



The Great Eastern
Shipping Co. Ltd.

BUSINESS OVERVIEW

28 August 2019



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

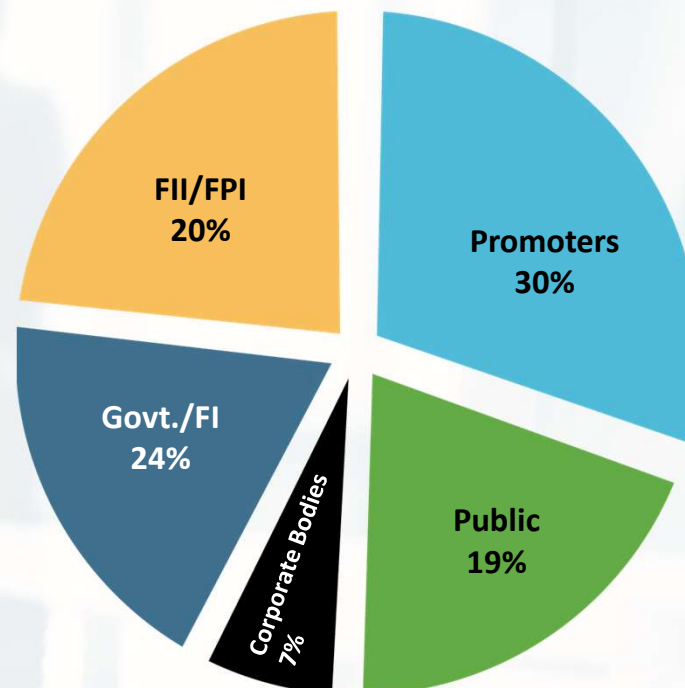
Dry Bulk

Logistics

Drilling

India's largest private sector shipping company over 71 years of
experience

SHAREHOLDING PATTERN



Shareholding Pattern as on 30 June 2019

FLEET PROFILE

SHIPPING

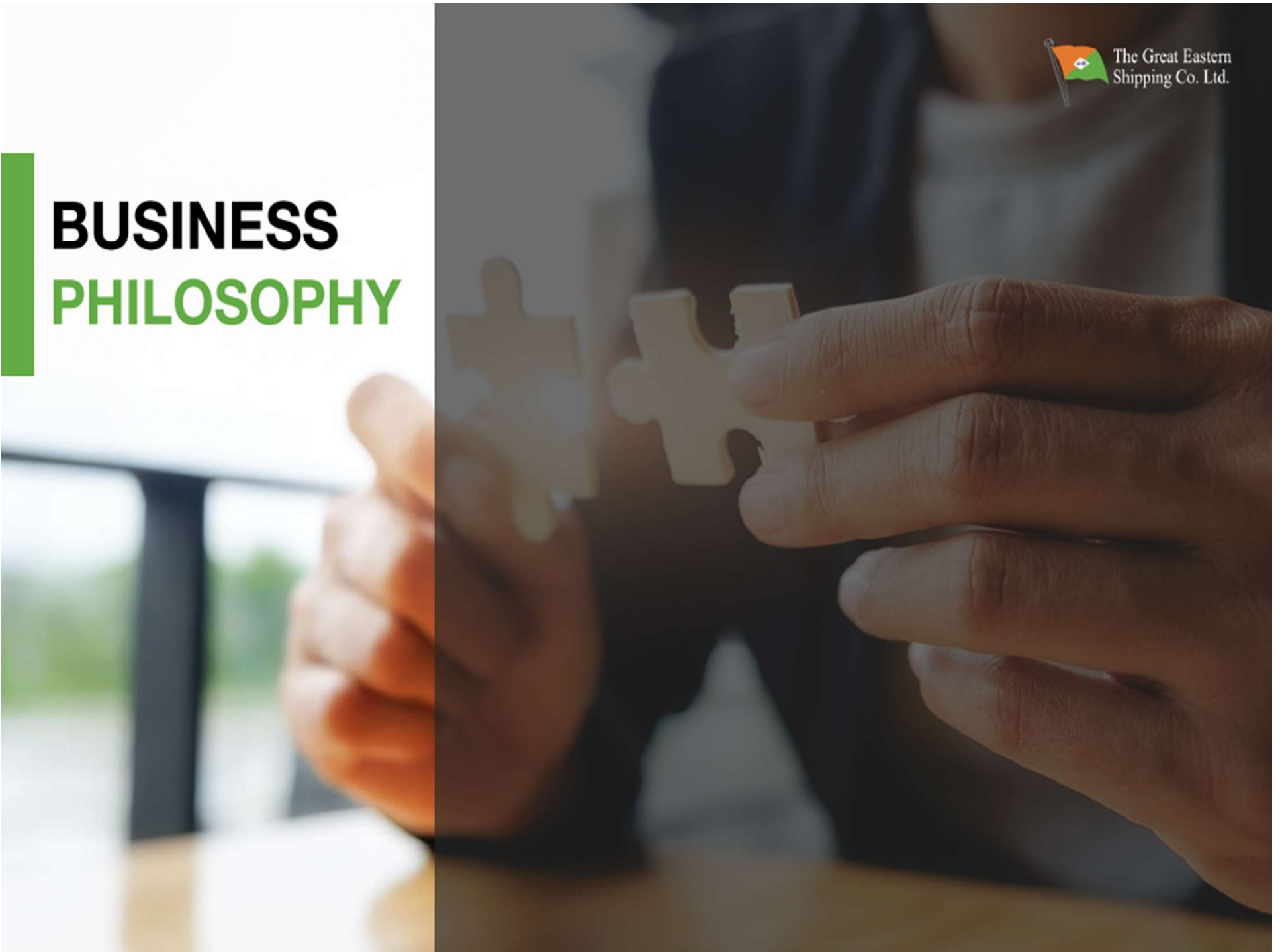
Fleet	DWT	Number of Ships	Average Age (Yrs.)
Crude Carriers	1,608,683	12	13.88
Product Carriers	987,207	17	11.79
Gas Carriers	224,113	5	17.92
Dry Bulk Carriers	1,026,462	13	6.80
Total	3,846,465	47	11.69

OFFSHORE

Fleet	Number of Units	Average Age (Yrs.)
Jack Up Rigs	4	7.84
Platform Supply Vessels	4	10.00
Anchor handling Tug Cum Supply Vessels	8	9.86
Multipurpose Platform Supply & Support Vessels	2	9.32
ROV Support Vessels	5	8.02



BUSINESS **PHILOSOPHY**



4 KEYS TO OUR SUCCESS



**Dynamically
managing
cycles**



**Diversified
Fleet**



**In-House
technical &
commercial
management**

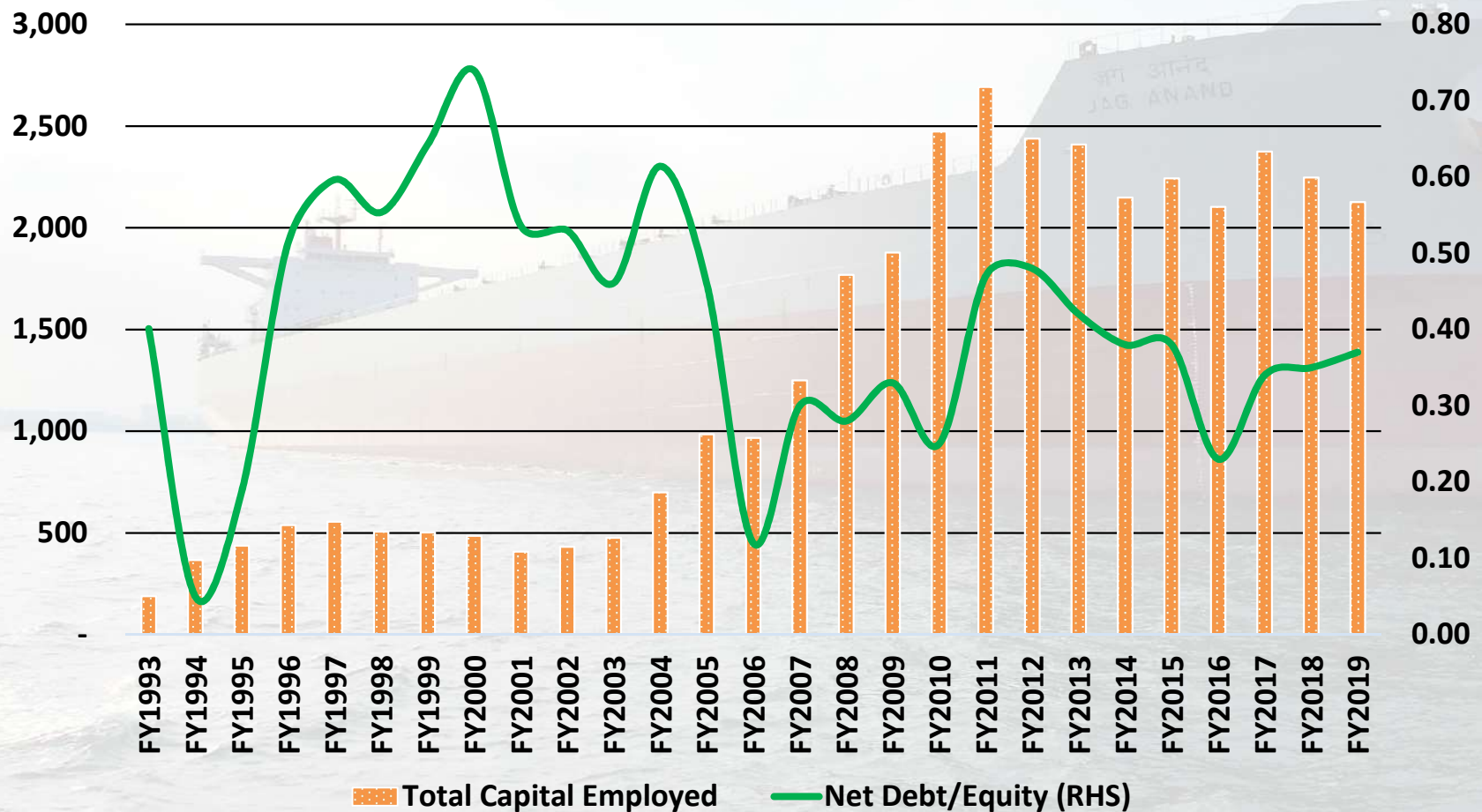


**Strong
balance
sheet**



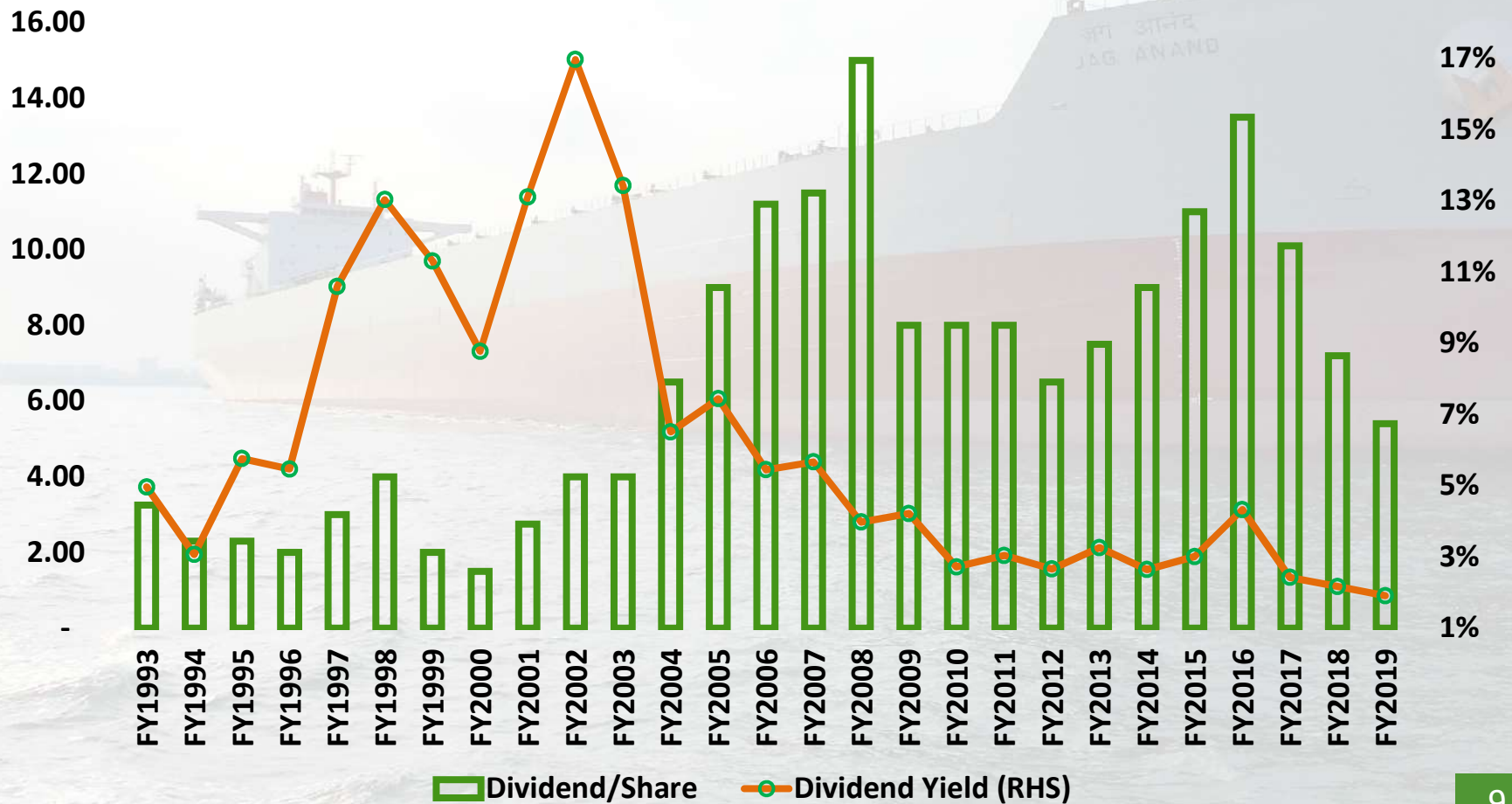
NET DEBT/EQUITY & TOTAL CAPITAL EMPLOYED (CONSOLIDATED)

USD Mn

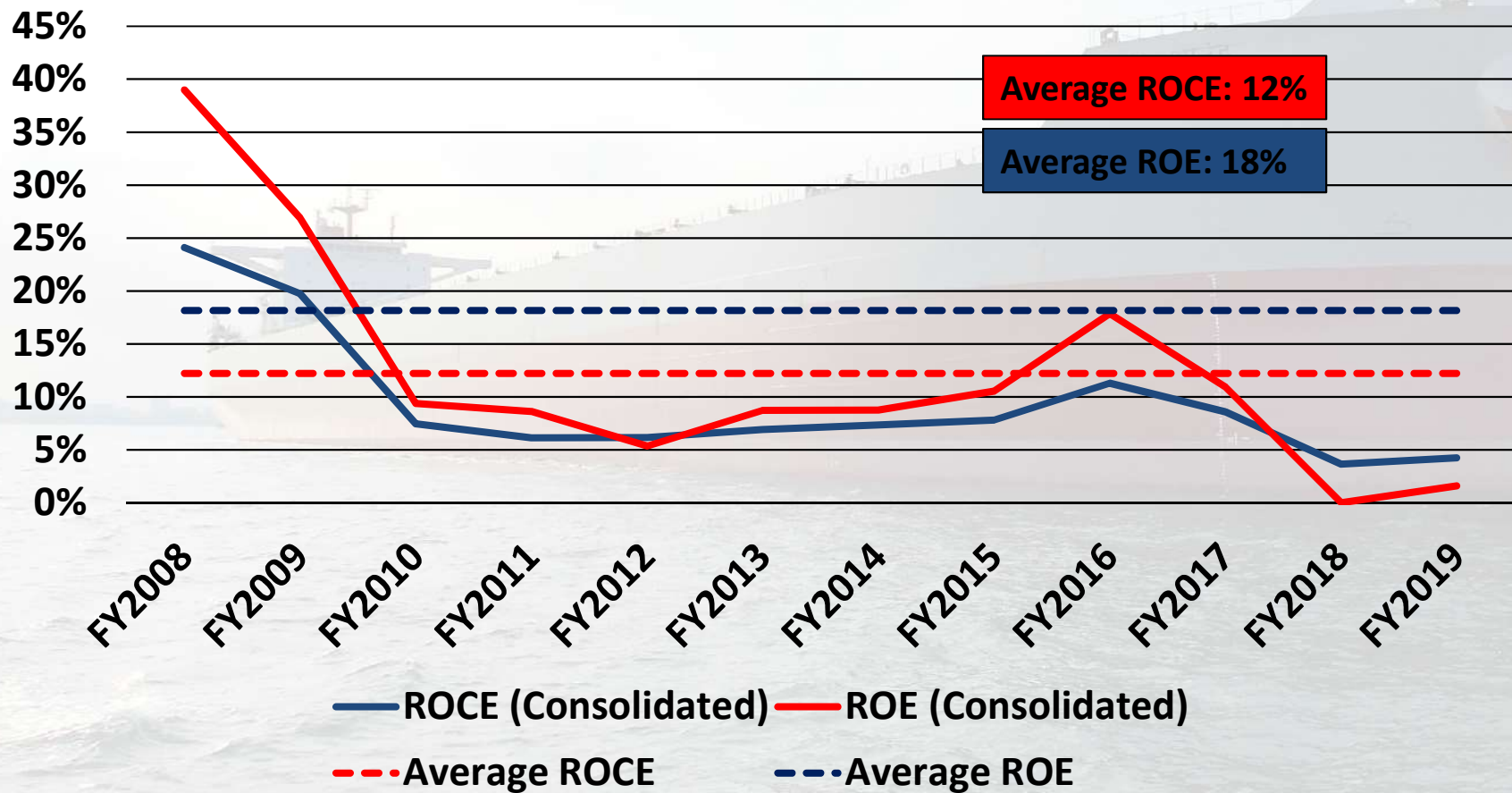


DIVIDEND/SHARE (30+ YEARS CONTINUOUS DIVIDEND)

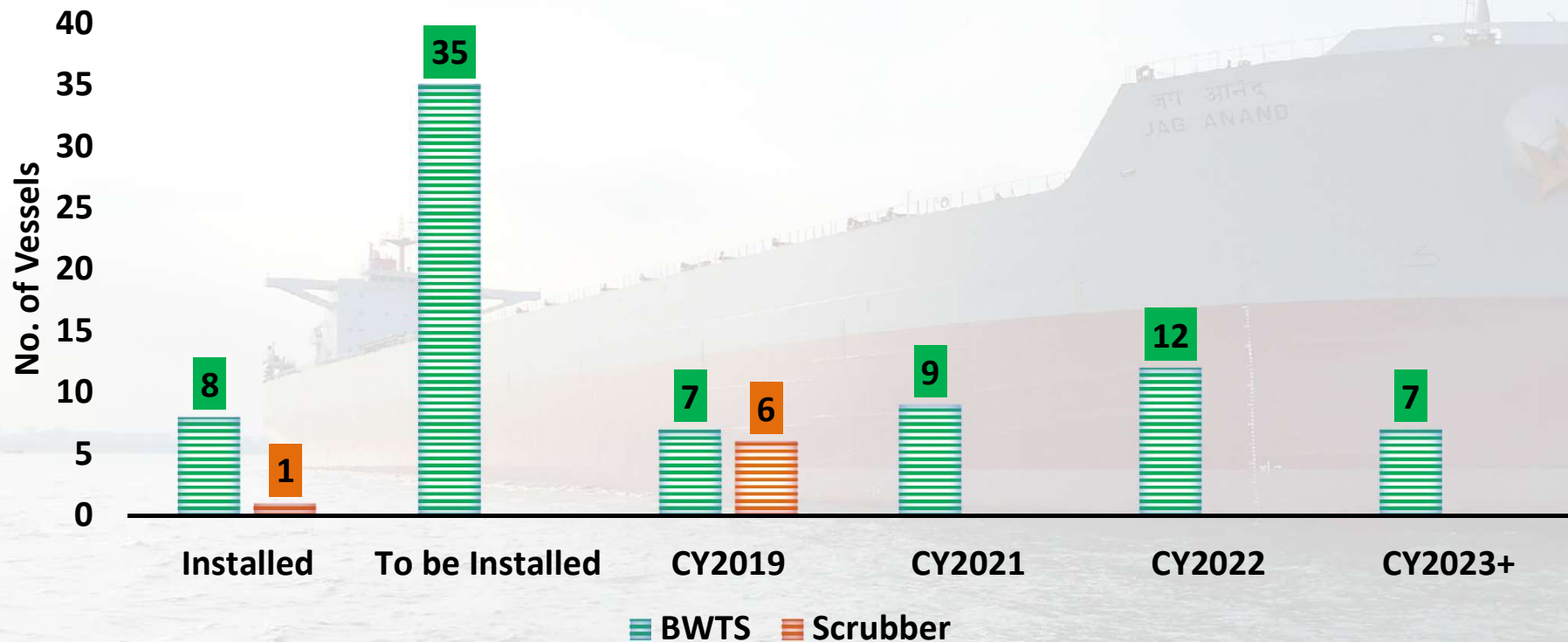
INR/Share



ROE & ROCE (CONSOLIDATED)



BWTS & SCRUBBER INSTALLATION SCHEDULE



- Total 8 Vessels have been fitted with BWTS and 35 vessels are scheduled to be installed with BWTS
- 1 Vessel has been fitted with Scrubber and 6 Vessels are scheduled to be installed with Scrubbers in CY2019

Note: No BWTS/Scrubbers scheduled to be installed in CY2020

SHIPPING MARKET



IMO REGULATIONS ON BALLAST WATER TREATMENT SYTEM

What is Ballast Water Treatment System(BWTS) IMO regulations?

1. Ballast water has to be taken onboard by ships for stability and can contain thousands of aquatic or marine microbes, plants and animals, which are then carried across the globe. Untreated ballast water released at the ship's destination could potentially introduce a new invasive marine species.
2. The International Convention for the Control and Management of Ships' Ballast Water and Sediments was adopted in 2004 to introduce global regulations to control the transfer of potentially invasive species. With the treaty in force from September 2019, ships need to manage their ballast water.
3. Under the Convention, all ships in international traffic are required to manage their ballast water to a certain standard which can be done by installing a Ballast Water Treatment system onboard.
4. The Compliance Date:

New Vessels	On delivery (post September 2019)
Existing Vessels	First scheduled drydocking after September 2019

IMO 2020

What is IMO 2020?

- 1) The International Maritime Organization (IMO) will require shipowners to reduce sulfur emissions from 3.5% currently to 0.5% starting 1st January, 2020.
- 2) There are two options for shipowners to comply with IMO 2020 sulfur regulations:
 - Installing a scrubber to enable the vessel to continue to burn High Sulfur Fuel Oil (HSFO)
 - Change to burning 0.5% compliant fuel which may be Very Low Sulfur Fuel Oil (VLSFO) or Marine Gas Oil (MGO)
- 3) HSFO market for bunker fuels is currently at 3.5-4 million barrels a day. Of which, approximately 2-2.5 million barrels a day may need to be replaced by MGO or VLSFO.
- 4) Scrubbers can cost \$2-\$5 million to install depending on the size of the ship.
- 5) Scrubber Economics favors larger vessels that consume more fuel and have trading patterns consisting of more time at sea.

IMO 2020

Type of Fuel	Sulfur Content	Composition	2020	Possible issues post 2020
HSFO	3.5%	Fuel oil from refinery	Scrubber Installed Vessels	Low Availability, Higher CAPEX for scrubbers
MGO	0.1%	Diesel from the refinery	Allowed including ECA Areas	Expensive
LSFO	0.5%	Blends HSFO with a straight run LSFO or other low sulfur intermediate refinery fuels	Allowed in Non-ECA areas. Currently being tested.	Compatibility, Stability, Standardization & Availability

KEY POINTS ON TANKER MARKET

Asset Prices

- VLCC 5 yr old asset prices increased about 11% Y-O-Y*
- Suezmax 5 yr old asset prices increased about 11% Y-O-Y*

Freight Rates

- BCTI fell by 24% & BDTI were flat during Q2CY19 sequentially

Crude Market

- U. S. production is up about 1.5 million barrels a day year-on-year, U. S. exports were up about 0.80 million barrels a day, whereas, imports have been down 1 million barrels a day year-on-year Q2CY19.

- In Q2CY2019 Y-O-Y, overall crude loadings were down by 0.55 million barrels a day

Product Market

- In Q2CY2019 Y-O-Y, overall trade growth for Core Refined Products was higher by 0.30 million barrels a day.

- This was largely driven by gasoline trade globally. The trade was also supported by Jet/Kerosene exports growth from Asia.

LPG Market

- US VLGC exports grew by 32% in Q2CY2019 Y-O-Y, due to significantly improved arbitrage between US & Far East LPG Prices.

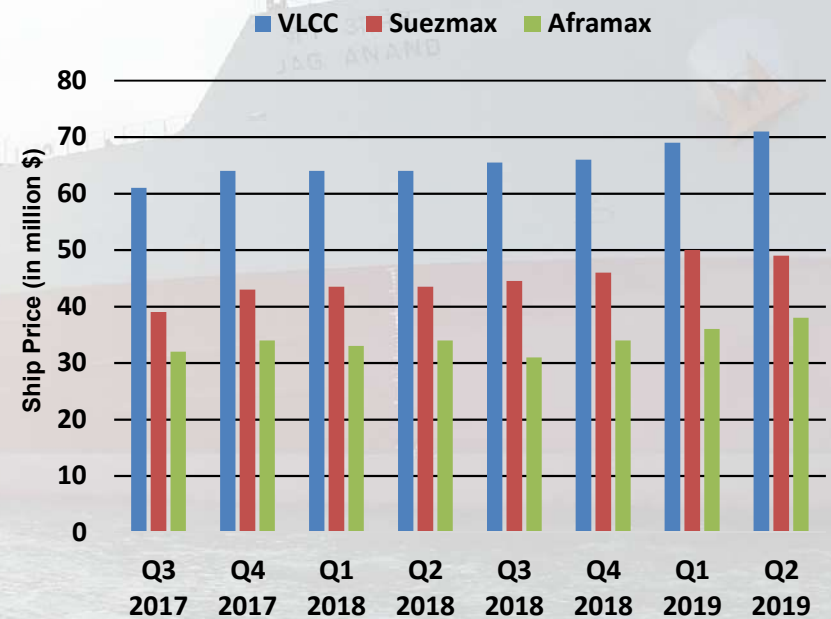
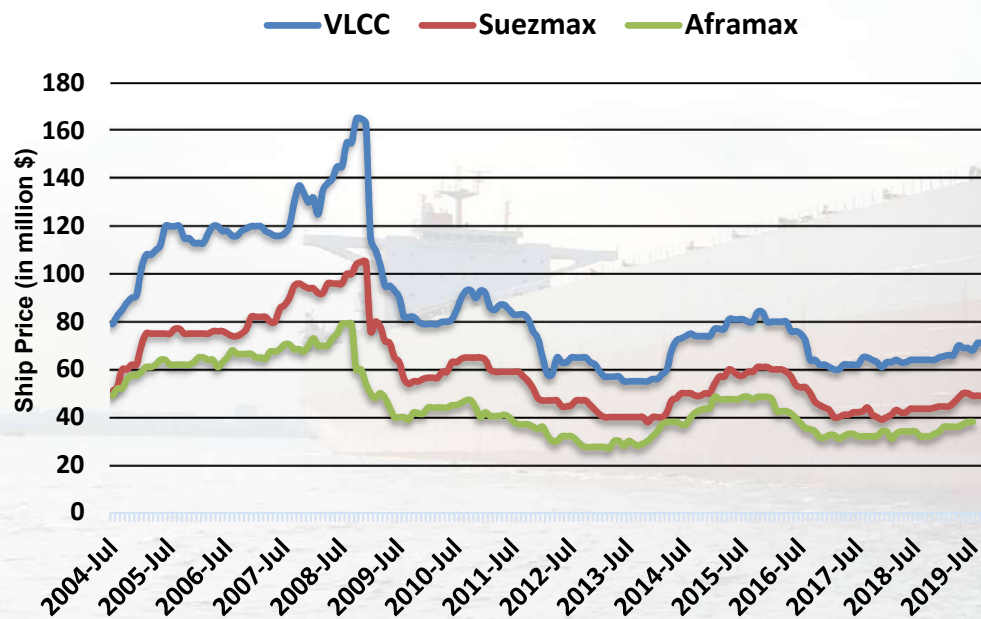
- Overall VLGC loadings is up by 2 Mt Y-O-Y Q2CY2019 with 2.61% absolute fleet growth. Correspondingly Baltic LPG index averaged US \$62.34/ton during Q2CY2019 up 135% Y-O-Y.

Fleet Growth

- Crude tankers net fleet growth in Q2CY19 is 1.44%, product tankers net fleet growth is 1.22% and VLGC growth in net fleet is 2.61% sequentially

** 5 yr old prices in Q2CY2019 are for Eco Tankers whereas in Q2CY2018 for Non-Eco*

TANKERS – ASSET PRICE MOVEMENT (5-YEAR OLD)



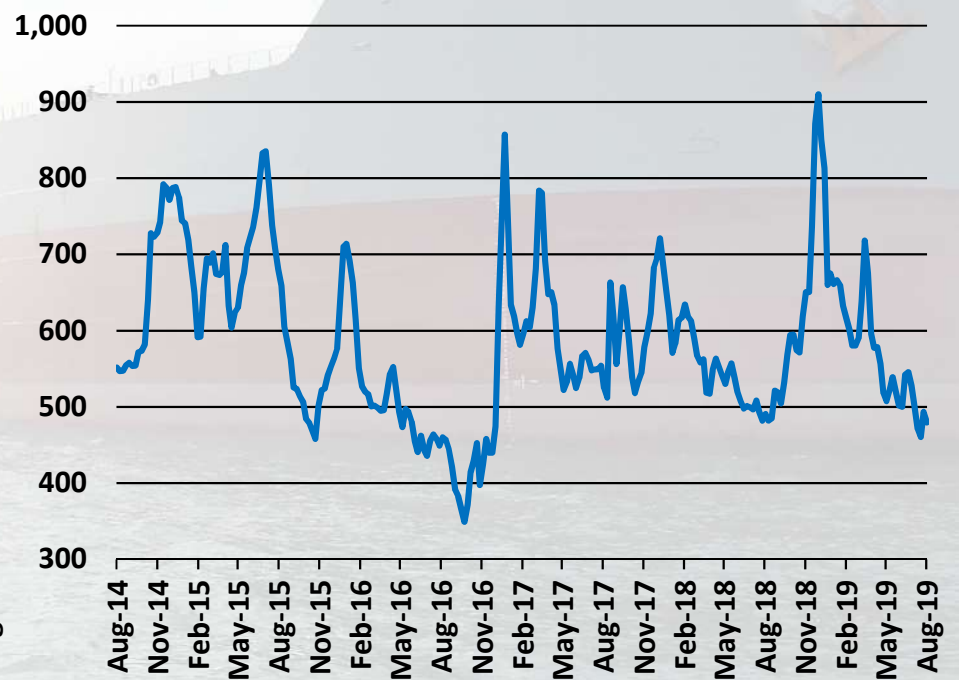
Wet Bulk asset prices has improved by 10% to 12% in Q2CY2019 Y-O-Y.

BALTIC DIRTY & CLEAN INDEX

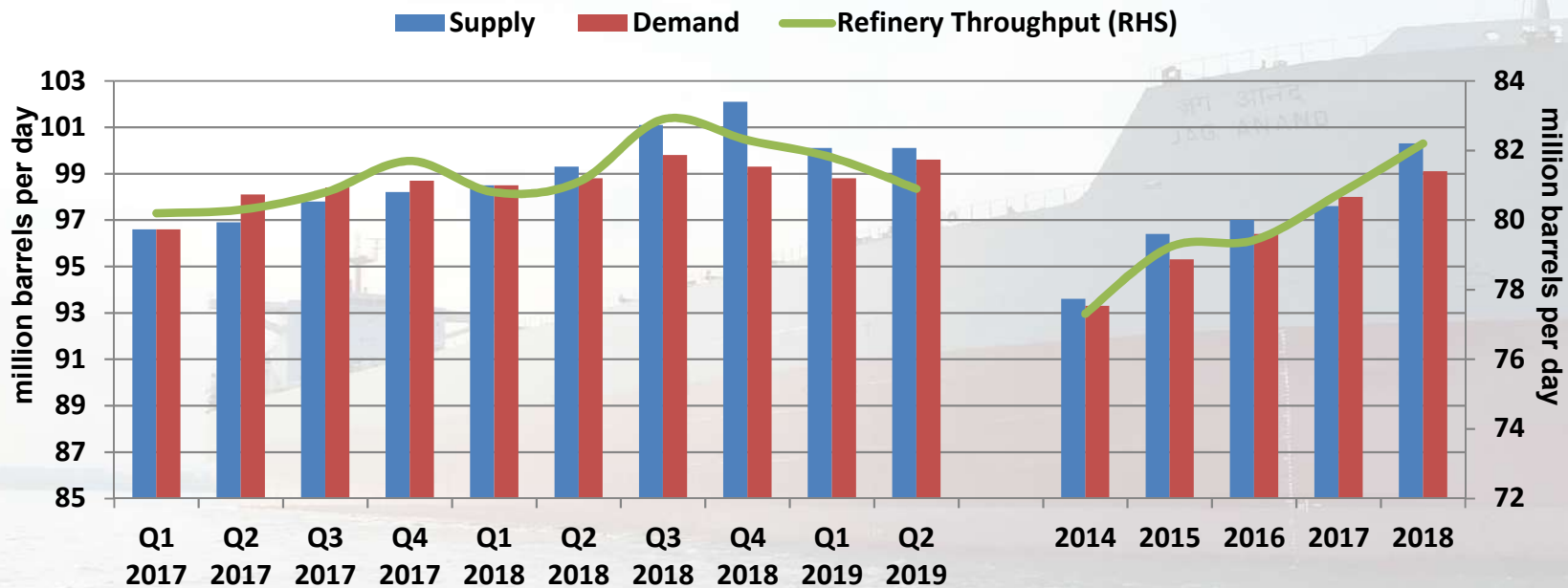
BALTIC DIRTY TANKER INDEX



BALTIC CLEAN TANKER INDEX

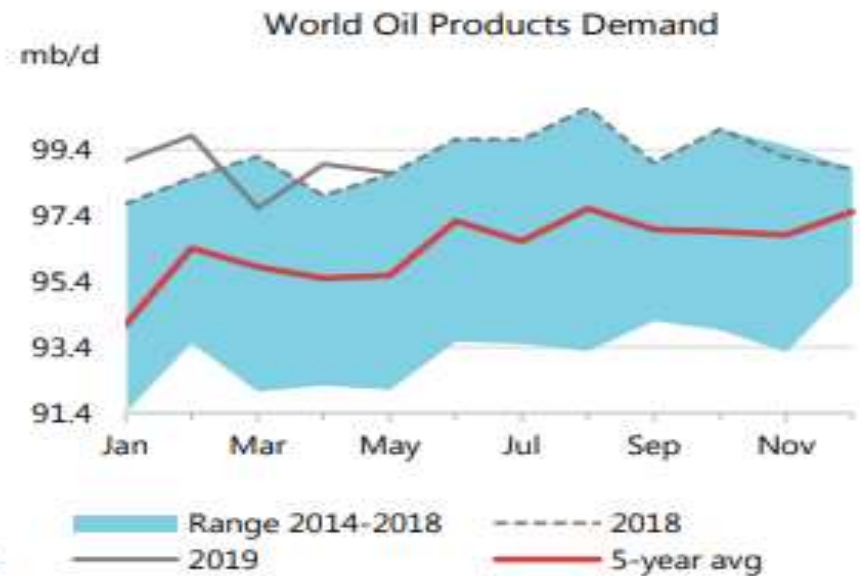


TOTAL OIL SUPPLY & DEMAND



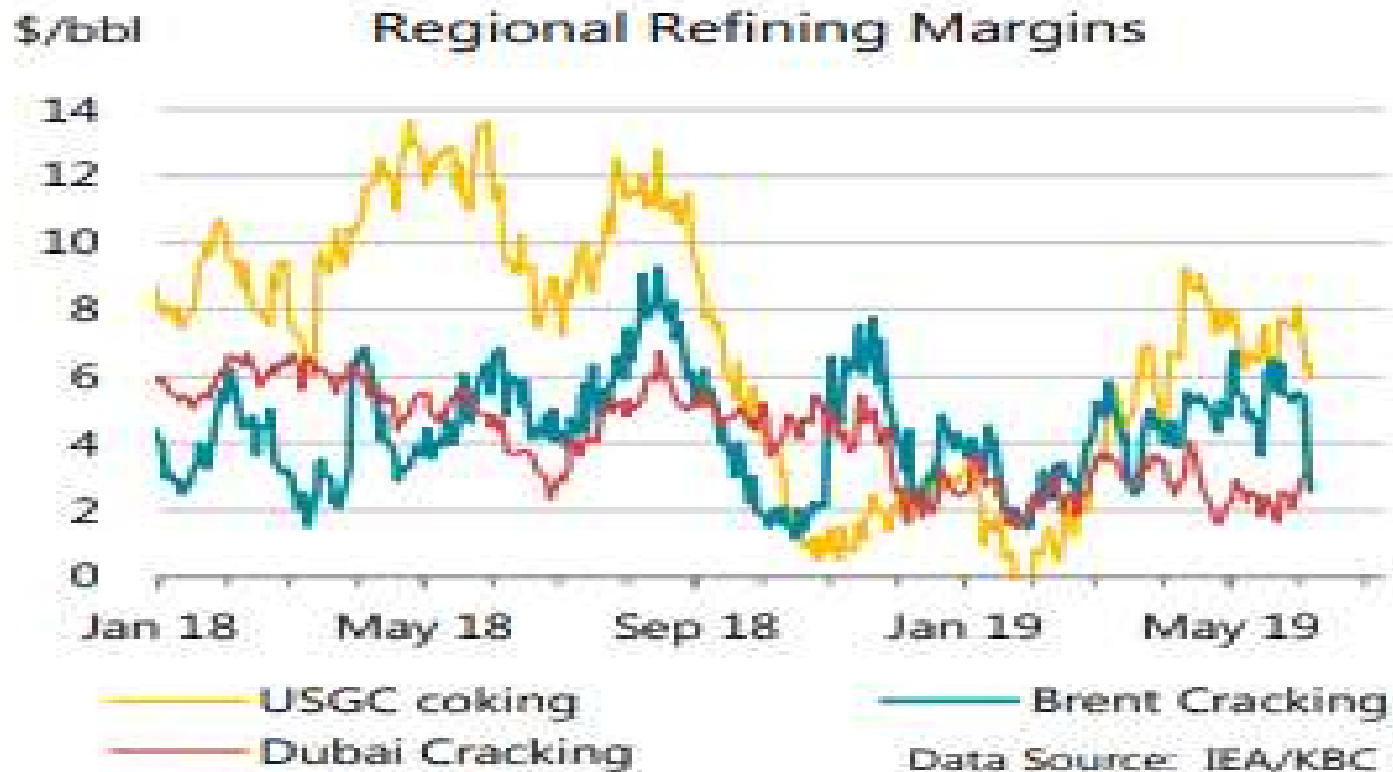
In Q2CY19, refining throughput growth has been negative mainly due to unplanned refinery outages in Europe and FSU. Also due to planned maintenance (IMO 2020 related) and weak products demand.

CRUDE & PRODUCT GROWTH



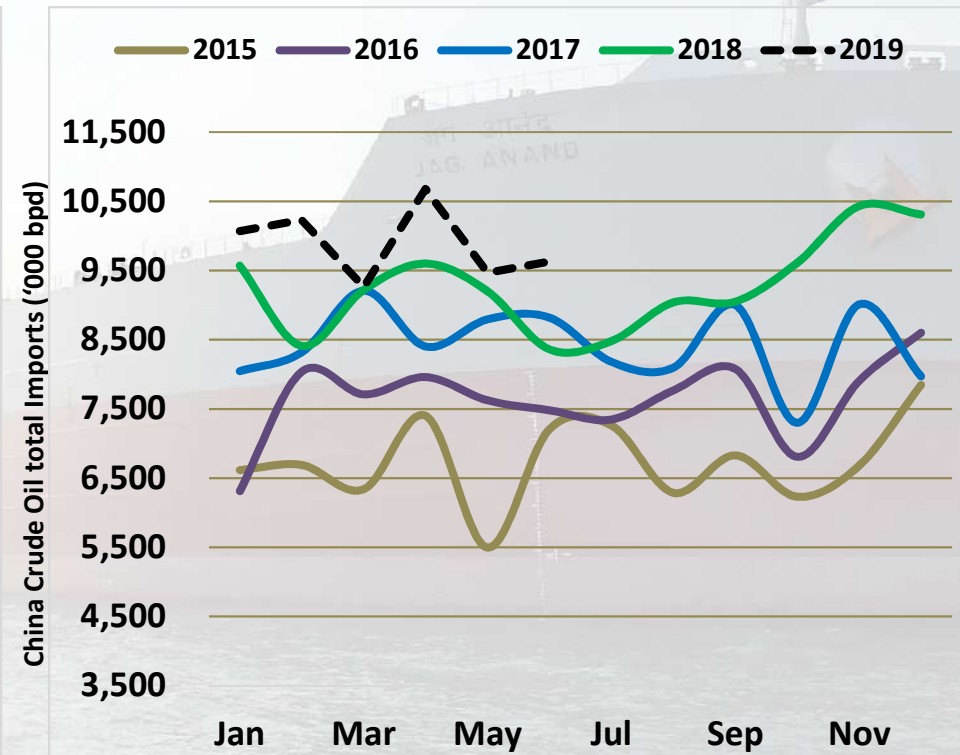
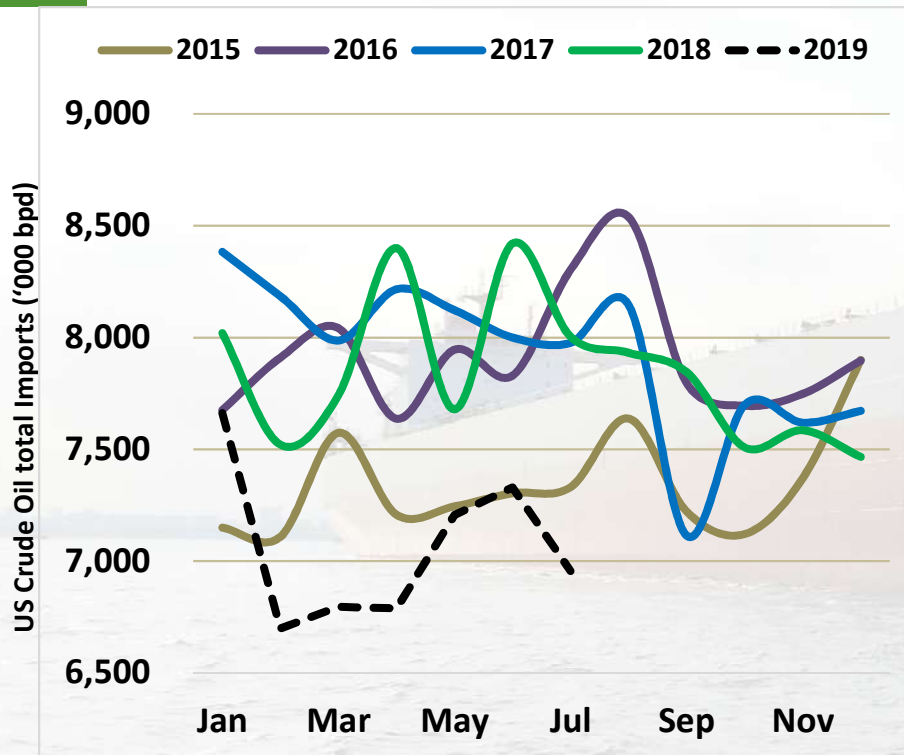
- Crude demand growth was marginally negative at approx. 0.4 Mn barrels a day in Q2CY2019 Y-O-Y
- Core refined products demand growth was marginally negative at approx. 0.2 Mn barrels a day largely due to industrial slowdown and feedstock petchem demand switch to LPG.

REFINERY MARGINS



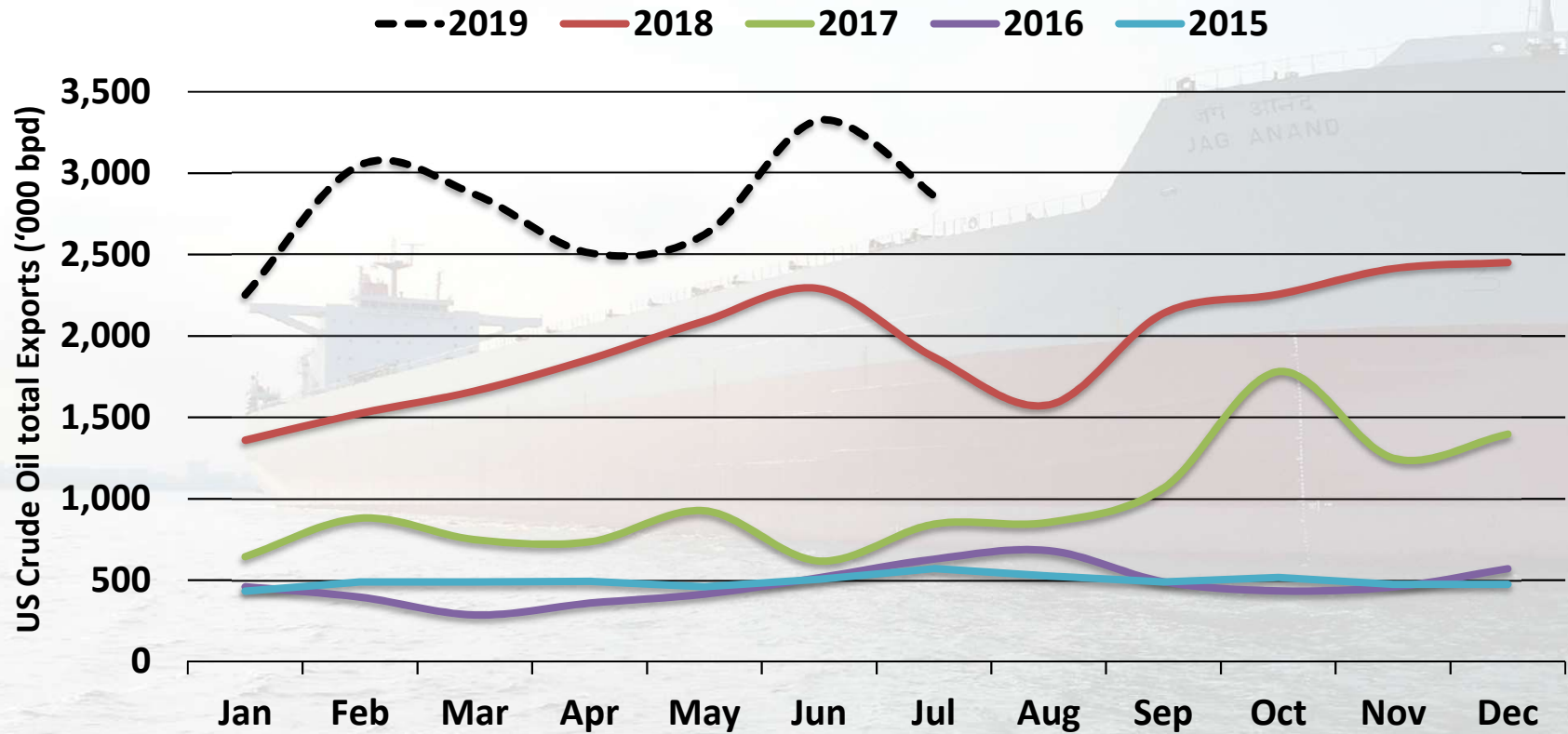
Refining Margins were negatively impacted in Asia by extremely weak light distillate cracks due to addition of new gasoline oriented capacity whereas Atlantic basin had relatively stable margins.

CRUDE OIL IMPORTS (US & China)



In Q2CY2019, China imported 10% higher crude oil than Q2CY2018 as new refineries were ramping up.

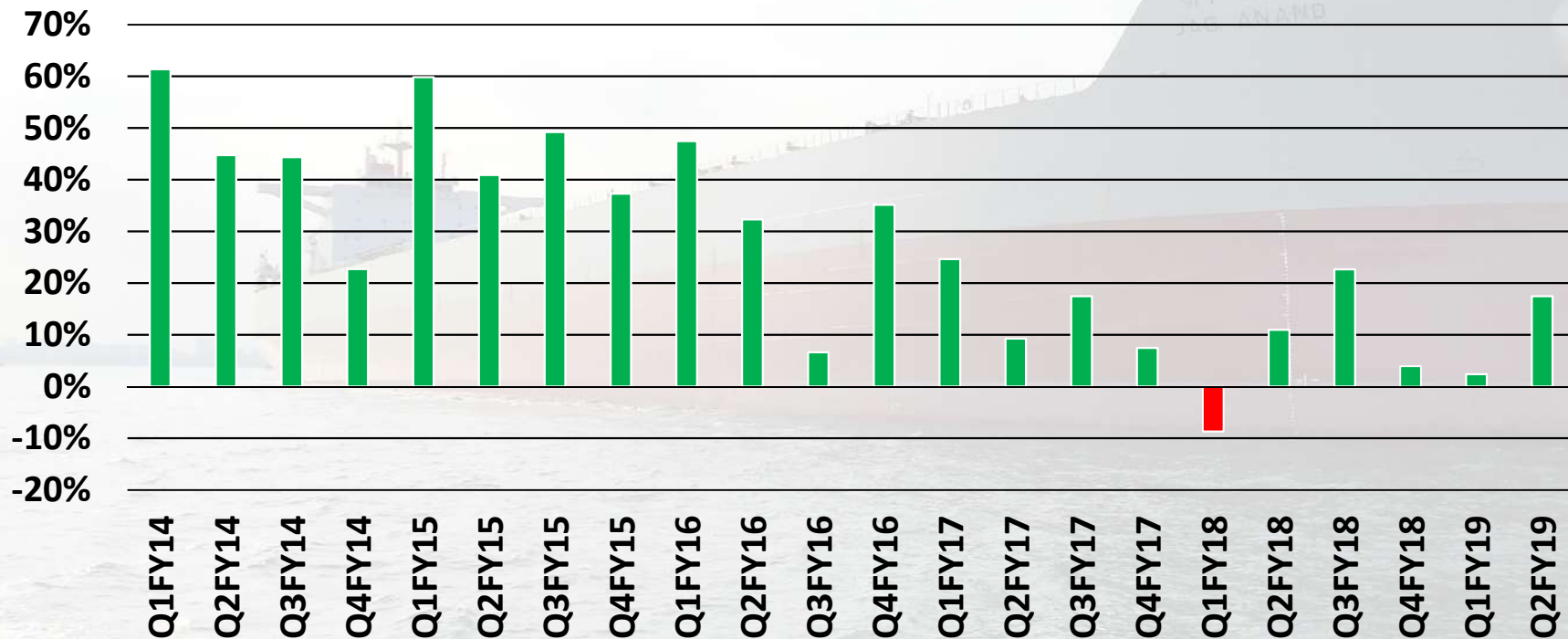
CRUDE OIL EXPORTS (US)



In Q2CY2019, US exported 36% higher crude oil than Q2CY2018

US LPG EXPORTS OF PROPANE & PROPYLENE

US LPG Exports of Propane & Propylene (y-o-y growth in %)



In Q2CY2019, US propane & propylene exports were up 17% Y-O-Y

WORLD FLEET GROWTH CRUDE TANKERS

Tanker Fleet - mn Dwt	30-Jul-19	1-Jan-19	1-Jan-18	1-Jan-17	1-Jan-16
VLCC	238.50	233.34	225.10	213.80	200.00
Suezmax	85.40	81.86	80.60	74.60	71.09
Aframax	69.80	67.07	67.20	66.40	64.37
Total (80k+)*	399.51	381.70	378.90	355.00	335.46

Order Book (mn Dwt)	2019	2020	2021+	Total
<i>Orderbook as % of current fleet</i>	2.3%	4.8%	2.1%	9.2%

Slippage (YTD2019)	About 5%
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WORLD FLEET GROWTH

PRODUCT TANKERS & VLGC

Product Fleet - mn Dwt	30-Jul-19	1-Jan-19	1-Jan-18	1-Jan-17
LR2	40.75	37.9	36.60	33.50
LR1	27.42	26.9	26.51	25.20
MR/Handy (35k+)	85.55	83.3	82.40	80.40
Total (35k+)*	157.03	150.93	147.61	139.40

Order Book(mn Dwt)	2019	2020	2021+	Total
<i>Orderbook as % of current fleet</i>	1.6%	3.5%	1.7%	6.8%

Slippage Product (YTD2019)	About 5%
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Fleet - No. of Vessels	30-Jul-19	1-Jan-19	1-Jan-18
VLGC	275	265	260

Order Book (No. of Vessels)	2019	2020	2021+	Total
<i>Orderbook as % of current fleet</i>	2.5%	7.3%	2.5%	12.4%

KEY POINTS ON DRY BULK MARKETS

Asset Prices

- Capesize 5 yr old asset prices were down 16% in Q2CY2019 Y-O-Y
- Panamax & Supramax 5 yr old asset prices were flat in Q2CY2019 Y-O-Y

Freight Rates

- BDI hits 2,191 on 22-Jul-19 due to commencement of Brucutu mines production and announcement on partial return of Vargem Grande Complex
- Q2CY2019, BDI rose about 96% from 690 to 1,350

Coal Market

- China total coal imports for Q2CY2019 have risen by 14% Y-O-Y. Indian coal imports have risen by 16% Y-O-Y in Q2CY2019

Iron Ore

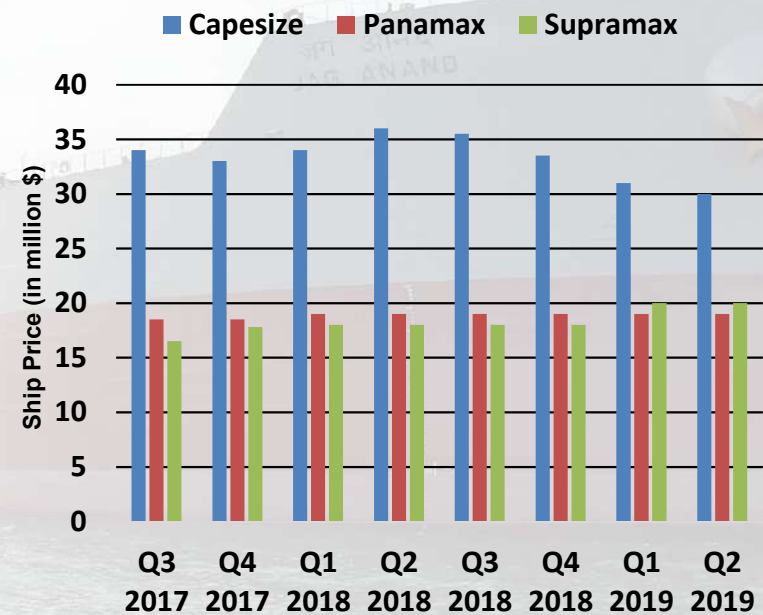
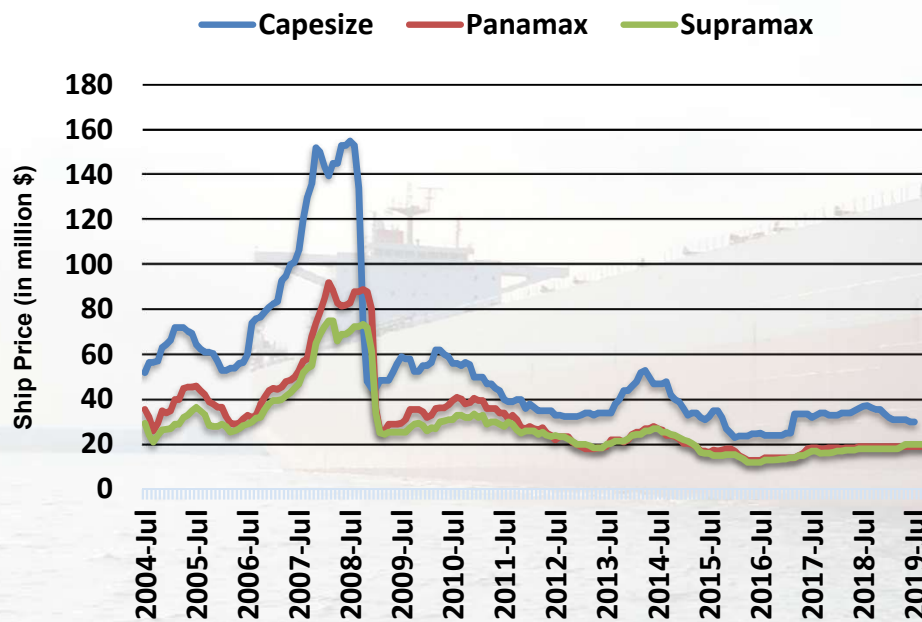
- China's Iron Ore imports fell by 8% in Q2CY2019 Y-O-Y

Fleet Growth

- Dry Bulk net fleet growth in Q2CY2019 was about 0.93% sequentially

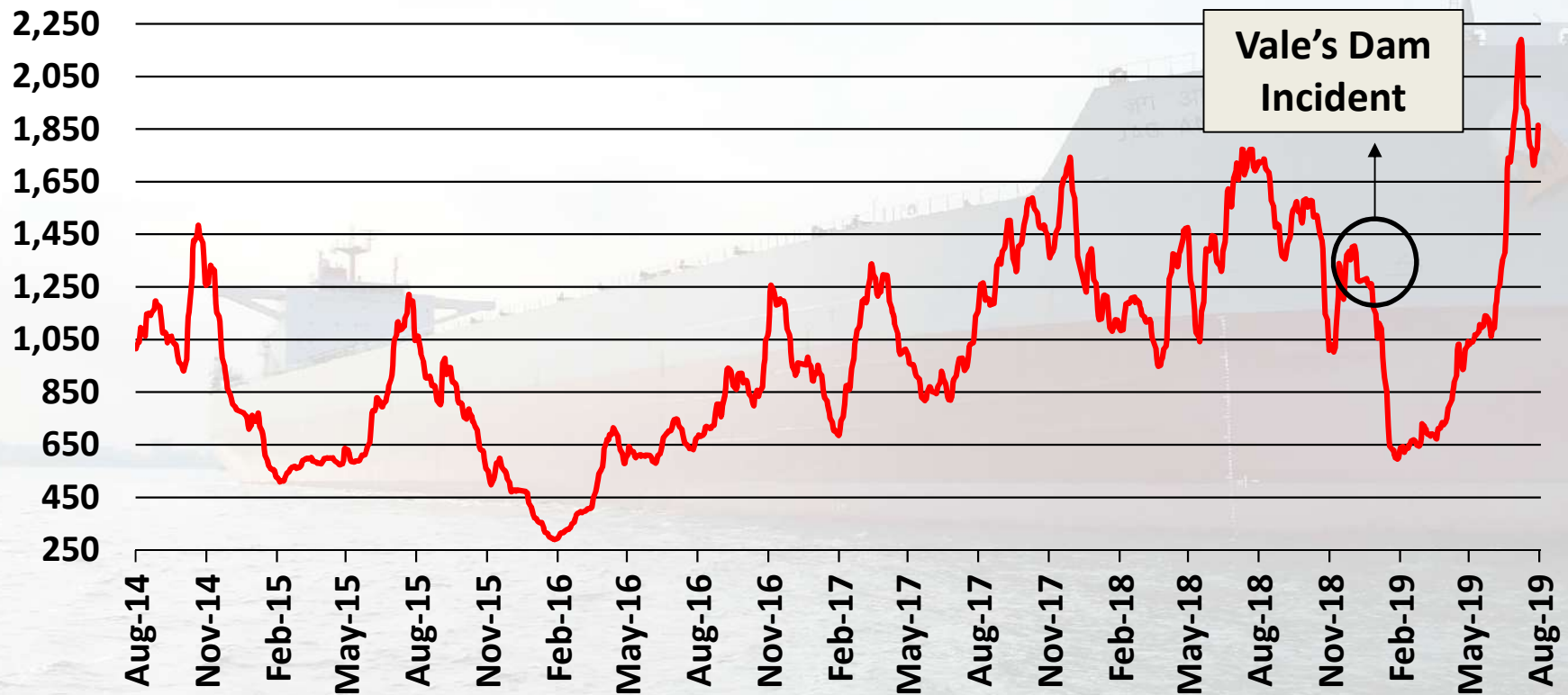
BULKER ASSET PRICES

5-YEAR OLD



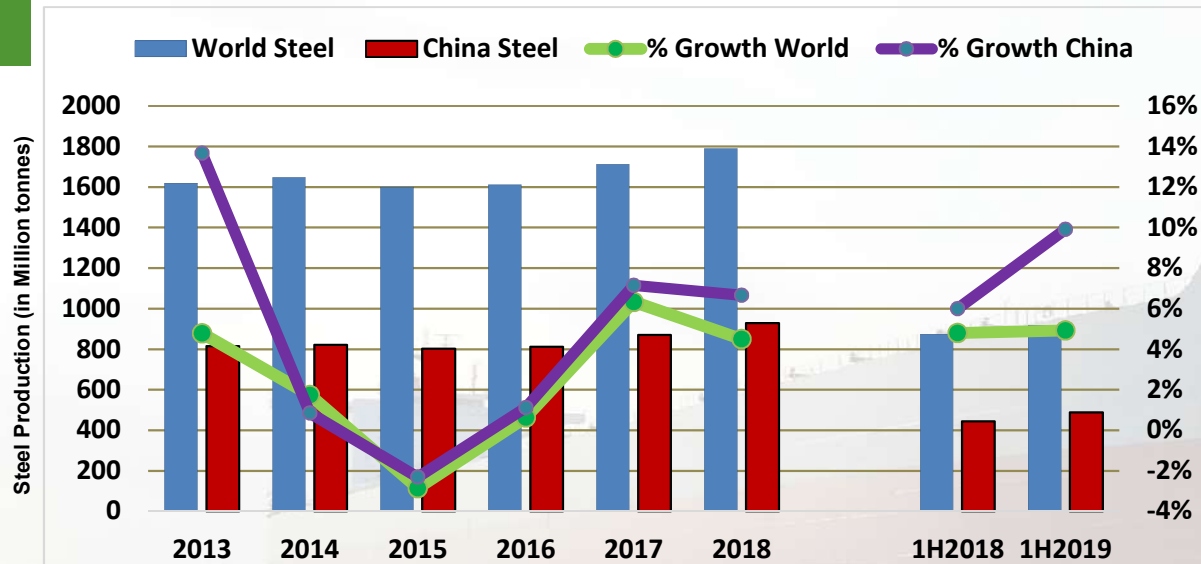
Capesize asset prices were down 16% in Q2CY2019 Y-O-Y. Panamax & Supramax asset prices were flat Q2CY2019 Y-O-Y.

BALTIC DRY INDEX

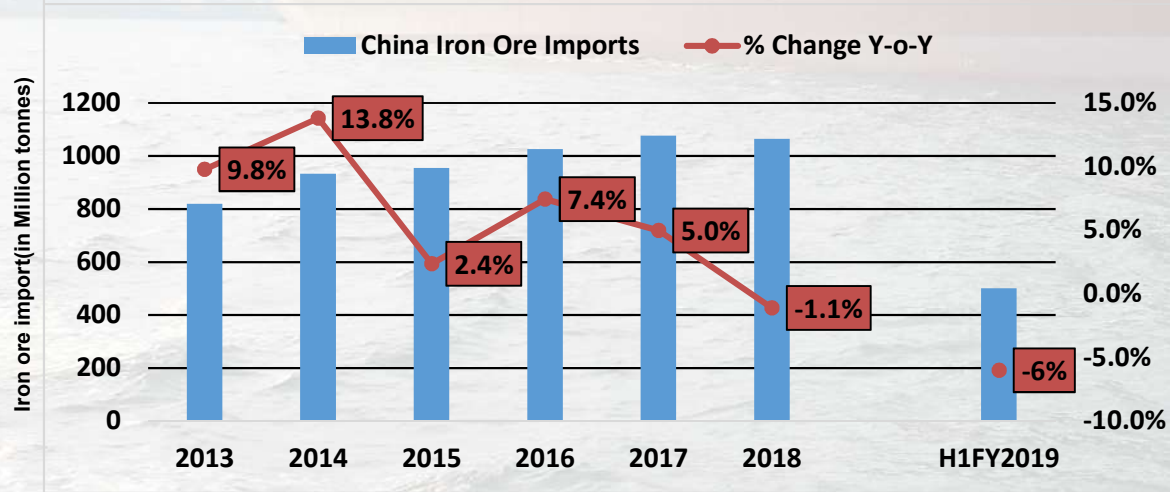


Baltic Dry Index hit 5.5 year high of 2,191 in Jul'19 after recovering from lows of 595 in Feb'19. Currently it is trading close to 2,050.

CHINA IRON ORE & STEEL PRODUCTION



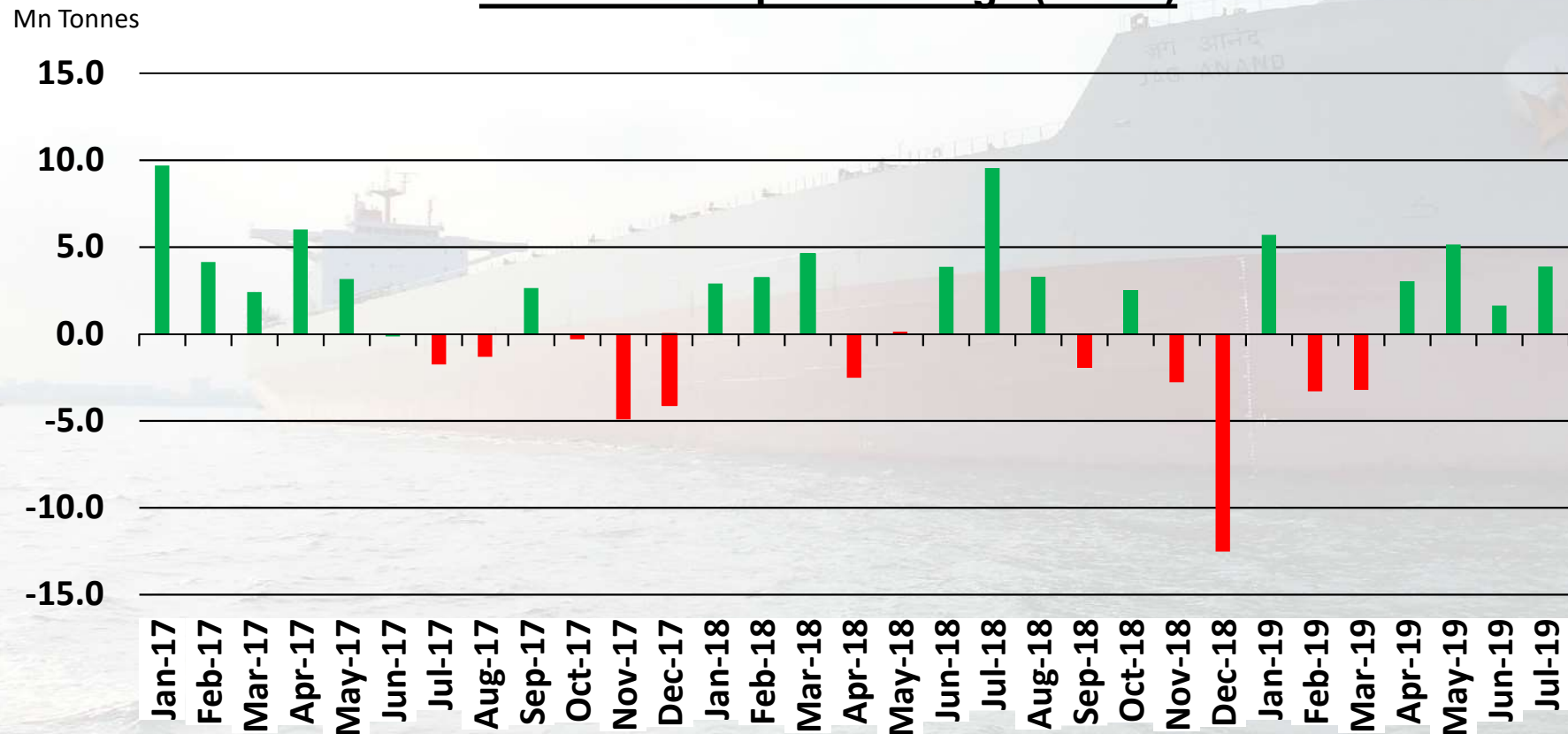
China Steel Production increased 10% in H1CY2019 Y-O-Y



China's iron ore import shrunk 6% in H1CY2019 Y-O-Y

CHINA COAL IMPORTS

China coal imports change (Y-O-Y)



WORLD FLEET GROWTH

DRY BULK

Fleet - Mn Dwt	30-Jul-19	1-Jan-19	1-Jan-18	1-Jan-17
Capesize	340	335	324	315
Panamax	213	207	202	196
Handymax	204	201	196	189
Handysize	102	98	96	94
Total	860	841	818	794

Orderbook (mn Dwt)	2019	2020	2021	2022+	Total
Orderbook (%Fleet)	3.0%	5.6%	2.1%	0.3%	11.0%

Slippage (YTD2019)	About 8%
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SCRAPPING

Vessel Category	Fleet (mn Dwt)	Scrapping (% of beginning world fleet)					
	30 Jul 19	H1CY2019	2018	2017	2016	2015	2014
Crude	399.51	0.57%	4.62%	2.35%	0.35%	0.23%	1.60%
Product	157.03	0.23%	1.64%	1.42%	0.62%	0.61%	1.19%
Dry Bulk	860.00	0.54%	0.54%	1.77%	3.67%	4.03%	2.25%

Moderately higher for Dry Bulk Y-O-Y and low for Crude and Product Tankers

**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 (FY20)
PSV	52%
ROVSV	85%
AHTSV	88%
MPSSV	36%
Jackup Rigs	98%

As on 30th June 2019

KEY POINTS ON E&P MARKETS

Q2 CY2019

Day Rates

- Charter rates and utilization have started to pickup form the lows in certain geographies

Fleet Growth

- Rigs: Total fleet remains broadly same compared to last quarter and over one year.
- OSV's: Total fleet remains broadly same compared to last quarter however, there is a decline of about 2% over one year. .

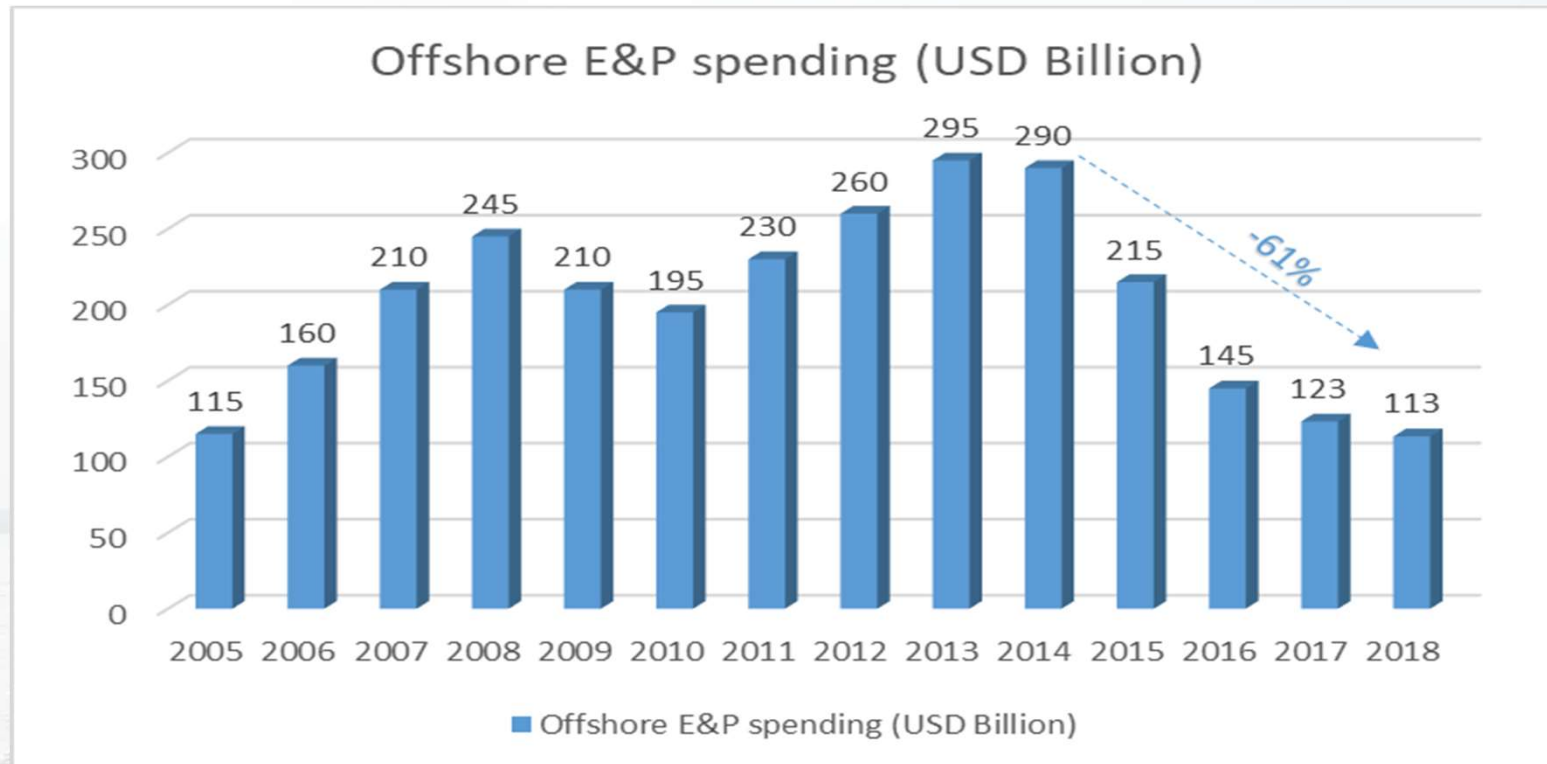
Fleet Utilization

- Rigs: 60-70% (Term)
- Vessels: 40-50% (Term)

Slippage

- OSVs: 80%-90%(CY2018)
- Rigs: 70% - 80%(CY2018)

OFFSHORE E&P SPENDING



According to various industry reports, after the sharp fall over last 3 years, the E&P spending declined marginally in 2018 and is expected to either stabilize or increase marginally in 2019.

GLOBAL FLEET SUPPLY OFFSHORE

Fleet & Orderbook

Number	Jackup Rigs	AHTSVs	PSV
Current Fleet	518	2005	1621
Orderbook	63	74	127
<i>O/B to current fleet</i>	<i>14.0%</i>	<i>4.0%</i>	<i>9.0%</i>

- YTD CY2019 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. About 43% of Jackup Rigs are currently 25 years and above.
- The activity has started to pick up in the OSV space and we have seen improvement in the charter rates. For Jackups, activity has improved and we have seen recent tenders being awarded at a significantly higher rate.
- 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 RESULTS

Q1 FY 2019-20

FINANCIAL HIGHLIGHTS

GE Shipping Q1FY20 consolidated Net Loss at Rs. 53.96 Crores

Standalone		Key Figures	Consolidated	
Q1FY20	Q1FY19	(Amount in Rs. Crs)	Q1FY20	Q1FY19
Income Statement				
631.12	604.25	Revenue (including other income)	833.22	844.37
164.88	(14.13)	EBITDA (including other income)	261.00	84.56
273.87	219.23	#EBITDA (including other income)	360.77	370.53
(50.21)	(232.87)	Net Profit	(53.96)	(245.08)
Balance Sheet				
10283.14	10748.98	Total Assets	14251.52	14923.45
5007.65	4990.52	Equity	6755.31	6740.37
4077.63	4515.74	Total Debt (Gross)	5917.21	6557.12
1599.24	1726.36	Long Term Debt (Net of Cash)	2235.06	2661.76
Cash Flow**				
218.15	188.16	From operating activities	305.12	212.22
64.17	(307.71)	From investing activities	25.95	(332.28)
(85.79)	183.18	From financing activities	(166.33)	108.95
196.53	63.63	Net cash inflow/(outflow)	164.74	(11.11)

FINANCIAL HIGHLIGHTS

Standalone		Key Figures	Consolidated	
Q1FY20	Q1FY19		Q1FY20	Q1FY19
		Key financial figures		
26.12%	-2.34%	EBITDA Margin	31.32%	10.01%
4.67%	0.56%	*#Return on Equity (ROE)	2.70%	3.65%
6.04%	4.19%	*#Return on Capital Employed (ROCE)	4.72%	5.78%
0.81	0.90	Gross Debt/Equity Ratio	0.88	0.97
0.32	0.35	Net Debt/Equity Ratio	0.33	0.39
69.46	66.43	Average Exchange rate USD/INR	69.46	66.43
69.03	68.47	End of Period Exchange rate USD/INR	69.03	68.47
		Share related figures(in Rs.)		
(3.33)	(15.44)	Earnings per share, EPS	(3.58)	(16.25)
(3.33)	(15.44)	Diluted earnings per share	(3.58)	(16.25)
12.15	8.87	Cash Profit per share	15.82	16.81
-	-	Dividend per share	-	-

Excluding Unrealized Gains/Losses on Derivatives and Foreign Exchange

*Annualized figures

** Non GAAP Measures and 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

FINANCIAL HIGHLIGHTS

Breakup of Revenue Days

Revenue Days	Q1 FY20	Q1 FY19
Owned Tonnage	4,142	4,190
Inchartered Tonnage	35	56
Total Revenue Days	4,177	4,246
Total Owned Tonnage (mn.dwt)	3.85	3.97

Average TCY Details

Average (TCY \$ per day)	Q1'FY20	Q1'FY19	% Change
Crude Carriers	14,824	11,011	35%
Product Carriers (Incl. Gas)	15,141	14,697	3%
Dry Bulk	10,998	13,597	-19%

Mix of Spot & Time

Days (in %)	Q1'FY20	Q1'FY19
<u>Dry Bulk</u>		
Spot %	93%	74%
Time %	07%	26%
<u>Tankers</u>		
Spot %	72%	82%
Time %	28%	18%
<u>Total</u>		
Spot %	78%	79%
Time %	22%	21%

THANK YOU

THANK YOU

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