

**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) 2498 5335

Our Ref.: S/2022/JMT

July 29, 2022

**BSE Limited**

1<sup>st</sup> Floor, Phiroze Jeejeebhoy Towers,  
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,

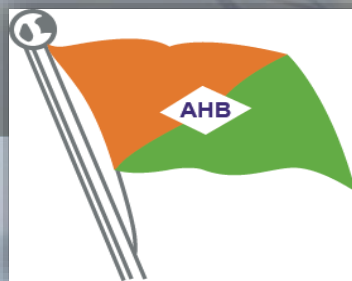
Further to our letter dated July 29, 2022 we enclose herewith Investor Presentation pertaining to the Financial Results for the quarter ended June 30, 2022.

You are requested to take note of the above.

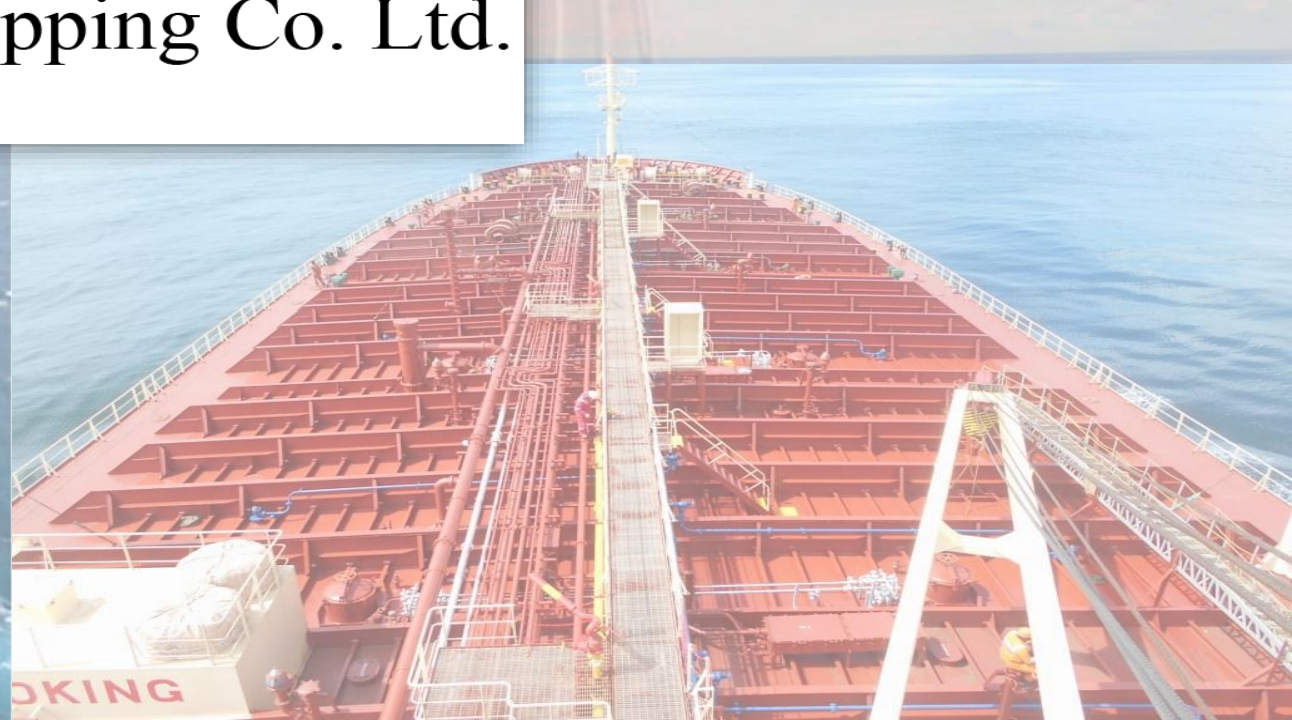
Thanking You,  
Yours faithfully,

**For The Great Eastern Shipping Co. Ltd.**

**Jayesh M. Trivedi**  
**President (Sec. & Legal) & Company Secretary**  
Email Id : [jayesh\\_trivedi@greatship.com](mailto:jayesh_trivedi@greatship.com)



The Great Eastern  
Shipping Co. Ltd.



# 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.





The Great Eastern  
Shipping Co. Ltd.

# FINANCIAL YEAR Q1FY23



01 Aug 2022

# REPORTED FINANCIAL HIGHLIGHTS

GE Shipping Q1FY23 consolidated Net Profit at INR 457 Cr

Declared 1<sup>st</sup> interim dividend of INR 5.40/Share for FY2023

| Standalone |           | Key Figures                      | Consolidated |           |
|------------|-----------|----------------------------------|--------------|-----------|
| Q1FY23     | Q1FY22    | (Amount in INR Cr)               | Q1FY23       | Q1FY22    |
|            |           | <b>Income Statement</b>          |              |           |
| 1,165      | 664       | Revenue (including other income) | 1,398        | 801       |
| 616        | 292       | EBITDA (including other income)  | 723          | 283       |
| <b>428</b> | <b>99</b> | <b>Net Profit</b>                | <b>457</b>   | <b>12</b> |
|            |           | <b>Balance Sheet</b>             |              |           |
| 11,077     | 10,706    | Total Assets                     | 14,143       | 13,931    |
| 6,924      | 6,210     | Equity                           | 8,471        | 7,742     |
| 3,173      | 3,640     | Total Debt (Gross)               | 4,380        | 4,922     |
| 71         | 724       | Long Term Debt (Net of Cash)     | 421          | 1,162     |
|            |           | <b>Cash Flow</b>                 |              |           |
| 444        | 230       | From operating activities        | 475          | 237       |
| (24)       | (177)     | From investing activities        | (36)         | (243)     |
| (408)      | (286)     | From financing activities        | (460)        | (335)     |
| 12         | (232)     | Net cash inflow/(outflow)        | (21)         | (341)     |

# NORMALIZED FINANCIAL NOTES

**1) The impact of the exchange rate on foreign currency loans and current assets and liabilities, including cash and bank balances, has been removed**

## **2) NCD & Currency Swap:**

- Funds raised through NCDs have been swapped into USD using INR-FCY swaps, thus creating synthetic fixed rate USD loans.**
- The MTM change of these swaps impacts the reported numbers.**
- Normalized numbers are worked out after making necessary adjustments to reported numbers to reflect the effective cost of the synthetic USD loans.**

# NORMALIZED FINANCIAL HIGHLIGHTS

GE Shipping Q1FY23 consolidated Net Profit at INR 509 Cr  
Declared 1<sup>st</sup> interim dividend of INR 5.40/Share for FY2023

| Standalone |            | Key Figures                      | Consolidated |           |
|------------|------------|----------------------------------|--------------|-----------|
| Q1FY23     | Q1FY22     | (Amount in INR Cr)               | Q1FY23       | Q1FY22    |
|            |            | <b>Income Statement</b>          |              |           |
| 1,165      | 664        | Revenue (including other income) | 1,398        | 801       |
| 612        | 288        | EBITDA (including other income)  | 727          | 303       |
| <b>465</b> | <b>134</b> | <b>Net Profit</b>                | <b>509</b>   | <b>82</b> |
|            |            |                                  |              |           |
|            |            | <b>Balance Sheet</b>             |              |           |
| 11,077     | 10,706     | Total Assets                     | 14,143       | 13,931    |
| 6,924      | 6,210      | Equity                           | 8,471        | 7,742     |
| 3,705      | 4,004      | Total Debt (Gross)               | 4,913        | 5,286     |
| 604        | 1,088      | Long Term Debt (Net of Cash)     | 954          | 1,525     |



# NORMALIZED FINANCIAL HIGHLIGHTS

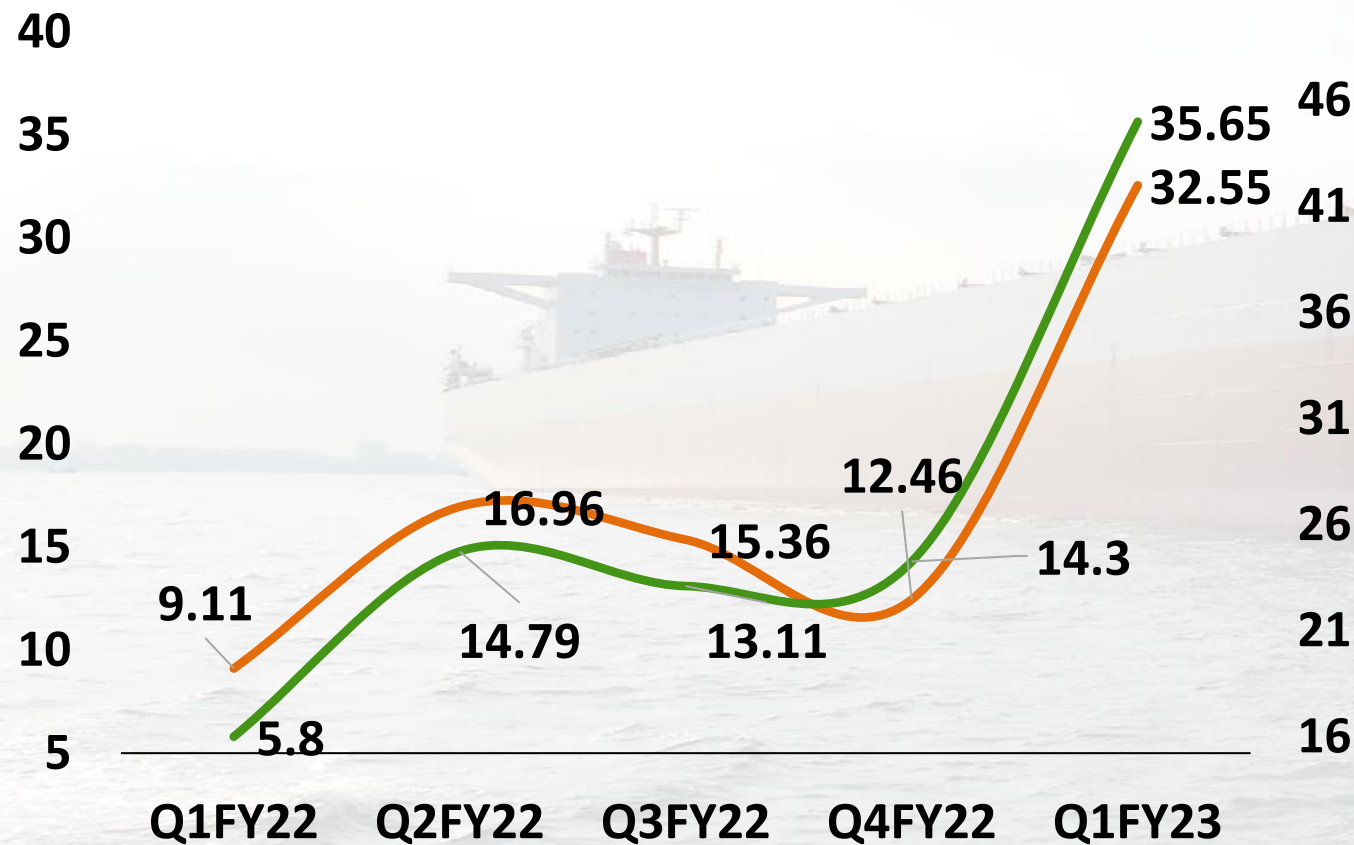
| Standalone |        | Key Figures                             | Consolidated |         |
|------------|--------|---|--------------|---------|
| Q1FY23     | Q1FY22 |   | Q1FY23       | Q1FY22  |
|            |        | Key financial figures                   |              |         |
| 27.55%     | 8.70%  | **Return on Equity (ROE) (%)            | 24.64%       | 4.22%   |
| 18.88%     | 6.59%  | **Return on Capital Employed (ROCE) (%) | 16.76%       | 3.99%   |
| 0.54       | 0.64   | Gross Debt/Equity (x)                   | 0.58         | 0.68    |
| 0.09       | 0.18   | Net Debt/Equity (x)                     | 0.11         | 0.20    |
| 32.55      | 9.11   | Earnings per share, EPS (INR/Share)     | 35.65        | 5.55    |
| 40.55      | 16.94  | Cash Profit per share (INR/Share)       | 48.21        | 17.76   |
| 5.40       | -      | Dividend per share (INR/Share)          | 5.40         | -       |
| 732        | 540    | Net Asset Value per share (INR/Share)   | 779-832      | 567-616 |

\*\*Annualized Figures

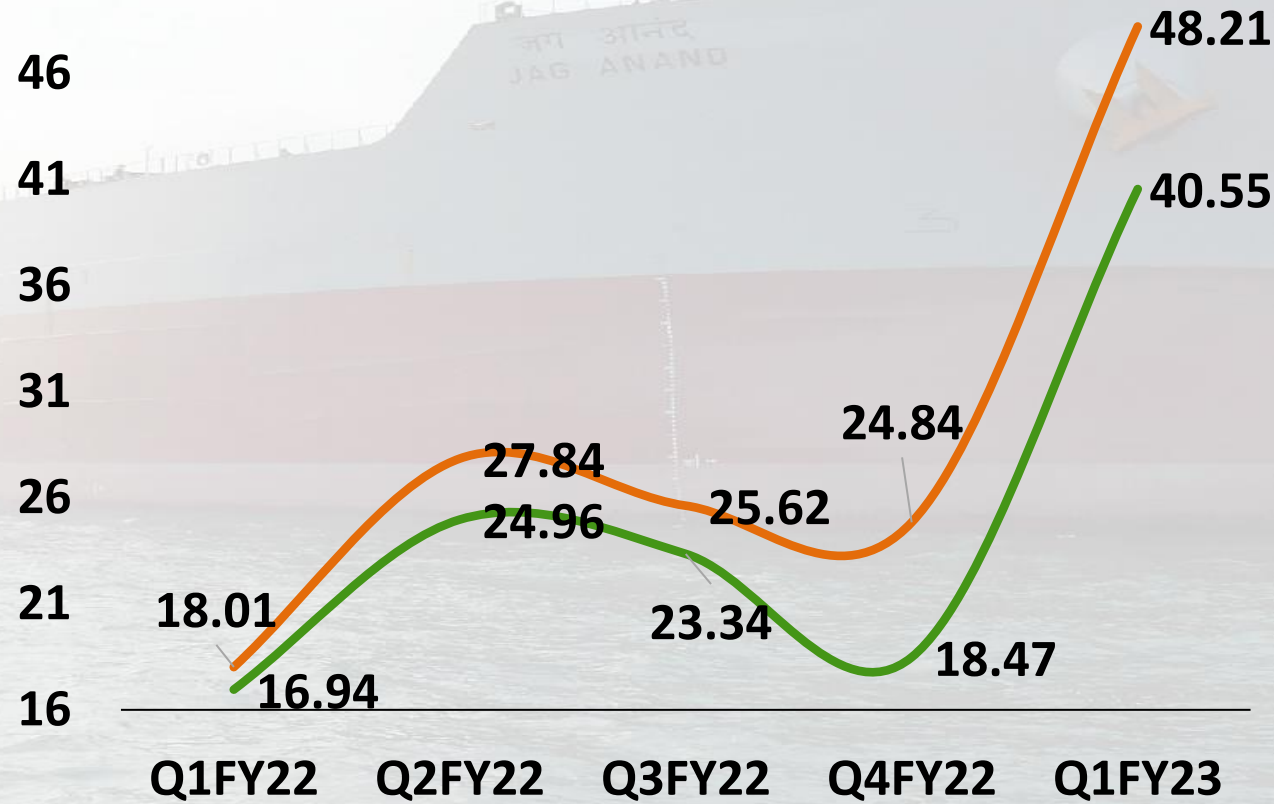


# NORMALIZED FINANCIAL KEY RATIOS

## Earnings per Share (Rs/Share)



## Cash Profit per Share (Rs/Share)

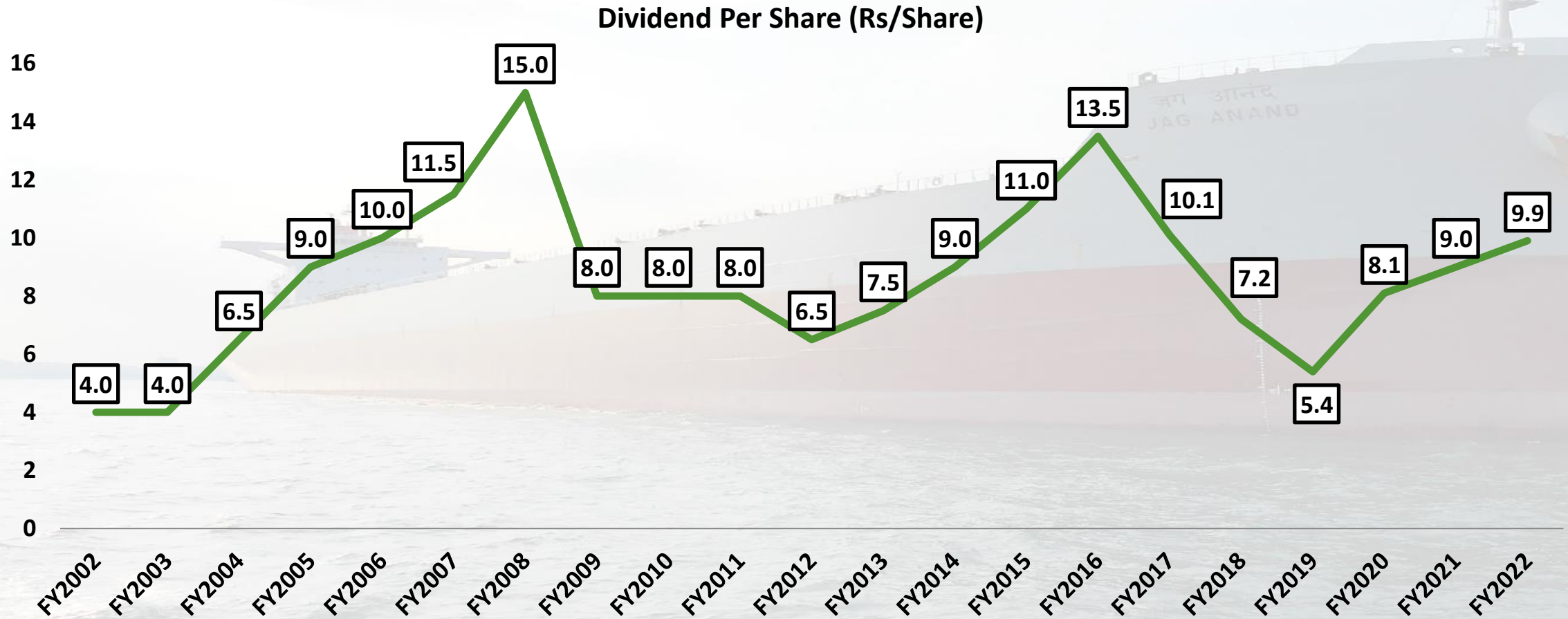


\*Annualised Figures

Consolidated

Standalone

# CREATING SUPERIOR SHAREHOLDERS' VALUE



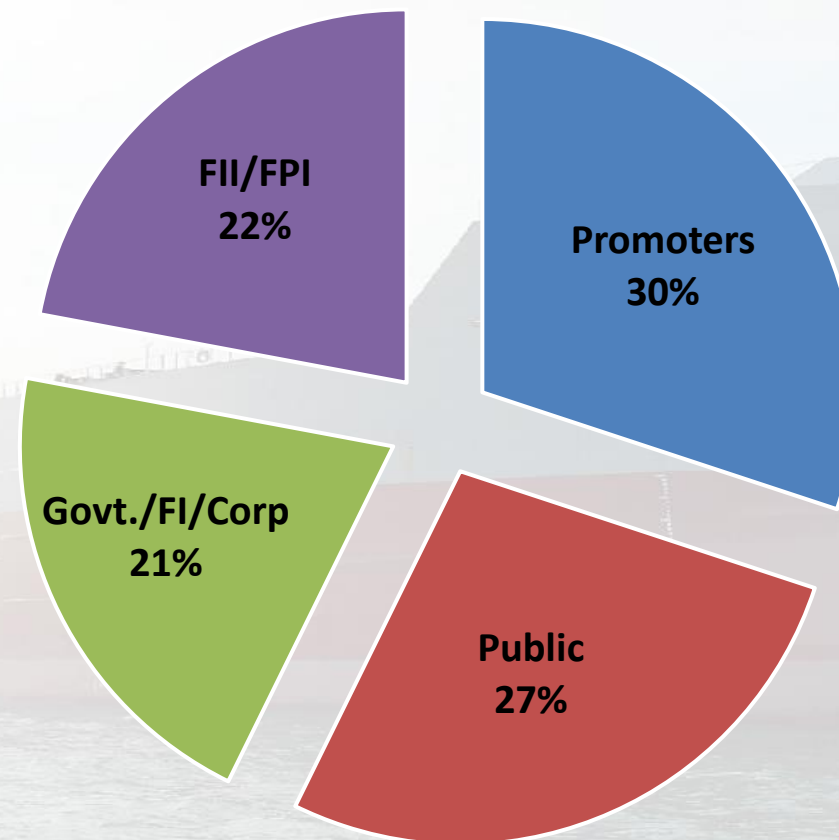
# PROFIT & LOSS STATEMENT

## INDUSTRY FORMAT

| Standalone |            | INR Cr   | Consolidated |            |
|------------|------------|--|--------------|------------|
| Q1FY23     | Q1FY22     |  | FQ1Y23       | Q1FY22     |
| 1,157      | 623        | Operating Revenue                                | 1,359        | 765        |
| 322        | 168        | Less : Direct Operating Expenses/Voyage Expenses | 328          | 186        |
| <b>835</b> | <b>455</b> | <b>Time Charter Equivalent (A)</b>               | <b>1,031</b> | <b>579</b> |
| 0          | 12         | Profit on sale of ships and other assets         | 0            | 12         |
| 8          | 29         | Other Income                                     | 39           | 24         |
| <b>8</b>   | <b>42</b>  | <b>Total Other Income (B)</b>                    | <b>39</b>    | <b>37</b>  |
| 177        | 175        | Other Operating Expense                          | 262          | 254        |
| 53         | 34         | Administrative & General Expense                 | 78           | 55         |
| <b>230</b> | <b>209</b> | <b>Total Expenses (C)</b>                        | <b>340</b>   | <b>309</b> |
| <b>612</b> | <b>288</b> | <b>EBITDA (D) = [ (A)+(B)-(C) ]</b>              | <b>730</b>   | <b>307</b> |
| 114        | 115        | Depreciation & Amortization (E)                  | 179          | 179        |
| 0          | 0          | Impairment (F)                                   | 0            | 0          |
| <b>498</b> | <b>173</b> | <b>Operating Profit including other Income</b>   | <b>551</b>   | <b>127</b> |
|            |            | <b>(G) = [ (D)-(E)-(F) ]</b>                     |              |            |
| 71         | 74         | Finance Expense (H)                              | 93           | 98         |
| 63         | 26         | Derivative losses/(gains) (I)                    | 47           | 49         |
| -66        | -30        | Foreign Currency Exchange losses/(gains) (J)     | -40          | -26        |
| 2          | 4          | Income tax expense (K)                           | -7           | -7         |
| <b>428</b> | <b>99</b>  | <b>Net Profit [ (G)-(H)-(I)-(J) ]</b>            | <b>457</b>   | <b>12</b>  |



# SHAREHOLDING PATTERN



Shareholding Pattern as on 30 June 2022



## Mr. Bharat K Sheth

### Deputy Chairman & Managing Director

**“All four of our shipping sectors did well in Q1, some better than others. Having a large part of our fleet in the spot market helped us take advantage of the market strength.**

**Strong cash flows from the business, coupled with an increase in asset values, resulted in a significant increase in Net Asset Value for the quarter.**

**A long period of underinvestment in energy seems to have caught up with the oil market, boosting demand for rigs and vessels. It is possible that we are past the worst of the offshore market.**

**We must recognize that recessionary pressures are building up, the impact of which is difficult to assess.”**

# PERFORMANCE REVIEW

## Break up of Revenue days (Shipping)

| Revenue Days                 | Q1 FY23      | Q1 FY22      |
|------------------------------|--------------|--------------|
| Owned Tonnage                | 3,929        | 3,990        |
| Inchartered Tonnage          | 215          | 16           |
| <b>Total Revenue Days</b>    | <b>4,144</b> | <b>4,006</b> |
| Total Owned Tonnage (mn.dwt) | 3.57         | 3.68         |

## Break up of Revenue days (Offshore)

| Revenue Days       | Q1 FY23      | Q1 FY22      |
|--------------------|--------------|--------------|
| Offshore Logistics | 1,555        | 1,512        |
| Drilling Services  | 356          | 214          |
| <b>Total</b>       | <b>1,911</b> | <b>1,726</b> |

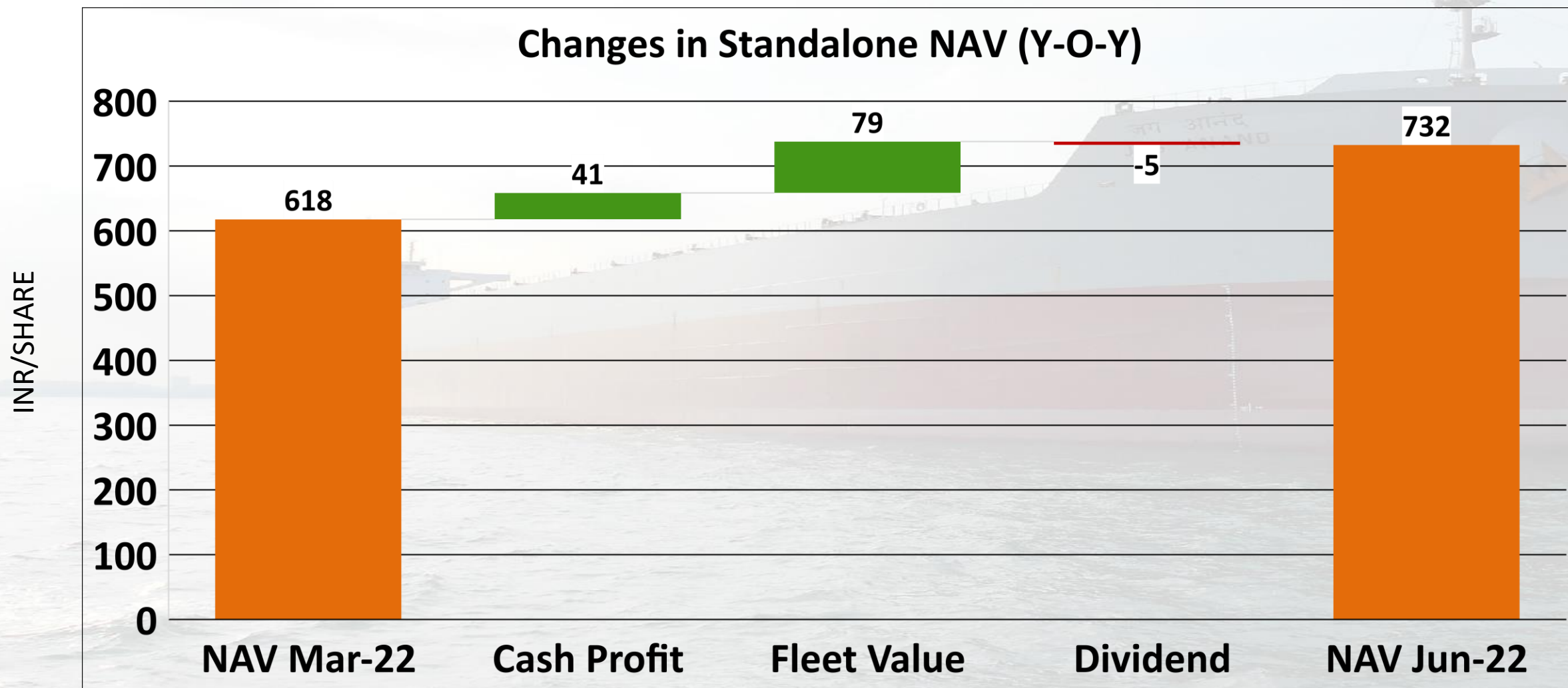


# PERFORMANCE REVIEW

## Average quarterly TCYs earned in various (Shipping) categories

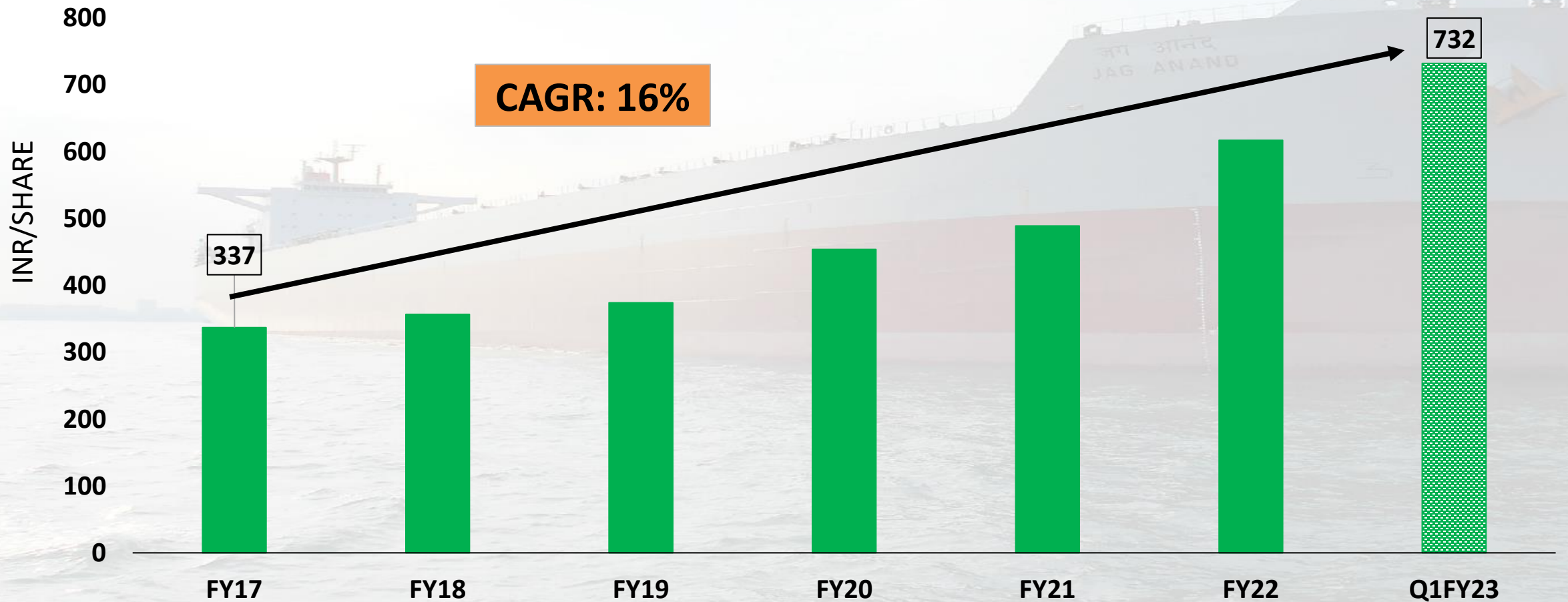
| Average (TCY USD/day) | Q1 FY23       | Q4 FY22 | Q-o-Q Change | Q1 FY22 | Y-o-Y Change |
|-----------------------|---------------|---------|--------------|---------|--------------|
| Crude Carriers        | <b>28,852</b> | 15,051  | <b>92%</b>   | 8,779   | <b>229%</b>  |
| Product Carriers      | <b>25,745</b> | 10,251  | <b>151%</b>  | 10,518  | <b>145%</b>  |
| LPG Carriers          | <b>26,196</b> | 26,107  | <b>0%</b>    | 26,514  | <b>-1%</b>   |
| Dry Bulk              | <b>27,235</b> | 22,158  | <b>23%</b>   | 24,238  | <b>12%</b>   |

# CHANGES IN STANDALONE NET ASSET VALUE (Y-O-Y)



# STANDALONE NET ASSET VALUE MOVEMENT – LAST 5 YEARS

Standalone NAV - Highest Since Inception





# COMPLETION OF BUYBACK - FINAL FIGURES

|  |                  |
|--|------------------|
| <b>Total Shares Bought Back</b>                | <b>4,199,323</b> |
| <b>Average Price (INR/Share)</b>               | <b>316.21*</b>   |
| <b>Amount Utilized (INR Cr)</b>                | <b>132.77*</b>   |
| <b>% of Equity Reduced</b>                     | <b>2.86%</b>     |
| <b>Buyback tax on Utilized Amount (INR Cr)</b> | <b>29.96</b>     |
| <b>Total Utilization %</b>                     | <b>59%</b>       |

|   |               |
|---|---------------|
| <b>Amount Earmarked (INR Cr)</b>          | <b>225.00</b> |
| <b>Taxation on Amount (INR Cr)</b>        | <b>52.42</b>  |
| <b>Total Amount Earmarked (INR Cr)</b>    | <b>277.42</b> |
| <b>Maximum Buy Back Price (INR/Share)</b> | <b>333.00</b> |

*\*Excludes transaction costs like brokerage costs, securities transaction taxes, service tax, and stamp duty.*

# REVENUE COVERAGE

## Category-wise coverage of operating days (Shipping) --- FY23

| Category         | Extent of coverage of fleet's operating days |
|------------------|--|
| Crude Carriers   | 15%  |
| Product Carriers | 20%  |
| LPG Carriers     | 98%  |
| Dry Bulk         | 28%  |

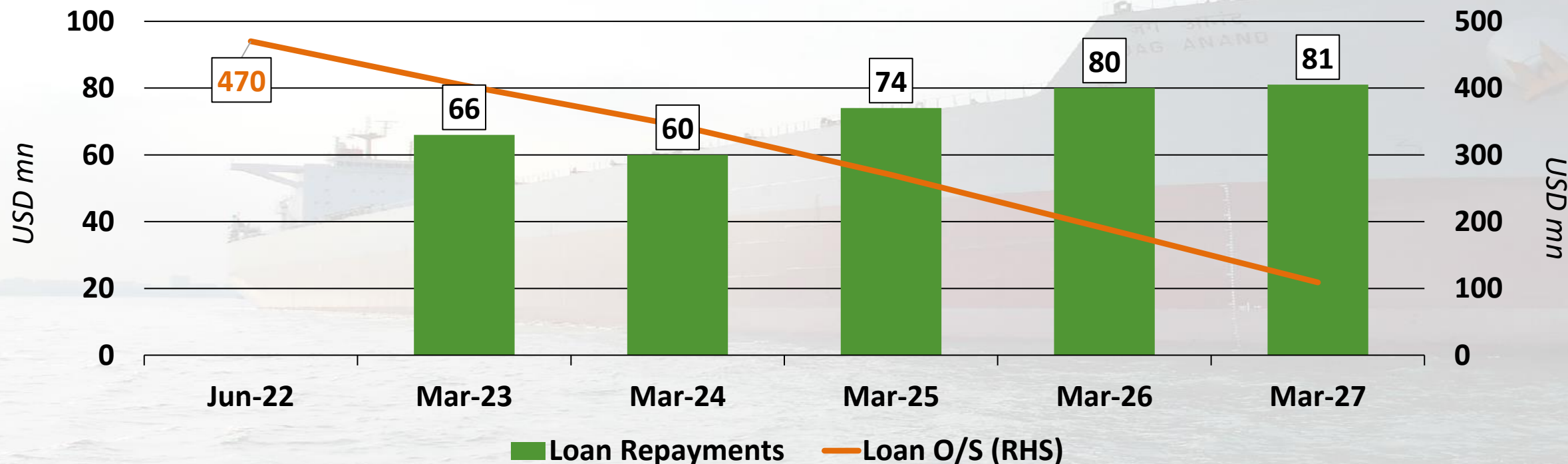
## Category-wise coverage of operating days (Offshore) --- FY23

| Category    | Extent of coverage of fleet's operating days |
|-------------|--|
| Jackup Rigs | 91%  |
| AHTSV       | 81%  |
| MPSVV       | 31%  |
| PSV/ROVSV   | 93%  |

# GESCO STANDALONE

## DEBT REPAYMENT SCHEDULE (NEXT 5 YEARS)

GESCO Standalone (USD mn)



- 1) Prepaid USD 31 Mn of ECB debt in Q1FY23.
- 2) Effective all-in USD cost of debt of less than 4.00% (Jun-22)
- 3) 90% of debt portfolio is fixed.



# FLEET PROFILE

| SHIPPING                                       |                  |                   |                    |  |
|--|------------------|-------------------|--------------------|--|
| Fleet  | DWT (FY23)       | Fleet (29-Jul-22) |                    | Committed Capex/Sale   |
|  |                  | No:               | Avg Age            |  |
| Crude Carriers*                                | 1,058,499        | 8                 | 14.44              | Sale*: 1 MGC committed to sell by H1FY23 & 1 Aframax committed to sell by H2FY23 |
| Product Carriers                               | 1,092,465        | 18                | 14.38              |  |
| Gas Carriers*                                  | 212,260          | 5                 | 17.77              |  |
| Dry Bulk Carriers                              | 1,210,805        | 14                | 9.30               |  |
| <b>Total</b>                                   | <b>3,574,029</b> | <b>45</b>         | <b>12.88</b>       |  |
| OFFSHORE                                       |                  |                   |                    |  |
| Fleet  | Number of Units  |                   | Average Age (Yrs.) |  |
| Jack Up Rigs                                   | 4                |                   | 10.81              |  |
| Platform Supply Vessels                        | 4                |                   | 12.98              |  |
| Anchor handling Tug Cum Supply Vessels         | 8                |                   | 12.44              |  |
| Multipurpose Platform Supply & Support Vessels | 2                |                   | 12.29              |  |
| ROV Support Vessels                            | 4                |                   | 10.83              |  |

# MANAGEMENT PHILOSOPHY

## 7 DECADES OF UNPARALLELED EXPERIENCE

### Creating Superior Stakeholder Value



Committed to health & safety;  
Maintain superior fleet

Focus on Quality



Maintain high cash balances;  
Opportunistic mindset

Patient Capital Allocation



Sector Agnostic;  
Value based approach  
not momentum  
based

Counter Cyclical Growth  
Philosophy



Low balance sheet  
leverage;  
High operating  
leverage

Disciplined Use of Leverage

# INVESTMENT **THESIS**

**Fleet operated at global standards, with a large number of international customers**

**Offshore fleet – quality operations with low balance sheet leverage**

**Prudent Capital Allocation across a diversified fleet**

**Strong cash flows**

**Strong balance sheet enables capacity expansion in low markets**

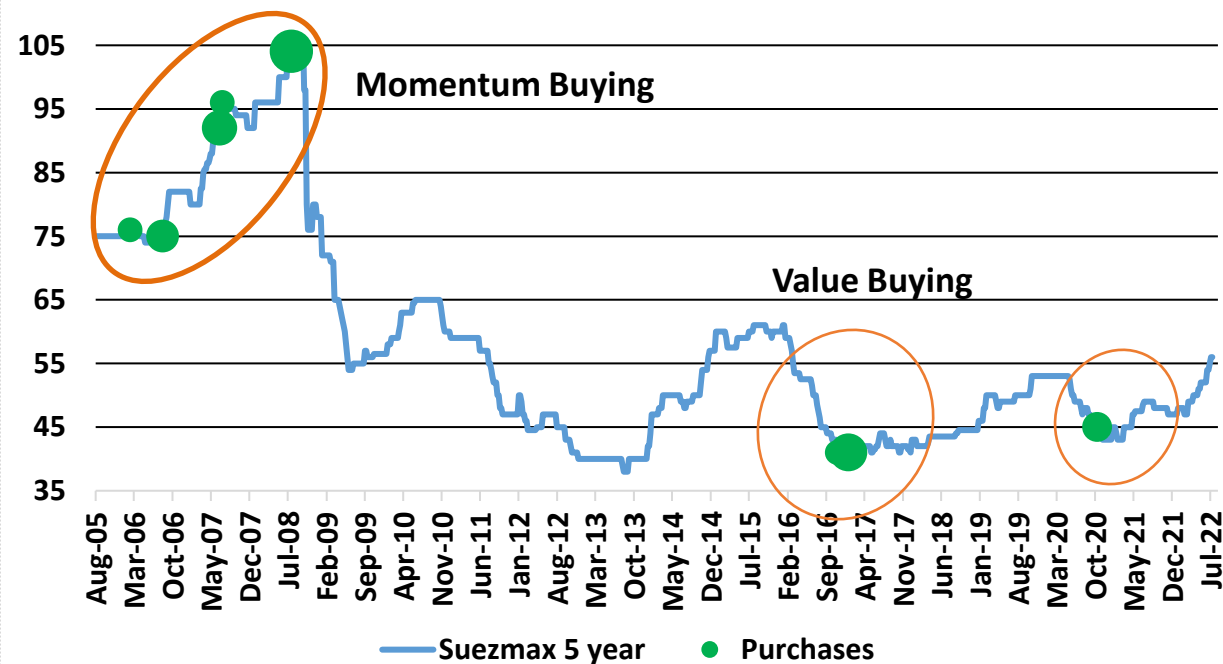
**High level of operating leverage in shipping to take advantage of high freight markets**



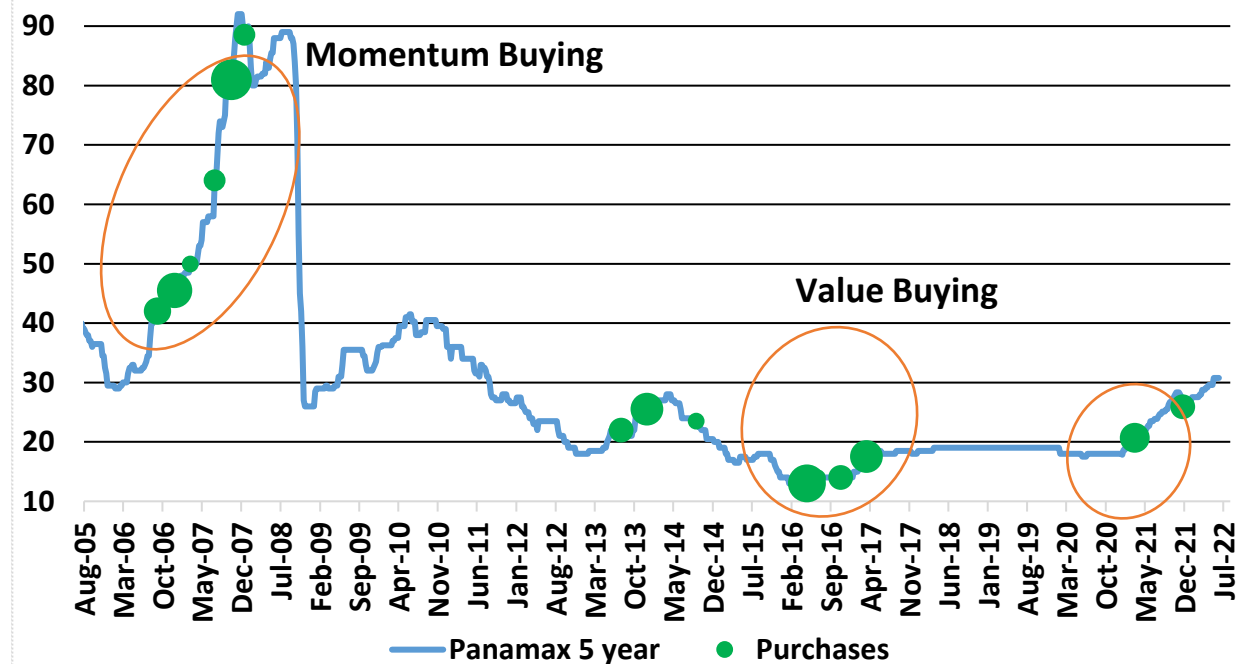
# Prudent Capital Allocation

## Transformation from Momentum Buying to Value Buying

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



Purchase (DryBulk) Vs Panamax Drybulk 5 year old





# SHIPPING MARKET



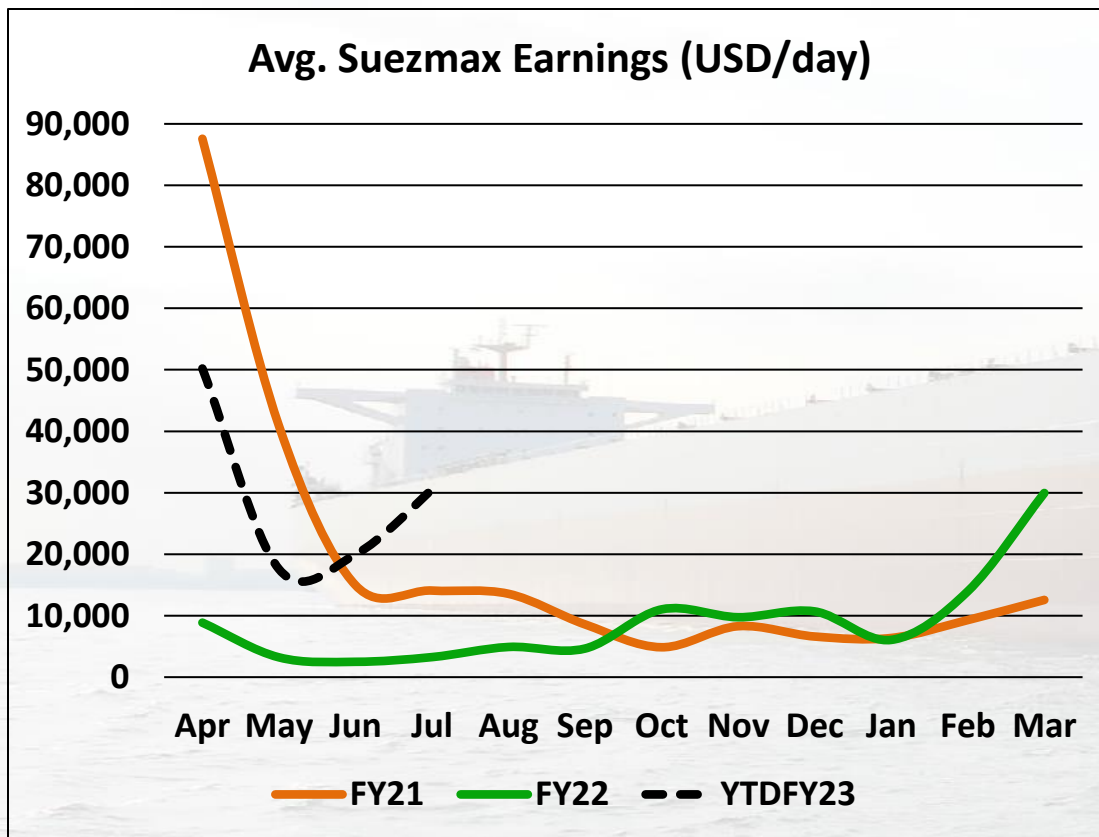
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# TANKER MARKET

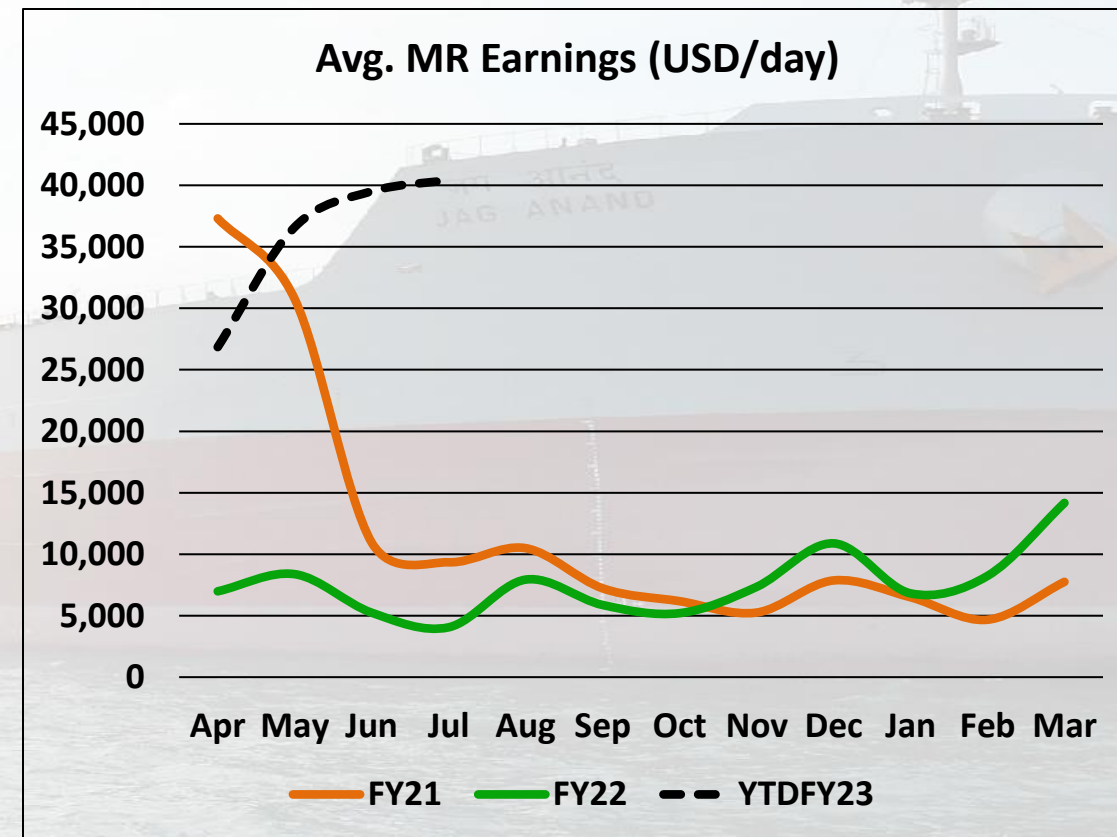




# Crude and Product Tankers



| USD/day | YTD FY22 | YTD FY23 | % change |
|---------|----------|----------|----------|
| 4M      | 4,469    | 29,574   | 562%     |



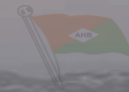
| USD/day | YTD FY22 | YTD FY23 | % change |
|---------|----------|----------|----------|
| 4M      | 6,167    | 35,841   | 481%     |

# Crude and Product Tankers

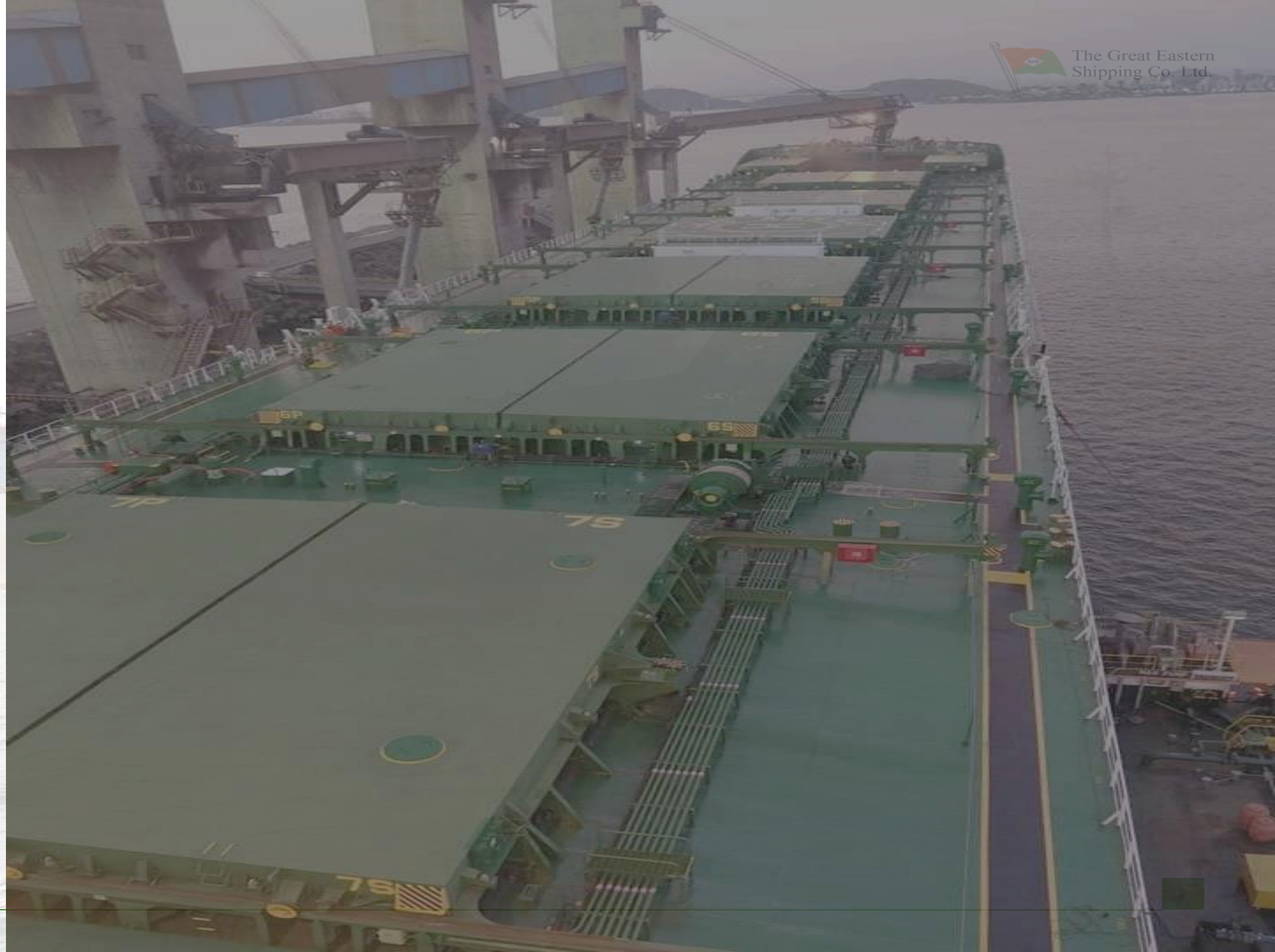
- The Russia-Ukraine conflict provided a fillip to tanker markets as it led to significant altering of trade flows and increased fleet inefficiencies. Spot earnings rose 4-5X y-o-y after hovering around opex levels for around 2 years.
- The recovery in spot earnings was led by Product tankers due to supply tightness in products, mainly in Atlantic markets.
- Global refineries were running at close to full capacity as margins remained at record levels during the quarter amidst low inventory levels.
- Crude and product trade remain 4% and 1% below pre-COVID levels.
- Increased congestion/stationary fleet helped curtail the impact of fleet growth



# DRY BULK MARKET

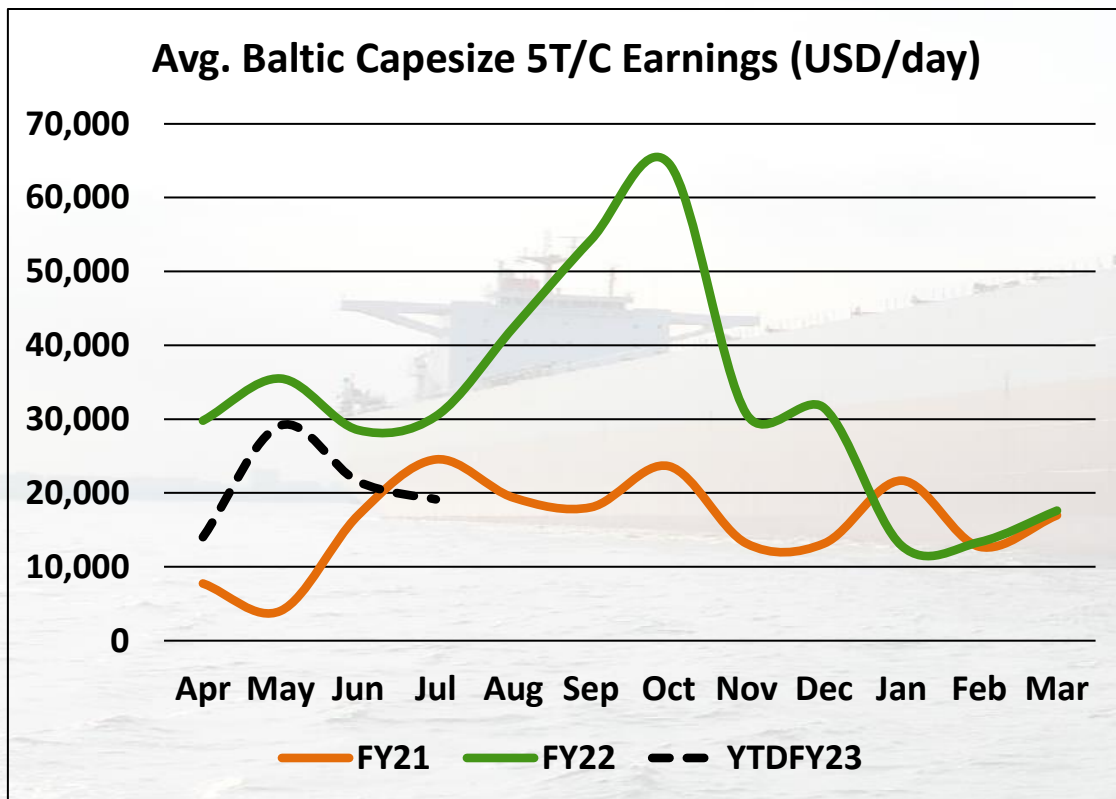


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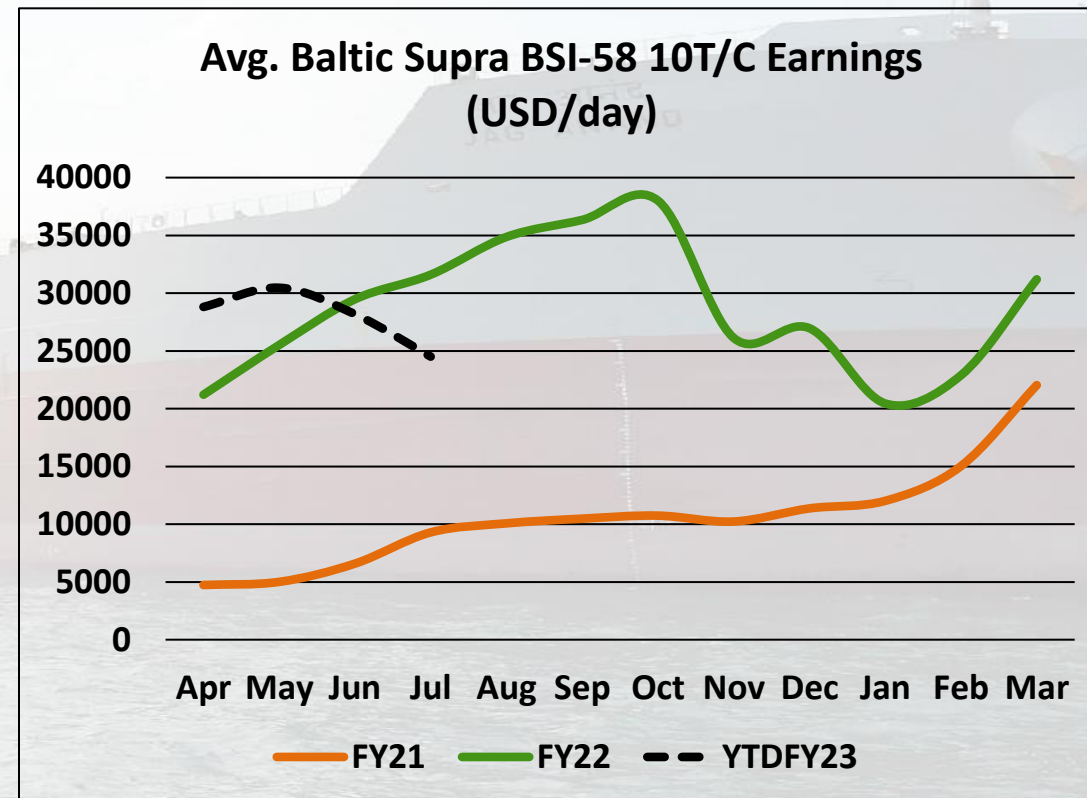


# Dry Bulk

DB Freight softened in Q1FY23 Y-O-Y, but Sub-Capes outperformed Capes



| USD/day | YTD FY22 | YTD FY23 | % change |
|---------|----------|----------|----------|
| 4M      | 31,059   | 20,961   | -33%     |



| USD/day | YTD FY22 | YTD FY23 | % change |
|---------|----------|----------|----------|
| 4M      | 26,957   | 27,983   | 4%       |

# Dry Bulk

- During the quarter, spot earnings for Capes averaged significantly lower (down 32%), whereas those for sub capes rose 14% on a y-o-y basis respectively. This was the second straight quarter where sub capes continued to outperform the capesize spot earnings on an absolute basis.
- Overall, Dry bulk trade growth was flat to marginally negative (-0.5% to -1% y-o-y) during the quarter mainly impacted by lower iron ore and grain trade.
- Global Iron ore trade declined 2.5 % y-o-y mainly driven by lower exports from India and Brazil, whereas, global grain trade was down 10 % y-o-y chiefly due to loss of exports from Ukraine.
- Global Coal trade was up by 2 % y-o-y on the back of higher coal export volumes from Indonesia. Minor bulks trade growth continued to support the market.
- Whilst DB fleet grew by 3.5% y-o-y, congestion remained elevated during the quarter, curbing effective fleet supply growth. Current OB to Fleet ratio @ 7.10% continues to be at very low levels.

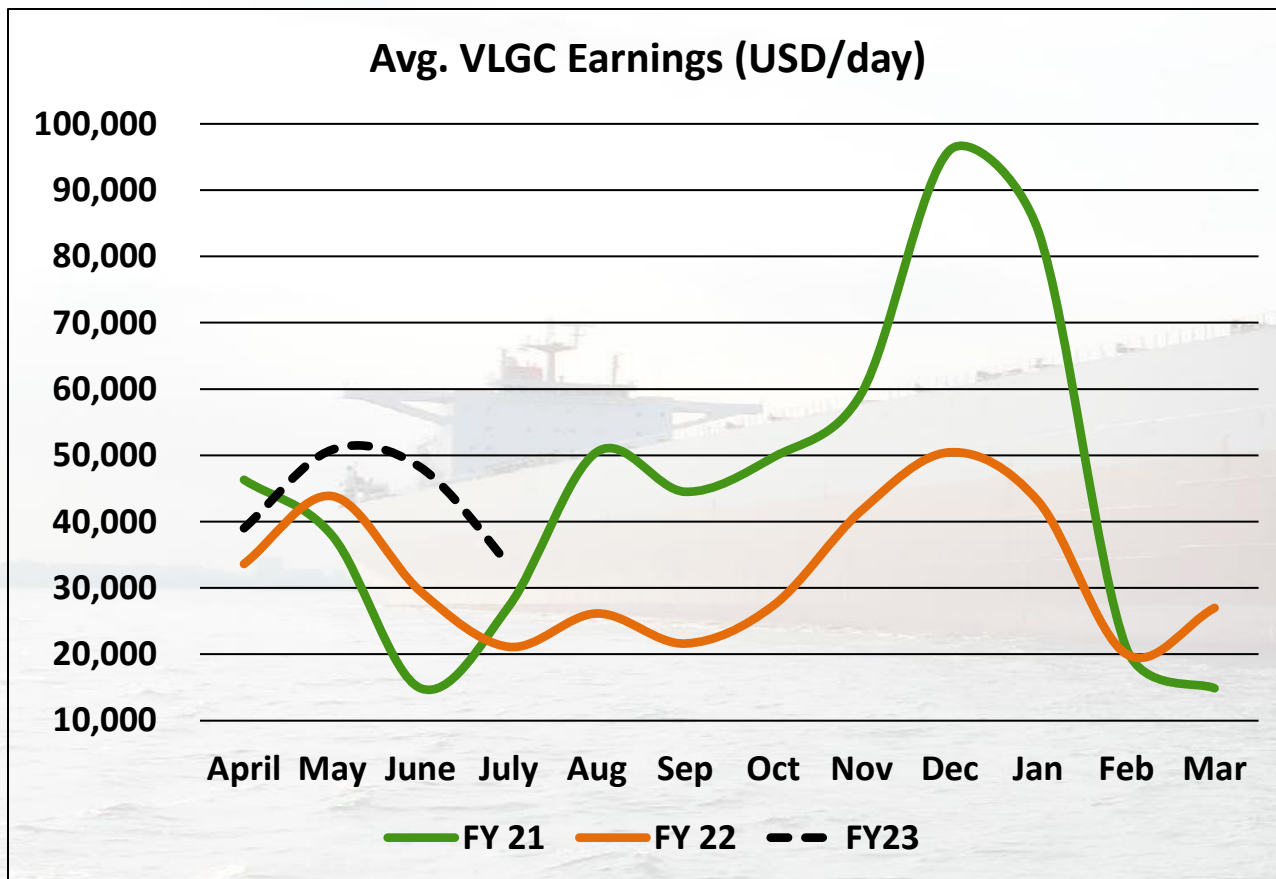


# LPG (GAS) MARKET





# Gas



**VLGC Spot earnings sustained healthy levels during Q1 FY-23 and were higher YoY in comparison to Q1 FY-22.**

| USD/day | YTDFY22 | YTDFY23 | % change |
|---------|---------|---------|----------|
| 4M      | 32,021  | 42,878  | 34%      |

# Gas

- VLGC spot earnings averaged USD 46,000 / day during Q1 FY-23 up 29 % y-o-y basis.
- Global VLGC trade grew 11 % y-o-y whereas fleet growth was 6.5 % y-o-y.
- Effective VLGC fleet supply was higher y-o-y due to lower congestion at Panama Canal & drop in scheduled dry docking

# Fleet Supply



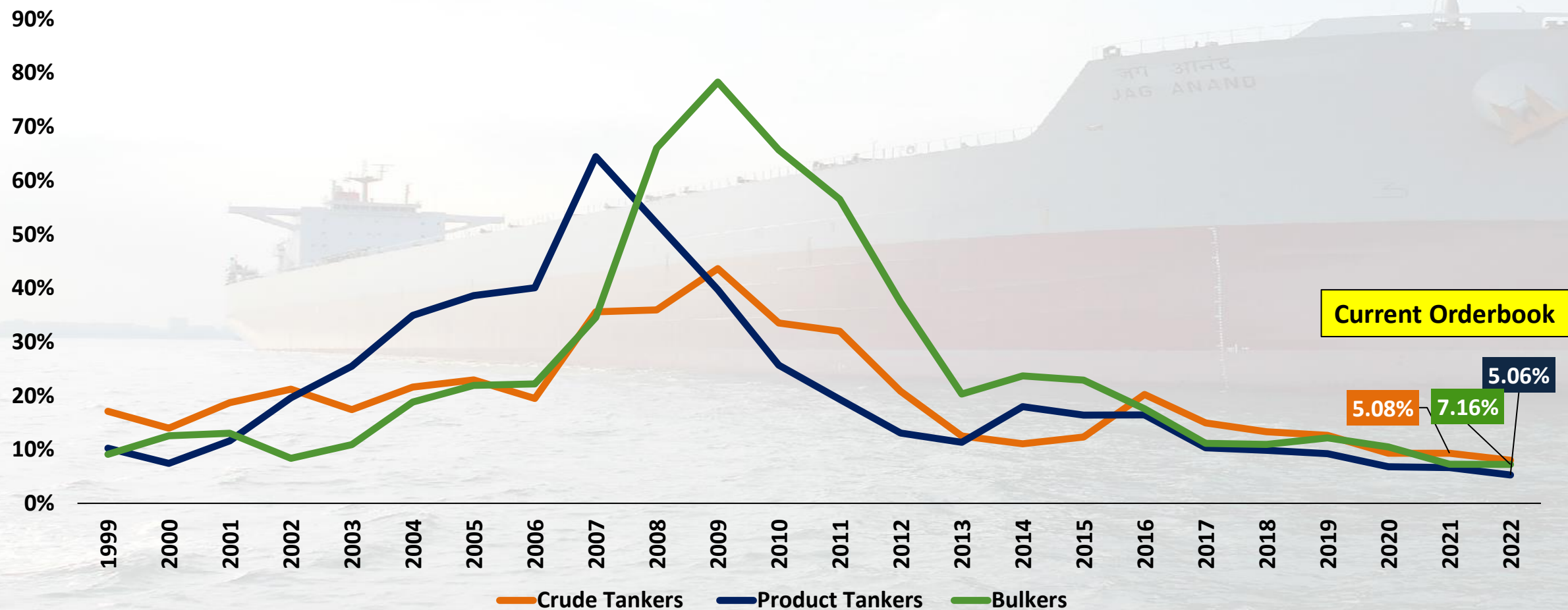
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# One of the Lowest Order Book to Fleet Ratios

## Historic Order Book as a % of fleet



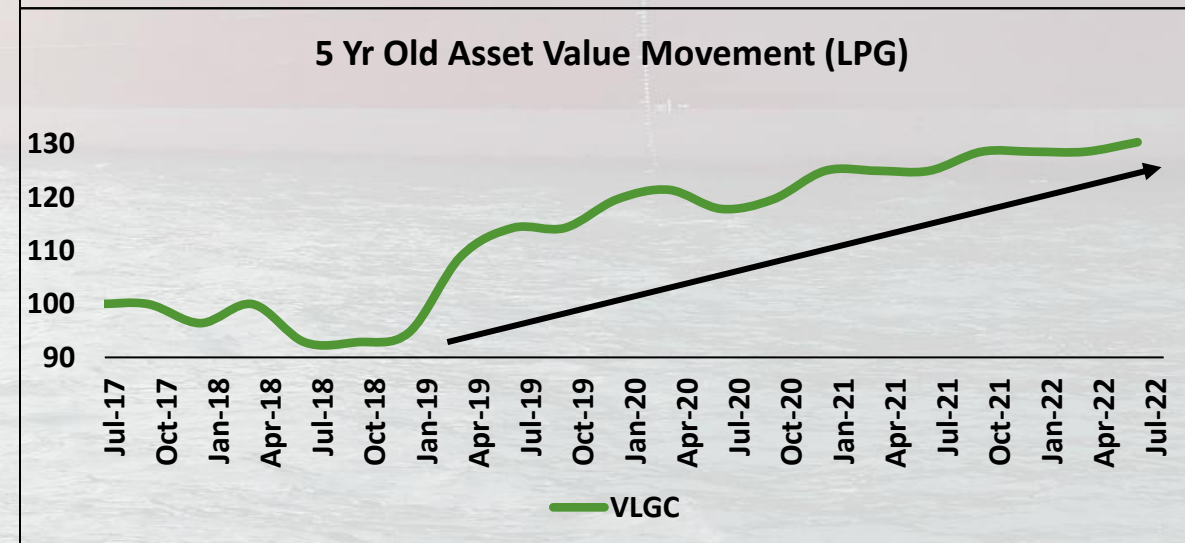
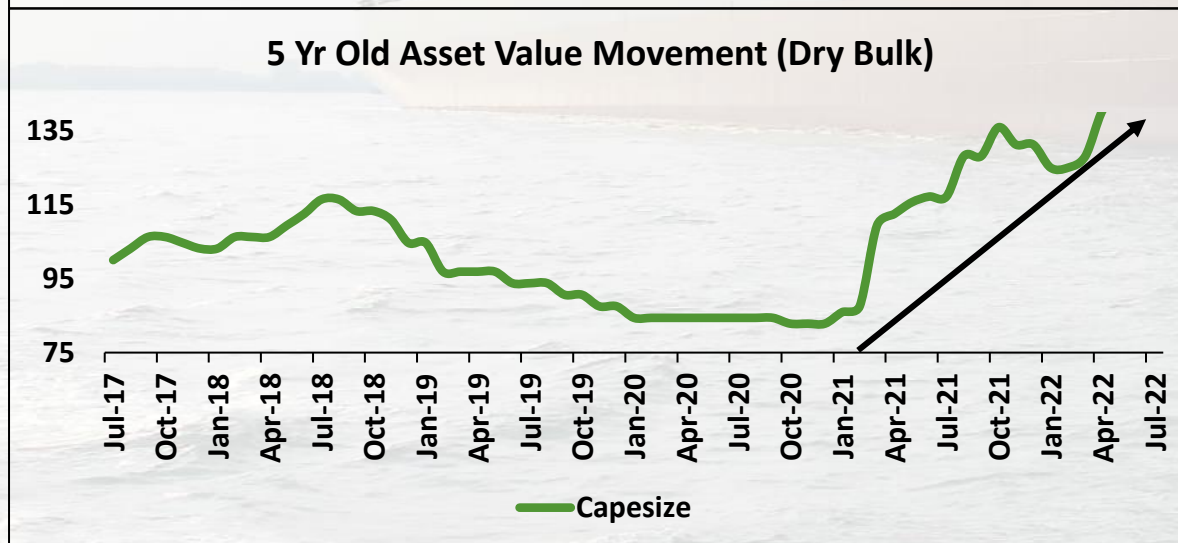
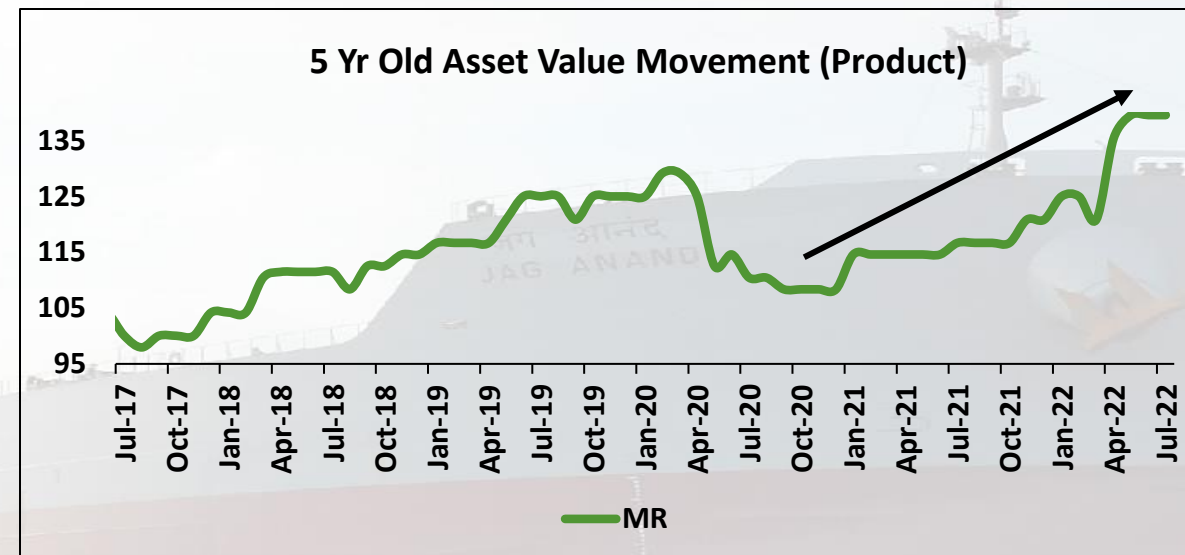
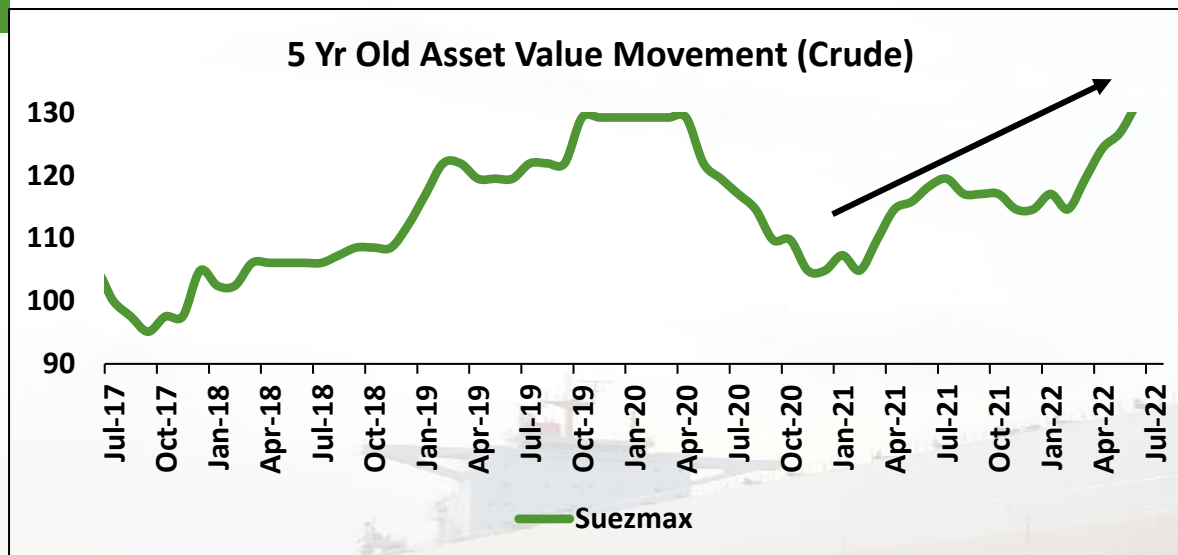




# ASSET PRICE MOVEMENT

# ASSET PRICE MOVEMENT (INDEXED)

## Over the Last 5 Years



# SCRAPPING

| Vessel Category | Fleet (mn Dwt) | Scrapping (% of beginning world fleet) |        |        |        |        |        |        |        |        |
|-----------------|----------------|--|--------|--------|--------|--------|--------|--------|--------|--------|
|                 | Jul 22         | H1CY2022                               | CY2021 | CY2020 | CY2019 | CY2018 | CY2017 | CY2016 | CY2015 | CY2014 |
| Crude           | 444            | 0.69%                                  | 2.47%  | 0.53%  | 0.55%  | 4.39%  | 2.43%  | 0.39%  | 0.38%  | 1.75%  |
| Product         | 174            | 0.69%                                  | 2.11%  | 0.57%  | 0.60%  | 1.72%  | 1.22%  | 0.54%  | 0.62%  | 1.10%  |
| Dry Bulk        | 958            | 0.20%                                  | 0.56%  | 1.74%  | 0.93%  | 0.54%  | 1.85%  | 3.78%  | 4.02%  | 2.24%  |

- Scrapping for crude and product tankers was particularly restrained due to optimistic sentiment of an earnings recovery in the near term.
- Relatively high spot freight rates in the dry bulk market has deterred significant scrapping in the sector.

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





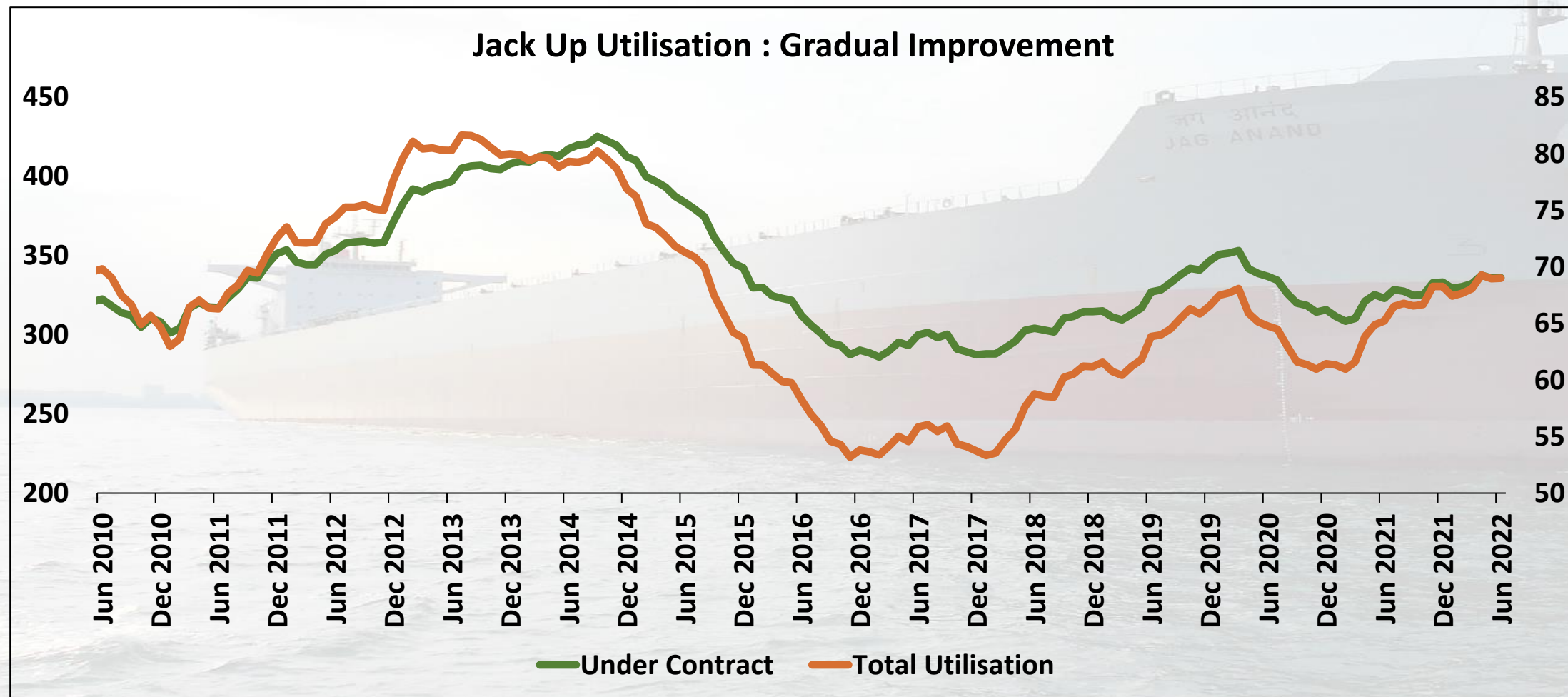
# Fleet Supply

## Increasing number of Cold Stacked Rigs

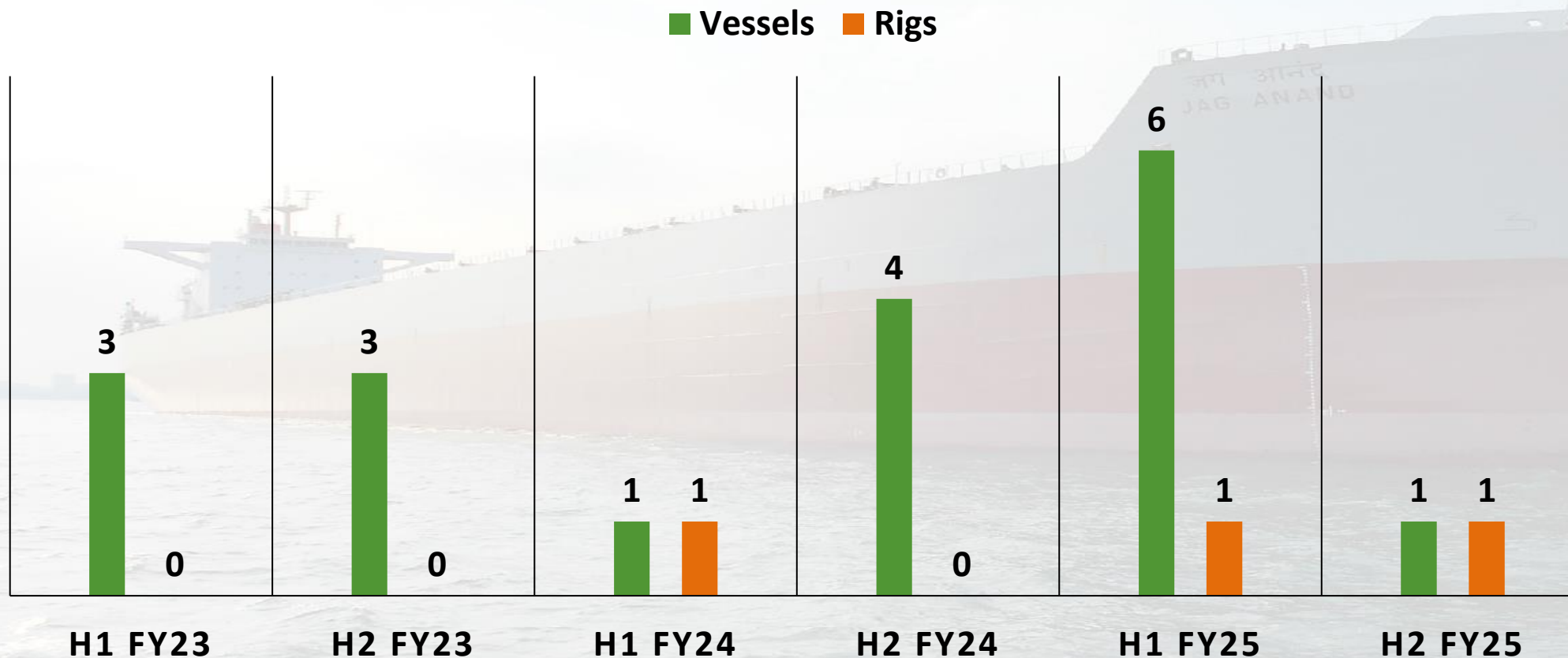
| Number   | Jackup Rigs | PSVs + AHTSVs |
|--|-------------|---------------|
| Current Fleet  | 488         | 3,484         |
| Under Contract Fleet   | 340         | 2,155         |
| Orderbook  | 27          | 117           |
| O/B to current fleet   | 5.5%        | 3.4%          |
| Total Scrapping since January 2016 (nos.)                        | 142         | 553           |
| No. of Vessels/Rigs more than 20/30 years old (as %age of fleet) | 33%         | 19%           |
| Cold Stacked more than 3 years                                   | 48          | 598           |

*There is a large potential for scrapping over next few years if the market continues to remain weak.*

# Market Trends: Utilisation



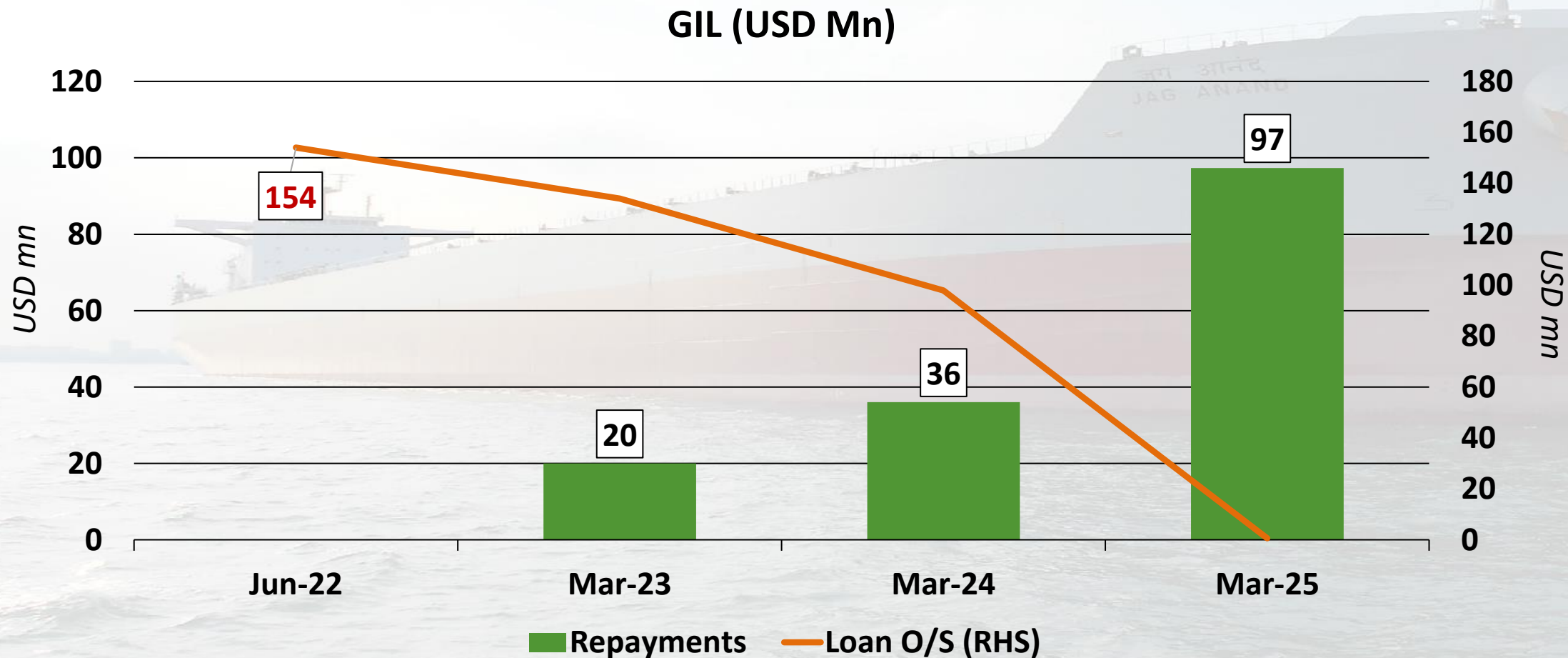
# Repricing



*We have entered into a new contract for one JU Rig which will start after completion of the existing contract. The rig comes for repricing only in H2FY26*

# GREATSHIP

## DEBT REPAYMENT SCHEDULE (NEXT 3 YEARS)





# GREATSHIP EVOLUTION: THE LAST 7 YEARS

- Most challenging years for the offshore sector since the late 80s.
- Utilization levels across asset classes dropped to historic lows, charter rates came down to levels that barely generated any +ve EBIDTA.
- Large part of the industry went through financial restructuring/reorganization/forced consolidation.
- How did we fare?

Cash on the balance sheet:

Mar 15 : USD  
118 M

Mar 22: USD  
101M

Gross bank debt

Mar 15: USD  
555 M

Mar 22: USD  
159 M

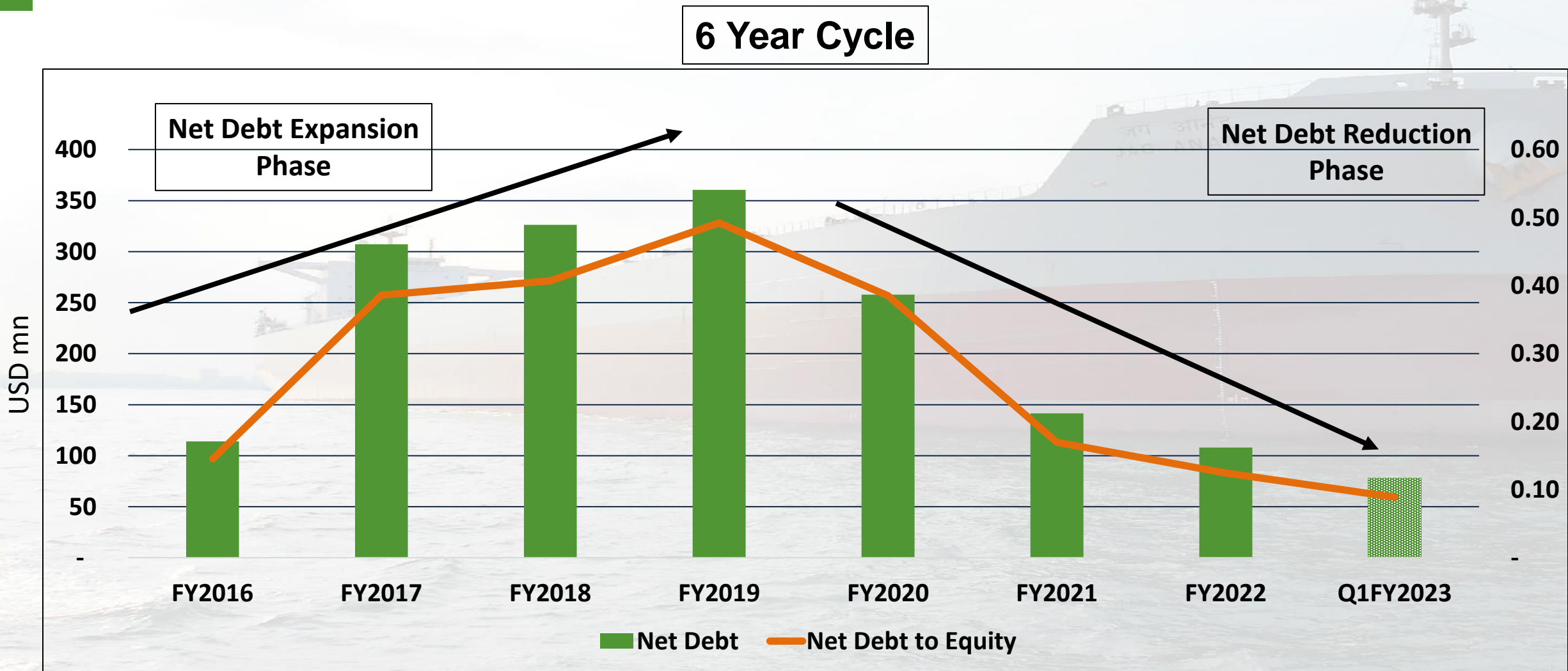
Net Bank Debt to Equity:

Mar 15: 0.76

Mar 22: 0.17

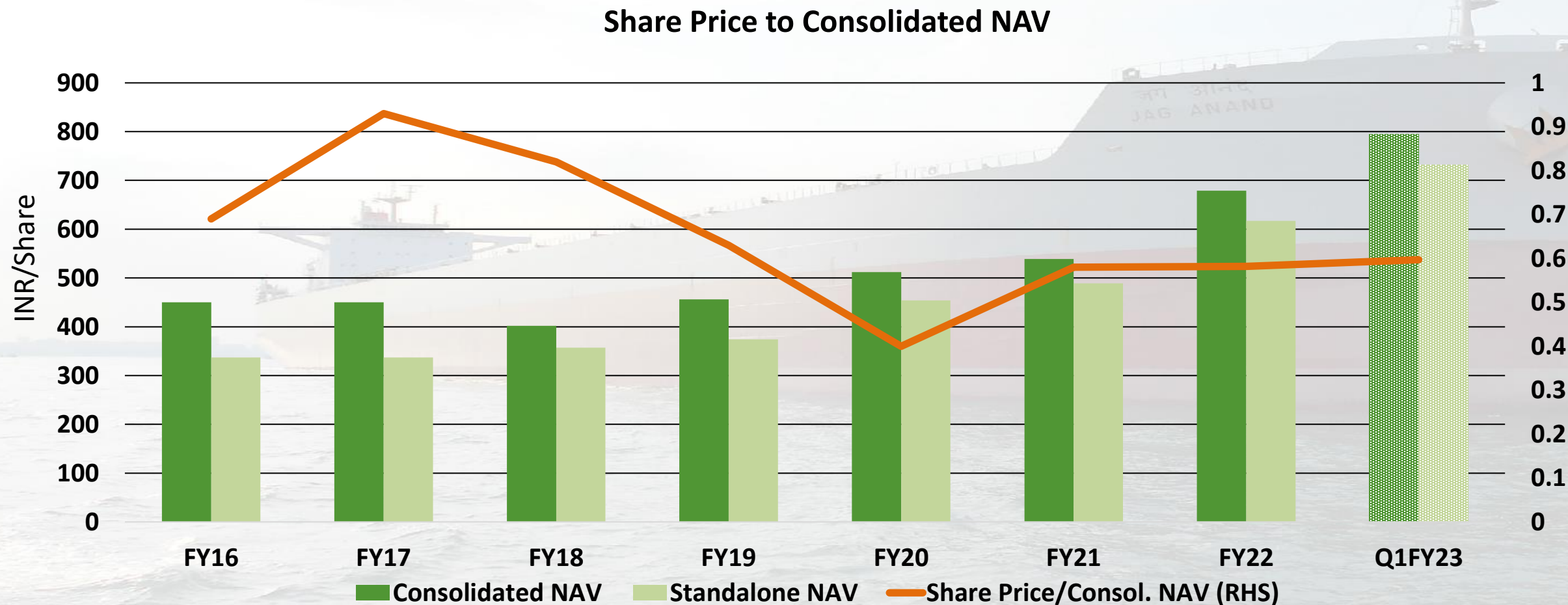
# FINANCIALS

# Counter Cyclical Investments have Generated Strong Cash Flows





# Share Price to Consolidated NAV



\* For Q1FY23 we have taken share price as on 29<sup>th</sup> July 2022

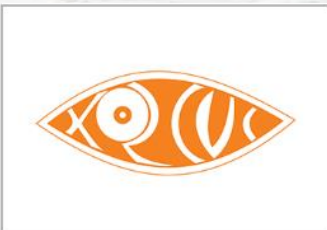
# GREAT EASTERN CSR FOUNDATION (GECSRF)



GECSRF supports NGOs working under health, education and livelihoods

## CURRENT PARTNERS

### EDUCATION



### HEALTH



### LIVELIHOODS



# INITIATIVES ON ENVIRONMENT

- **Reduced our annual CO2 emissions by about 40,000 tons between FY2019 and FY2022, by investing in various energy saving technologies.**
- After the Jan 2020 IMO mandate on switching from 3.50% Sulphur to 0.5%, there has been a drastic reduction of 83.65% of Sulphur Oxide (Sox) emissions by following a mixed strategy of using low sulphur fuel and installation of EGCS (Scrubber)
- Created an ESG profile of our company based certain ESG metric. The profile is available on our website under “SUSTAINABILITY” tab
- Voluntarily published our first Environment Social Governance (ESG) report
- Established a working group for feasibility study on alternate fuels and fuel optimisation technologies in view of the IMO emission reduction targets.



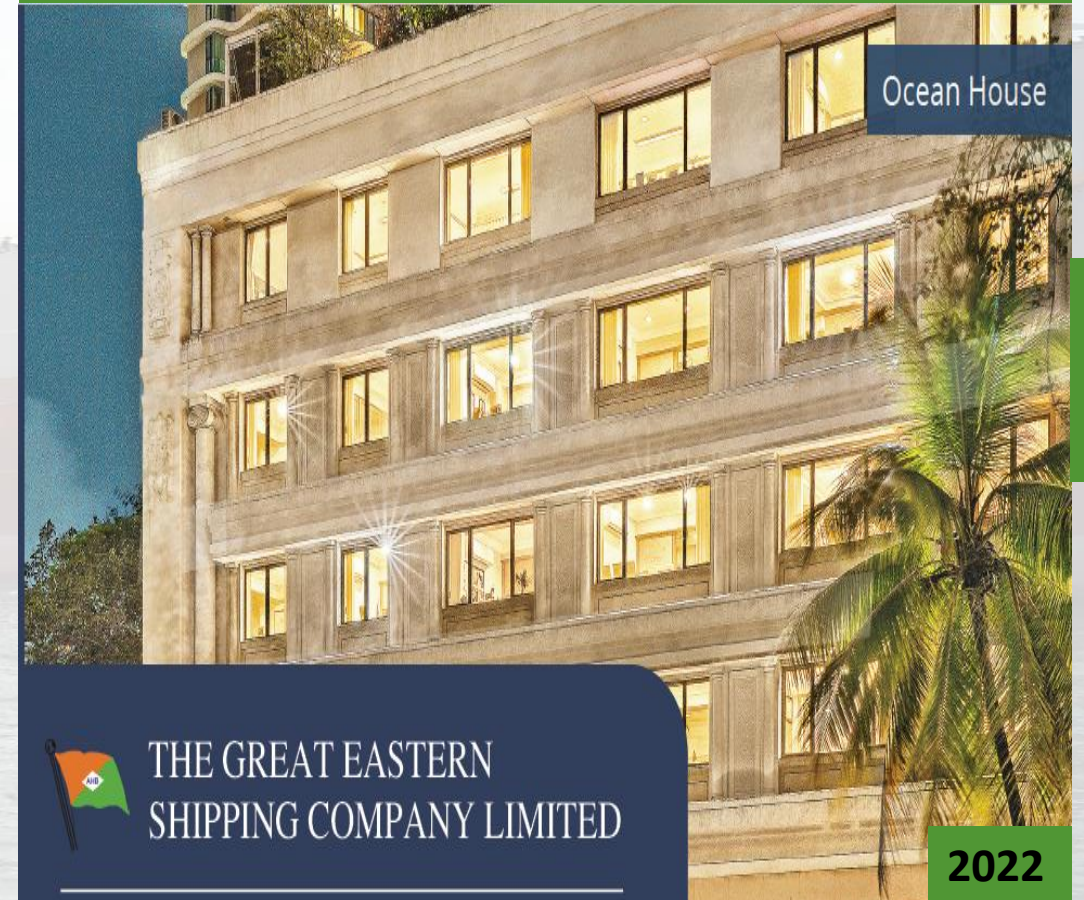
# THANK YOU

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