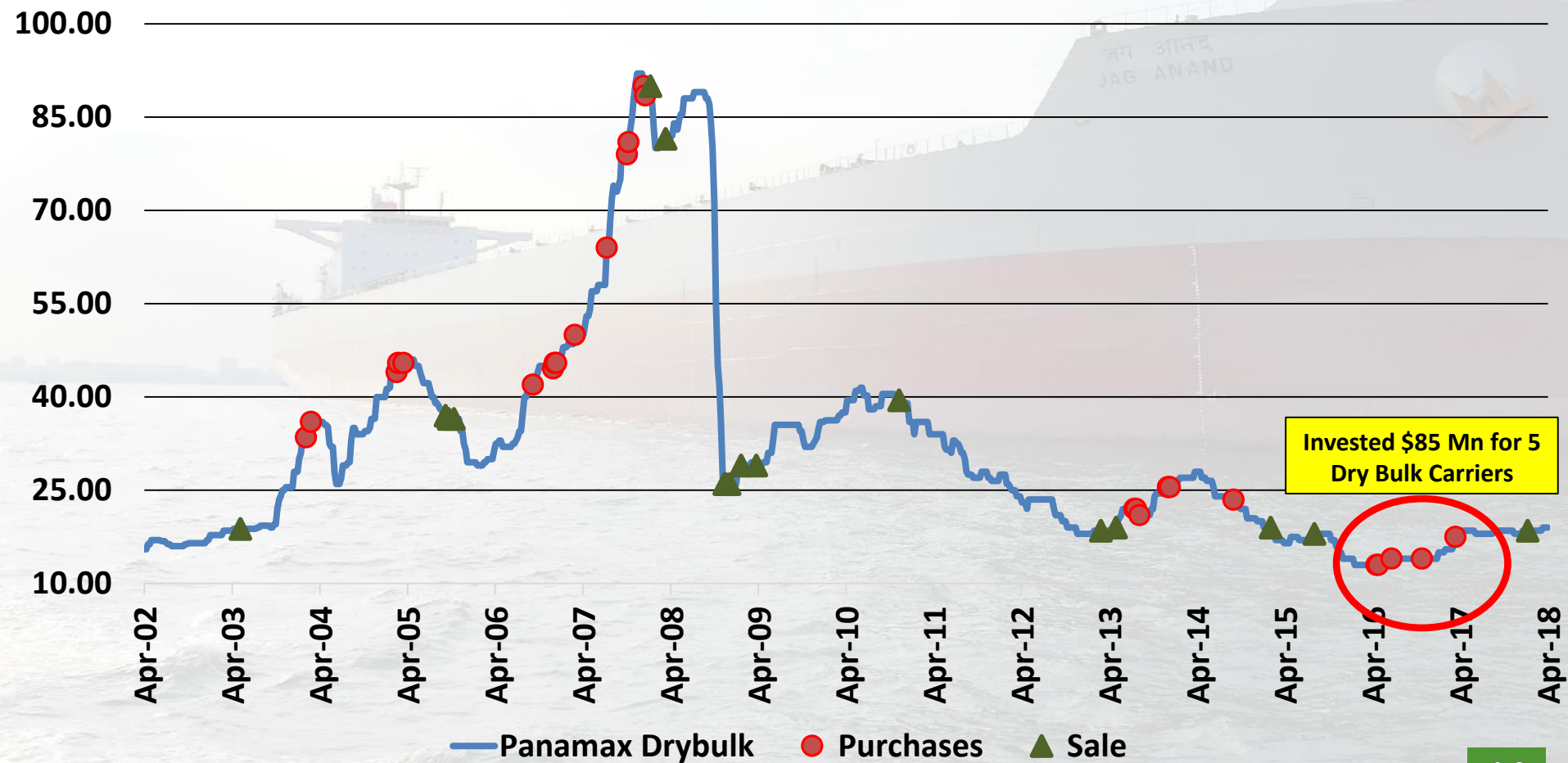
TIMING THE SALES & PURCHASE OF VESSELS

Sale & Purchase (Product Tankers) Vs MR 5 year old



TIMING THE SALES & PURCHASE OF VESSELS

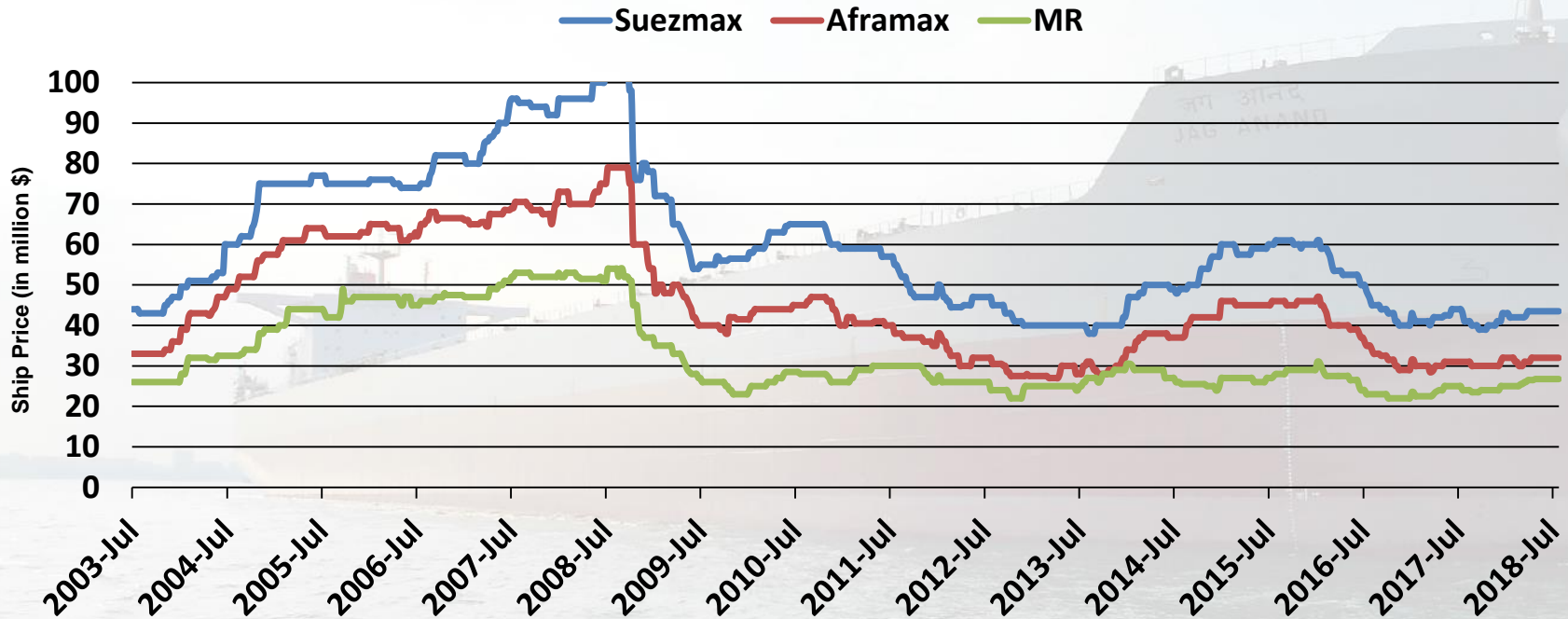
Sale & Purchase (DryBulk) Vs Capesize 5 year old



SHIPPING MARKET

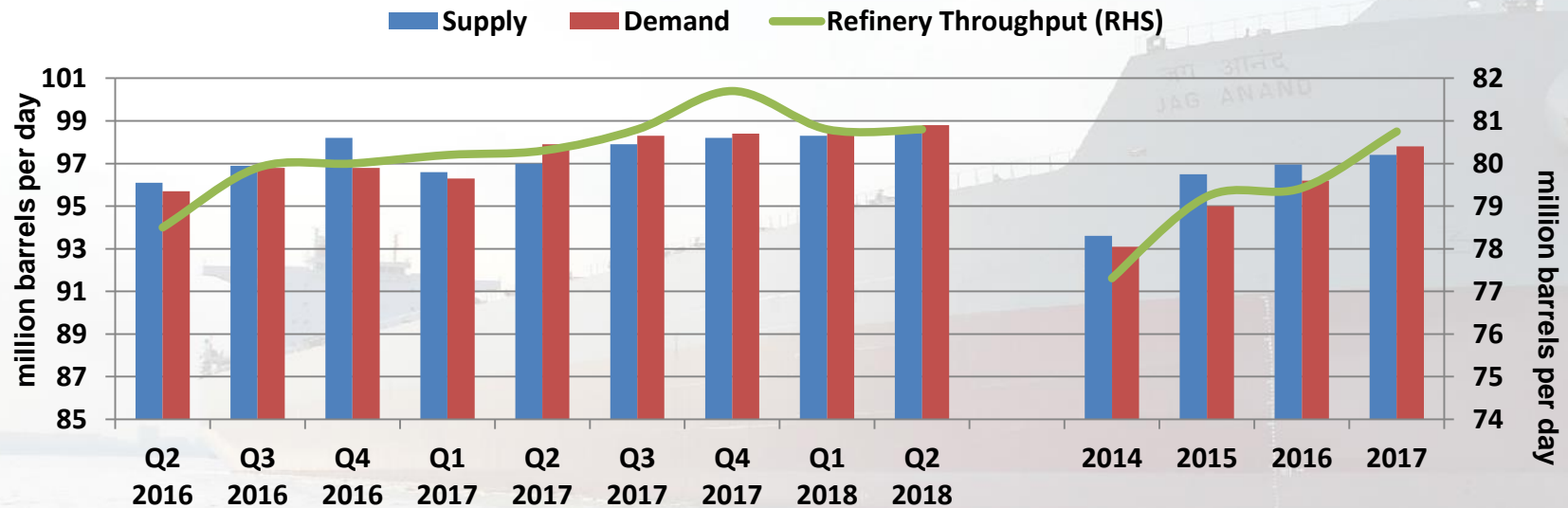


TANKERS – ASSET PRICE MOVEMENT (5-YEAR OLD)



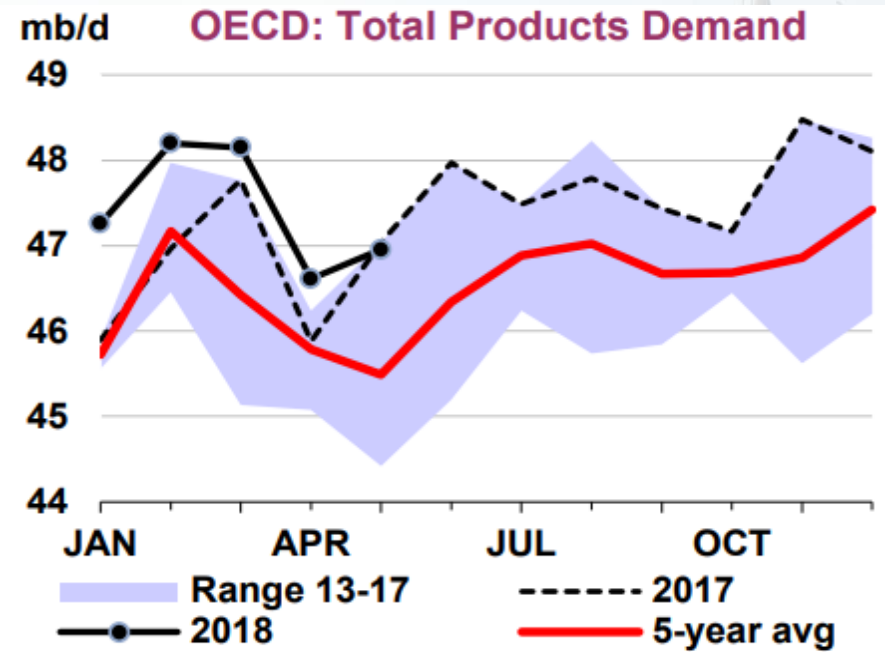
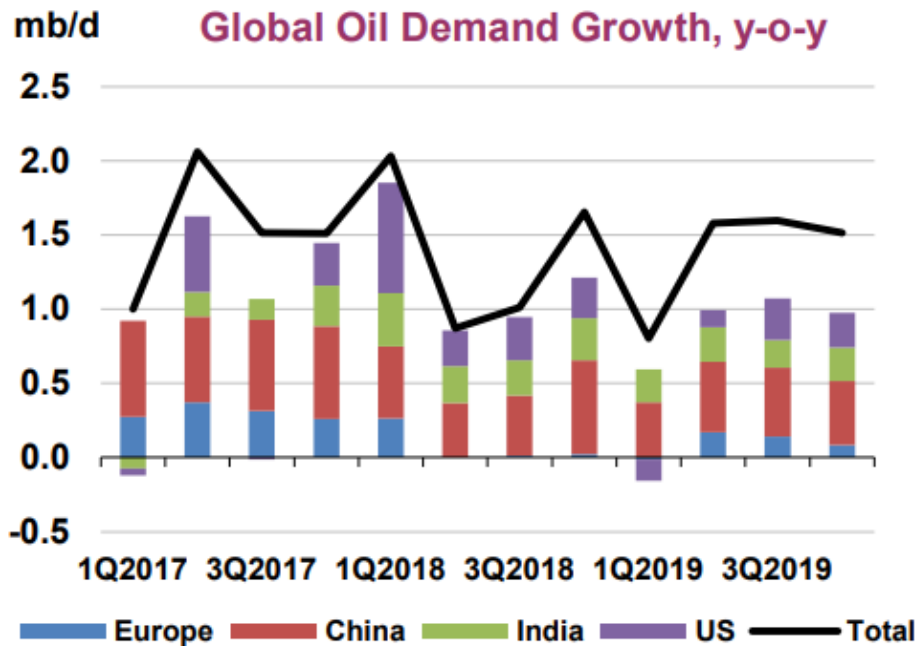
Crude Tanker asset prices marginally improved compared to CY2017. Whereas, Product Tankers asset prices have improved 10% compared to CY2017.

CRUDE OIL SUPPLY & DEMAND



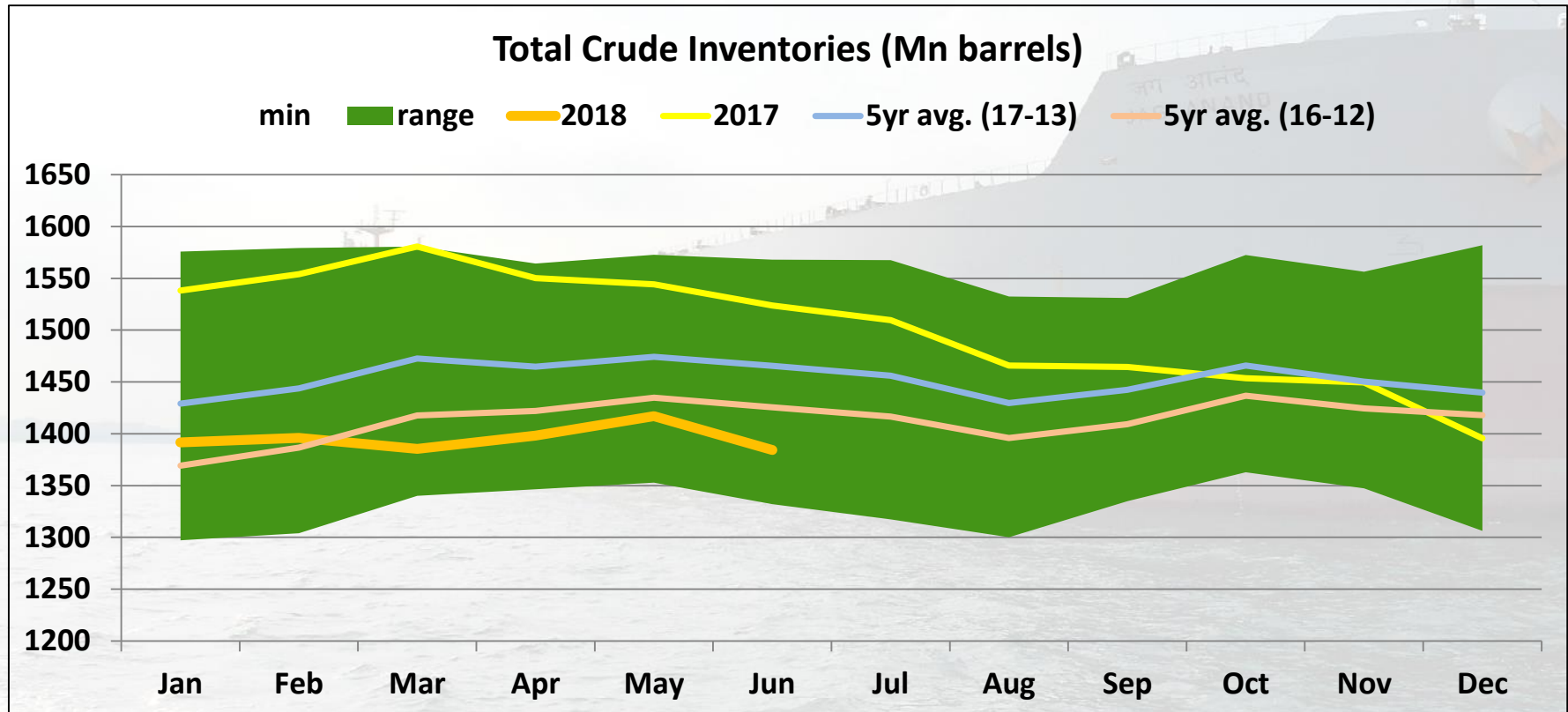
In Q2CY18 refining throughput growth was relatively lower as compared to growth seen during Q2CY17, due to rising oil prices. Further crude stock draws in consuming region and recent start up of oil pipeline into China collectively capped demand for seaborne crude.

CRUDE & PRODUCT GROWTH



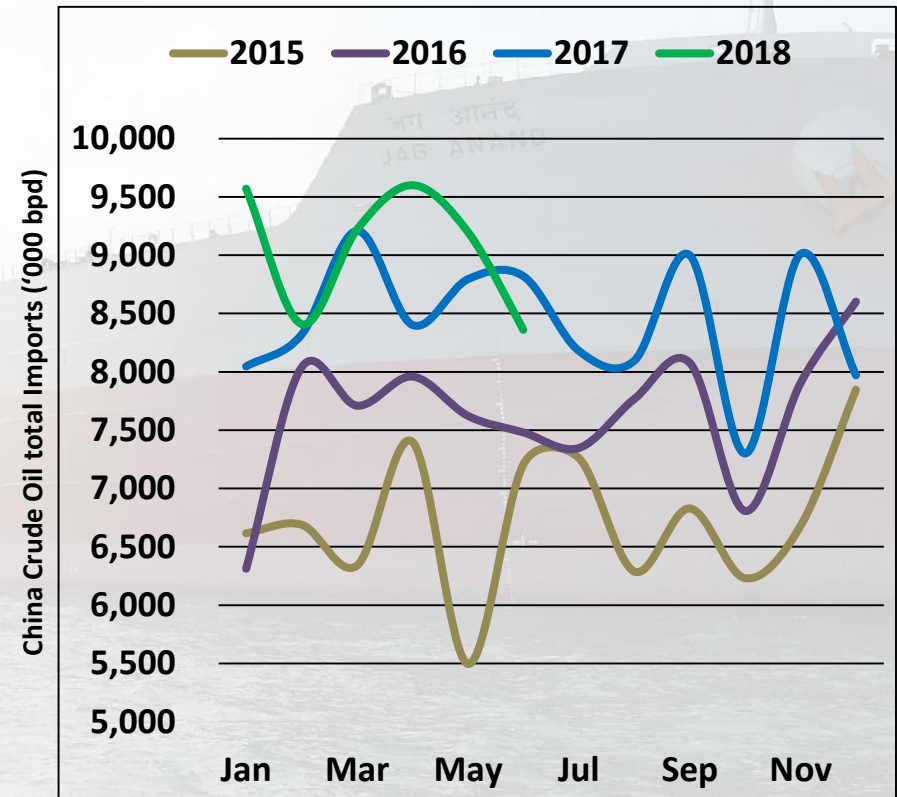
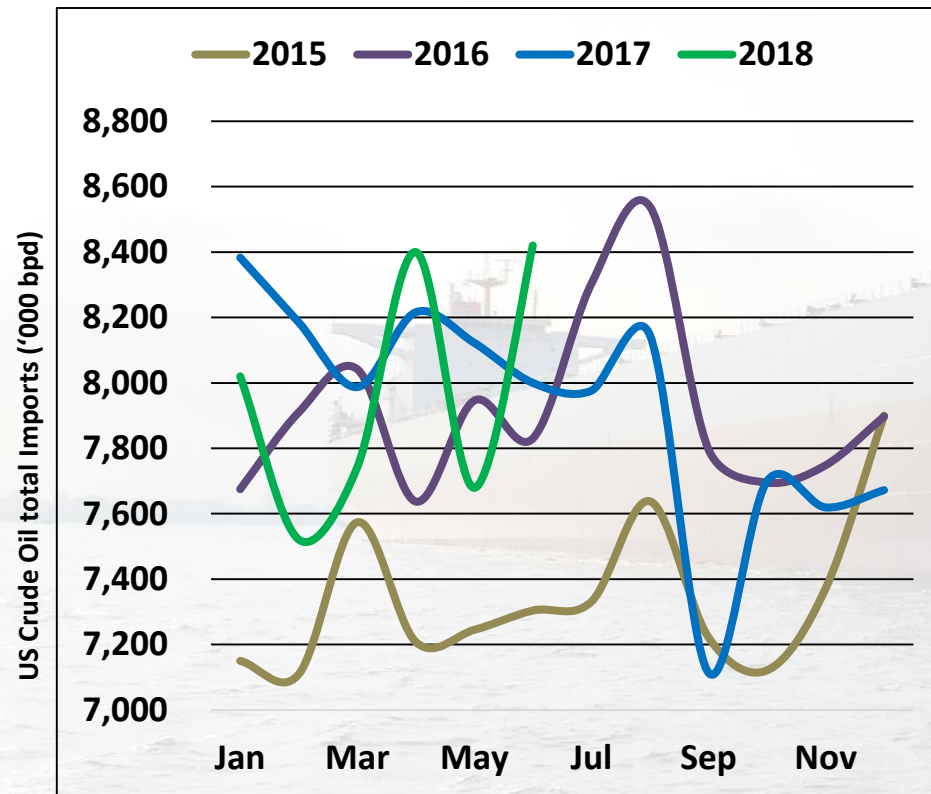
Majority of the demand growth is fuelled by positive growth in OECD Americas & Non-OECD Asia.

CRUDE INVENTORIES



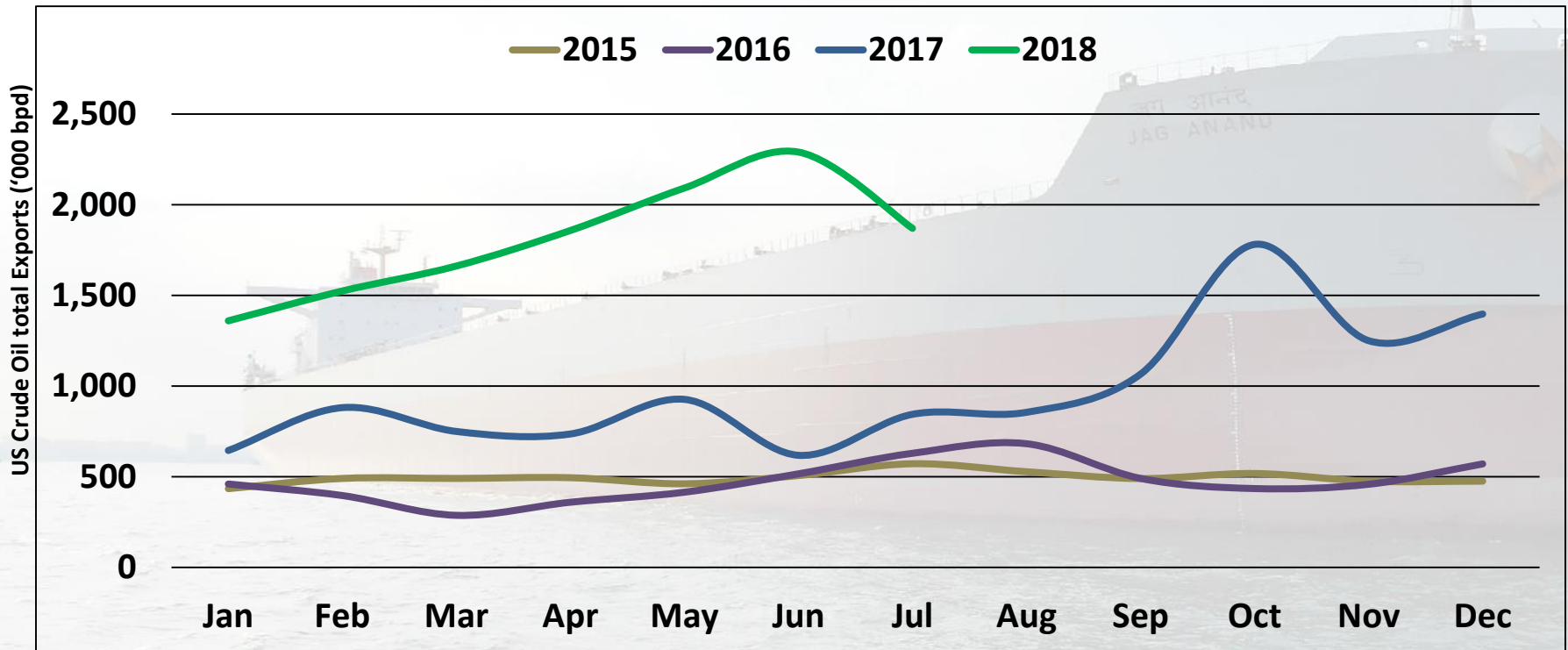
Crude Inventories in 2018 is amongst the lowest in last five years due to high stock draws.

CRUDE OIL IMPORTS (US & China)



In Q2CY2018, China imported 4% higher crude oil than Q2CY2017

CRUDE OIL EXPORTS (US)



In 2018, US significantly increased their crude oil exports due to margins improvement and high crude production

WORLD FLEET GROWTH

CRUDE TANKERS

| Tanker Fleet (mn Dwt) | 20-Jul-18 | 1-Jan-18 | 1-Jan-17 | 1-Jan-16 | 1-Jan-15 | 1-Jan-14 |
|-----------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| VLCC | 223.88 | 225.10 | 213.80 | 200.00 | 193.75 | 186.13 |
| Suezmax | 81.80 | 80.60 | 74.60 | 71.09 | 69.68 | 68.43 |
| Aframax | 67.07 | 67.20 | 66.40 | 64.37 | 64.15 | 63.71 |
| Total | 378.23 | 378.90 | 355.00 | 335.46 | 327.58 | 318.27 |

| Order Book (mn Dwt) | 2018 | 2019 | 2020+ | Total |
|--|------|------|-------|-------|
| <i>Orderbook as % of current fleet</i> | 4% | 7% | 3% | 13.2% |

| | |
|----------------------------|------------|
| Slippage (YTD 2018) | 20% |
|----------------------------|------------|

WORLD FLEET GROWTH

PRODUCT TANKERS & VLGC

| Product Fleet (mn Dwt) | 20-Jul-18 | 1-Jan-18 | 1-Jan-17 | 1-Jan-16 |
|------------------------|---------------|---------------|---------------|---------------|
| LR2 | 37.95 | 36.60 | 33.50 | 30.10 |
| LR1 | 26.65 | 26.51 | 25.20 | 24.00 |
| MR/Handy (35k+) | 82.86 | 82.40 | 80.40 | 76.70 |
| Total | 150.31 | 147.61 | 139.40 | 130.80 |

| Order Book(mn Dwt) | 2018 | 2019 | 2020+ | Total |
|--|------|------|-------|-------|
| <i>Orderbook as % of current fleet</i> | 3% | 5% | 2% | 9.3% |

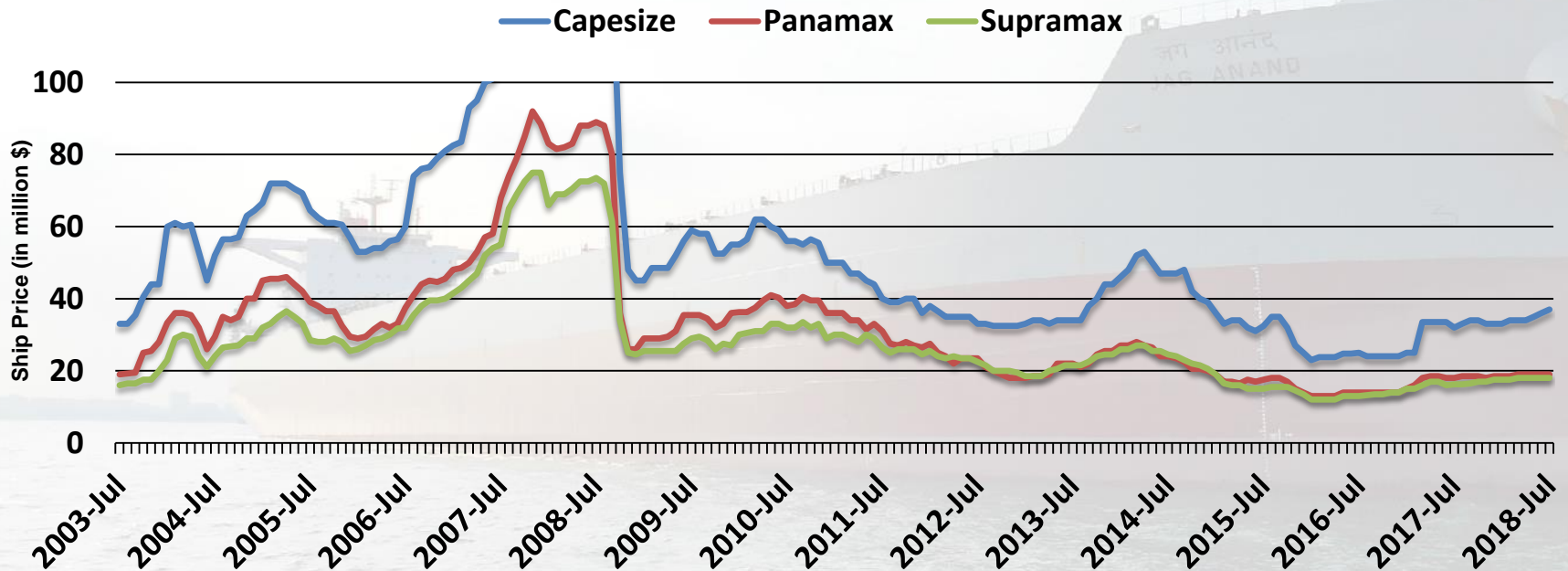
| | |
|------------------------------------|------------|
| Slippage Product (YTD 2018) | 20% |
|------------------------------------|------------|

| Fleet(No. of Vessels) | 20-Jul-18 | 1-Jan-18 | 1-Jan-17 |
|-----------------------|-----------|----------|----------|
| VLGC | 268 | 266 | 243 |

| Order Book (No. of Vessels) | 2018 | 2019 | 2020+ | Total |
|--|------|------|-------|-------|
| <i>Orderbook as % of current fleet</i> | 1% | 9% | 4% | 13.8% |

BULKER ASSET PRICES

5-YEAR OLD



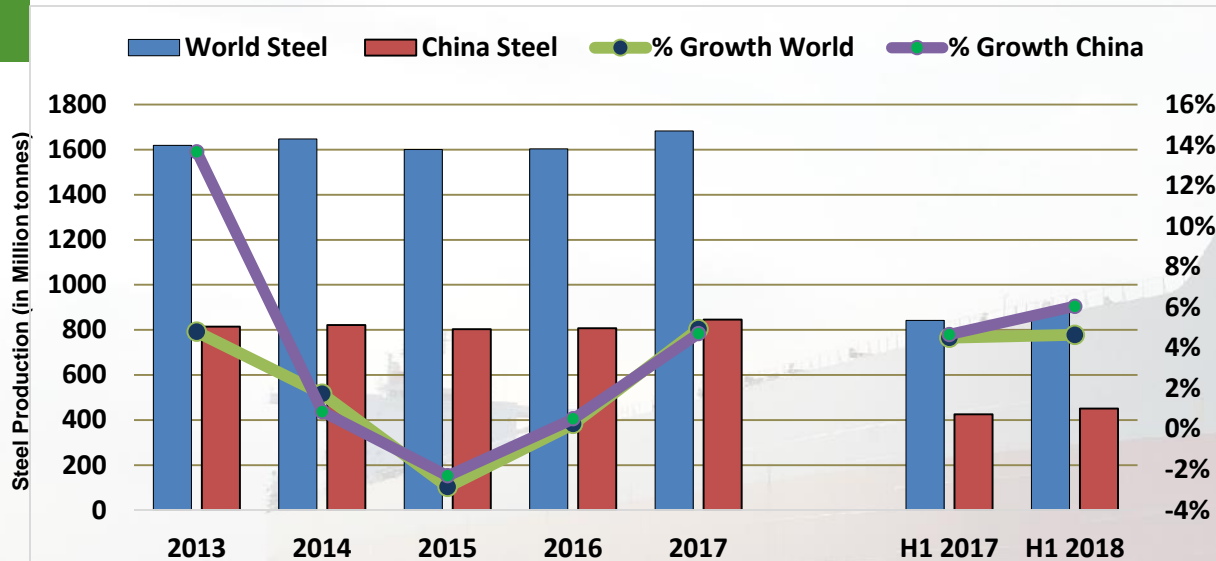
Dry Bulk asset prices on average rose by about 7% in Q22018 compared to Q22017. In Q2CY2018, Capesize prices have increased marginally.

BALTIC DRY INDEX

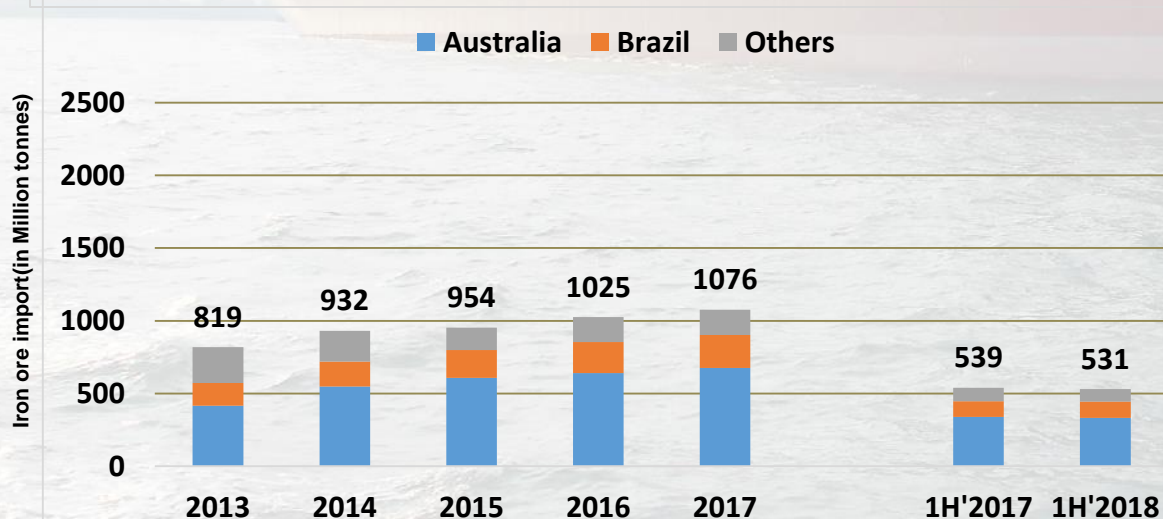


Baltic Dry Index hits 4.5 year high of 1,774 in Jul'18 from a low of 291 in Feb'16.

CHINA IRON ORE & STEEL PRODUCTION



China Steel Production increased 6% in H1CY2018 Y-O-Y

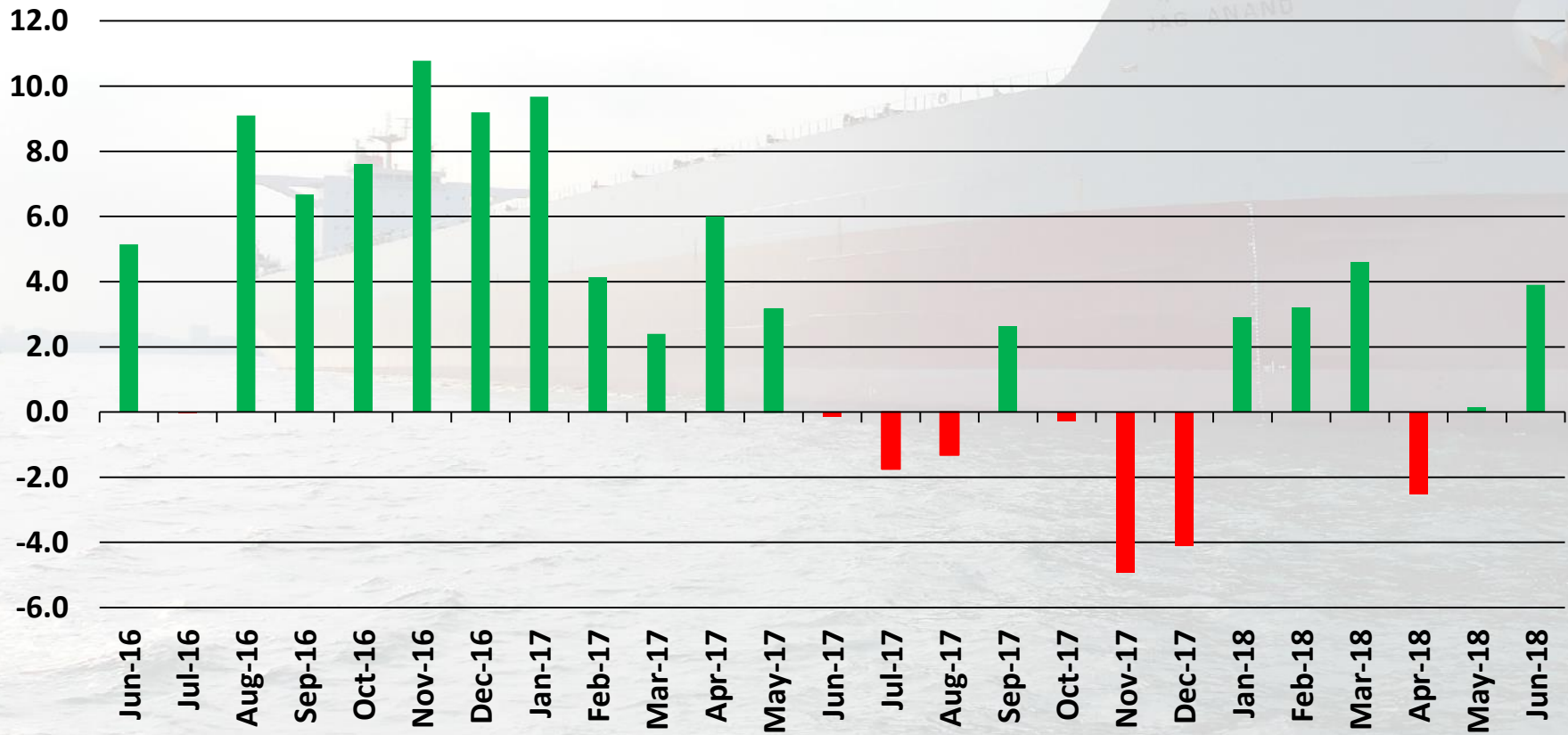


China's iron ore import marginally lower in 1H'CY2018 Y-O-Y

CHINA COAL IMPORTS

China coal imports change (Y-O-Y)

Mn Tonnes



WORLD FLEET GROWTH

DRY BULK

| Fleet(in mn Dwt) | 20-Jul-18 | 1-Jan-18 | 1-Jan-17 | 1-Jan-16 |
|------------------|------------|------------|------------|------------|
| Capesize | 330 | 324 | 315 | 309 |
| Panamax | 205 | 202 | 196 | 195 |
| Handymax | 199 | 196 | 189 | 180 |
| Handysize | 97 | 96 | 94 | 93 |
| Total | 831 | 818 | 794 | 776 |

| Orderbook (mn Dwt) | 2018 | 2019 | 2020 | 2021+ | Total |
|--------------------|------|------|------|-------|-------|
| Orderbook (%Fleet) | 2% | 4% | 3% | 1% | 9.6% |

| | |
|----------------------------|------------|
| Slippage (YTD 2018) | 32% |
|----------------------------|------------|

SCRAPPING

| Vessel Category | Fleet (mn Dwt) | Scrapping(% of beginning world fleet) | | | | |
|-----------------|----------------|---------------------------------------|------------|-------|-------|-------|
| | | 19 July 18 | 2018 (YTD) | 2017 | 2016 | 2015 |
| Crude | 378.35 | 3.40% | 2.35% | 0.35% | 0.23% | 1.60% |
| Product | 150.31 | 1.01% | 1.42% | 0.62% | 0.61% | 1.19% |
| Dry Bulk | 831.00 | 0.27% | 1.77% | 3.67% | 4.03% | 2.25% |

High Scrapping for Tankers, and very low for Dry bulk

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



OFFSHORE BUSINESS FLEET PROFILE

| 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 |

Fleet Utilization

| Category | Extent of coverage of fleet's operating days (FY19) |
|-------------|---|
| PSV | 60% |
| ROVSV | 66% |
| AHTSV | 88% |
| MPSSV | 41% |
| Jackup Rigs | 98% |

As on 30th June 2018

KEY POINTS ON E&P MARKETS

Q2 CY2018

Day Rates

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

Fleet Growth

- Rigs: Total fleet has reduced by about 3% during the quarter due to scrapping of cold stacked rigs and limited new building deliveries. The effective marketed supply has reduced marginally.
- OSV's: Total fleet remains broadly same compared to last quarter.

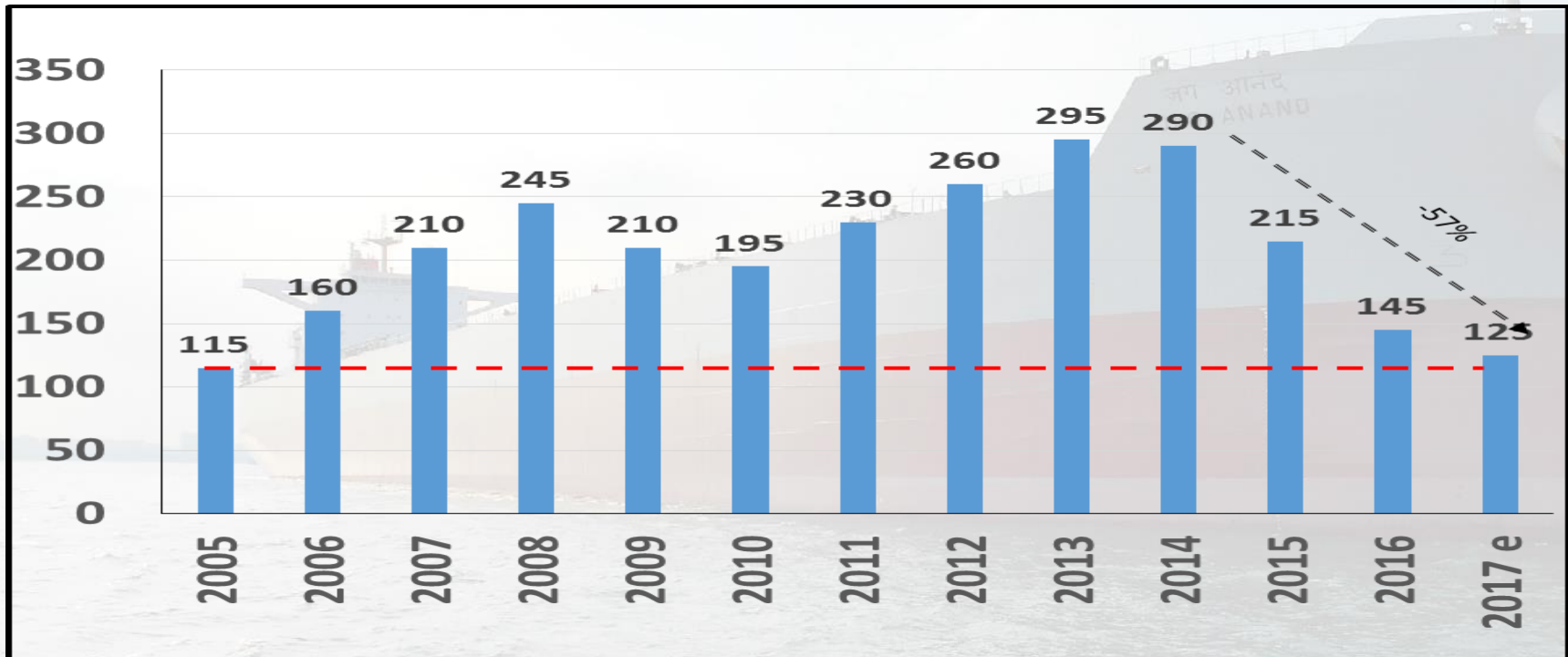
Fleet Utilization

- Rigs: 50-60% (Term)
- Vessels: 40-50% (Term)

Slippage

- OSVs: 70%-80%(CY2017)
- Rigs: 70% - 80%(CY2017)

OFFSHORE E&P SPENDING



According to various industry reports, after the sharp fall over last 3 years, the E&P spending is expected to further decline, albeit marginally, in 2018

GLOBAL FLEET SUPPLY OFFSHORE

Fleet & Orderbook

| Number | Jackup Rigs | AHTSVs | PSV |
|------------------------------------|-------------|--------|------|
| Current Fleet | 516 | 2055 | 1638 |
| Orderbook | 91 | 93 | 136 |
| <i>O/B to current fleet</i> | 17.6% | 4.5% | 8.3% |

- Q2CY2018 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. 45% of Jackup Rigs are currently 30 years and above.
- 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

Q1 FY19

FINANCIAL HIGHLIGHTS

GE Shipping Q1FY19 consolidated Net Loss at Rs. 245.08 Crore

| Standalone | | Key Figures | Consolidated | |
|-------------------------|--------------|----------------------------------|-----------------|---------------|
| Q1 FY19 | Q1 FY18 | (Amount in Rs. Crs) | Q1 FY19 | Q1 FY18 |
| Income Statement | | | | |
| 677.27 | 506.88 | Revenue (including other income) | 876.44 | 777.16 |
| (14.13) | 274.01 | EBITDA (including other income) | 84.56 | 428.76 |
| (232.87) | 72.35 | Net Profit | (245.08) | 103.56 |
| Balance Sheet | | | | |
| 10748.98 | 10664.09 | Total Assets | 14923.45 | 15160.55 |
| 4990.52 | 5235.51 | Equity | 6740.37 | 7316.38 |
| 4515.74 | 4455.17 | Total Debt (Gross) | 6557.12 | 6731.88 |
| 1726.36 | 1436.78 | Long Term Debt (Net of Cash) | 2661.76 | 2481.76 |
| Cash Flow* | | | | |
| 188.16 | 142.86 | From operating activities | 212.22 | 228.51 |
| (307.71) | (133.97) | From investing activities | (332.28) | (164.38) |
| 183.18 | (47.60) | From financing activities | 108.95 | (175.55) |
| 63.63 | (38.71) | Net cash inflow/(outflow) | (11.11) | (111.42) |

• 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.

* Non-GAAP measures

FINANCIAL HIGHLIGHTS

| Standalone | | Key Figures | Consolidated | |
|------------|---------|---------------------------------------|--------------|---------|
| Q1 FY19 | Q1 FY18 | | Q1 FY19 | Q1 FY18 |
| | | Key financial figures | | |
| -2.09% | 54.06% | EBITDA Margin | 9.65% | 55.17% |
| -18.24% | 5.57% | Return on Equity (ROE) * | -14.34% | 5.70% |
| -5.94% | 6.27% | Return on Capital Employed (ROCE) * | -3.53% | 5.87% |
| 0.90 | 0.85 | Gross Debt/Equity Ratio | 0.97 | 0.92 |
| 0.35 | 0.27 | Net Debt/Equity Ratio | 0.39 | 0.34 |
| 66.43 | 64.49 | Average Exchange rate USD/INR | 66.43 | 64.49 |
| 68.47 | 64.57 | End of Period Exchange rate USD/INR | 68.47 | 64.57 |
| | | | | |
| | | Share related figures (in Rs.) | | |
| (15.44) | 4.80 | Earnings per share, EPS | (16.25) | 6.87 |
| (15.44) | 4.79 | Diluted earnings per share | (16.25) | 6.86 |
| 8.43 | 8.72 | Cash Profit per share | 15.38 | 14.12 |
| - | - | Dividend per share | - | - |

* Annualized based on Q1 figures

FINANCIAL HIGHLIGHTS

Breakup of Revenue Days

| Revenue Days | Q1 FY19 | Q1 FY18 |
|------------------------------|--------------|--------------|
| Owned Tonnage | 4,190 | 3,998 |
| Inchartered Tonnage | 56 | 77 |
| Total Revenue Days | 4,246 | 4.074 |
| Total Owned Tonnage (mn.dwt) | 3.97 | 3.80 |

Average TCY Details

| Average (TCY \$ per day) | Q1'FY19 | Q1'FY18 | % Change |
|------------------------------|---------|---------|----------|
| Crude Carriers | 11,011 | 15,584 | -29% |
| Product Carriers (Incl. Gas) | 14,697 | 15,432 | -5% |
| Dry Bulk | 13,597 | 9,166 | 48% |

Mix of Spot & Time

| Days (in %) | Q1'FY19 | Q1'FY18 |
|------------------------|---------|---------|
| <u>Dry Bulk</u> | | |
| Spot % | 74% | 41% |
| Time % | 26% | 59% |
| <u>Tankers</u> | | |
| Spot % | 82% | 60% |
| Time % | 18% | 40% |
| <u>Total</u> | | |
| Spot % | 79% | 54% |
| Time % | 21% | 46% |

INVESTMENT CASE

Long term history of reading the cycles along with proven capability to time the cycles

Low leverage, strong liquidity gives the ability to ride out the bad markets

Cost of debt among the lowest in the industry

We are in the top 10th percentile of worldwide listed shipping companies for shareholders returns over 20 years



THANK YOU
visit us at www.greatship.com