

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



OCEAN HOUSE, 134/A, Dr. Annie Besant Road, Worli, Mumbai - 400 018, INDIA. Tel.: +91(22) 6661 3000 / 2492 2100 Fax : +91(22) 2492 5900

Our Ref.: S/035/2019/JMT

February 11, 2019

BSE Limited

1st Floor, Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI – 400 001

National Stock Exchange of India Limited

Exchange Plaza, 5th 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 Meeting.

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 (SecI. & Legal) & Company Secretary



The Great Eastern
Shipping Co. Ltd.

BUSINESS OVERVIEW



12 February 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

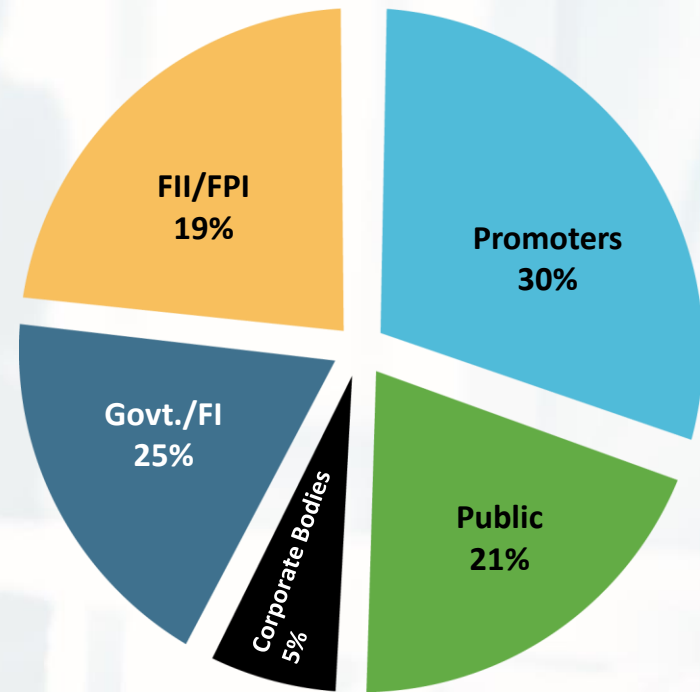
- Crude
- Products/LPG

Dry Bulk

Logistics

Drilling

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



Shareholding Pattern as on 31 December 2018

SHAREHOLDING PATTERN

FLEET PROFILE

SHIPPING

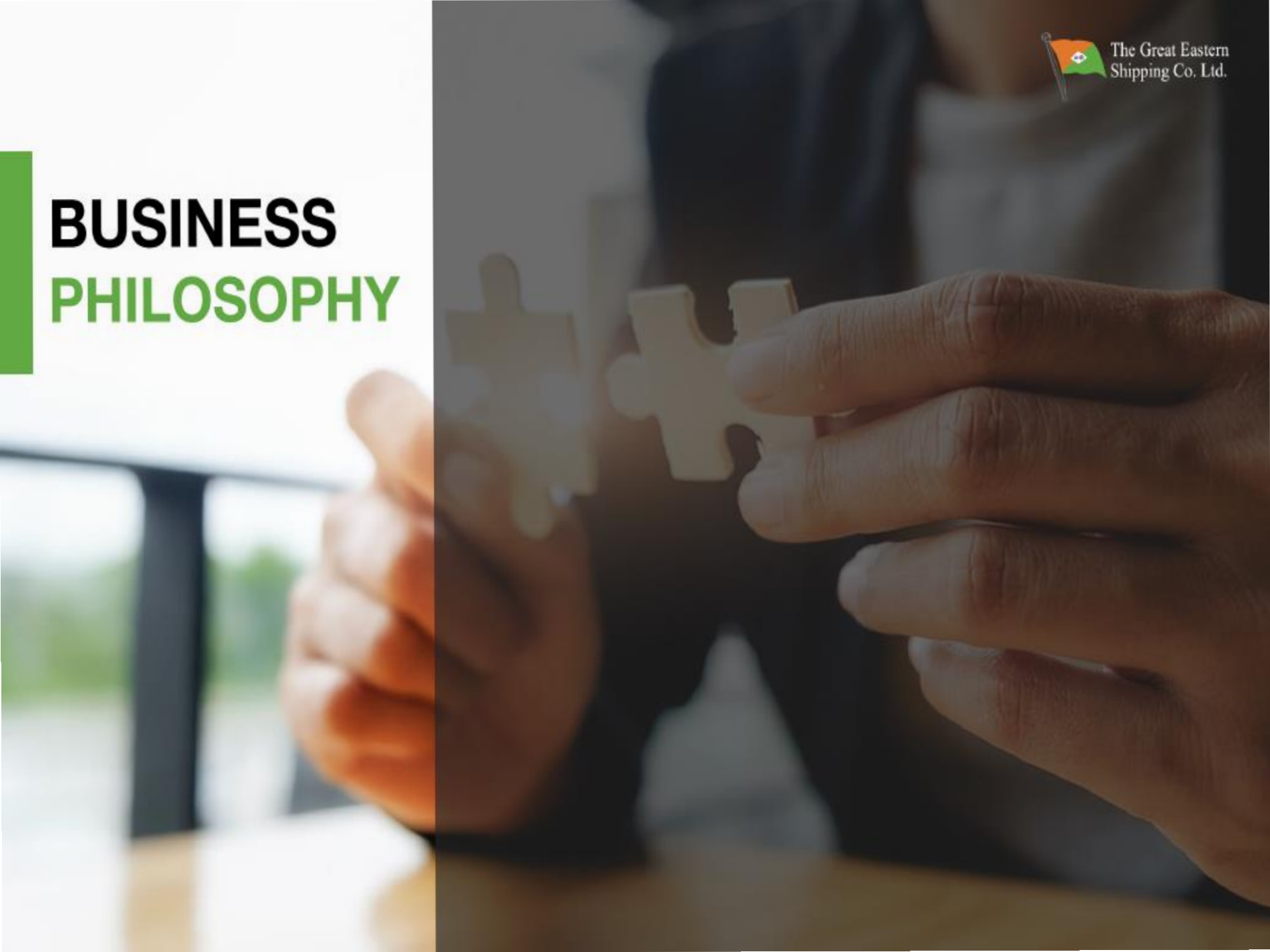
| Fleet | DWT | Number of Ships | Average Age (Yrs.) |
|-------------------|------------------|-----------------|--------------------|
| Crude Carriers | 1,608,683 | 12 | 13.40 |
| Product Carriers | 987,207 | 17 | 11.30 |
| Gas Carriers | 273,466 | 6 | 18.78 |
| Dry Bulk Carriers | 1,026,462 | 13 | 6.31 |
| Total | 3,895,818 | 48* | 11.38 |

OFFSHORE

| Fleet | Number of Units | Average Age (Yrs.) |
|--|-----------------|--------------------|
| Jack Up Rigs | 4 | 7.06 |
| Platform Supply Vessels | 4 | 9.23 |
| Anchor handling Tug Cum Supply Vessels | 8 | 9.08 |
| Multipurpose Platform Supply & Support Vessels | 2 | 8.54 |
| ROV Support Vessels | 5 | 7.25 |

**Contracted to sell Very Large Gas Carrier named 'Jag Vishnu' built in 1994*

BUSINESS PHILOSOPHY



4 KEYS TO OUR SUCCESS



**Dynamically
managing
cycles**



**Diversified
Fleet**



**In-House
technical &
commercial
management**

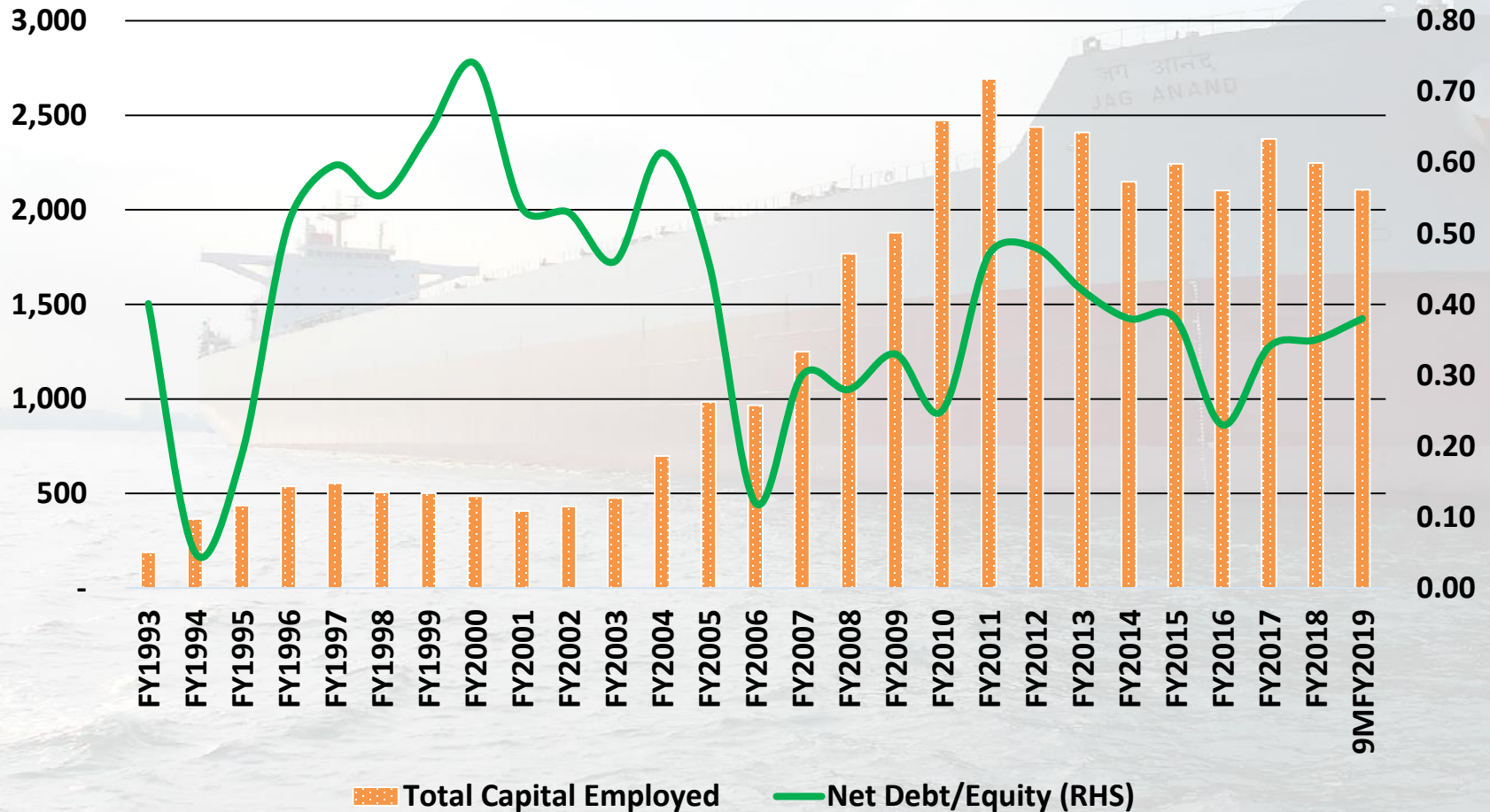


**Strong
balance
sheet**



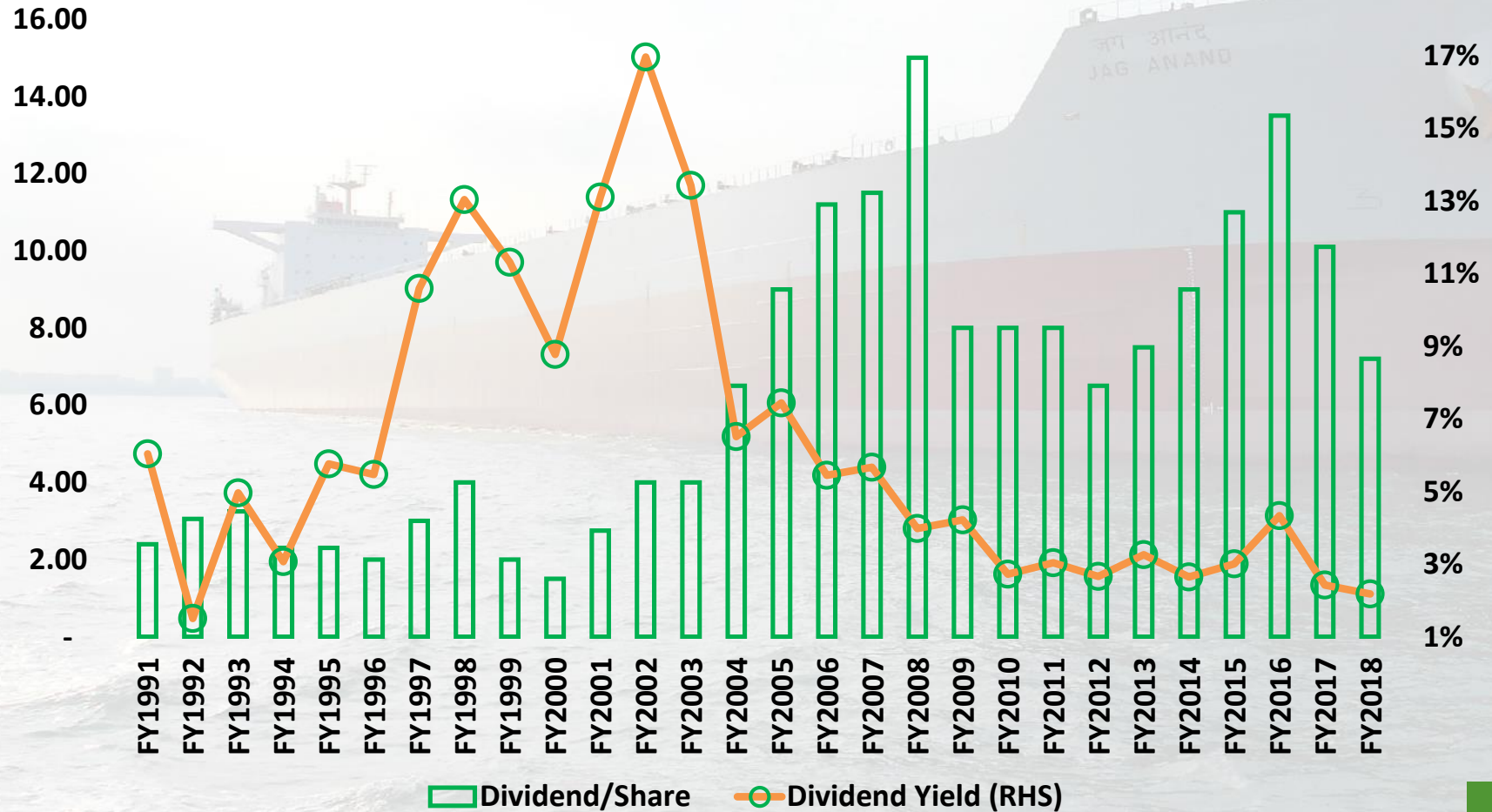
NET DEBT/EQUITY & TOTAL CAPITAL EMPLOYED (CONSOLIDATED)

USD Mn

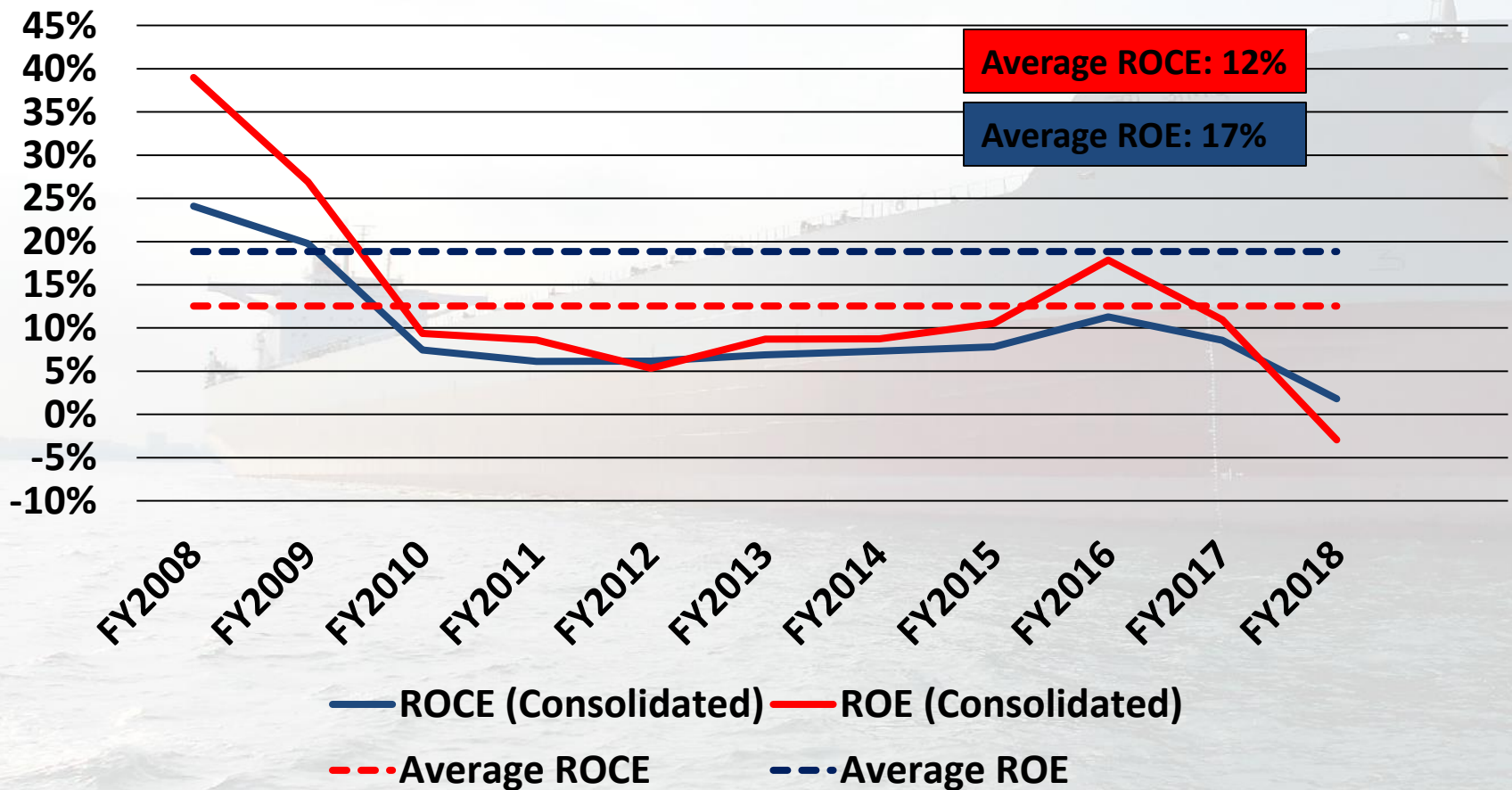


DIVIDEND/SHARE (30+ YEARS CONTINUOUS DIVIDEND)

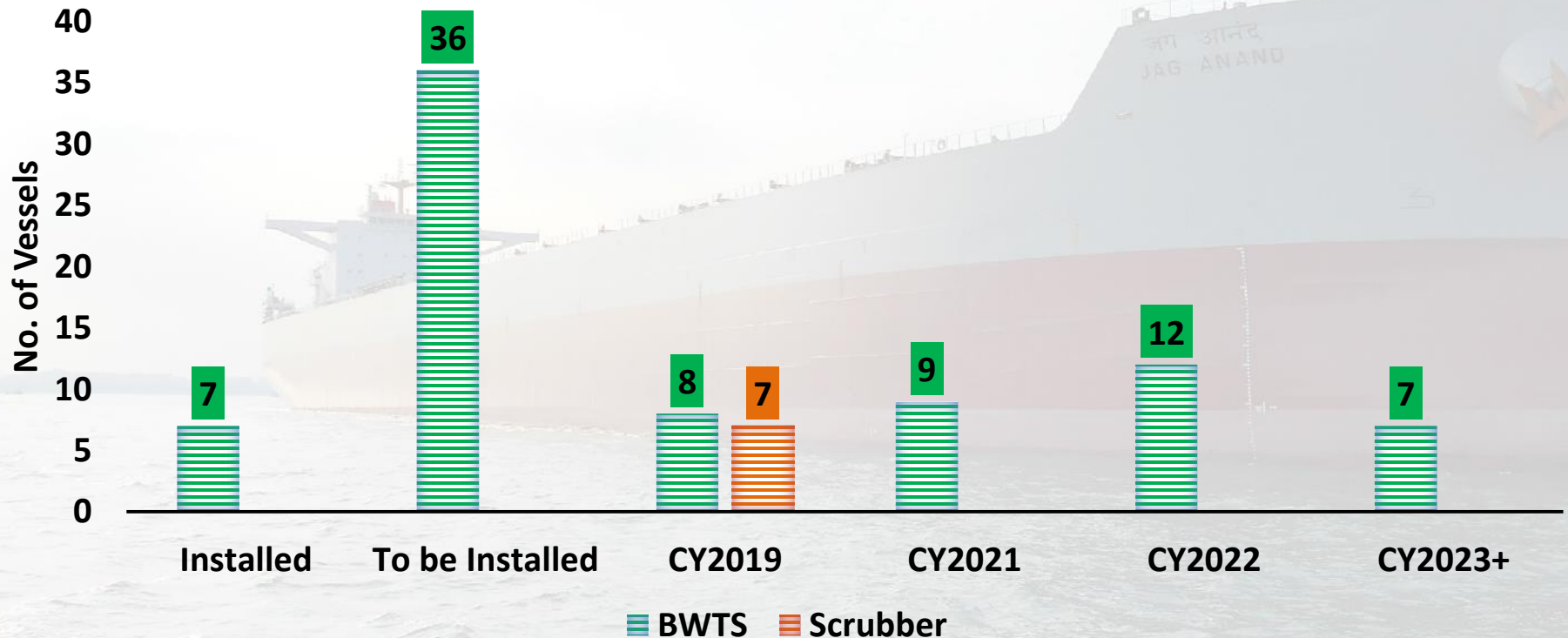
INR/Share



ROE & ROCE (CONSOLIDATED)



BWTS & SCRUBBER INSTALLATION SCHEDULE



- Total 7 Vessels have been fitted with BWTS and 36 vessels are scheduled to be installed with BWTS
- 7 Vessels are scheduled to be installed with Scrubbers in CY2019

SHIPPING MARKET



KEY POINTS ON TANKER MARKET

Asset Prices

- VLCC 5 yr old asset prices increased about 3% Y-O-Y*
- Suezmax 5 yr old asset prices increased about 7% Y-O-Y*

Freight Rates

- BCTI rose by 10% & BDTI remained flat during full year CY18

Crude Market

- U. S. production is up about 1.9 million barrels a day year-on-year, U. S. exports were up about 0.90 million barrels a day, whereas, imports have been flat year-on-year Q4CY18.
- In Q4CY2018 Y-O-Y, overall crude loadings were largely flat, however 0.50 million barrels a day up sequentially (Q-O-Q).

Product Market

- In Q4CY2018 Y-O-Y, overall trade growth for Core Refined Products was lower by 0.10 million barrels a day.
- This was largely driven by drop in Gasoil and Naphtha loadings. However around 20 LR2s switched to dirty trading which curtailed the supply side of product tankers.

LPG Market

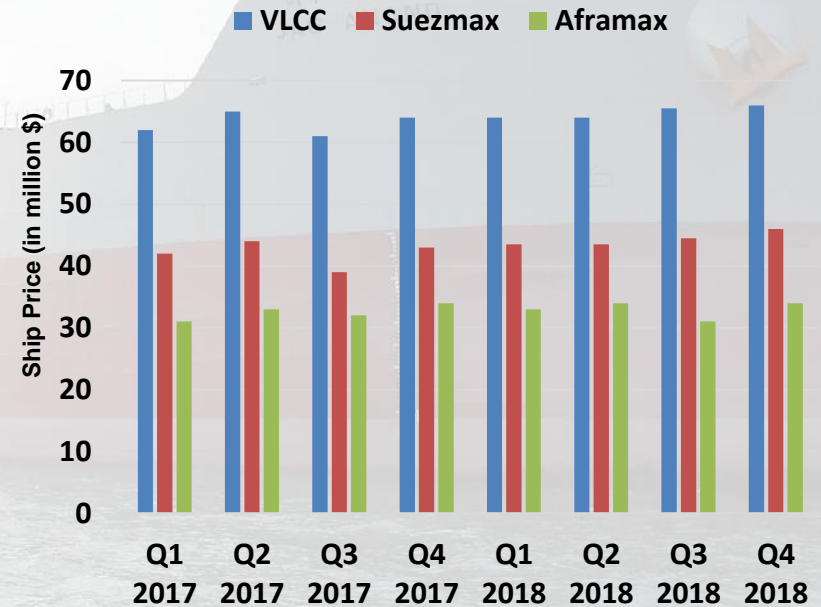
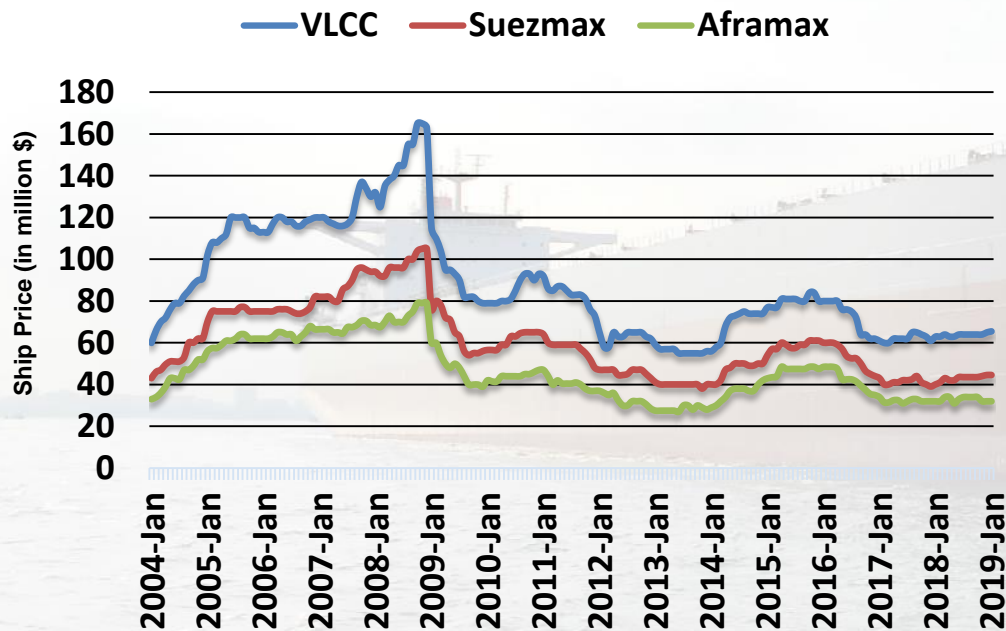
- US export growth of 10% in CY2018 Y-O-Y, due to improved LPG Production and lower domestic consumption.
- Overall VLGC loadings is up by 3.8 Mt Y-O-Y CY2018 amidst almost flat fleet growth. Correspondingly Baltic LPG index averaged US \$ 34.50 / ton during CY 2018 up 25% Y-O-Y.

Fleet Growth

- Crude tankers net fleet growth in CY18 is 0.74%, product tankers net fleet growth is 2.10% and VLGC growth in net fleet is 1.88%.

* 5 yr old prices in Q4CY2018 are for Eco Tankers whereas in Q4CY2017 for Non-Eco

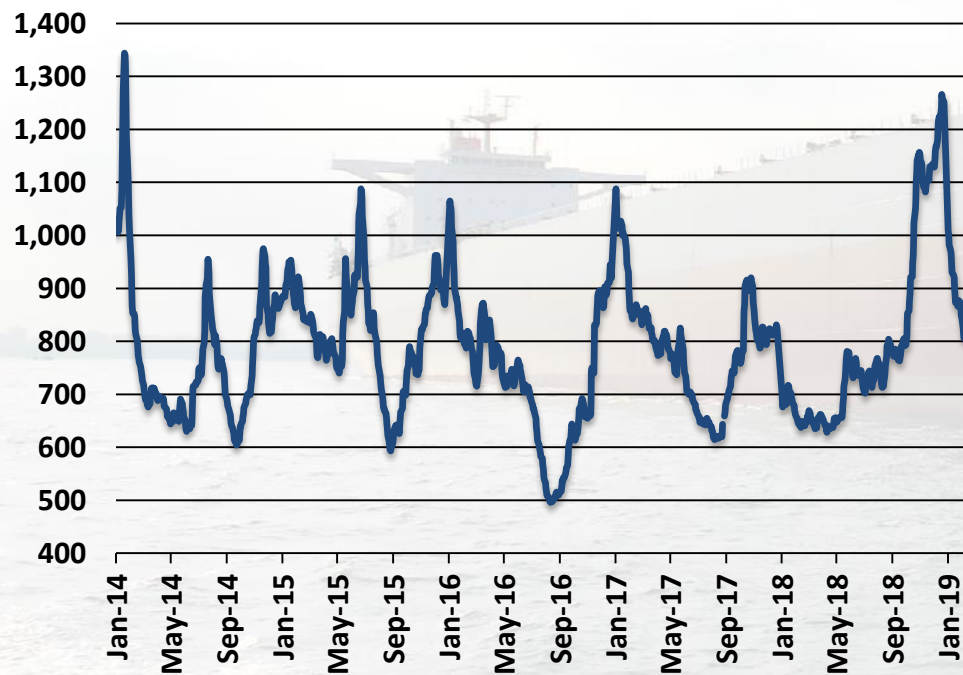
TANKERS – ASSET PRICE MOVEMENT (5-YEAR OLD)



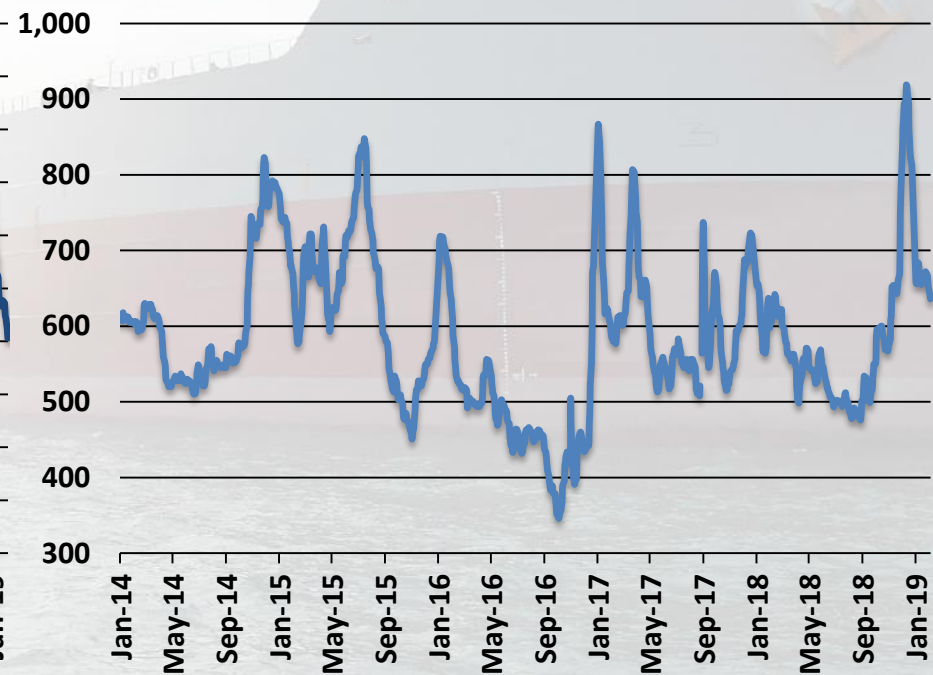
Wet Bulk asset prices has marginally improved in Q4CY2018 Y-O-Y.

BALTIC DIRTY & CLEAN INDEX

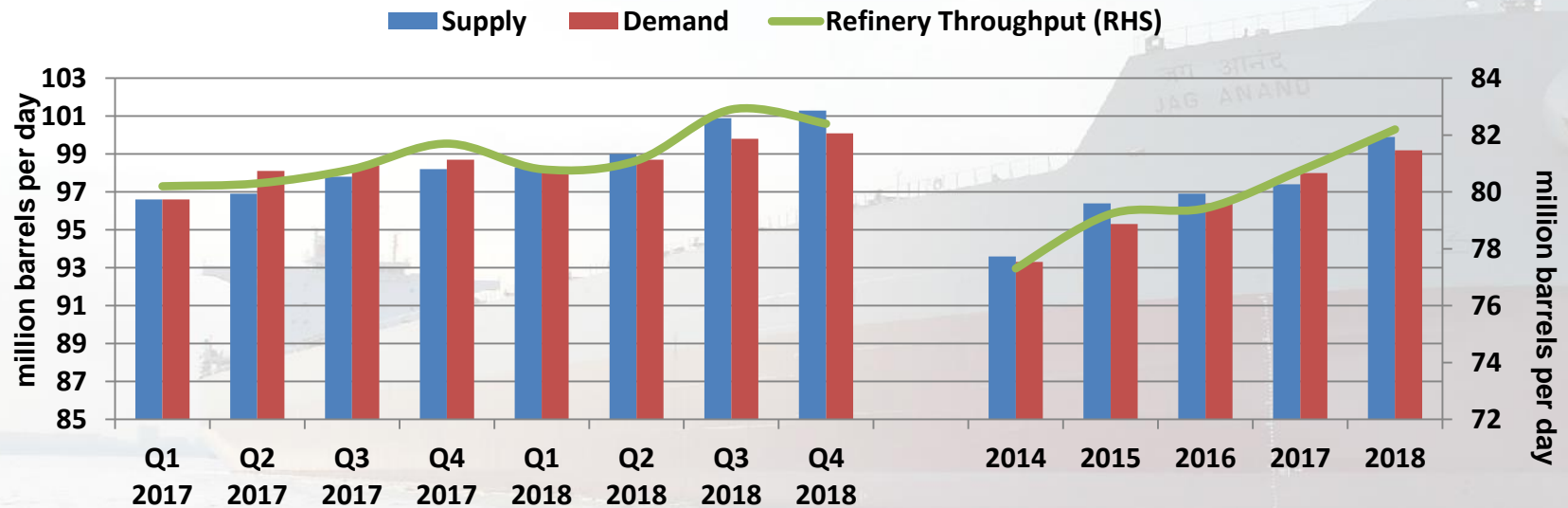
BALTIC DIRTY TANKER INDEX



BALTIC CLEAN TANKER INDEX

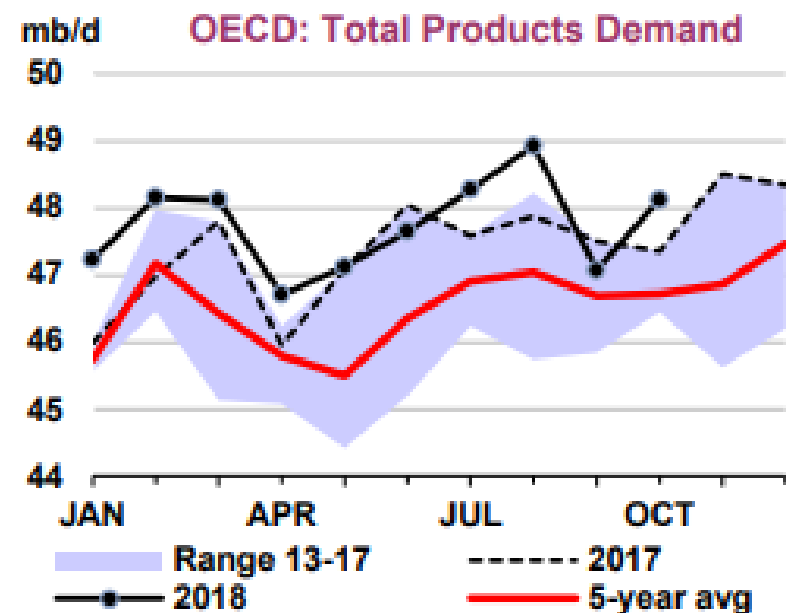
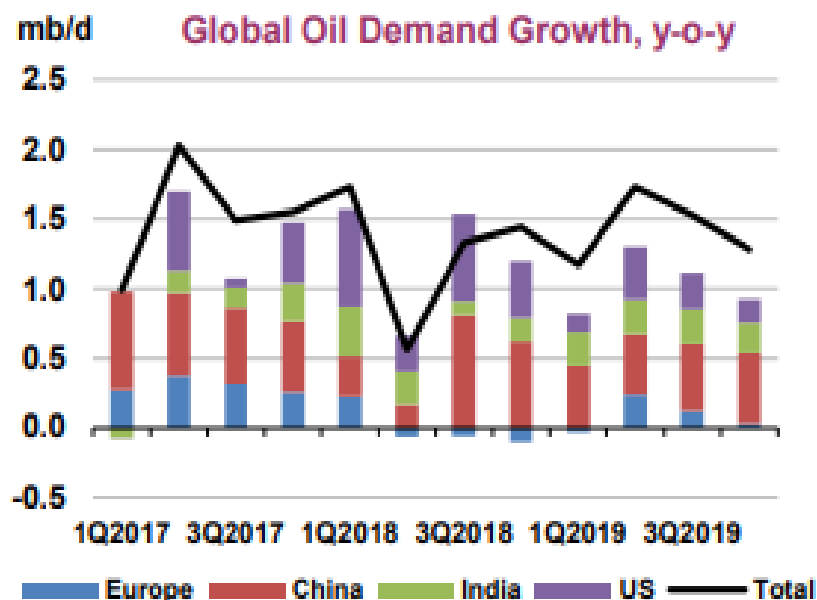


TOTAL OIL SUPPLY & DEMAND



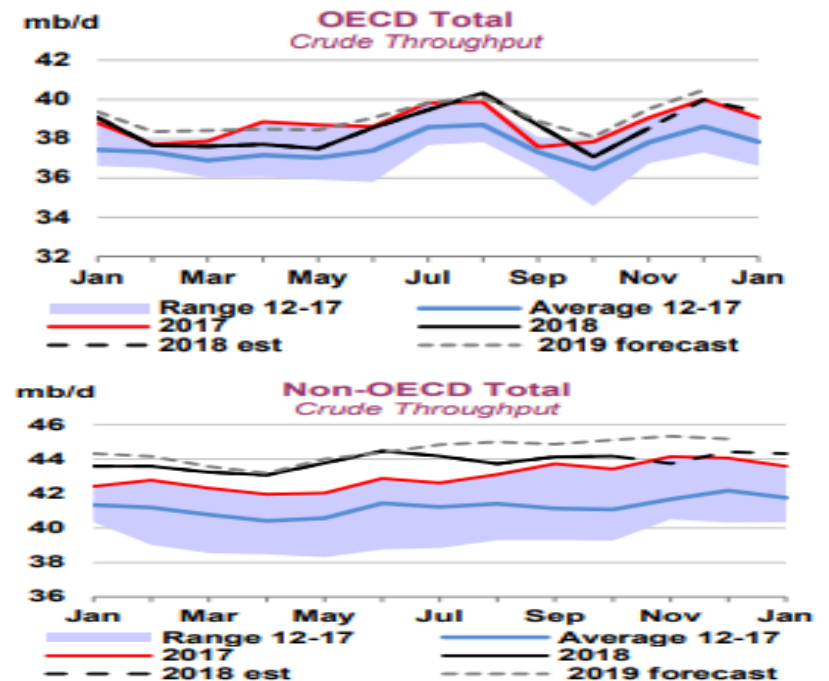
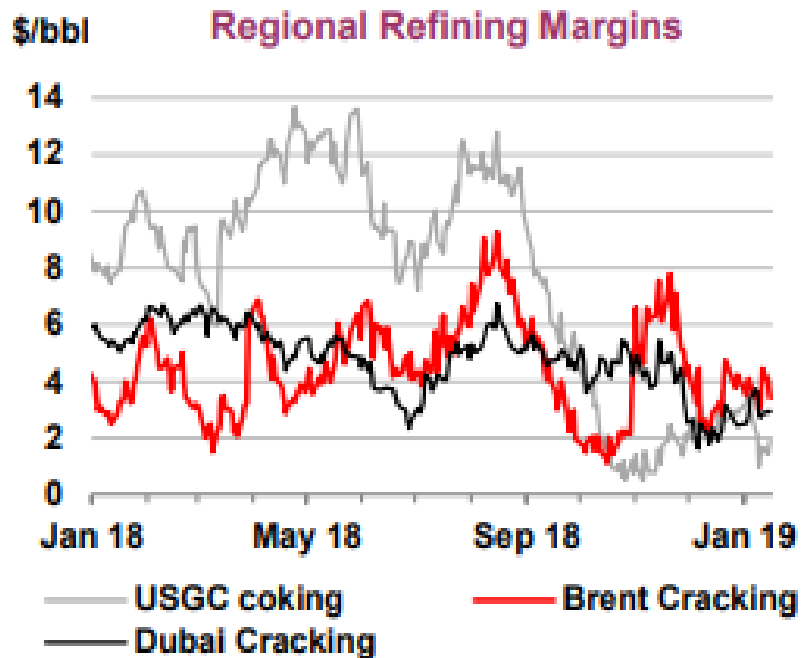
In Q4CY18 refining throughput shrunk as compared to growth seen during Q4CY17, due to perceived non-availability of Iranian Crude and softer refinery margins.

CRUDE & PRODUCT GROWTH



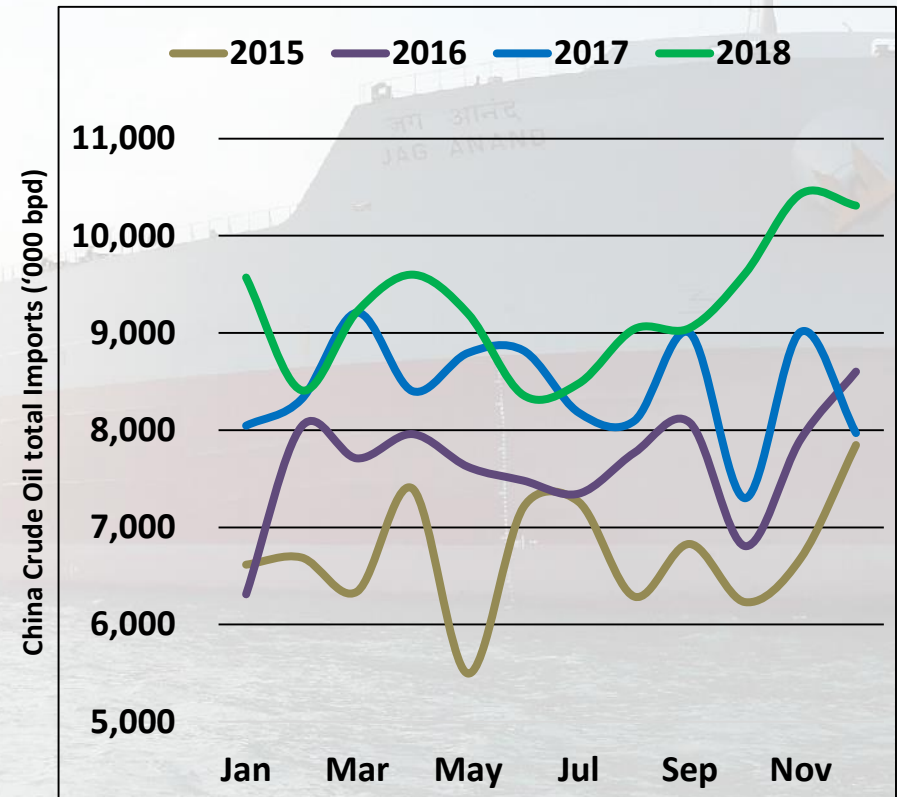
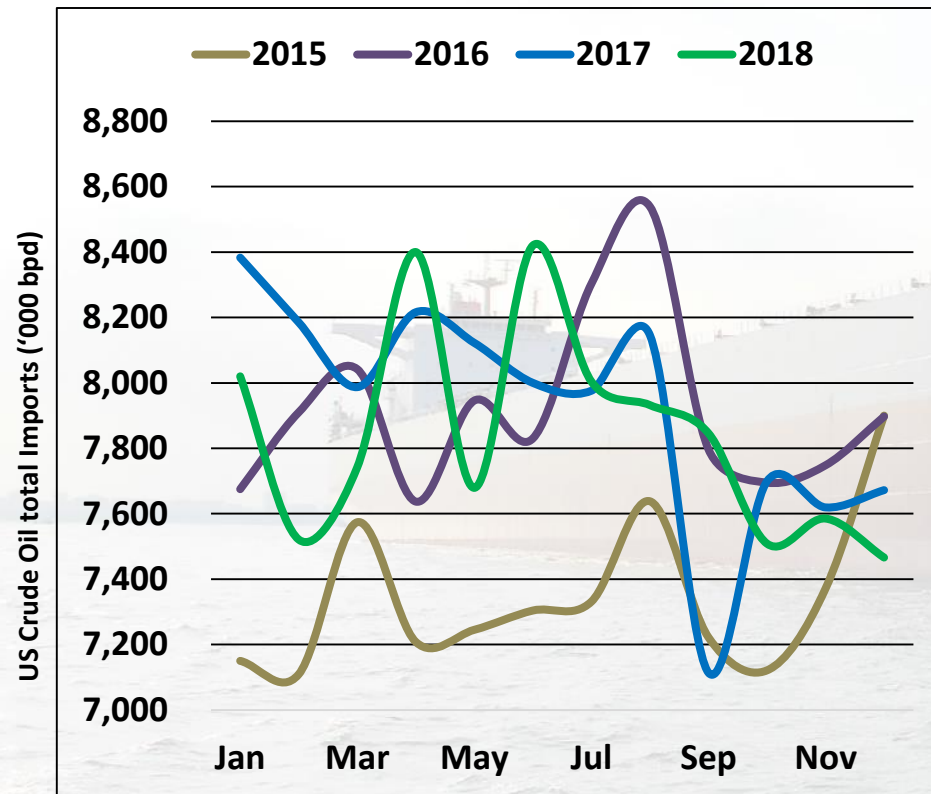
- Crude demand growth was approx. 0.50 Mn barrels a day in CY2018 Y-O-Y
- Core refined products demand growth was 1.00 Mn barrels a day due to middle distillate demand growth especially diesel.
- Both crude and product demand is principally fuelled by positive demand in OECD Americas & Non-OECD Asia.

REFINERY MARGINS



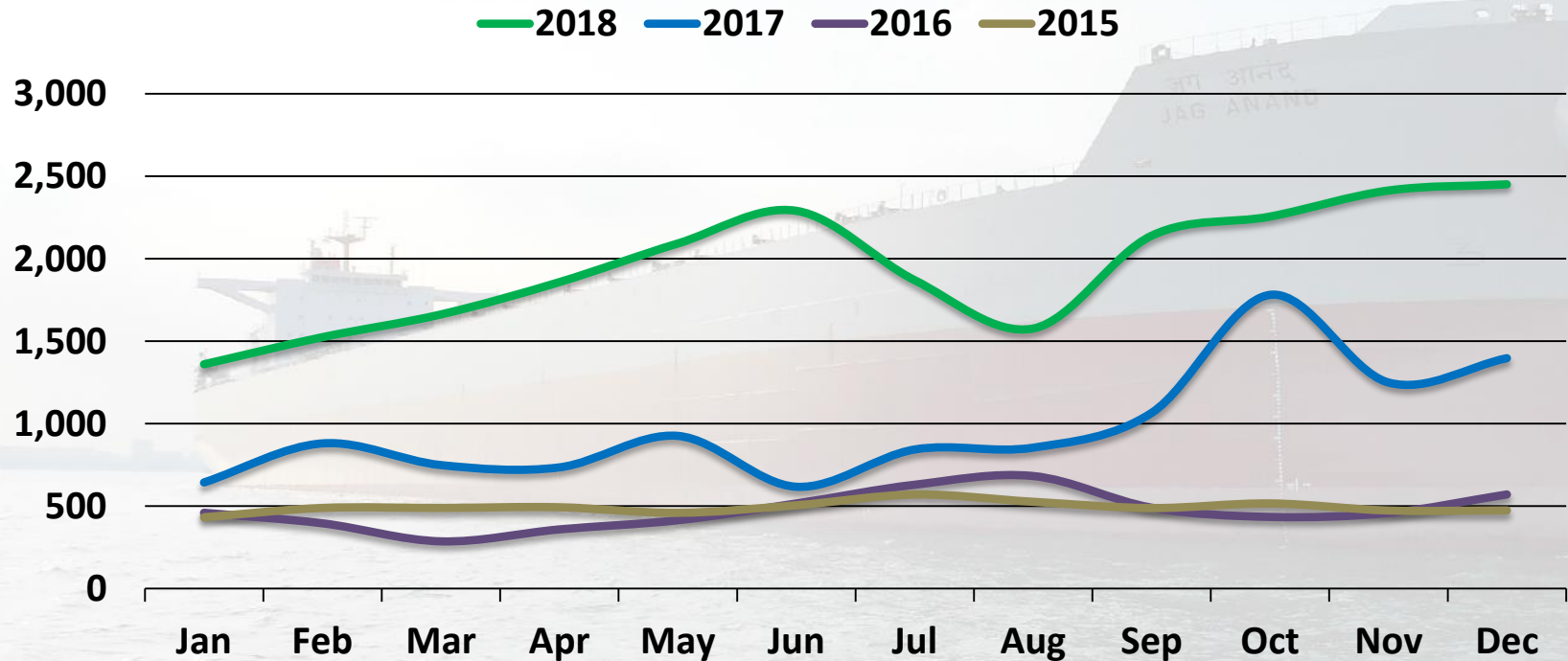
Margins deteriorated in Q4CY18 Y-O-Y due to weaker product cracks.

CRUDE OIL IMPORTS (US & China)



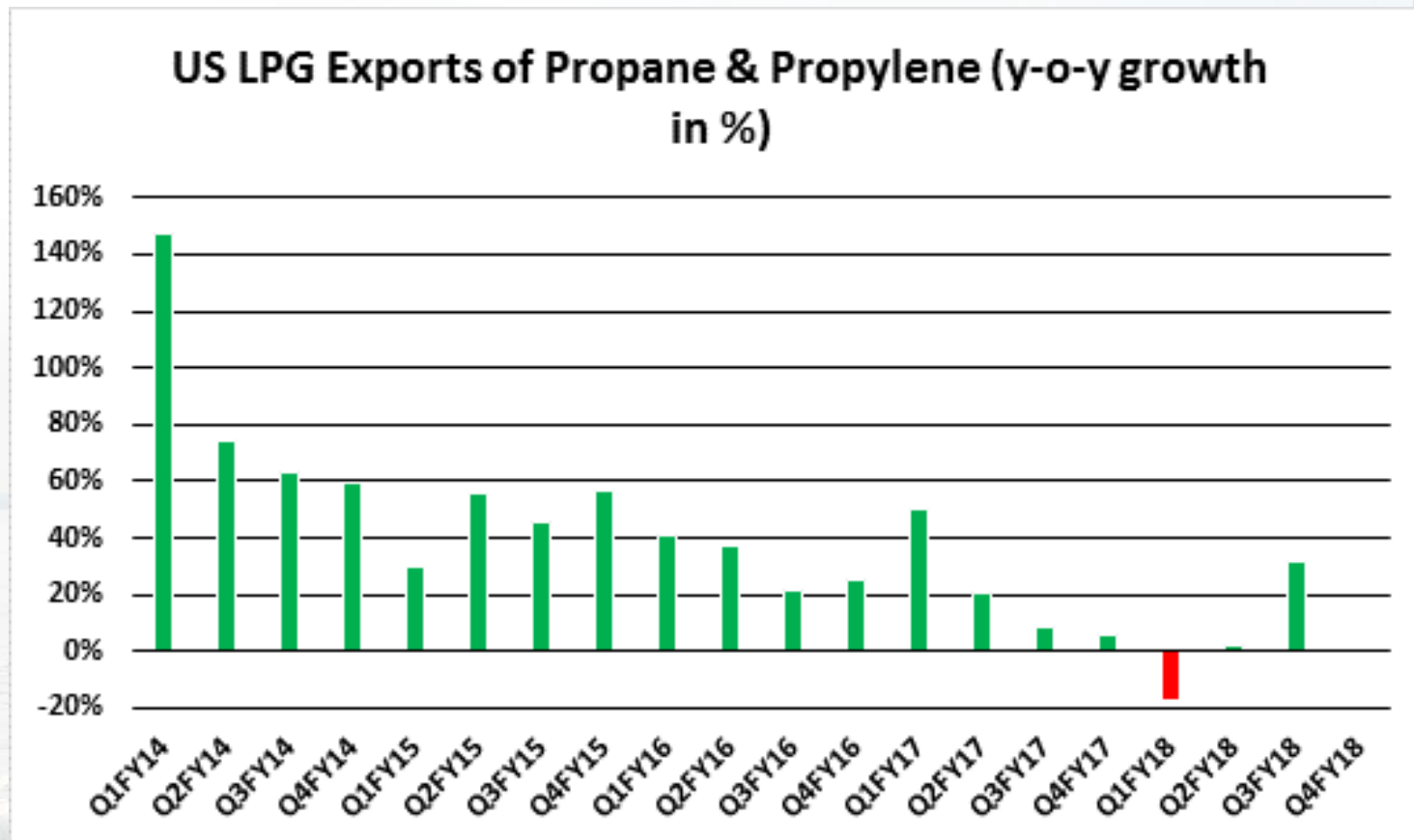
In Q4CY2018, China imported 20%+ higher crude oil than Q4CY2017 as teapot refineries rush to exhaust their import quotas and new refineries were ramping up.

CRUDE OIL EXPORTS (US)



In CY2018, US exported 100% higher crude oil than CY2017

US LPG EXPORTS OF PROPANE & PROPYLENE



In Q4CY2018, US propane & propylene exports were flat Y-O-Y

WORLD FLEET GROWTH

CRUDE TANKERS

| Tanker Fleet - mn Dwt | 23-Jan-19 | 1-Jan-19 | 1-Jan-18 | 1-Jan-17 | 1-Jan-16 |
|-----------------------|---------------|---------------|---------------|---------------|---------------|
| VLCC | 230.55 | 226.88 | 225.10 | 213.80 | 200.00 |
| Suezmax | 81.46 | 81.85 | 80.60 | 74.60 | 71.09 |
| Aframax | 67.45 | 67.03 | 67.20 | 66.40 | 64.37 |
| Total (80k+)* | 384.81 | 381.11 | 378.90 | 355.00 | 335.46 |

| Order Book (mn Dwt) | 2019 | 2020 | 2021+ | Total |
|--|------|------|-------|-------|
| <i>Orderbook as % of current fleet</i> | 6.9% | 4% | 1% | 11.8% |

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

WORLD FLEET GROWTH

PRODUCT TANKERS & VLGC

| Product Fleet - mn Dwt | 23-Jan-19 | 1-Jan-19 | 1-Jan-18 | 1-Jan-17 |
|------------------------|---------------|---------------|---------------|---------------|
| LR2 | 39.11 | 37.9 | 36.60 | 33.50 |
| LR1 | 26.96 | 26.9 | 26.51 | 25.20 |
| MR/Handy (35k+) | 83.65 | 83.3 | 82.40 | 80.40 |
| Total (35k+)* | 152.55 | 150.93 | 147.61 | 139.40 |

| Order Book(mn Dwt) | 2019 | 2020 | 2021+ | Total |
|--|------|------|-------|-------|
| <i>Orderbook as % of current fleet</i> | 4.7% | 2.5% | 1% | 8.2% |

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

| Fleet - No. of Vessels | 23-Jan-19 | 1-Jan-19 | 1-Jan-18 |
|------------------------|-----------|----------|----------|
| VLGC | 271 | 271 | 266 |

| Order Book (No. of Vessels) | 2019 | 2020 | 2021+ | Total |
|--|------|------|-------|-------|
| <i>Orderbook as % of current fleet</i> | 6.6% | 7.7% | 0.4% | 14.8% |

KEY POINTS ON DRY BULK MARKETS

Asset Prices

- Capesize 5 yr old asset prices were flat in Q4CY2018 Y-O-Y
- Panamax & Supramax 5 yr old asset prices were flat in Q4CY2018 Y-O-Y

Freight Rates

- BDI hits 634 on 5-Feb-19 due to Vale's dam incident, Seasonally low demand and Australia's Cyclone
- CY 2018, BDI rose about 95% from 900 to 1750+ and then closed at 1290

Coal Market

- China total coal imports for CY2018 have risen by 3.5% Y-O-Y. Indian coal imports have risen by 15% Y-O-Y in CY2018

Iron Ore

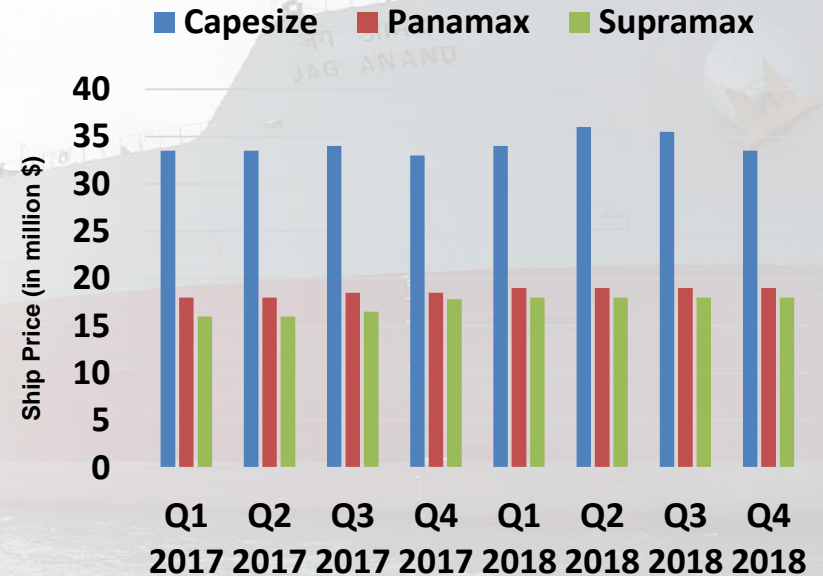
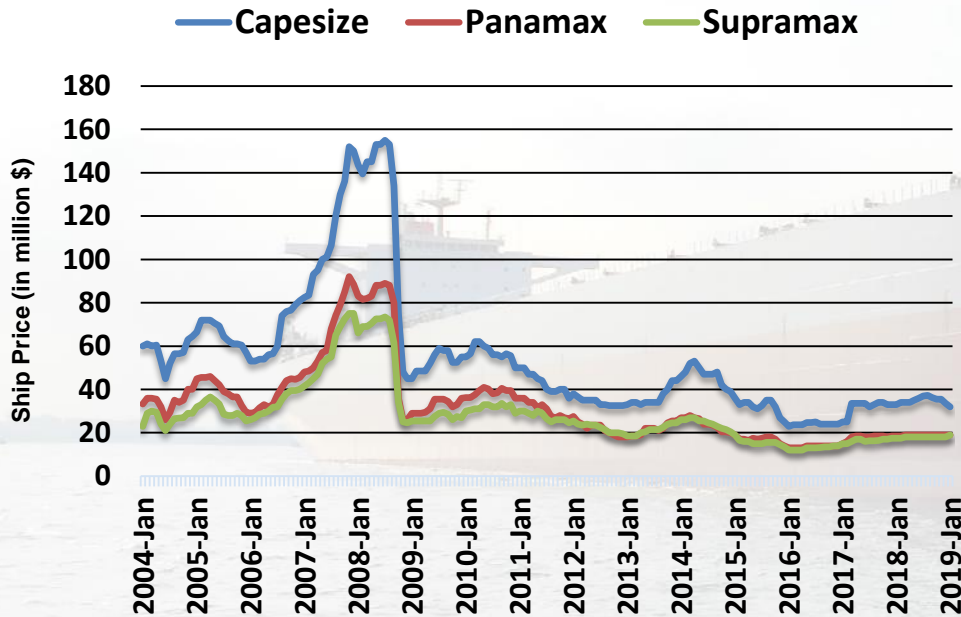
- China's Iron Ore imports fell by 1.1% in CY2018

Fleet Growth

- Dry Bulk net fleet growth in CY2018 was about 2.89%

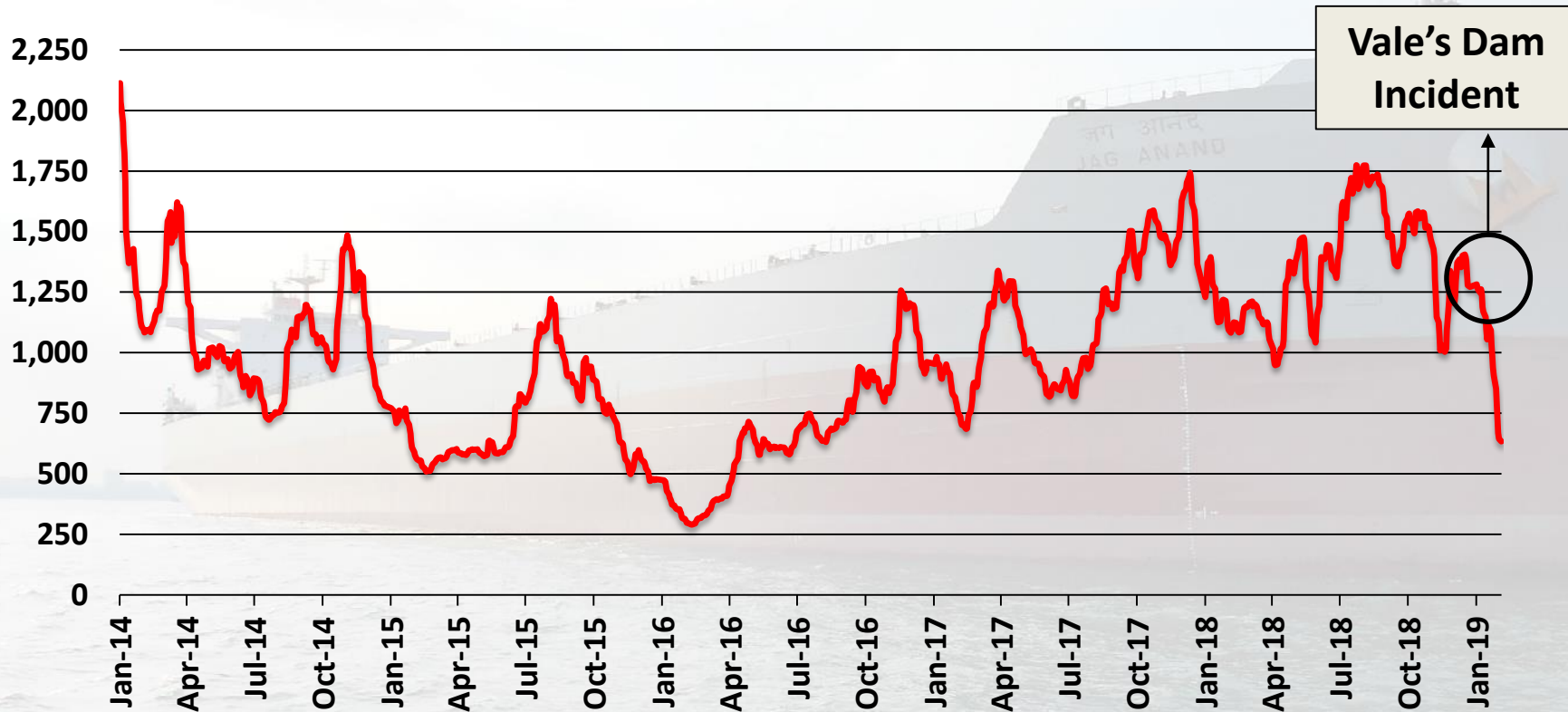
BULKER ASSET PRICES

5-YEAR OLD



Dry Bulk asset prices were flat in Q4CY2018 Y-O-Y.

BALTIC DRY INDEX

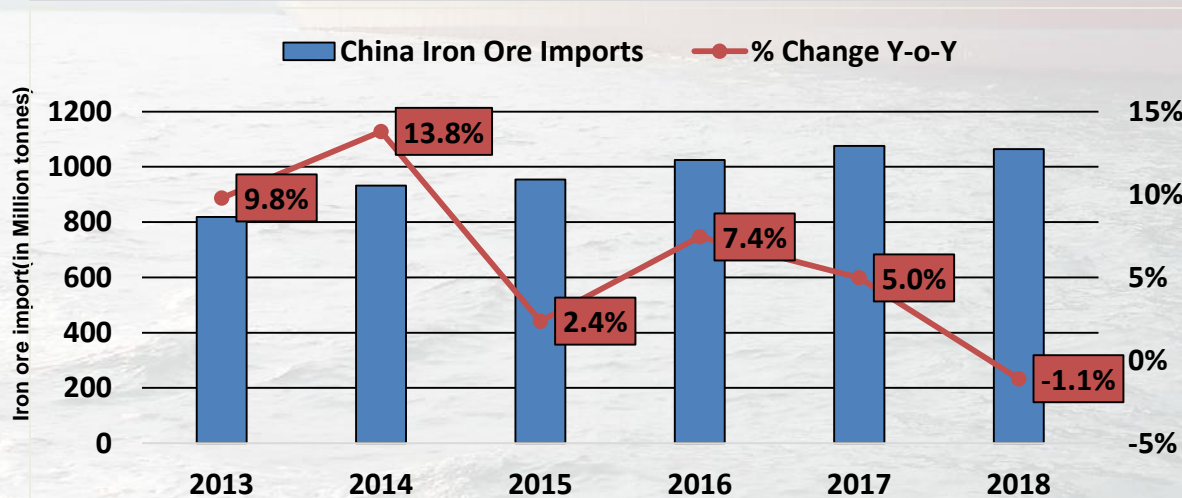


Baltic Dry Index hit 4.5 year high of 1,774 in Jul'18 before falling to 634 in Feb'19

CHINA IRON ORE & STEEL PRODUCTION



China Steel Production increased 7% in CY2018 Y-O-Y

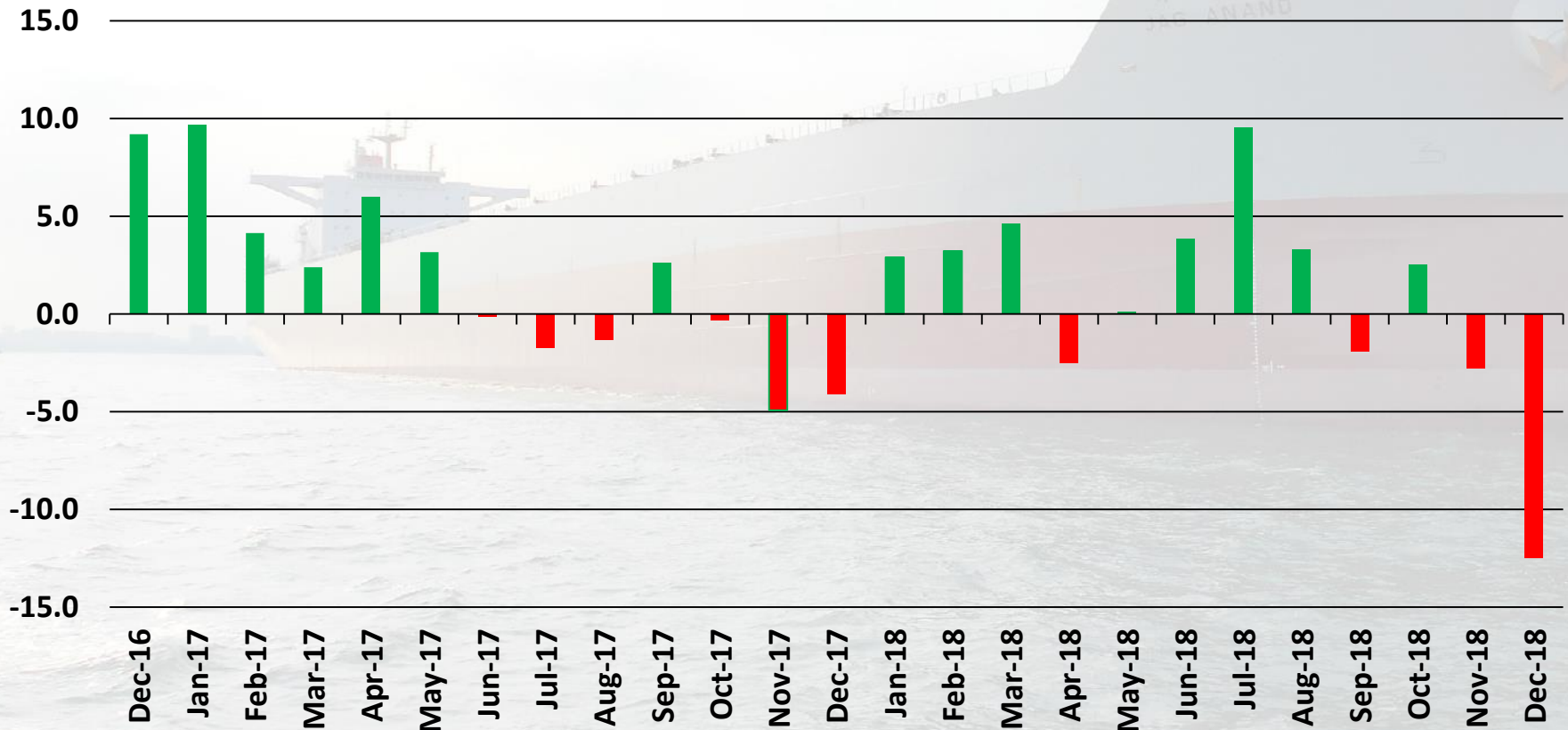


China's iron ore import shrunk 1% in CY2018 Y-O-Y

CHINA COAL IMPORTS

China coal imports change (Y-O-Y)

Mn Tonnes



WORLD FLEET GROWTH

DRY BULK

| Fleet - Mn Dwt | 23-Jan-19 | 1-Jan-19 | 1-Jan-18 | 1-Jan-17 |
|----------------|------------|------------|------------|------------|
| Capesize | 336 | 335 | 324 | 315 |
| Panamax | 208 | 207 | 202 | 196 |
| Handymax | 201 | 201 | 196 | 189 |
| Handysize | 99 | 98 | 96 | 94 |
| Total | 843 | 841 | 818 | 794 |

| Orderbook (mn Dwt) | 2019 | 2020 | 2021 | 2022+ | Total |
|--------------------|------|------|------|-------|-------|
| Orderbook (%Fleet) | 4.9% | 4.4% | 1.2% | 0.1% | 10.7% |

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

SCRAPPING

| Vessel Category | Fleet (mn Dwt) | Scrapping (% of beginning world fleet) | | | | |
|-----------------|----------------|--|-------|-------|-------|-------|
| | | 2018 | 2017 | 2016 | 2015 | 2014 |
| Crude | 384.81 | 4.62% | 2.35% | 0.35% | 0.23% | 1.60% |
| Product | 152.55 | 1.64% | 1.42% | 0.62% | 0.61% | 1.19% |
| Dry Bulk | 842.90 | 0.54% | 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 (3M FY19) |
|-------------|--|
| PSV | 67% |
| ROVSV | 82% |
| AHTSV | 90% |
| MPSSV | 67% |
| Jackup Rigs | 93% |

As on 31st December 2018

KEY POINTS ON E&P MARKETS

Q4 CY2018

Day Rates

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

Fleet Growth

- Rigs: Total fleet remains broadly same compared to last quarter however, there is a decline of about 3.8% 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. .

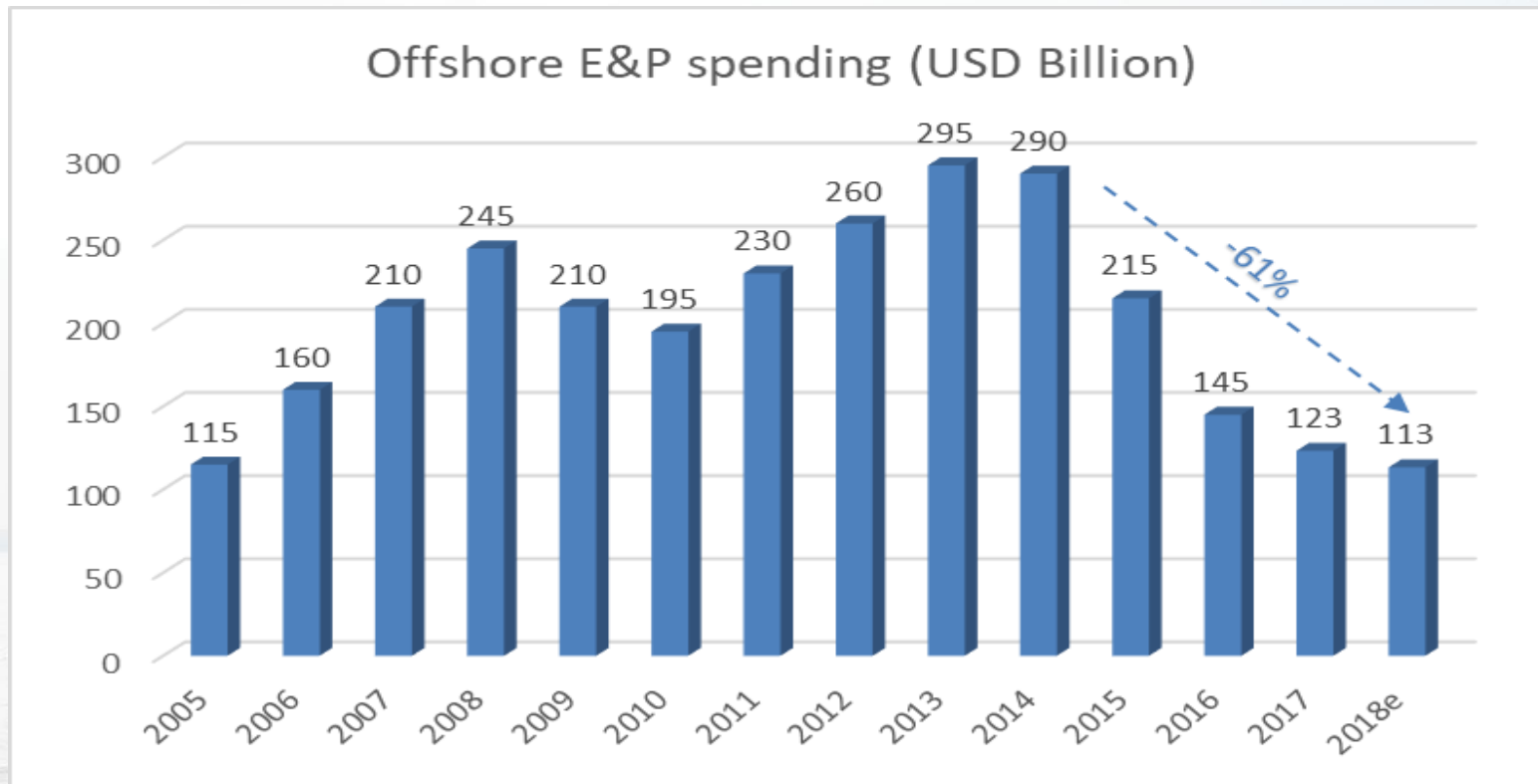
Fleet Utilization

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

Slippage

- OSVs: 80%-90%(CY2017)
- Rigs: 80% - 90%(CY2017)

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

GLOBAL FLEET SUPPLY OFFSHORE

Fleet & Orderbook

| Number | Jackup Rigs | AHTSVs | PSV |
|------------------------------------|---------------------|--------------------|--------------------|
| Current Fleet | 520 | 2029 | 1625 |
| Orderbook | 77 | 81 | 139 |
| <i>O/B to current fleet</i> | <i>14.8%</i> | <i>4.0%</i> | <i>8.5%</i> |

- YTD CY2018 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 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 RESULTS

Q3 FY 2018-19

FINANCIAL HIGHLIGHTS

GE Shipping Q3FY19 Consolidated Net Profit at Rs. 298.63 Crores

| Standalone | | | Key Figures | Consolidated | | |
|-------------------------|----------|----------|----------------------------------|--------------|----------|----------|
| Q3'FY19 | Q3'FY18 | 9M'FY19 | (Amount in Rs. Crs) | Q3'FY19 | Q3'FY18 | 9M'FY19 |
| Income Statement | | | | | | |
| 812.01 | 594.60 | 2028.26 | Revenue (including other income) | 1044.18 | 836.67 | 2734.55 |
| 337.02 | 230.37 | 685.19 | #EBITDA (including other income) | 463.29 | 367.17 | 1087.74 |
| 264.01 | 55.02 | (155.08) | Net Profit | 298.63 | 98.19 | (169.92) |
| Balance Sheet | | | | | | |
| 10608.10 | 10641.93 | 10608.10 | Total Assets | 14700.45 | 15704.60 | 14700.45 |
| 4909.66 | 5236.78 | 4909.66 | Equity | 6648.70 | 7318.97 | 6648.70 |
| 4341.84 | 4435.79 | 4341.84 | Total Debt (Gross) | 6311.75 | 6547.83 | 6311.75 |
| 1854.45 | 1638.50 | 1854.45 | Long Term Debt (Net of Cash) | 2535.46 | 2507.59 | 2535.46 |
| Cash Flow** | | | | | | |
| 188.48 | 171.77 | 463.73 | From operating activities | 343.05 | 308.66 | 828.43 |
| 116.34 | (14.57) | (427.57) | From investing activities | 110.45 | (40.58) | (463.87) |
| (258.95) | (88.97) | (299.71) | From financing activities | (336.29) | (169.87) | (536.00) |
| 45.87 | 68.23 | (263.55) | Net cash inflow/(outflow) | 117.21 | 98.21 | (171.44) |

** 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

| Standalone | | | Key Figures | Consolidated | | |
|------------|---------|---------|--------------------------------------|--------------|---------|---------|
| Q3'FY19 | Q3'FY18 | 9M'FY19 | | Q3'FY19 | Q3'FY18 | 9M'FY19 |
| | | | Key financial figures | | | |
| 41.50% | 38.74% | 33.78% | EBITDA Margin | 44.37% | 43.88% | 39.78% |
| 8.72% | 1.08% | 0.34% | #*Return on Equity (ROE) | 5.29% | 2.78% | 0.65% |
| 8.51% | 3.90% | 4.14% | #*Return on Capital Employed (ROCE) | 6.81% | 3.90% | 4.42% |
| 0.88 | 0.85 | 0.88 | Gross Debt/Equity Ratio | 0.95 | 0.89 | 0.95 |
| 0.38 | 0.31 | 0.38 | Net Debt/Equity Ratio | 0.38 | 0.34 | 0.38 |
| 72.11 | 64.97 | 69.27 | Average Exchange rate USD/INR | 72.11 | 64.97 | 69.27 |
| 69.77 | 63.87 | 69.77 | End of Period Exchange rate USD/INR | 69.77 | 63.87 | 69.77 |
| | | | | | | |
| | | | Share related figures(in Rs.) | | | |
| 17.51 | 3.65 | (10.29) | Earnings per share, EPS | 19.81 | 6.51 | (11.27) |
| 17.48 | 3.64 | (10.29) | Diluted earnings per share | 19.77 | 6.50 | (11.27) |
| 13.94 | 12.17 | 27.82 | Cash Profit per share | 16.79 | 19.23 | 44.43 |
| - | - | - | Dividend per share | - | - | - |

Excluding Exception items

*Annualized figures

FINANCIAL HIGHLIGHTS

Breakup of Revenue Days

| Revenue Days | Q3 FY19 | Q3 FY18 |
|------------------------------|--------------|--------------|
| Owned Tonnage | 4,210 | 4,329 |
| Inchartered Tonnage | 16 | 141 |
| Total Revenue Days | 4,226 | 4,470 |
| Total Owned Tonnage (mn.dwt) | 3.90 | 3.92 |

Average TCY Details

| Average (TCY \$ per day) | Q3'FY19 | Q3'FY18 | % Change |
|------------------------------|---------|---------|----------|
| Crude Carriers | 21,053 | 16,811 | 25% |
| Product Carriers (Incl. Gas) | 15,383 | 15,259 | 1% |
| Dry Bulk | 14,571 | 12,231 | 19% |

Mix of Spot & Time

| Days (in %) | Q3'FY19 | Q3'FY18 |
|------------------------|---------|---------|
| <u>Dry Bulk</u> | | |
| Spot % | 93% | 79% |
| Time % | 07% | 21% |
| <u>Tankers</u> | | |
| Spot % | 85% | 76% |
| Time % | 15% | 24% |
| <u>Total</u> | | |
| Spot % | 87% | 77% |
| Time % | 13% | 23% |

THANK YOU

THANK YOU

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