

**THE GREAT EASTERN  
SHIPPING COMPANY LIMITED**  
CIN: L35110MH1948PLC006472



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Our Ref.: S/138/2018/JMT

August 31, 2018

**BSE Limited**

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Dalal Street,  
MUMBAI - 400 001

**National Stock Exchange of India Limited**

Exchange Plaza, 5<sup>th</sup> Floor, Plot No. C/1,  
Bandra Kurla Complex, Bandra (East),  
Mumbai - 400 051

Dear Sir,

We enclose copy of updated presentation to be made by us in Investor/Analyst Meetings.

You are requested to kindly take note of the same.

Thanking You,  
Yours faithfully,  
For **The Great Eastern Shipping Co. Ltd.**

**Jayesh M. Trivedi**  
President (Sec'l. & Legal) & Company Secretary



The Great Eastern  
Shipping Co. Ltd.

# BUSINESS OVERVIEW



31st AUGUST 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

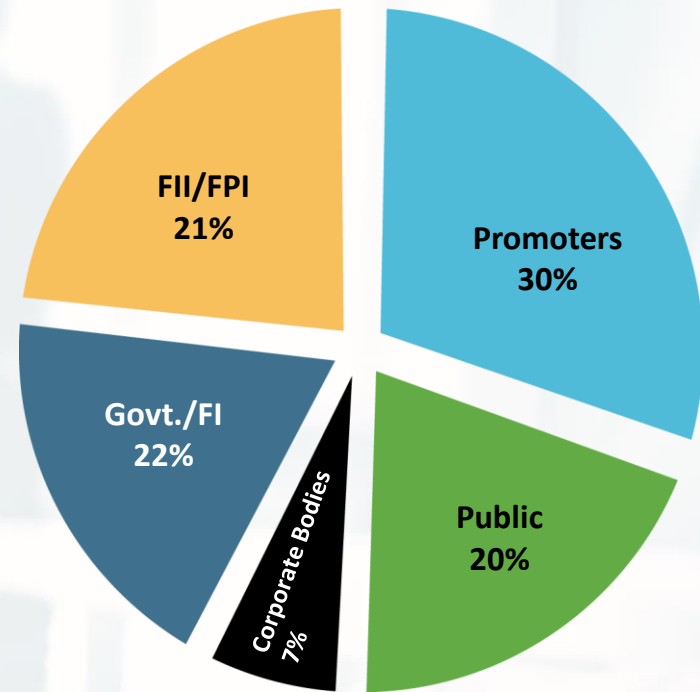
### Dry Bulk

### Logistics

### Drilling

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

# SHAREHOLDING PATTERN



Shareholding Pattern as on 30 June 2018

# FLEET PROFILE

## SHIPPING

Fleet	DWT	Number of Ships	Average Age (Yrs.)
Crude Carriers	1,608,683	12	12.89
Product Carriers	987,207	17	10.80
Gas Carriers	218,976	5	19.90
Dry Bulk Carriers	1,106,942	14	5.89
<b>Total</b>	<b>3,921,808</b>	<b>48</b>	<b>10.78</b>

## OFFSHORE

Fleet	Number of Units	Average Age (Yrs.)
Jack Up Rigs	4	6.84
Platform Supply Vessels	4	9.01
Anchor handling Tug Cum Supply Vessels	8	8.86
Multipurpose Platform Supply & Support Vessels	2	8.32
ROV Support Vessels	5	7.03

# VESSELS ON ORDER

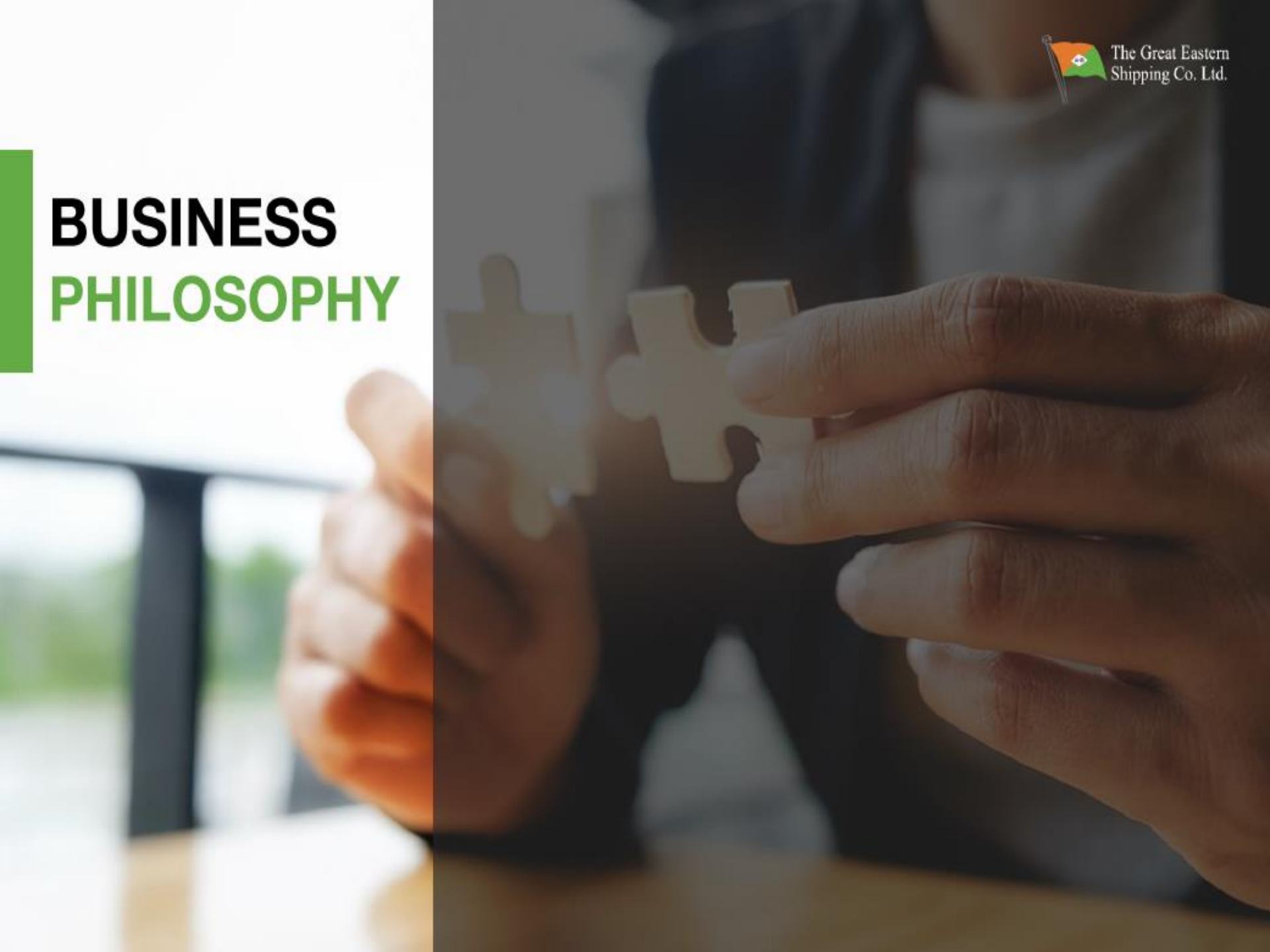
## Vessel on order

Vessel	Yard	Expected Delivery
1 Secondhand Very Large Gas Carrier	MHI Nagasaki, Japan	Q2FY19

# **BUSINESS** **PHILOSOPHY**



The Great Eastern  
Shipping Co. Ltd.





# 4 KEYS TO OUR SUCCESS



**Dynamically  
managing  
cycles**



**Diversified  
Fleet**



**In-House  
technical &  
commercial  
management**

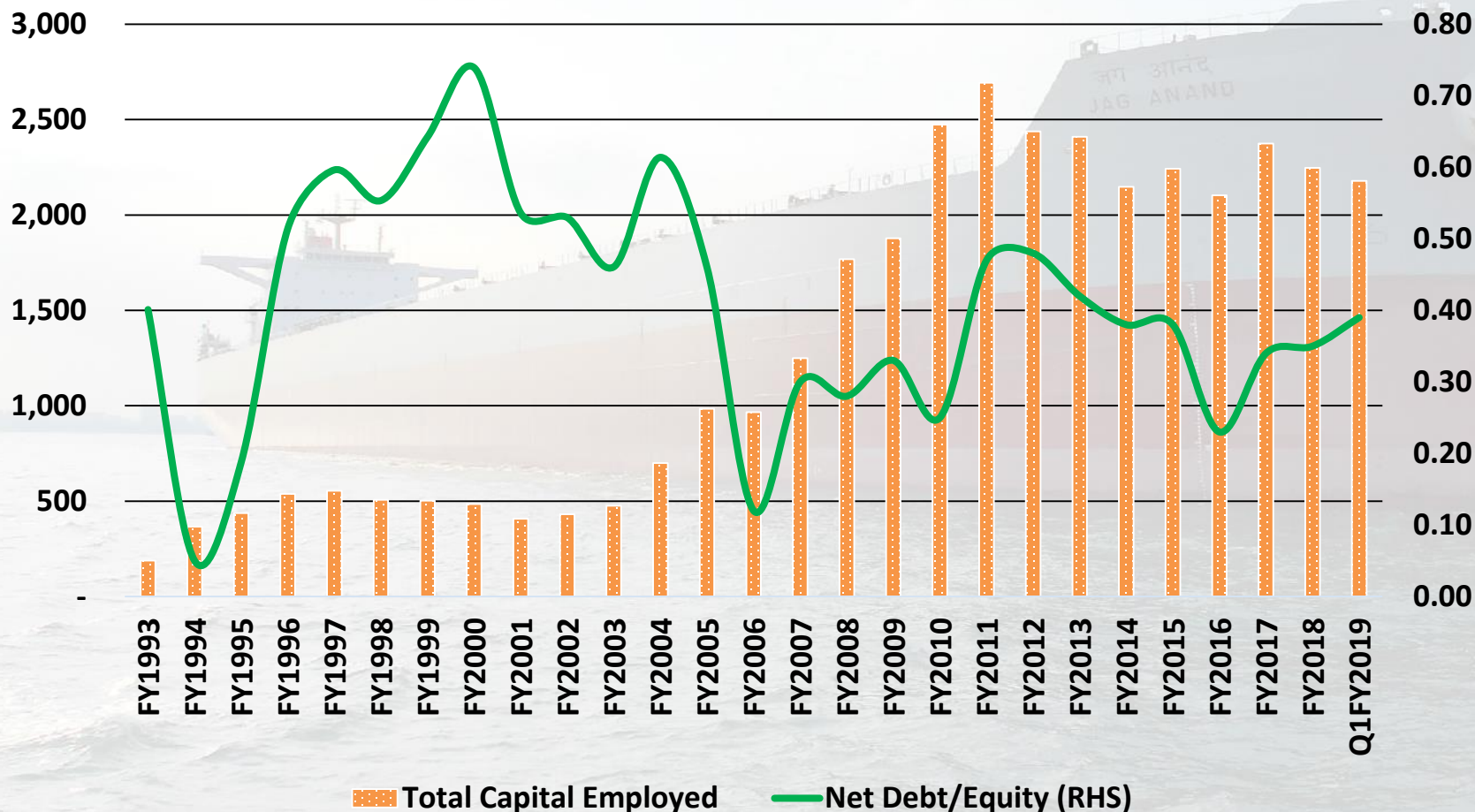


**Strong  
balance  
sheet**



# NET DEBT/EQUITY & TOTAL CAPITAL EMPLOYED (CONSOLIDATED)

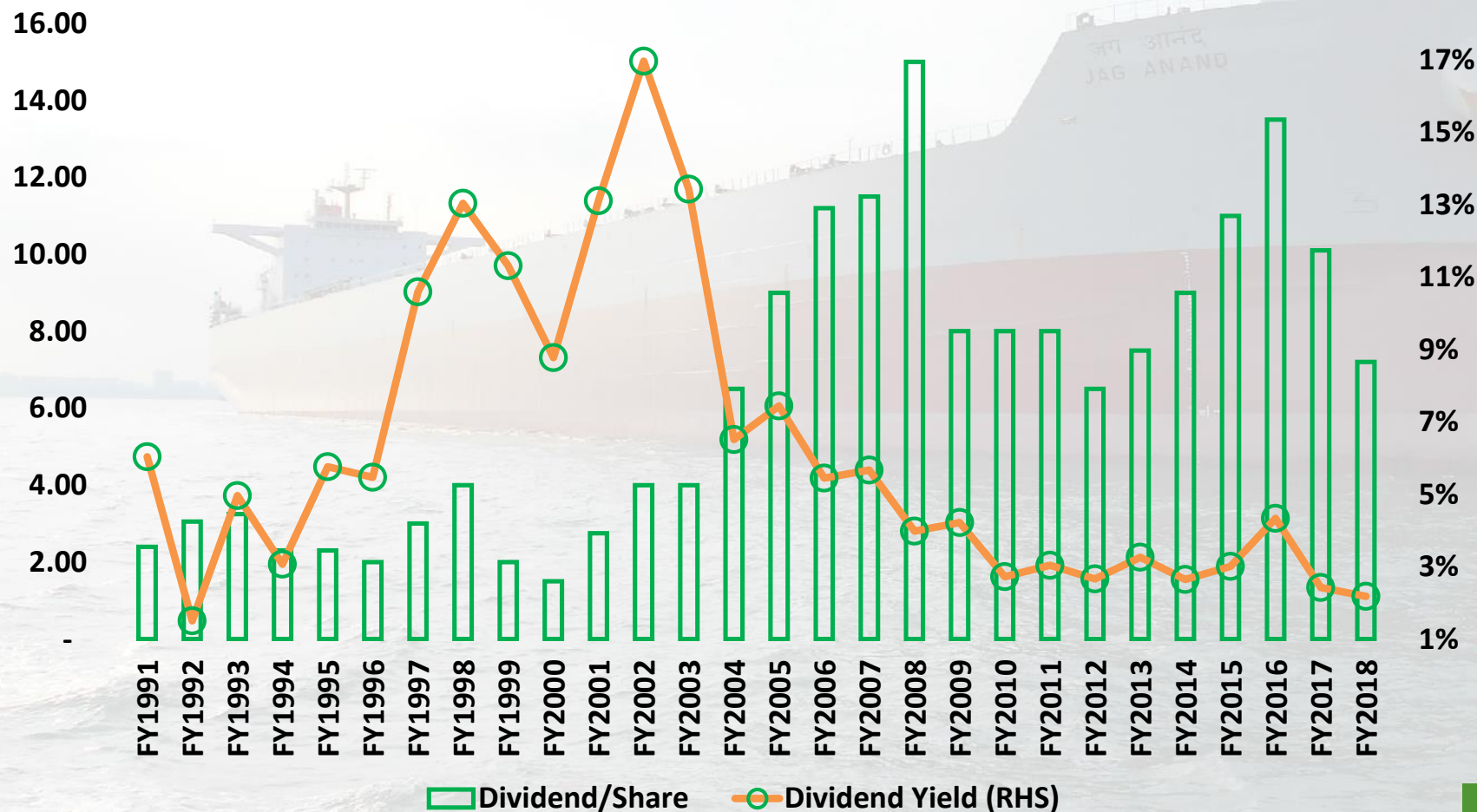
USD Mn



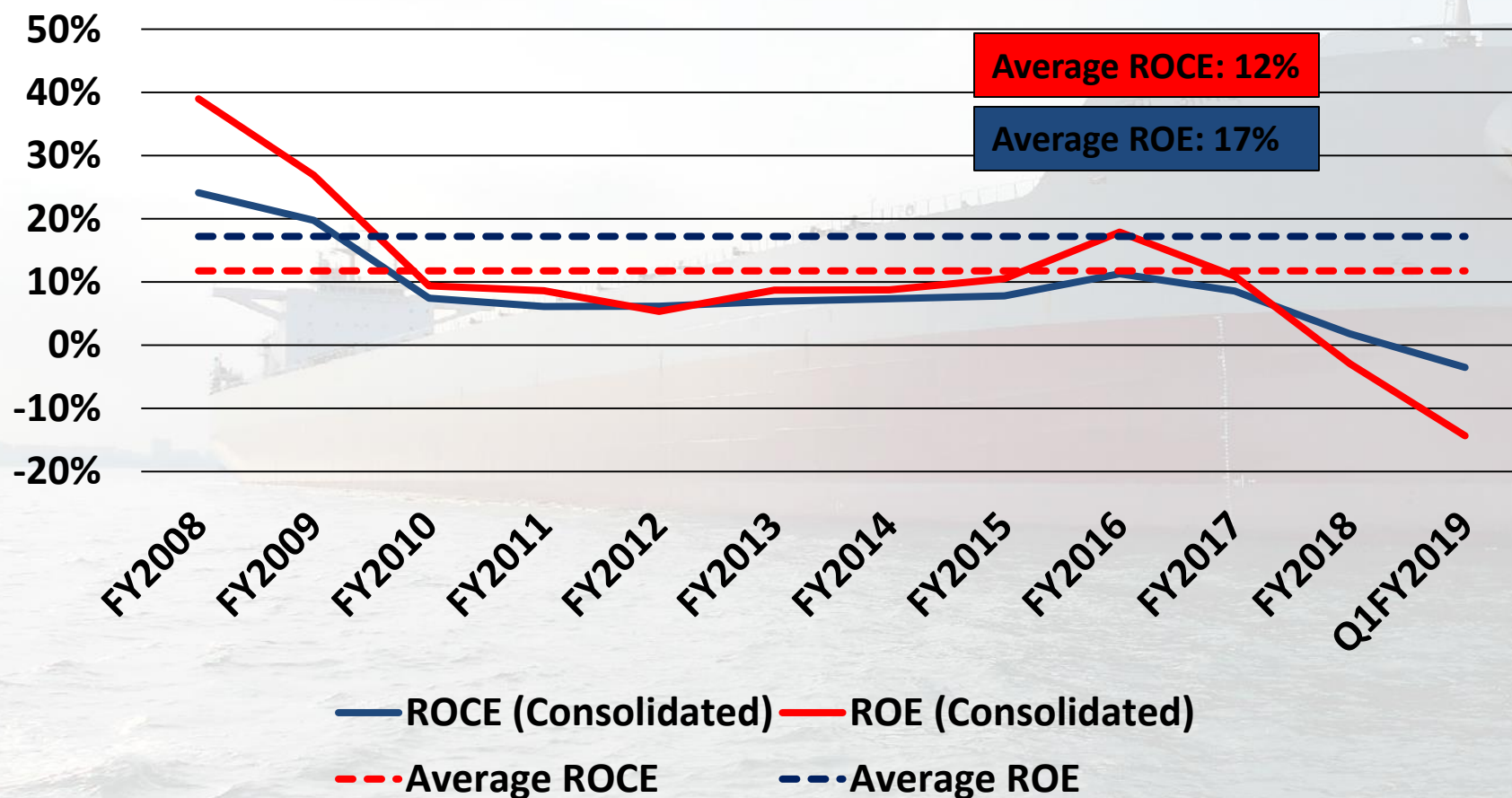
# DIVIDEND/SHARE

## (30+ YEARS CONTINUOUS DIVIDEND)

INR/Share



# ROE & ROCE (CONSOLIDATED)



# SHIPPING MARKET





# KEY POINTS ON **TANKER MARKET**

## Asset Prices

- VLCC 5 yr old asset prices are flat Y-O-Y
- Suezmax & Aframax 5 yr old asset prices are also flat Y-O-Y

## Freight Rates

- BCTI fell by 10% & BDTI rose by about 17% during Q2FY18

## Crude Market

- U. S. production is up about 1.4 million barrels a day year-on-year, U. S. exports were up about 1.3 million barrels a day, whereas, imports have been flat year-on-year Q2FY18.
- Further, subdued trade growth due to over compliance to proposed cuts by OPEC and sharp decline in Venezuelan output had a negative impact on the crude tanker rates. The Crude tanker market has had its worst Q2 of the calendar year since 1990.

## Product Market

- Overall trade growth for Core Refined Products were largely flattish. This trade growth was significantly low when compared to growth volumes last couple of years.
- Significant share of products were carried by New building VLCCs and Suezmaxes which further impacted product tanker market.

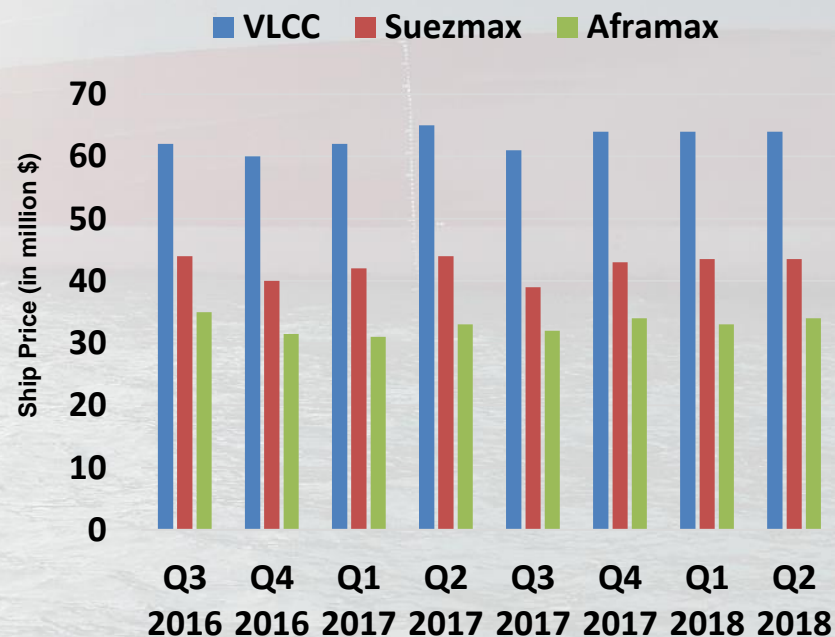
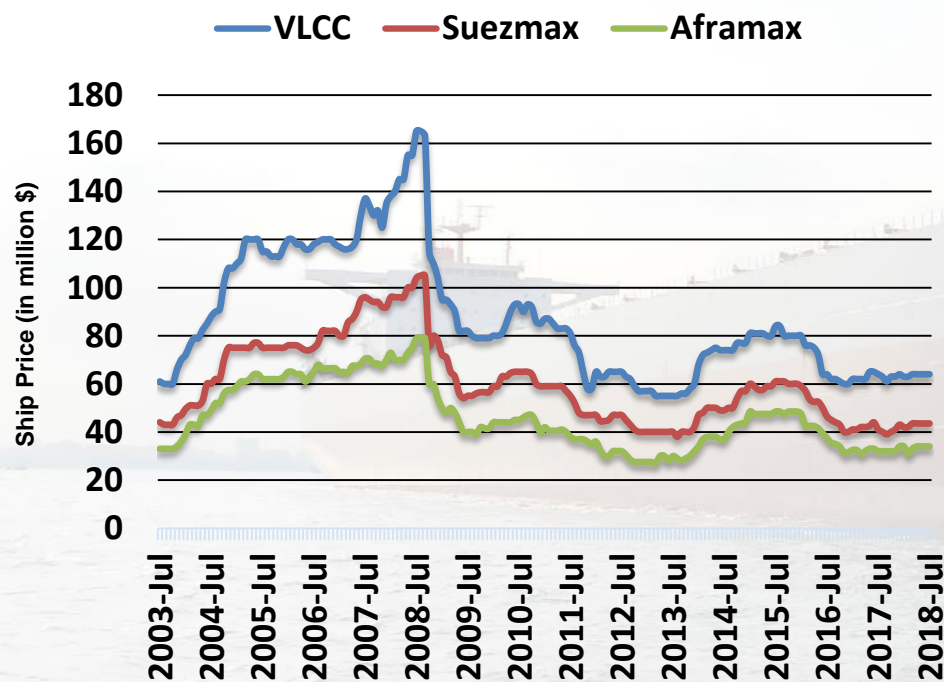
## LPG Market

- Low US export growth due to extended US winters combined with seasonally low trading activity in the Middle-East in Q1CY2018 resulted in a build up of excess shipping capacity going into Q2CY2018

## Fleet Growth

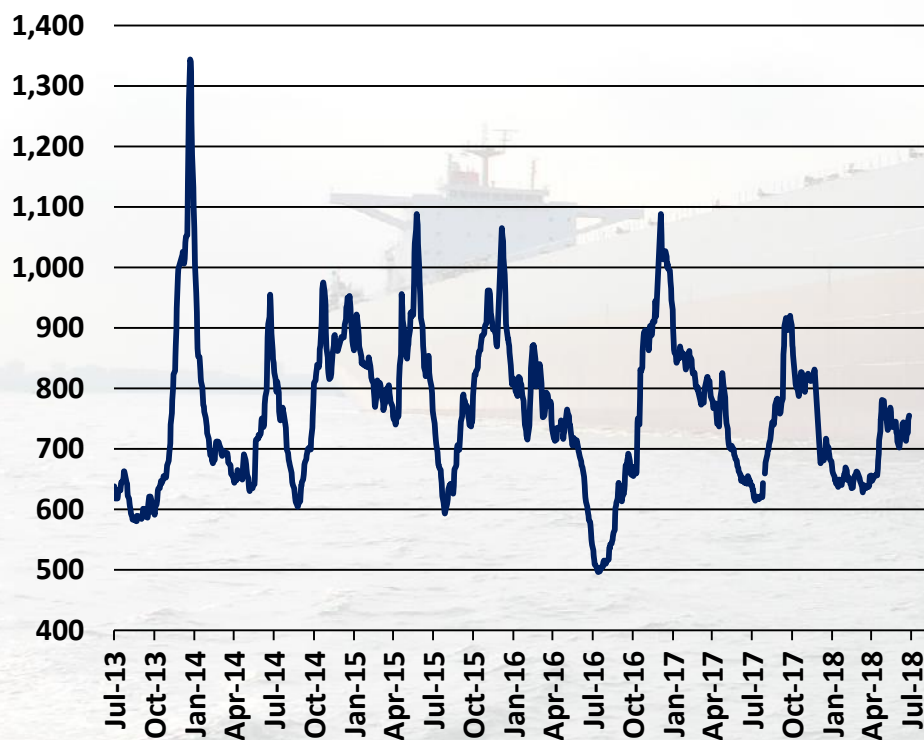
- Crude tankers net fleet growth in Q2CY18 is 0.07%, product tankers net fleet growth is 0.18% and VLGC net fleet decline is 1.11%

# TANKERS – ASSET PRICE MOVEMENT (5-YEAR OLD)

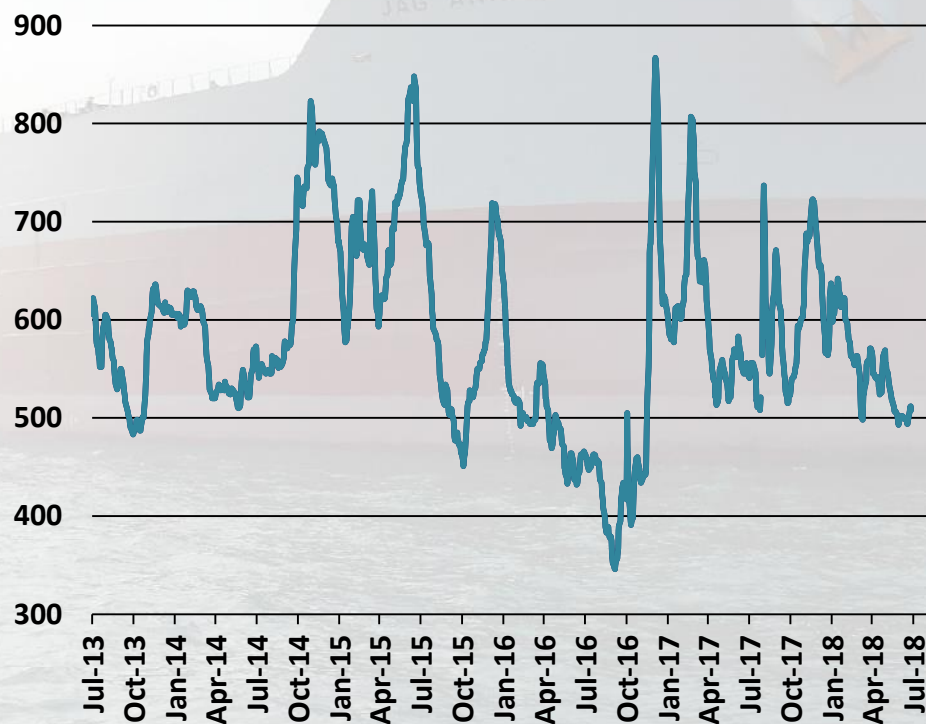


# BALTIC DIRTY & CLEAN INDEX

**BALTIC DIRTY TANKER INDEX**

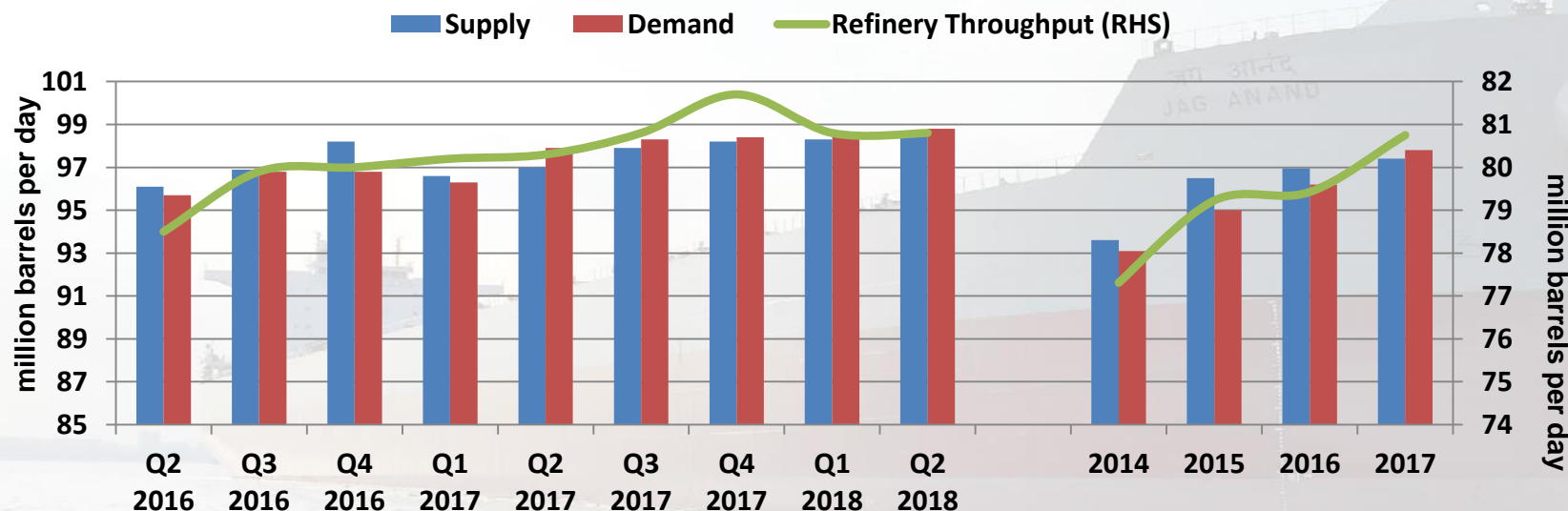


**BALTIC CLEAN TANKER INDEX**



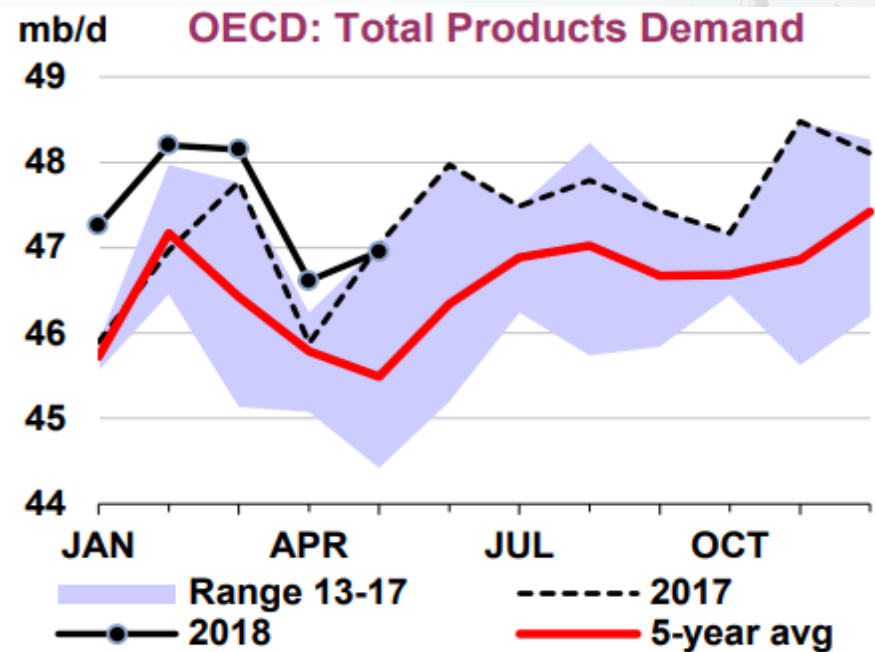
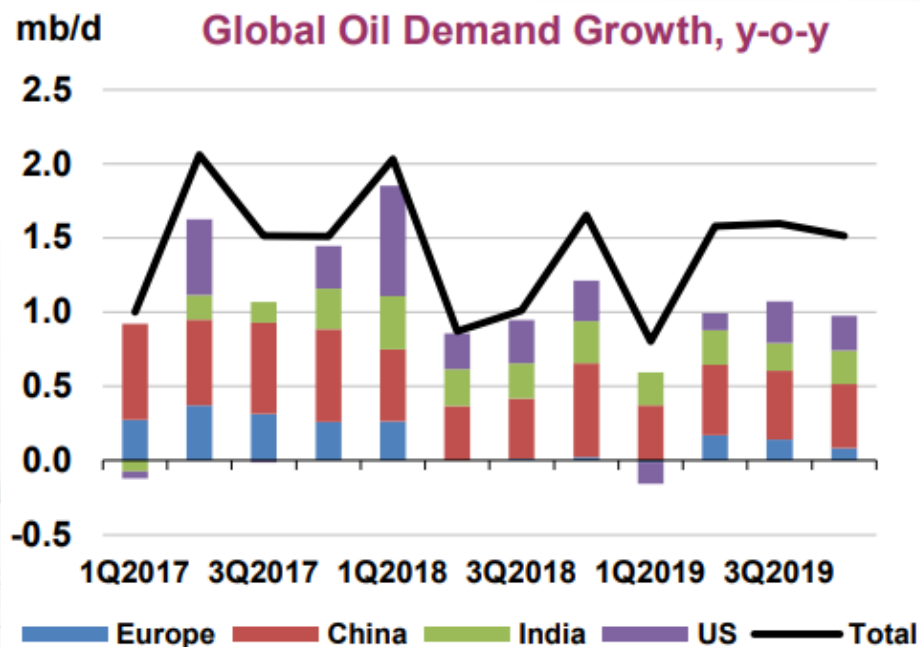


# CRUDE OIL SUPPLY & DEMAND



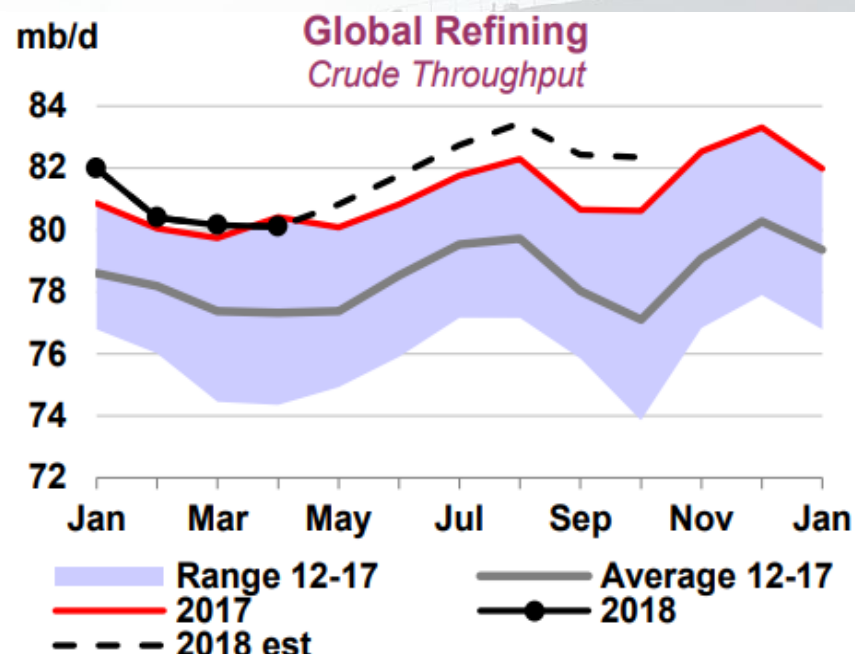
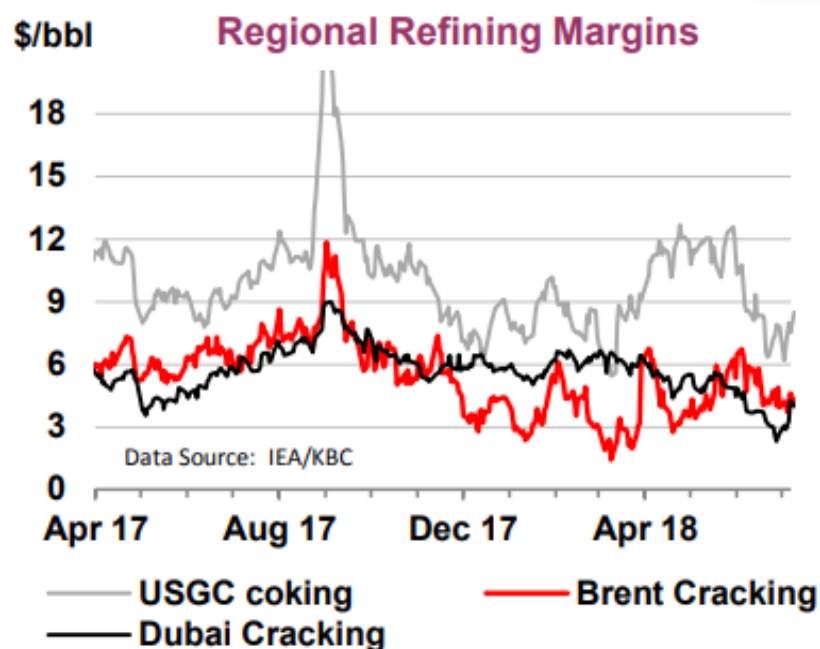
In Q2CY18 refining throughput growth was relatively lower as compared to growth seen during Q2CY17, due to rising oil prices. Further crude stock draws in consuming region and recent start up of oil pipeline into China collectively capped demand for seaborne crude.

# CRUDE & PRODUCT GROWTH



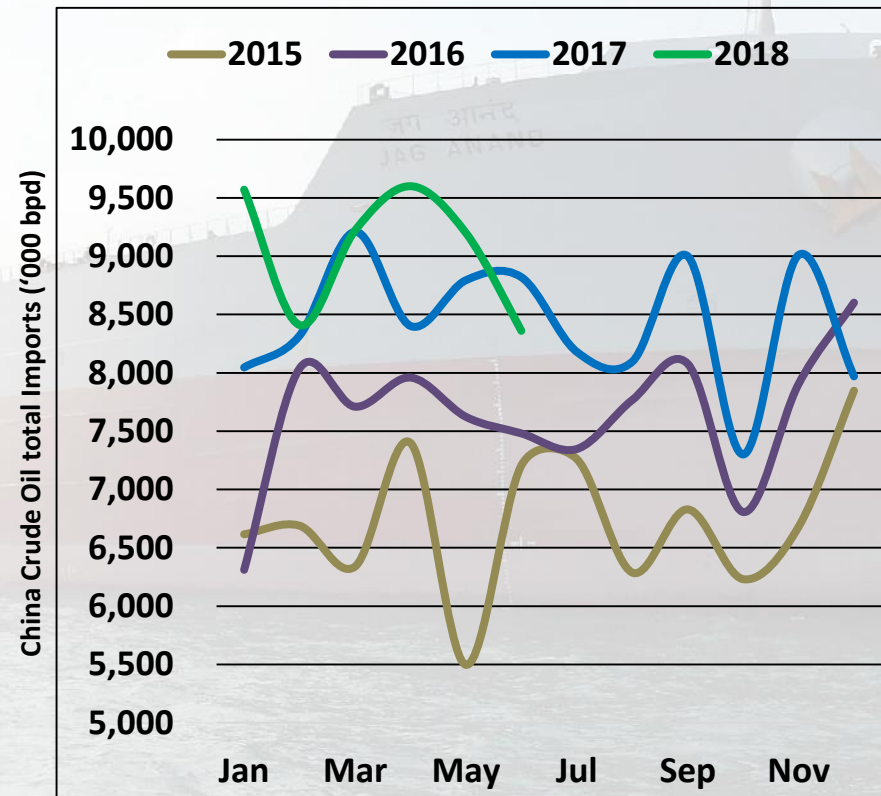
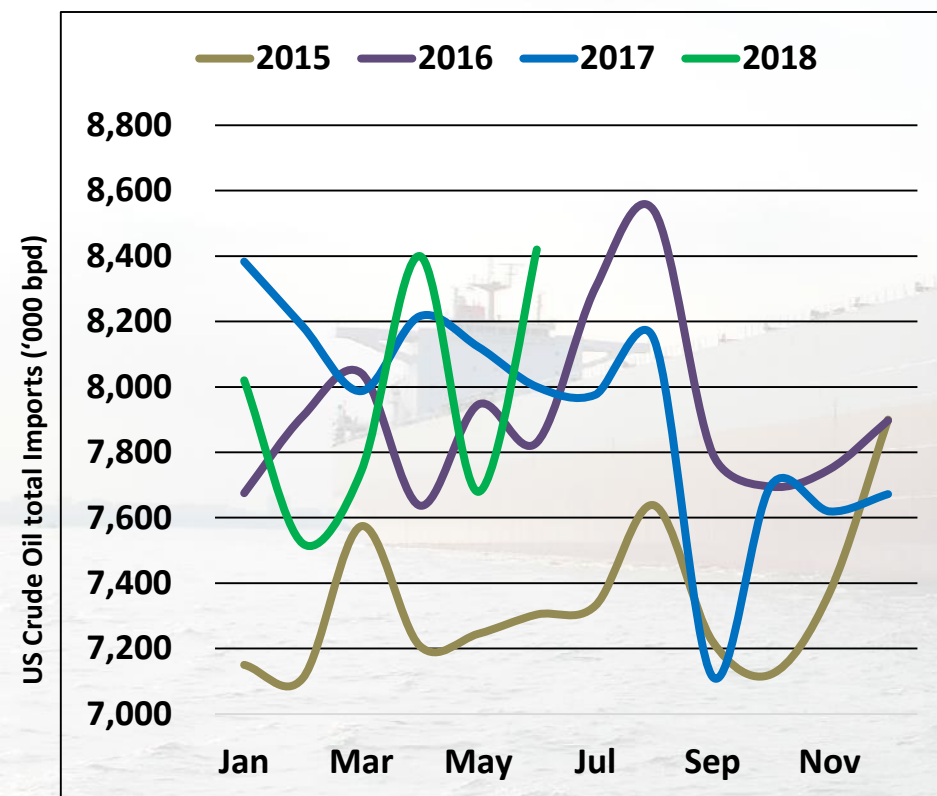
Majority of the demand growth is principally fuelled by positive growth in OECD Americas & Non-OECD Asia.

# REFINERY MARGINS



**Margins retreated in Q2CY18 due to rising feedstock prices. Throughput continues to be high due to strong demand in Non-OECD & capacity additions.**

# CRUDE OIL IMPORTS (US & China)



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

# 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
<b>VLCC</b>	223.88	225.10	213.80	200.00	193.75	186.13
<b>Suezmax</b>	81.80	80.60	74.60	71.09	69.68	68.43
<b>Aframax</b>	67.07	67.20	66.40	64.37	64.15	63.71
<b>Total</b>	<b>378.23</b>	<b>378.90</b>	<b>355.00</b>	<b>335.46</b>	<b>327.58</b>	<b>318.27</b>

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

<b>Slippage (YTD 2018)</b>	<b>20%</b>
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# 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
<b>Total</b>	<b>150.31</b>	<b>147.61</b>	<b>139.40</b>	<b>130.80</b>

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

<b>Slippage Product (YTD 2018)</b>	<b>20%</b>
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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%

# KEY POINTS ON DRY BULK MARKETS

## Asset Prices

- Capesize 5 yr old asset prices rose by about 6% in Q2CY2018 Y-O-Y
- Panamax & Supramax 5 yr old asset prices rose by about 10% in Q2CY2018 Y-O-Y

## Freight Rates

- BDI hits a 4.5 year high of 1,774 in Jul-18
- YTD 2018, BDI rose about 95% from 900 to 1750+ compared to flattish YTD 2017

## Coal Market

- China total coal imports for H1CY2018 have risen by 10% Y-O-Y. Indian coal imports have also risen by 13% Y-O-Y in H1CY2018

## Iron Ore

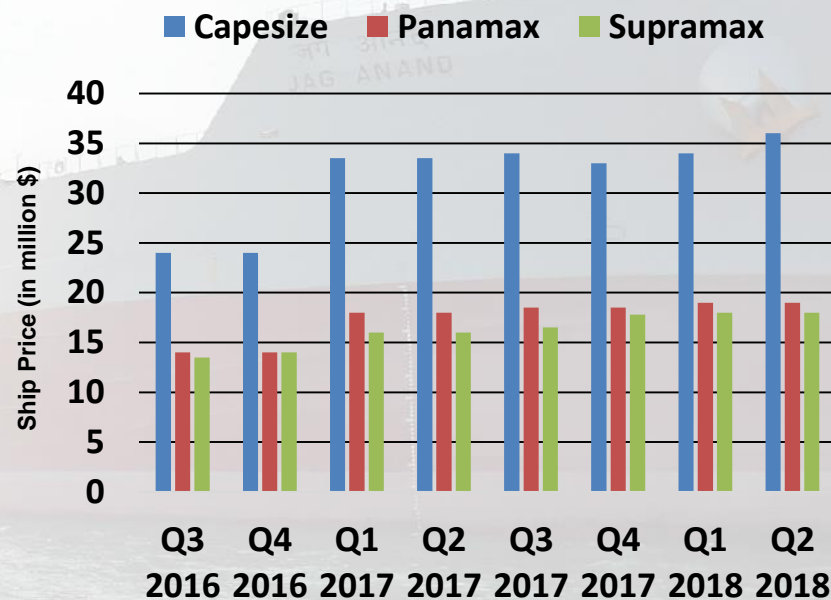
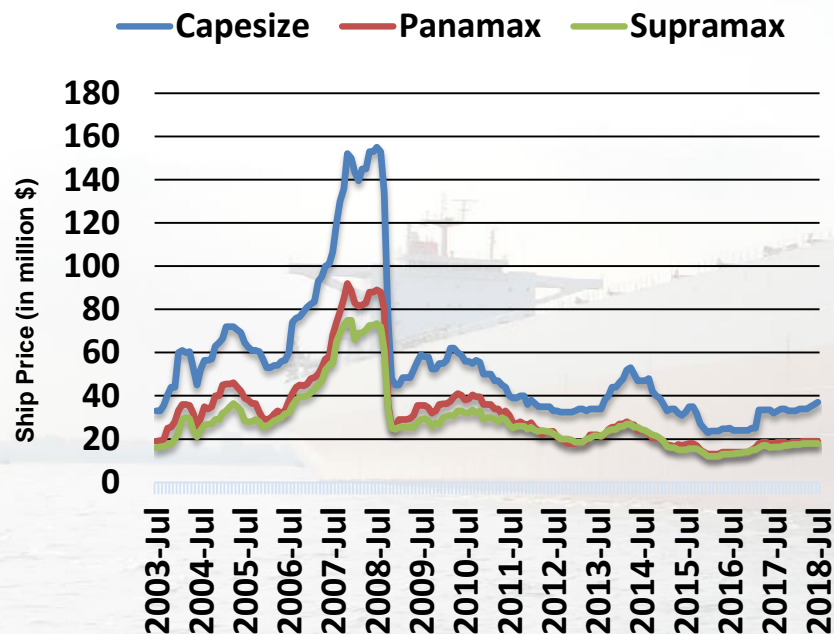
- China's Iron Ore imports fell by 1.6% in H1CY2018

## Fleet Growth

- Dry Bulk net fleet growth in Q2CY2018 was about 0.76%

# 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.**

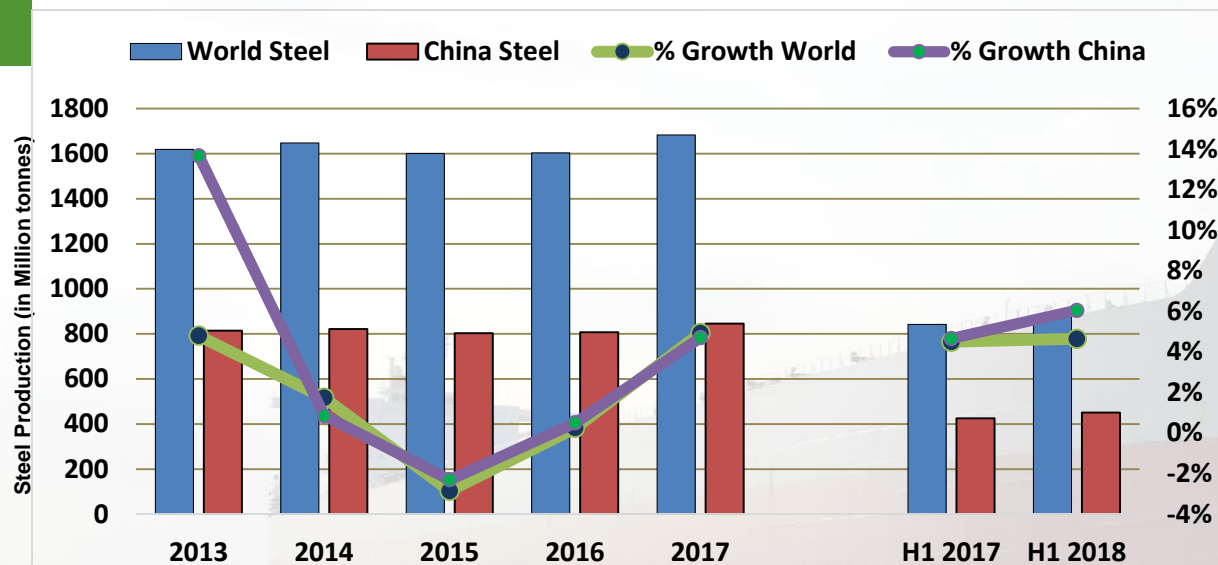


# BALTIC DRY INDEX

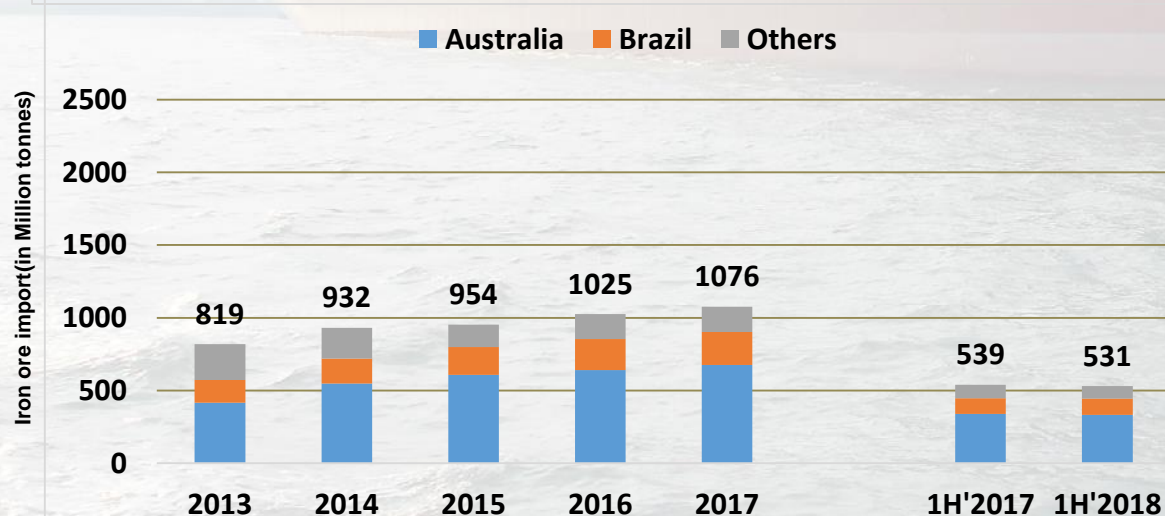


**Baltic Dry Index hits 4.5 year high of 1,774 in Jul'18 from a low of 291 in Feb'16.**

# CHINA IRON ORE & STEEL PRODUCTION



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

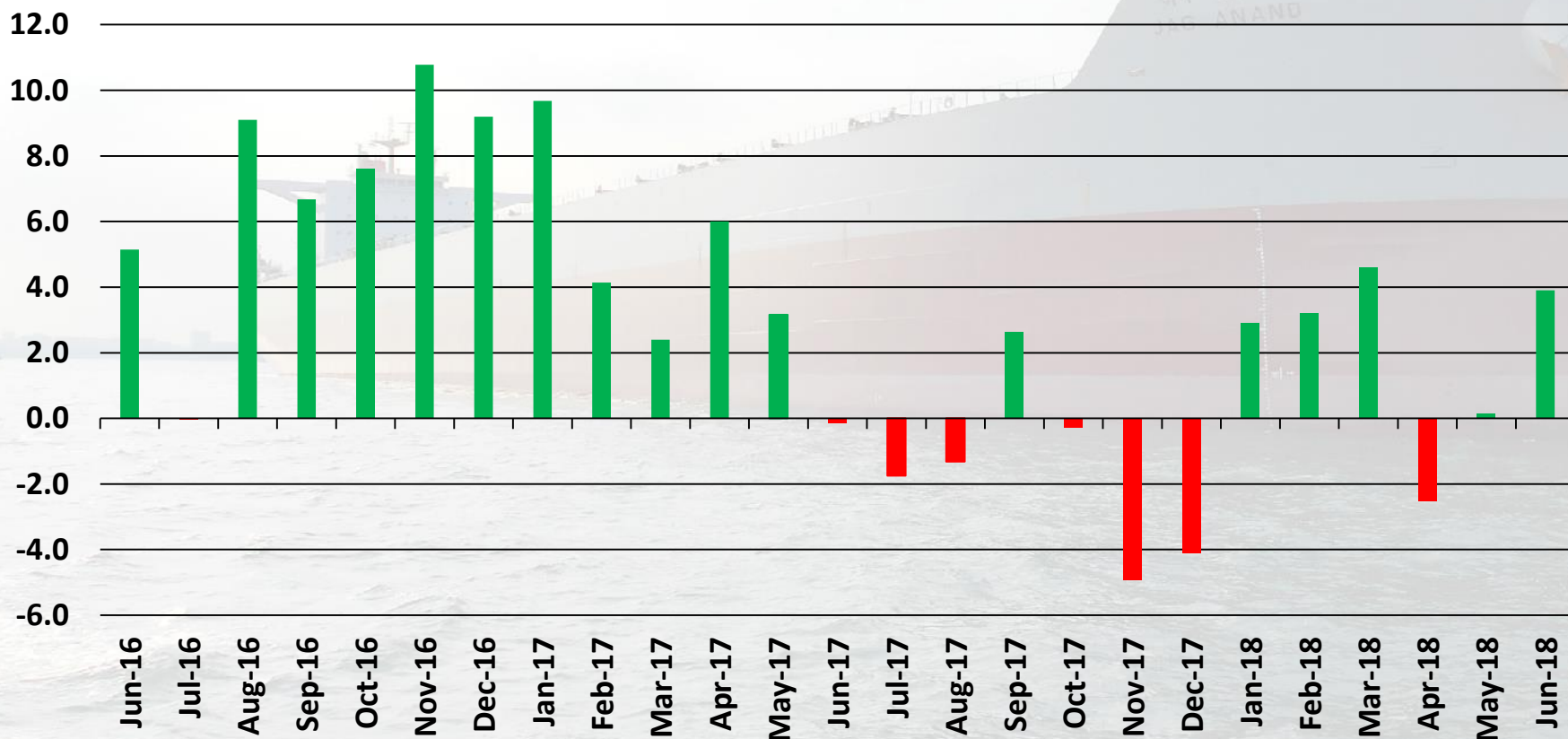


**China's iron ore import  
marginally lower in  
1H'CY2018  
Y-O-Y**

# 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
<b>Total</b>	<b>831</b>	<b>818</b>	<b>794</b>	<b>776</b>

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

Slippage (YTD 2018)	32%
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# SCRAPPING

Vessel Category	Fleet (mn Dwt)	Scrapping(% of beginning world fleet)				
	19 July 18	2018 (YTD)	2017	2016	2015	2014
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

## Fleet Utilization

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

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

As on 30<sup>th</sup> 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

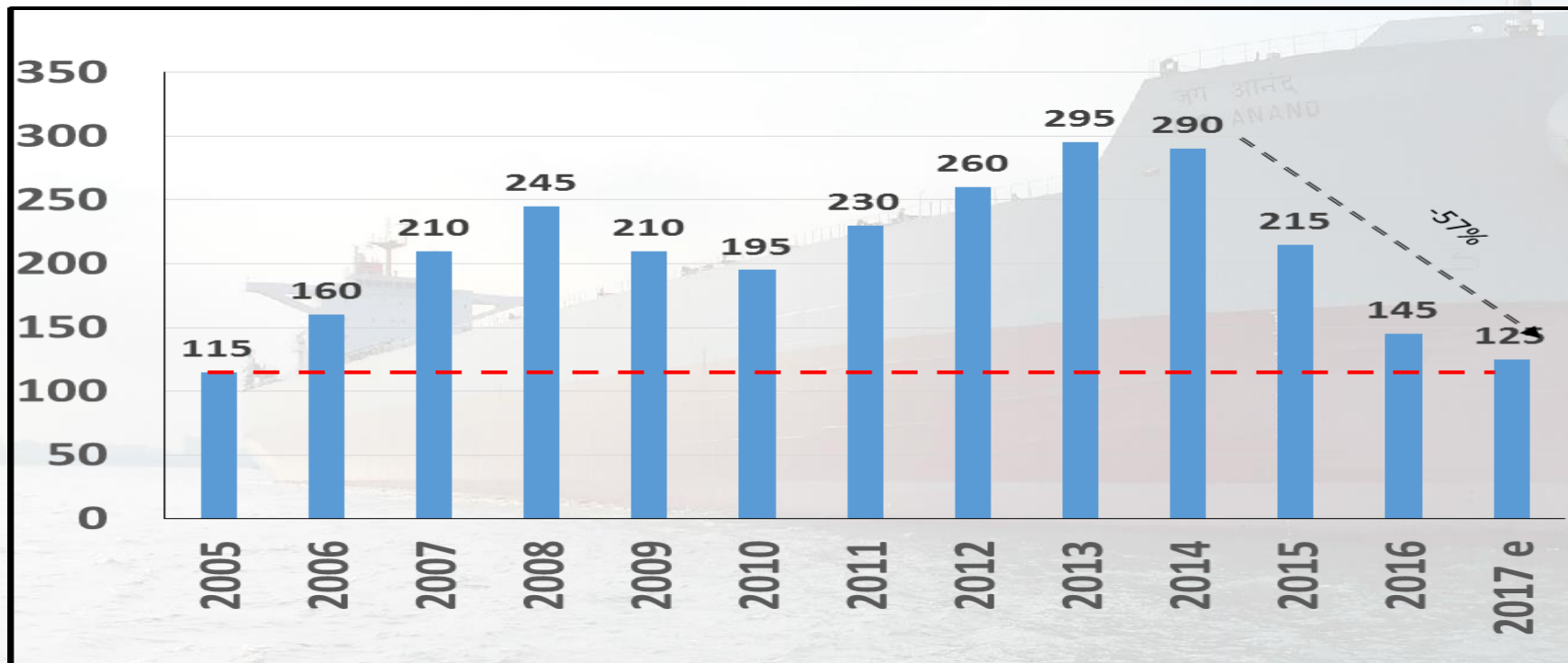
- Rigs: 50-60% (Term)
- Vessels: 40-50% (Term)

### Slippage

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

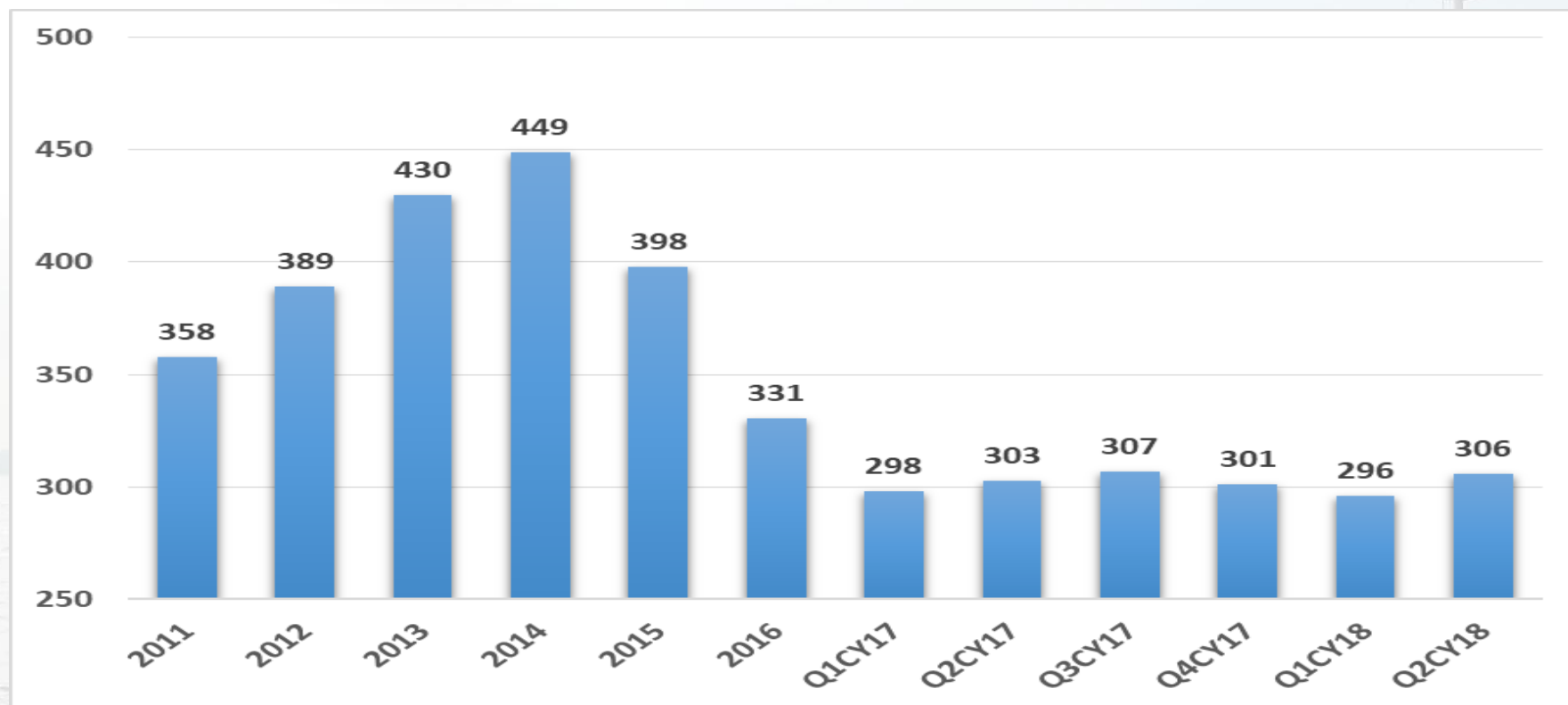


## OFFSHORE E&P SPENDING



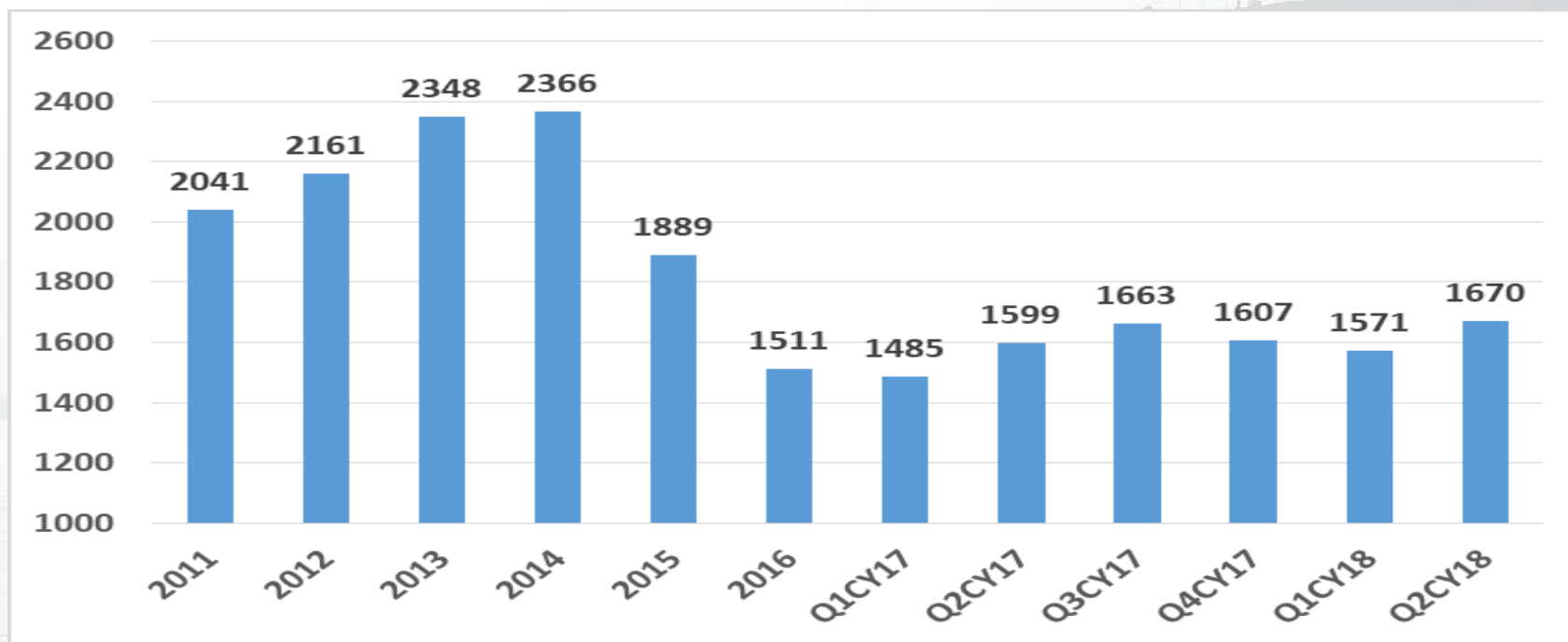
According to various industry reports, after the sharp fall over last 3 years, the E&P spending is expected to further decline, albeit marginally, in 2018

## JACK UP RIGS ON CONTRACT



**Number of Jack-up Rigs on contract which fell from a peak in 2014, however has been steady at current levels for last 6 quarters**

## OSV FLEET (PSV + AHTSV) ON TERM CONTRACT



**Number of PSVs and AHTSVs on contract have increased marginally from the bottom of 2017.**

# 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.
- 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
<b>Income Statement</b>				
677.27	506.88	Revenue (including other income)	876.44	777.16
(14.13)	274.01	EBITDA (including other income)	84.56	428.76
<b>(232.87)</b>	<b>72.35</b>	<b>Net Profit</b>	<b>(245.08)</b>	<b>103.56</b>
<b>Balance Sheet</b>				
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
<b>Cash Flow*</b>				
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
		<b>Key financial figures</b>		
-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
		<b>Share related figures(in Rs.)</b>		
(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
-	-	<b>Dividend per share</b>	-	-

\* 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
<b>Total Revenue Days</b>	<b>4,246</b>	<b>4.074</b>
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
<b><u>Dry Bulk</u></b>		
Spot %	74%	41%
Time %	26%	59%
<b><u>Tankers</u></b>		
Spot %	82%	60%
Time %	18%	40%
<b><u>Total</u></b>		
Spot %	79%	54%
Time %	21%	46%



THANK YOU

**THANK YOU**  
visit us at [www.greatship.com](http://www.greatship.com)