



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

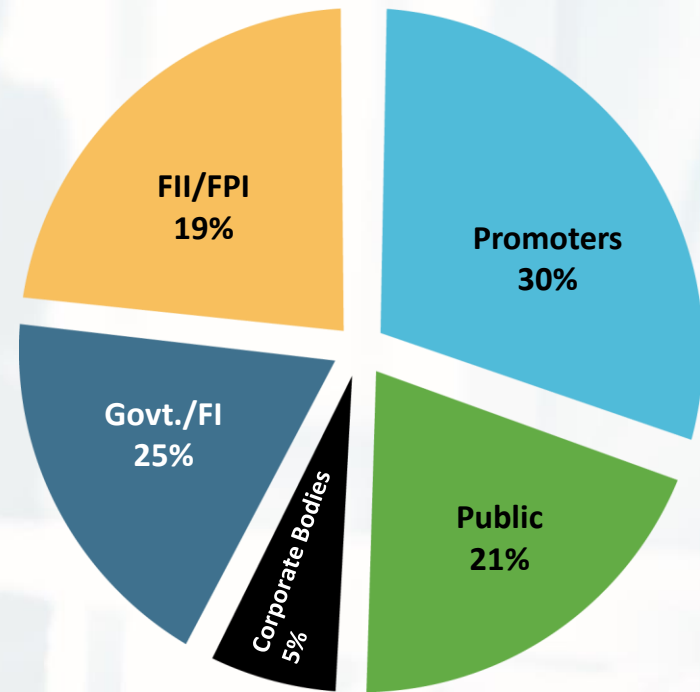
### Dry Bulk

### Logistics

### Drilling

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

# SHAREHOLDING PATTERN



Shareholding Pattern as on 31 December 2018

# 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
<b>Total</b>	<b>3,895,818</b>	<b>48*</b>	<b>11.38</b>

## OFFSHORE

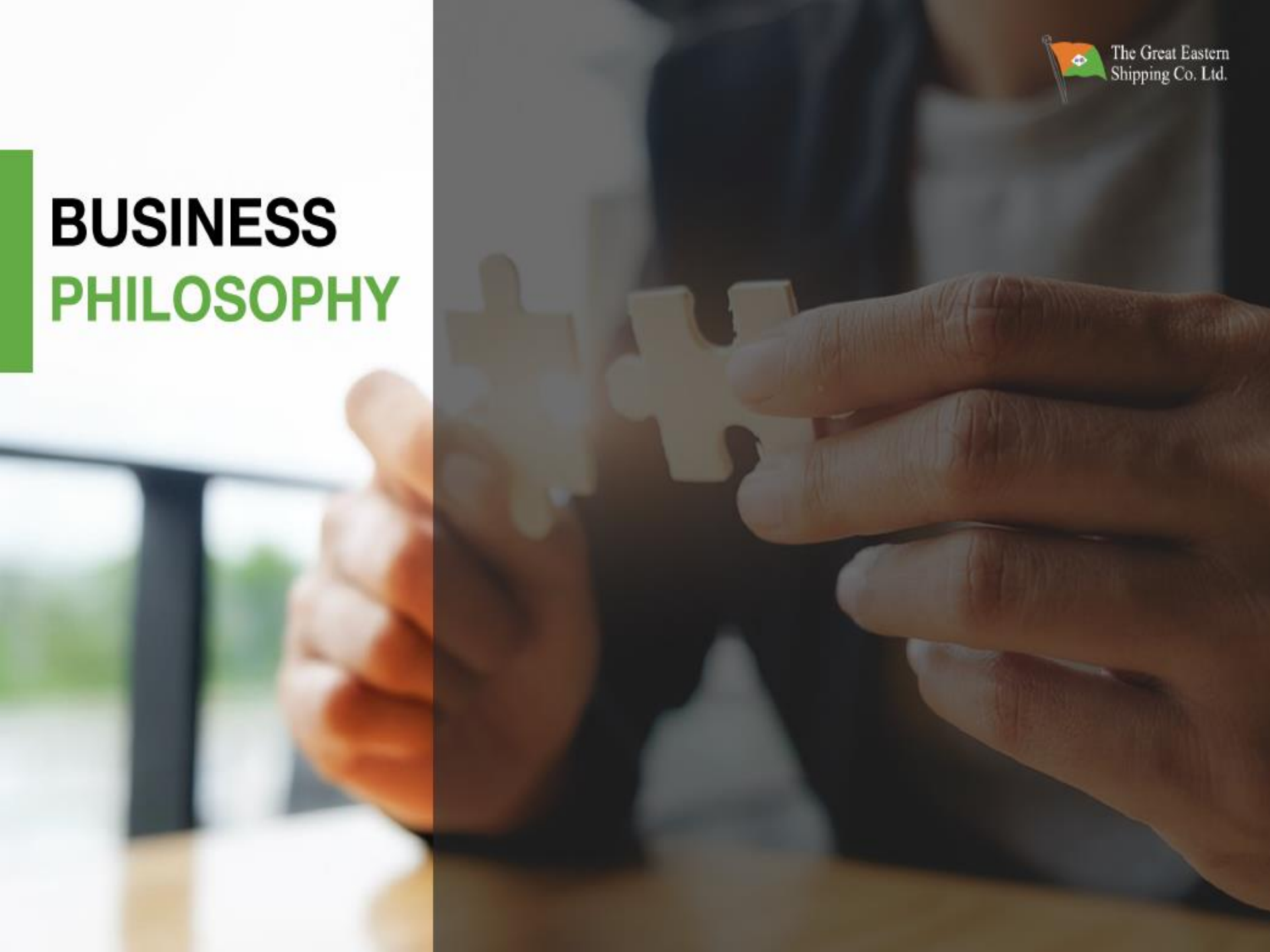
Fleet	Number of Units	Average Age (Yrs.)
Jack Up Rigs	4	7.06
Platform Supply Vessels	4	9.23
Anchor handling Tug Cum Supply Vessels	8	9.08
Multipurpose Platform Supply & Support Vessels	2	8.54
ROV Support Vessels	5	7.25

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

# **BUSINESS** **PHILOSOPHY**



The Great Eastern  
Shipping Co. Ltd.





# 4 KEYS TO OUR SUCCESS



**Dynamically  
managing  
cycles**



**Diversified  
Fleet**



**In-House  
technical &  
commercial  
management**

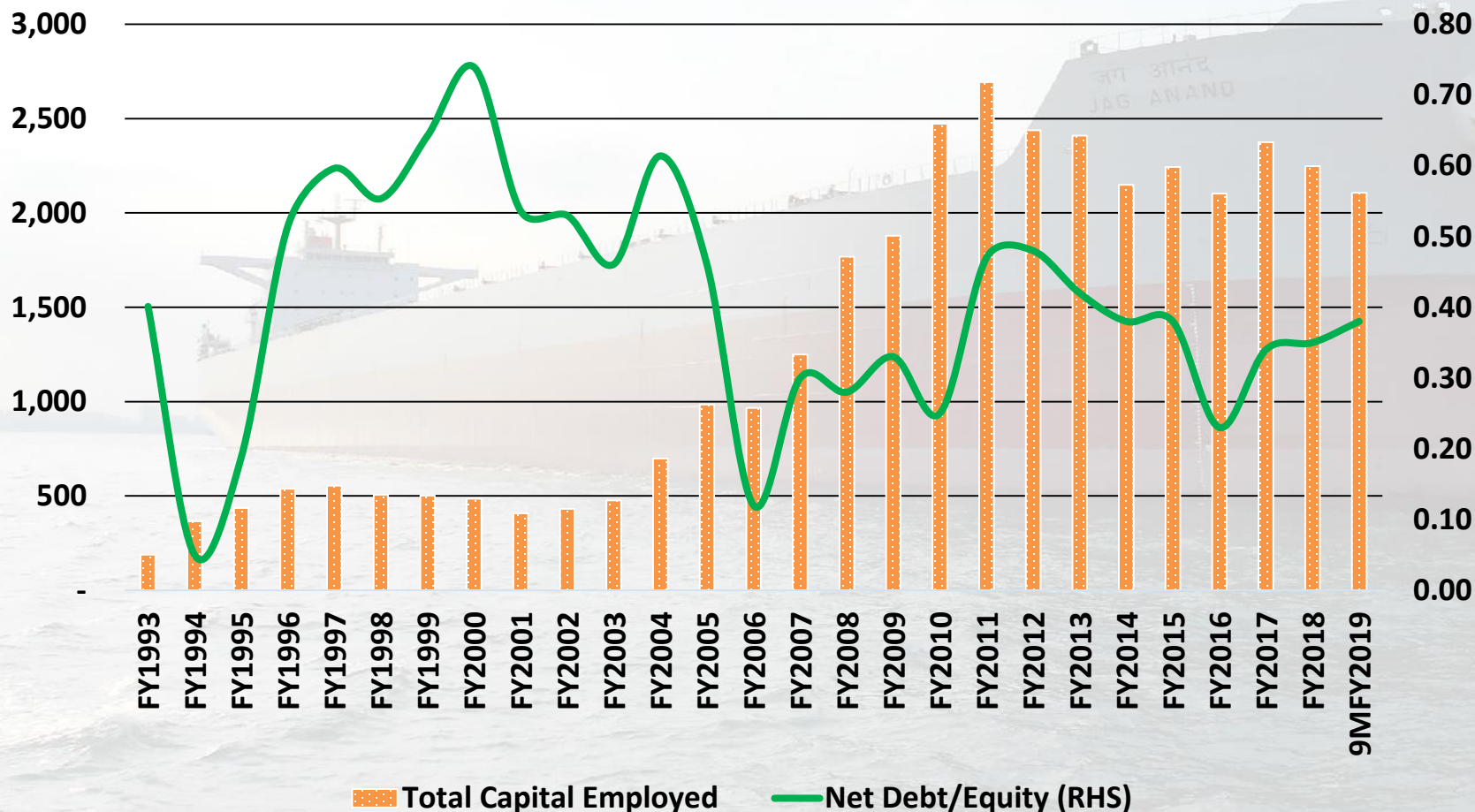


**Strong  
balance  
sheet**



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

USD Mn

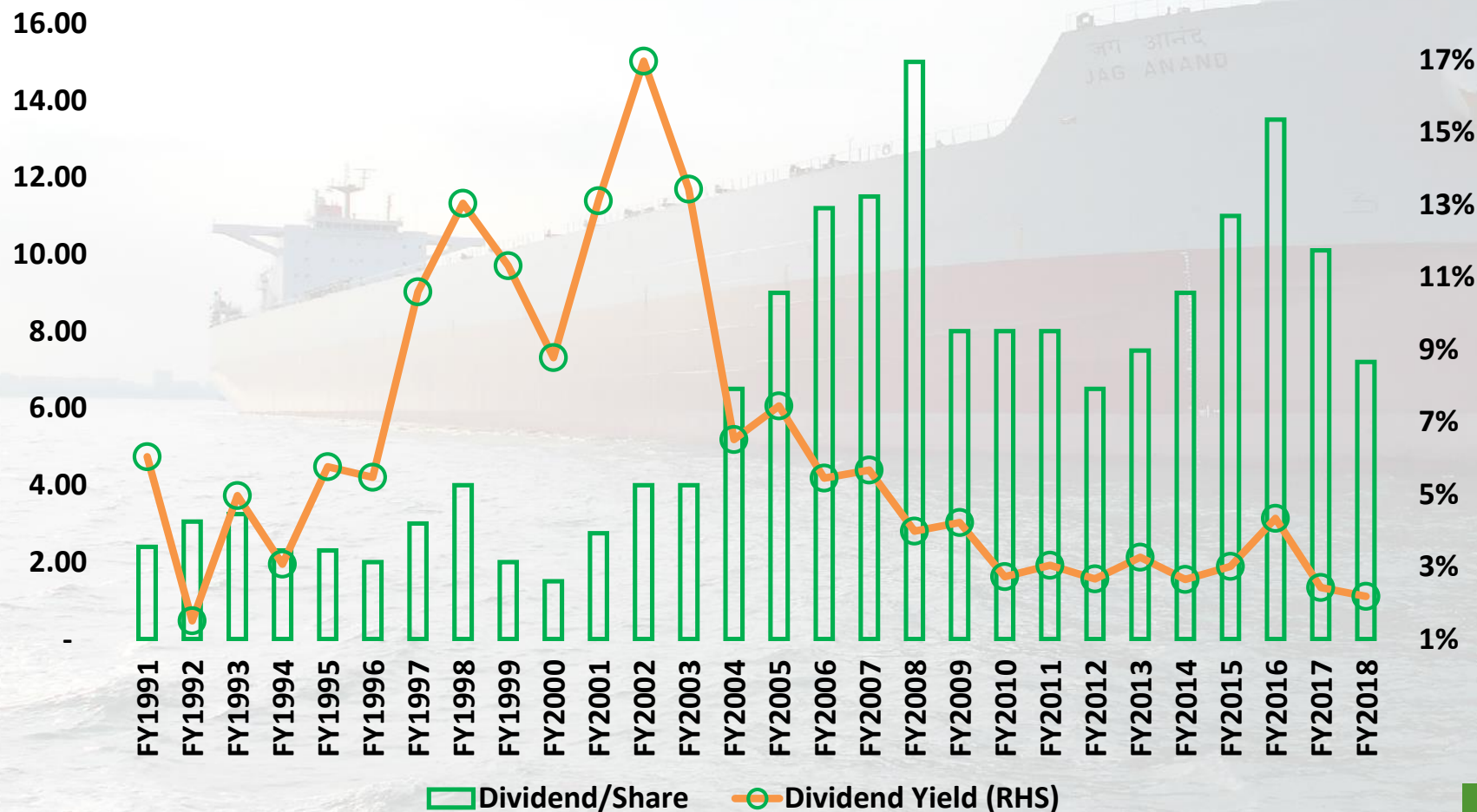




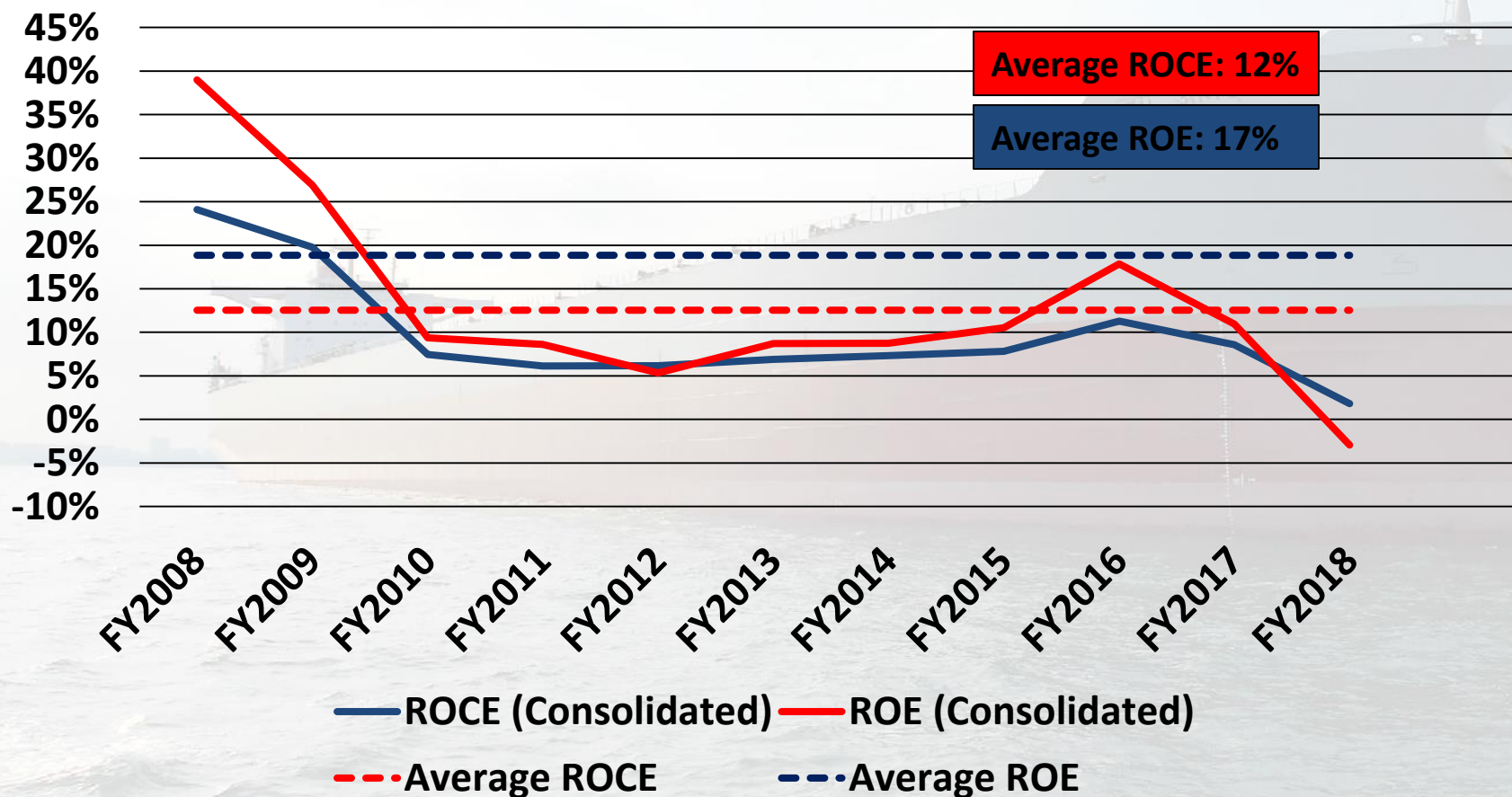
# DIVIDEND/SHARE

## (30+ YEARS CONTINUOUS DIVIDEND)

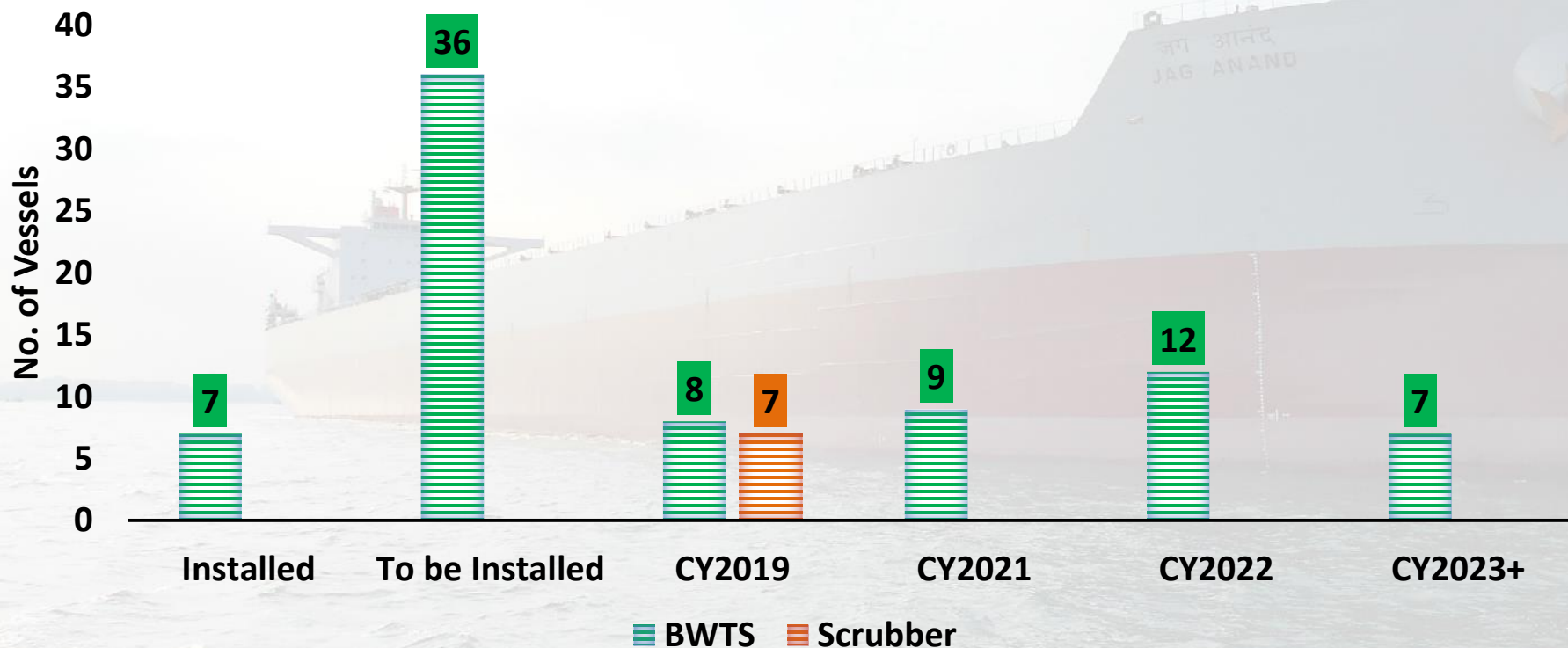
INR/Share



# ROE & ROCE (CONSOLIDATED)



# 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.

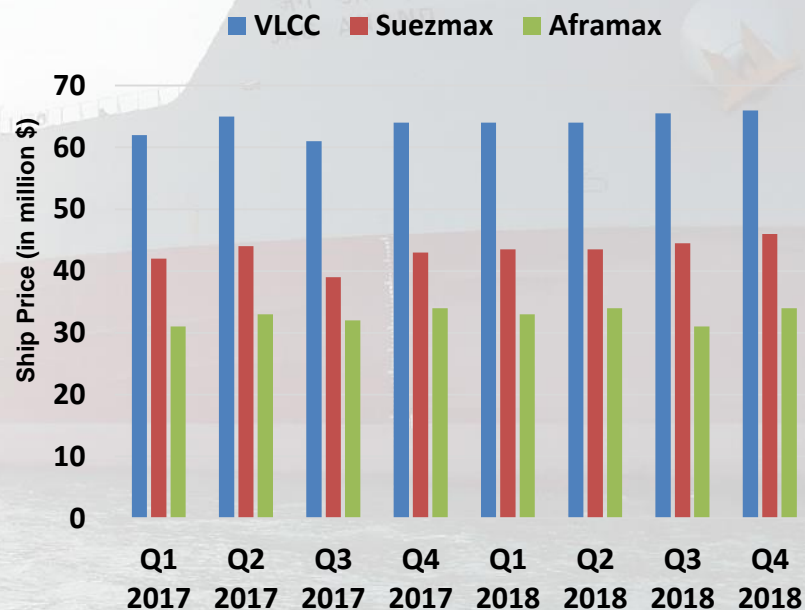
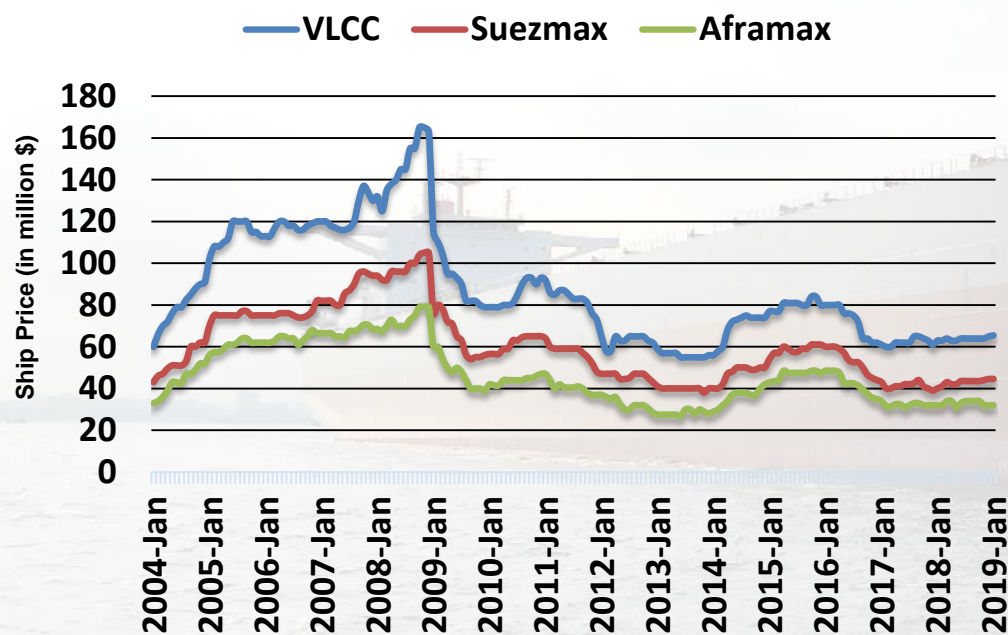
## Fleet Growth

- 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)

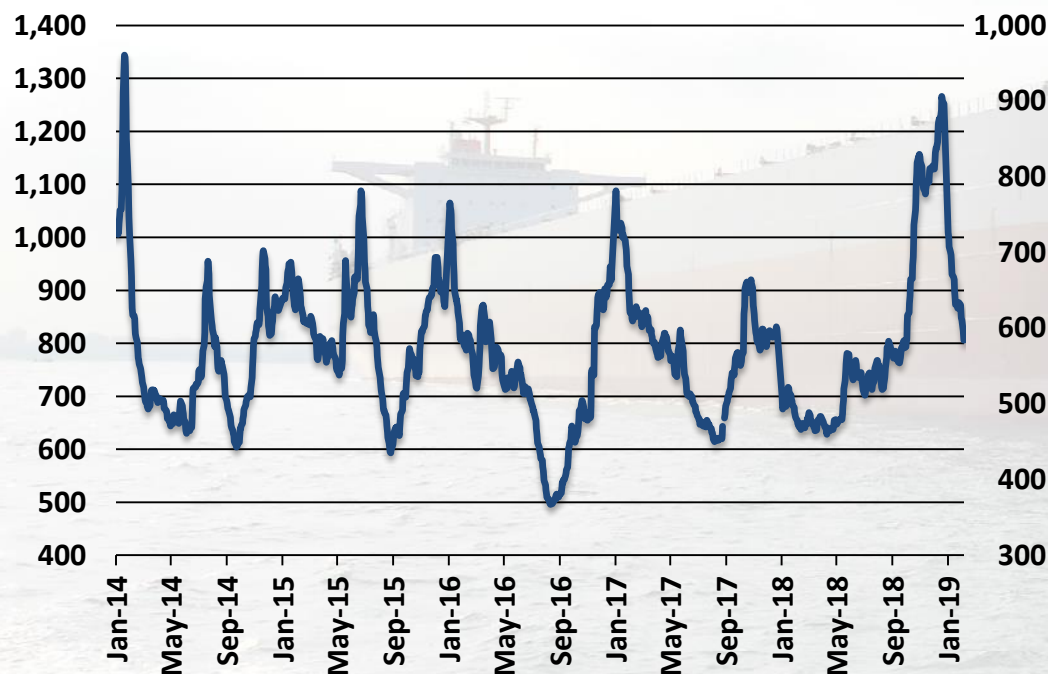


**Wet Bulk asset prices has marginally improved in Q4CY2018 Y-O-Y.**

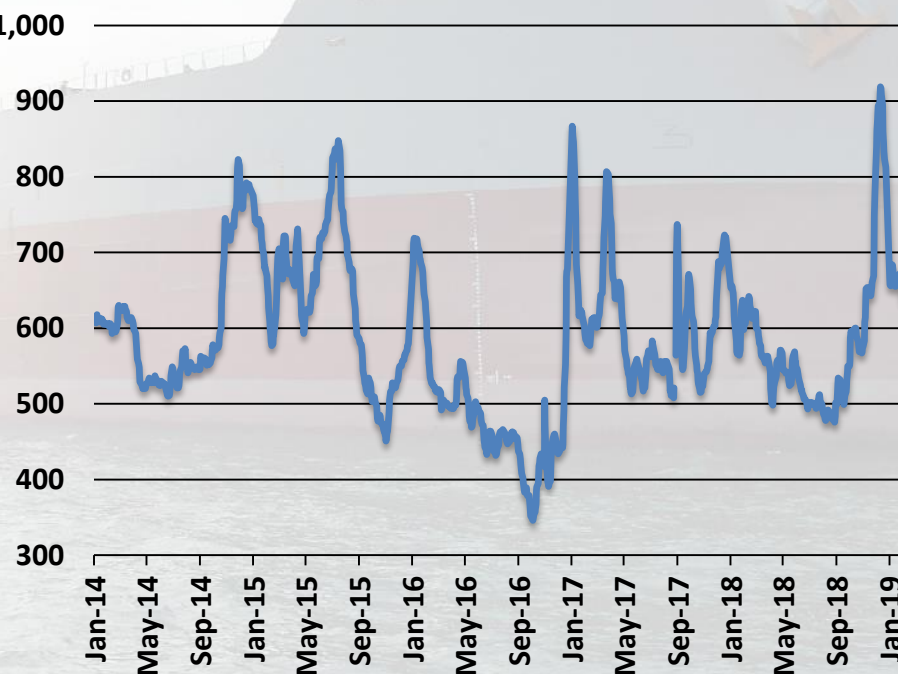


# BALTIC DIRTY & CLEAN INDEX

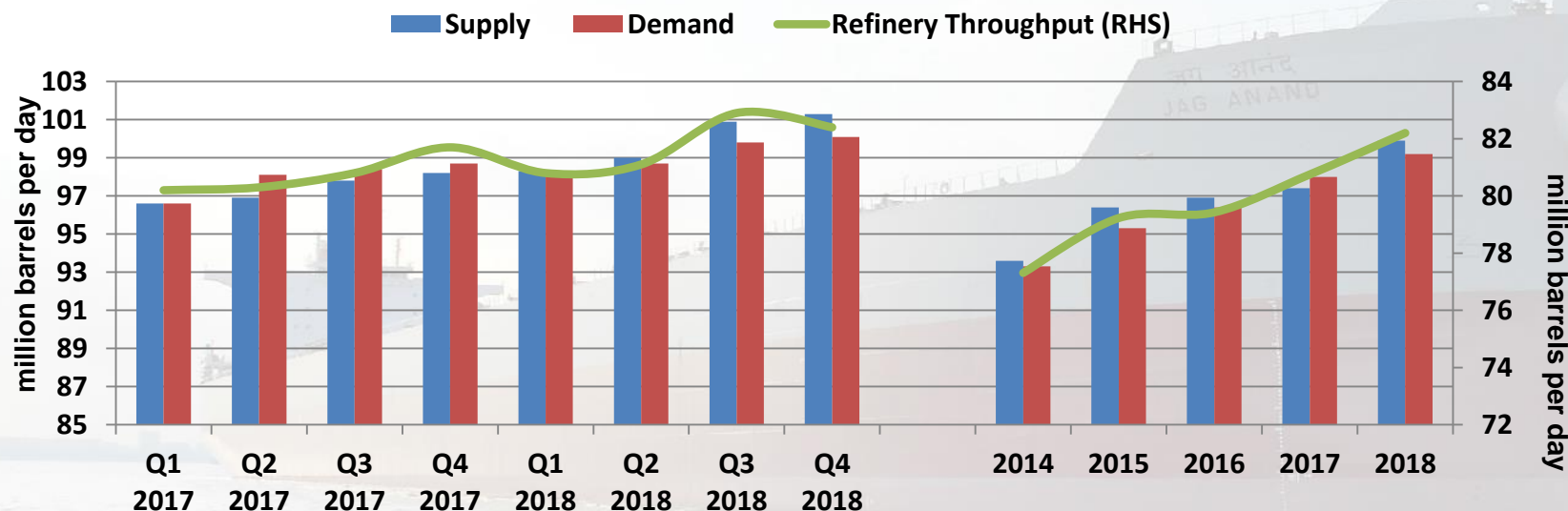
## BALTIC DIRTY TANKER INDEX



## BALTIC CLEAN TANKER INDEX

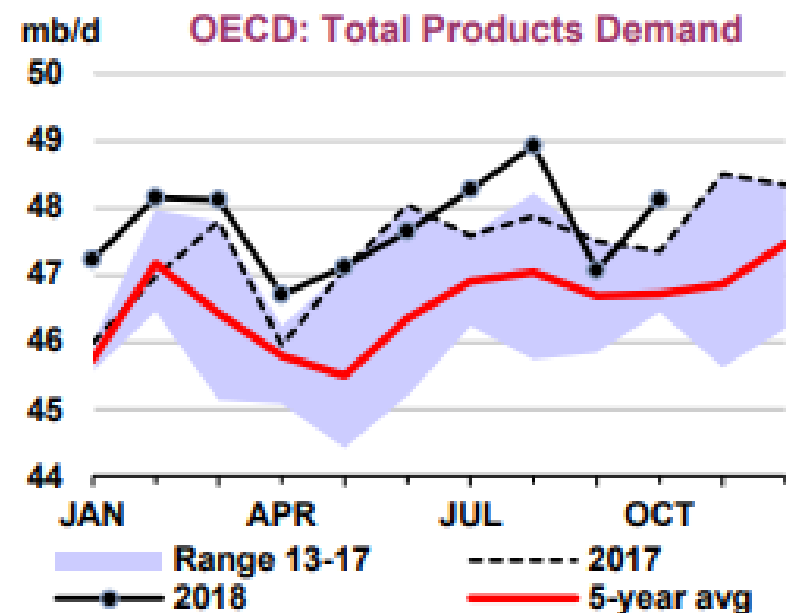
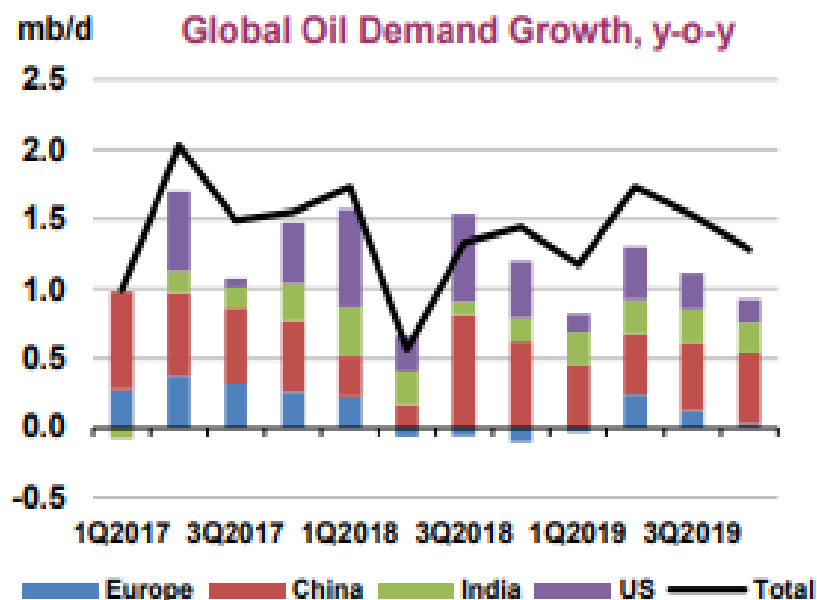


# TOTAL OIL SUPPLY & DEMAND



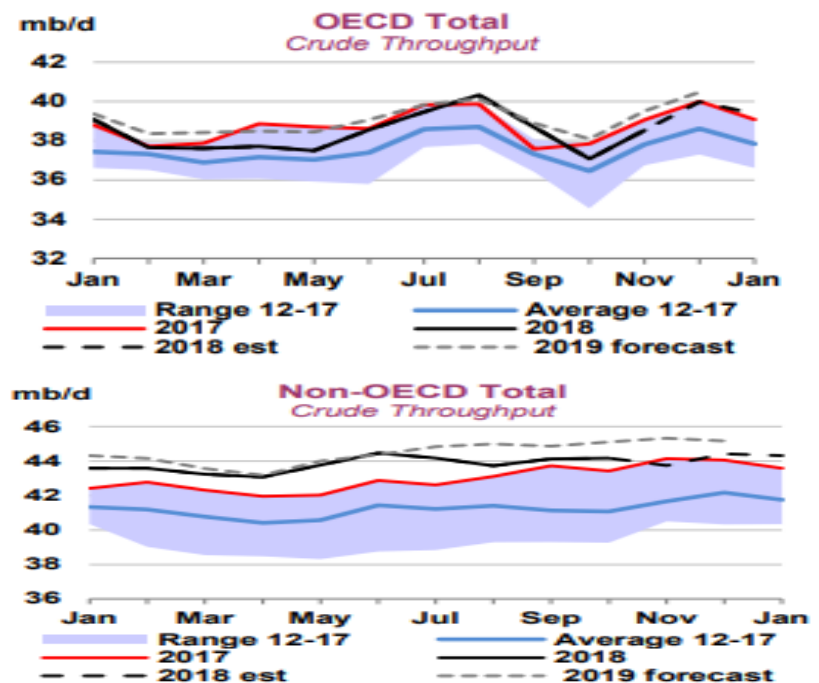
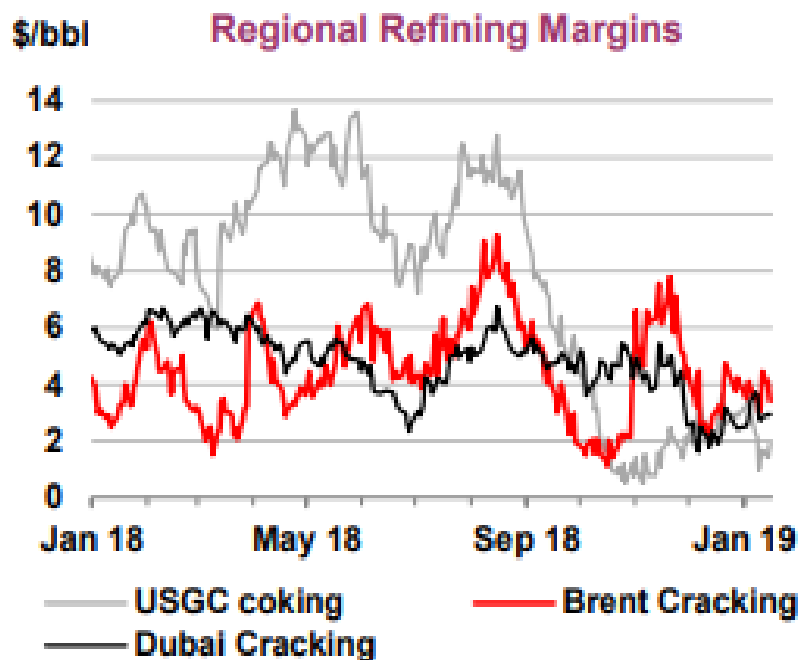
In Q4CY18 refining throughput shrunk as compared to growth seen during Q4CY17, due to perceived non-availability of Iranian Crude and softer refinery margins.

# CRUDE & PRODUCT GROWTH



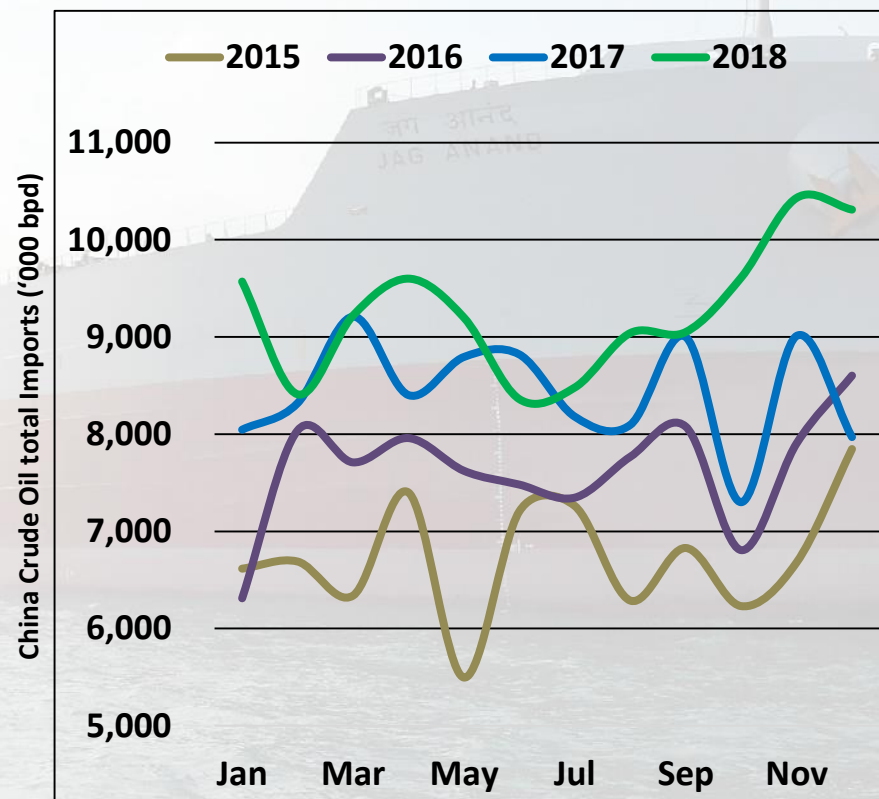
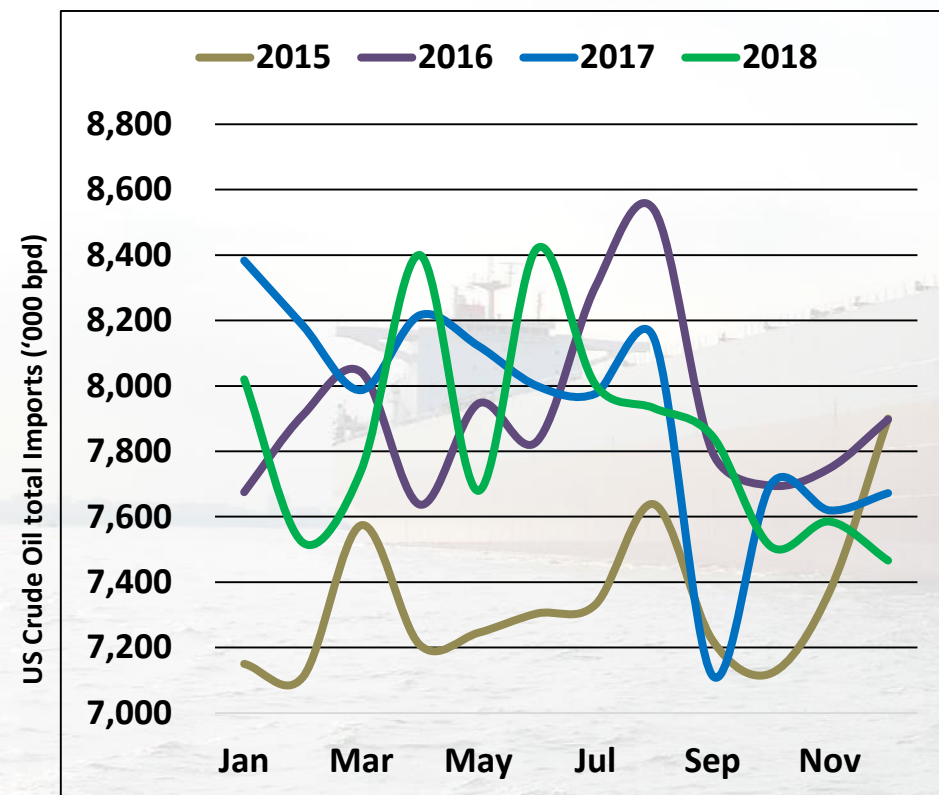
- Crude demand growth was approx. 0.50 Mn barrels a day in CY2018 Y-O-Y
- Core refined products demand growth was 1.00 Mn barrels a day due to middle distillate demand growth especially diesel.
- Both crude and product demand is principally fuelled by positive demand in OECD Americas & Non-OECD Asia.

# REFINERY MARGINS



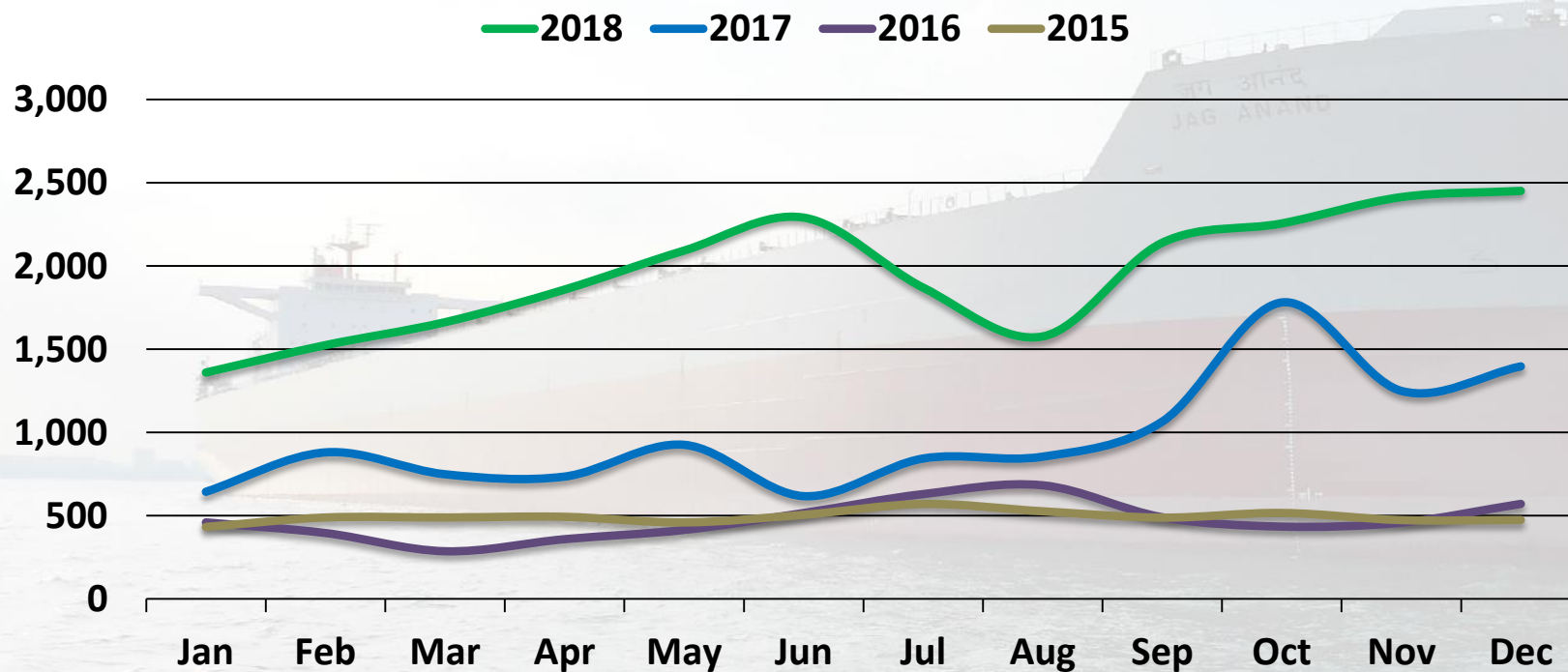
Margins deteriorated in Q4CY18 Y-O-Y due to weaker product cracks.

# 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.**

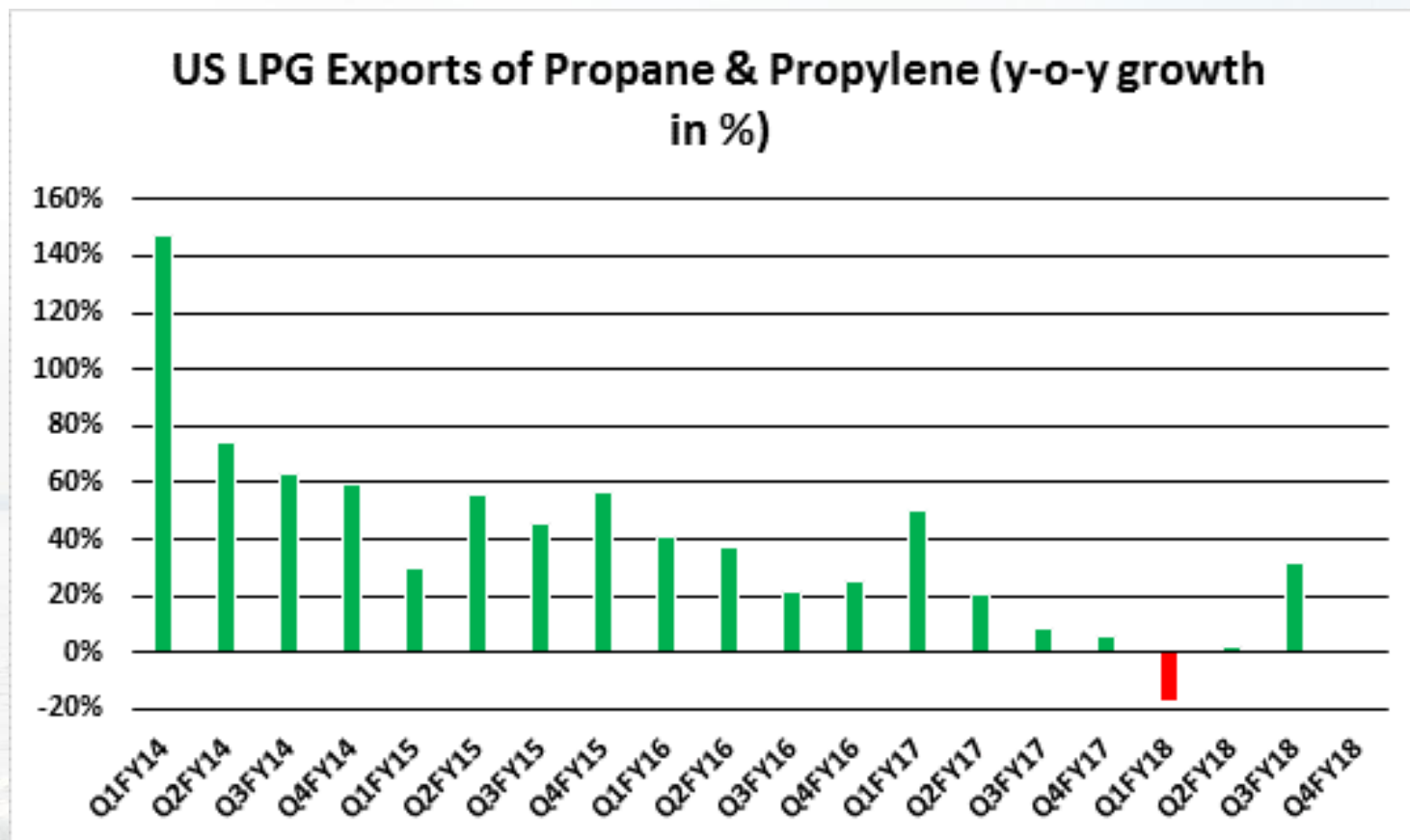
# CRUDE OIL EXPORTS (US)



**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
<b>Total (80k+)*</b>	<b>384.81</b>	<b>381.11</b>	<b>378.90</b>	<b>355.00</b>	<b>335.46</b>

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

<b>Slippage (2018)</b>	<b>About 20%</b>
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# 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
<b>Total (35k+)*</b>	<b>152.55</b>	<b>150.93</b>	<b>147.61</b>	<b>139.40</b>

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

<b>Slippage Product (2018)</b>	<b>About 20%</b>
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Fleet - No. of Vessels	23-Jan-19	1-Jan-19	1-Jan-18
<b>VLGC</b>	<b>271</b>	<b>271</b>	<b>266</b>

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

# 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

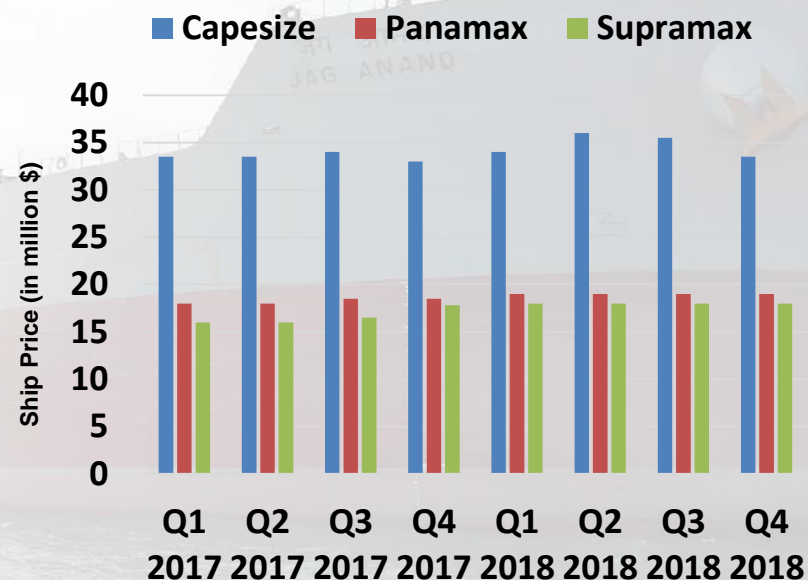
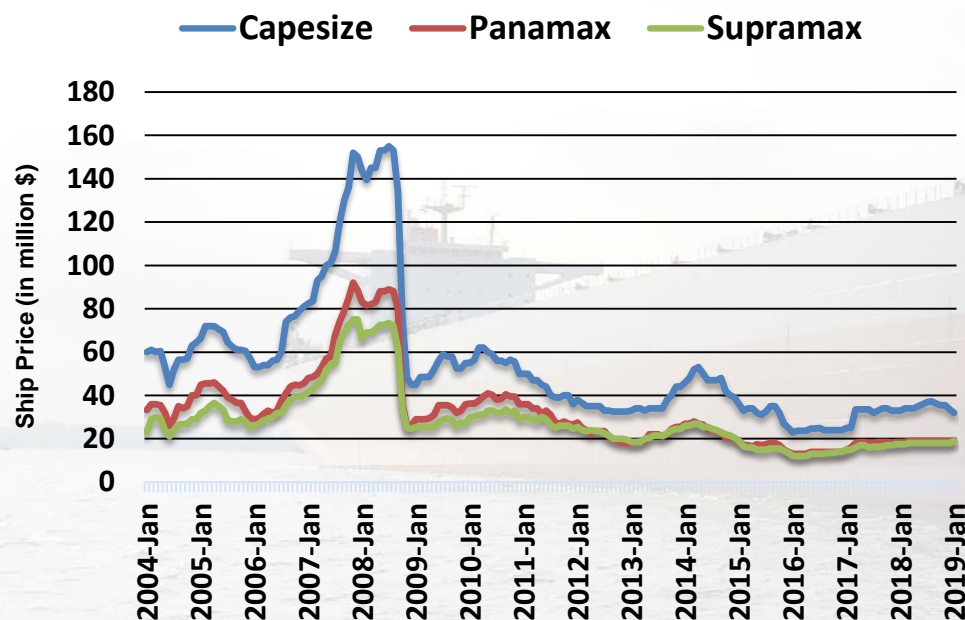
- China's Iron Ore imports fell by 1.1% in CY2018

## 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



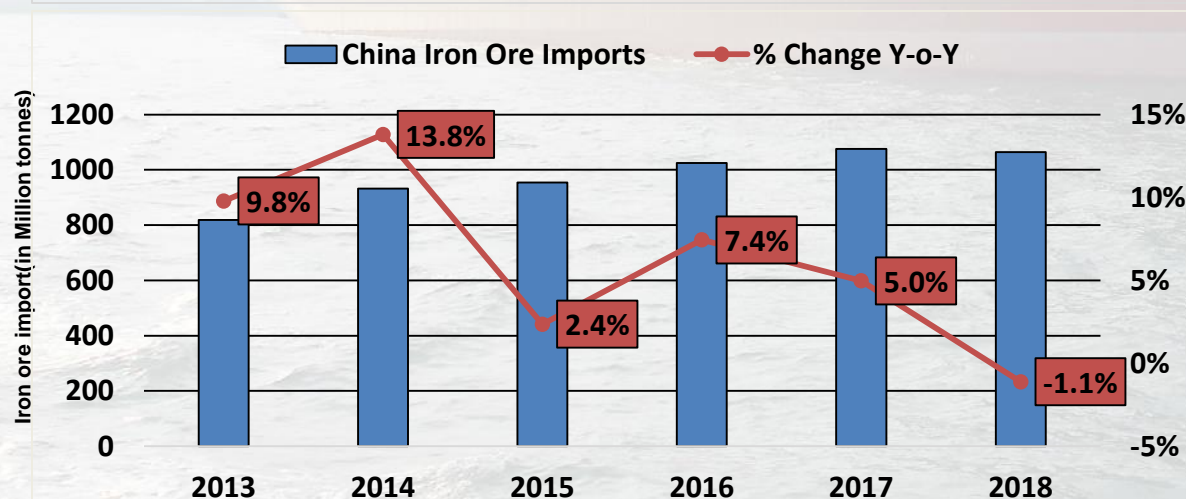
**Baltic Dry Index hit 4.5 year high of 1,774 in Jul'18 before falling to 634 in Feb'19**



# CHINA IRON ORE & STEEL PRODUCTION



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

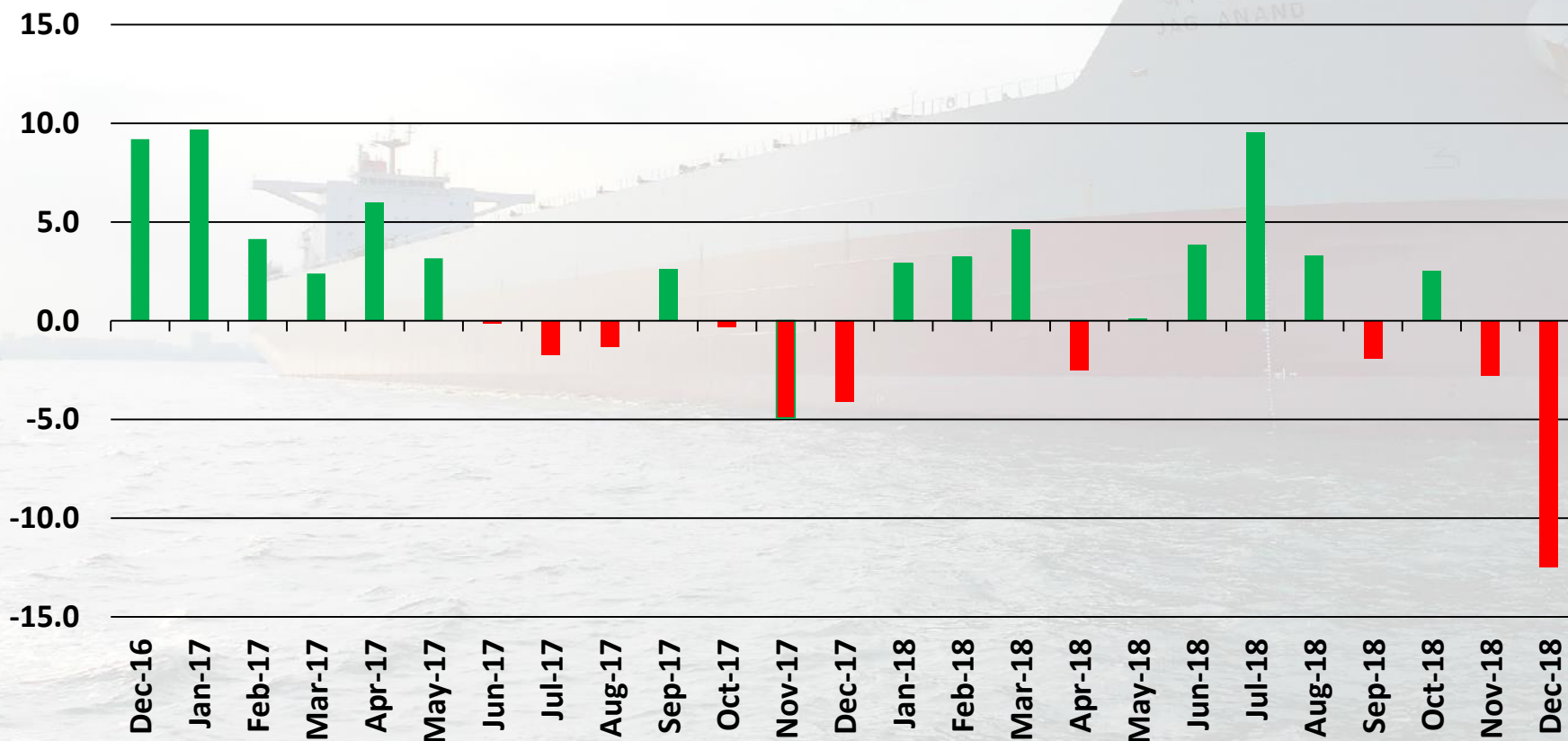


**China's iron ore import  
shrunk 1% in CY2018  
Y-O-Y**

# 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
<b>Total</b>	<b>843</b>	<b>841</b>	<b>818</b>	<b>794</b>

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

Slippage (2018)	About 20%
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# SCRAPPING

Vessel Category	Fleet (mn Dwt)	Scrapping (% of beginning world fleet)				
	23 Jan 19	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

### 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 (3M FY19)
PSV	67%
ROVSV	82%
AHTSV	90%
MPSSV	67%
Jackup Rigs	93%

As on 31<sup>st</sup> 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. .

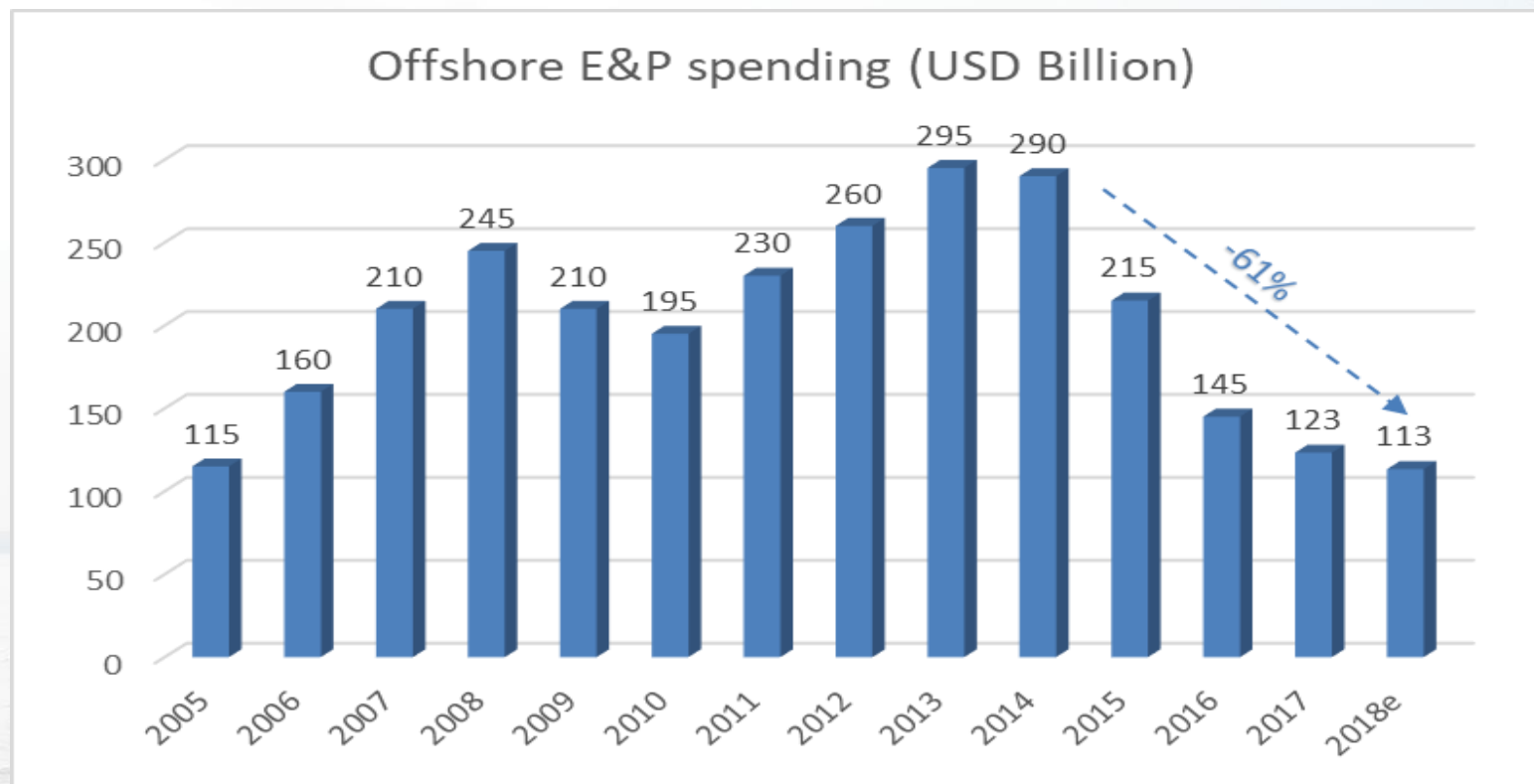
### Fleet Utilization

- 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>	14.8%	4.0%	8.5%

- 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
			<b>Income Statement</b>			
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)	<b>Net Profit</b>	298.63	98.19	(169.92)
			<b>Balance Sheet</b>			
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
			<b>Cash Flow**</b>			
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
			<b>Key financial figures</b>			
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
			<b>Share related figures(in Rs.)</b>			
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
<b>Total Revenue Days</b>	<b>4,226</b>	<b>4,470</b>
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
<b><u>Dry Bulk</u></b>		
Spot %	93%	79%
Time %	07%	21%
<b><u>Tankers</u></b>		
Spot %	85%	76%
Time %	15%	24%
<b><u>Total</u></b>		
Spot %	87%	77%
Time %	13%	23%

THANK YOU

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