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 5343

Our Ref.: S/2020/JMT

June 08, 2020

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 (Secl. & Legal) & Company Secretary

The Great Eastern Shipping Co. Ltd.

BUSINESS OVERVIEW

8 June 2020

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.

CORPORATE PROFILE

Shipping (Bulk)

Tankers
- **Crude**
- **Products/LPG**

Dry Bulk

Offshore

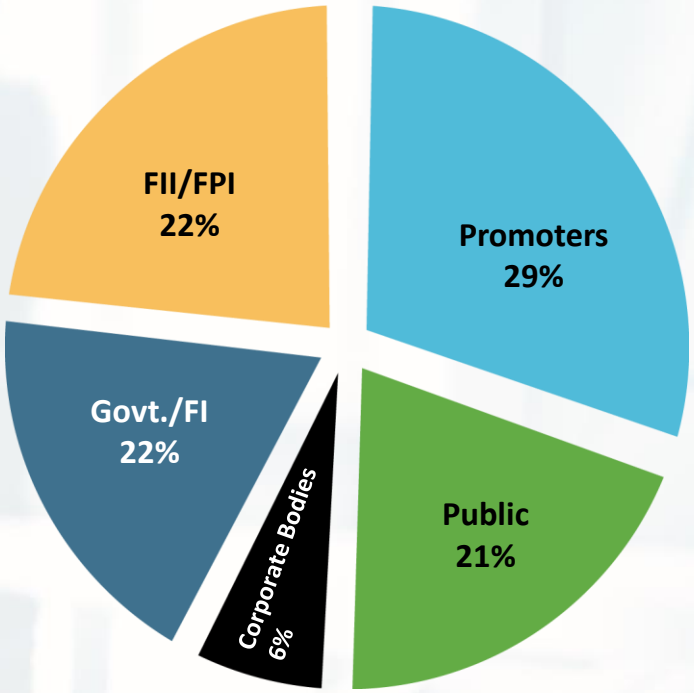
(Through wholly-owned subsidiary Greatship (India) Limited)

Logistics

Drilling

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

SHAREHOLDING PATTERN



Shareholding Pattern as on 31 March 2020

FLEET PROFILE

The Great Eastern Shipping Co. Ltd.

SHIPPING

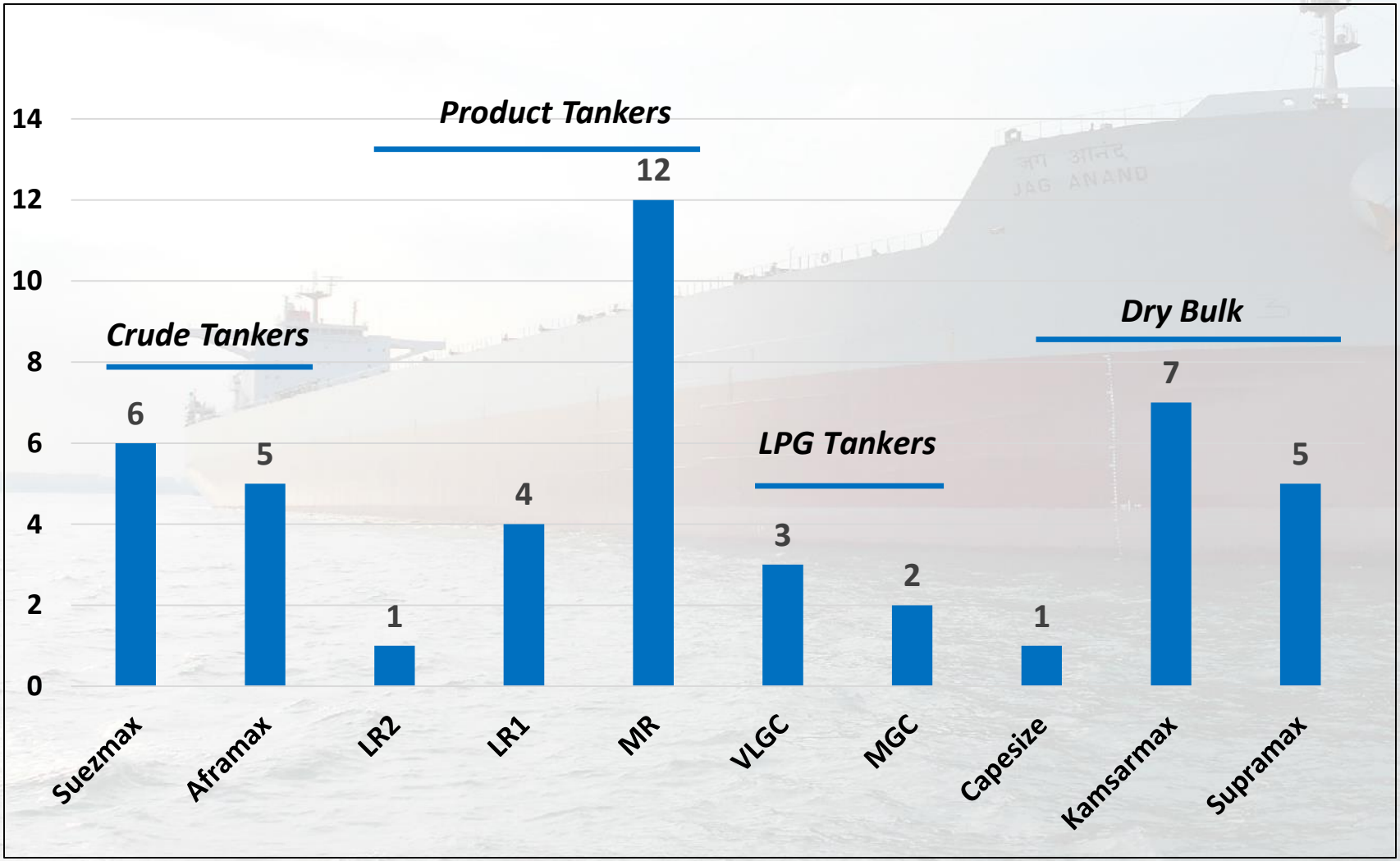
Fleet	DWT	Number of Ships	Average Age (Yrs.)
Crude Carriers	1,461,591	11	14.16
Product Carriers	987,207	17	12.60
Gas Carriers	224,113	5	18.73
Dry Bulk Carriers	1,026,462	13	7.61
Total	**3,699,373**	**46**	**12.20**

OFFSHORE

Fleet	Number of Units	Average Age (Yrs.)
Jack Up Rigs	4	8.64
Platform Supply Vessels	4	10.79
Anchor handling Tug Cum Supply Vessels	8	10.65
Multipurpose Platform Supply & Support Vessels	2	10.11
ROV Support Vessels	5	8.

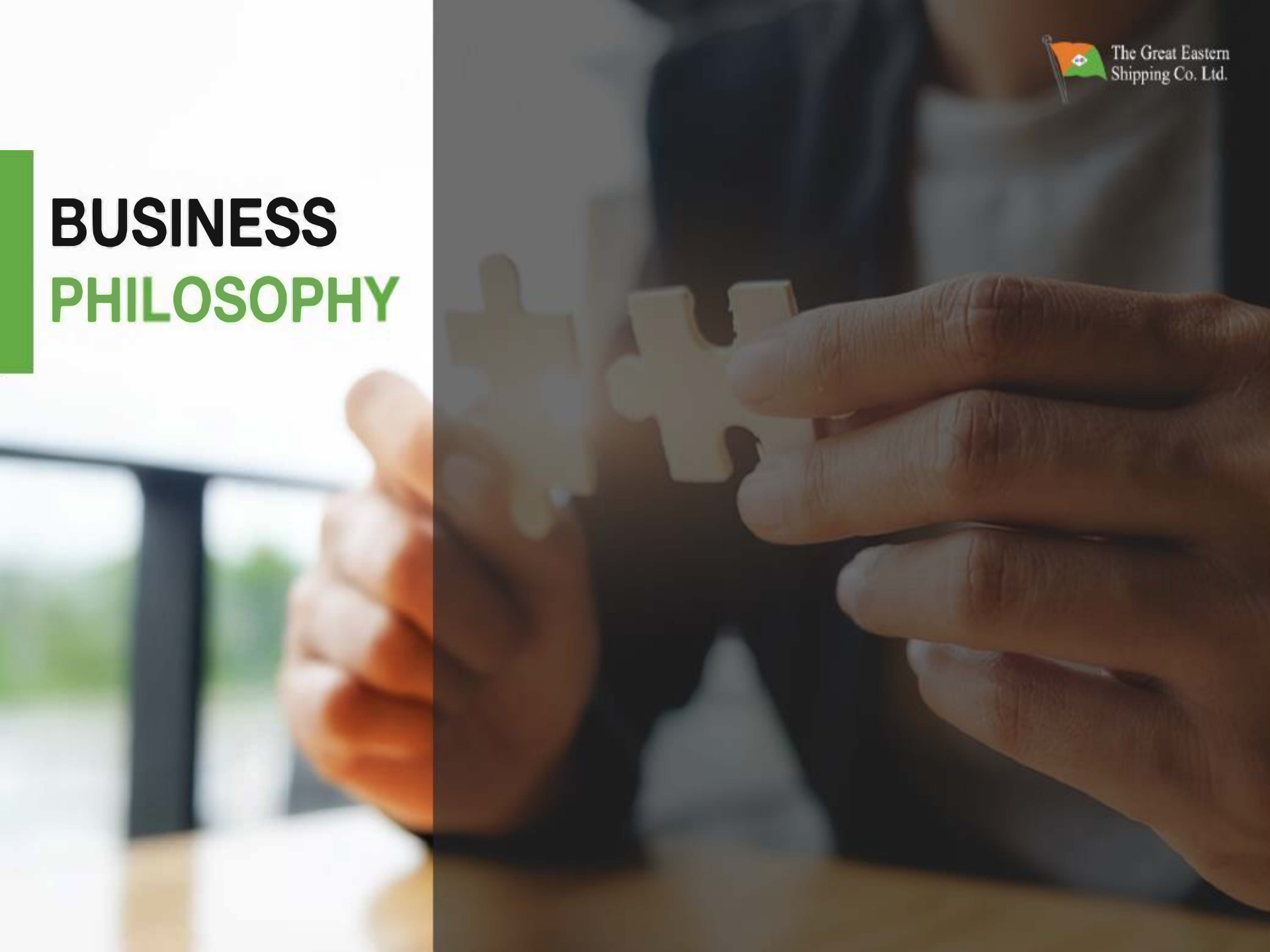
The Great Eastern Shipping Co. Ltd.

SHIPPING FLEET BREAK-UP



The Great Eastern Shipping Co. Ltd.

BUSINESS PHILOSOPHY



4 KEYS TO OUR SUCCESS

Dynamically managing cycles

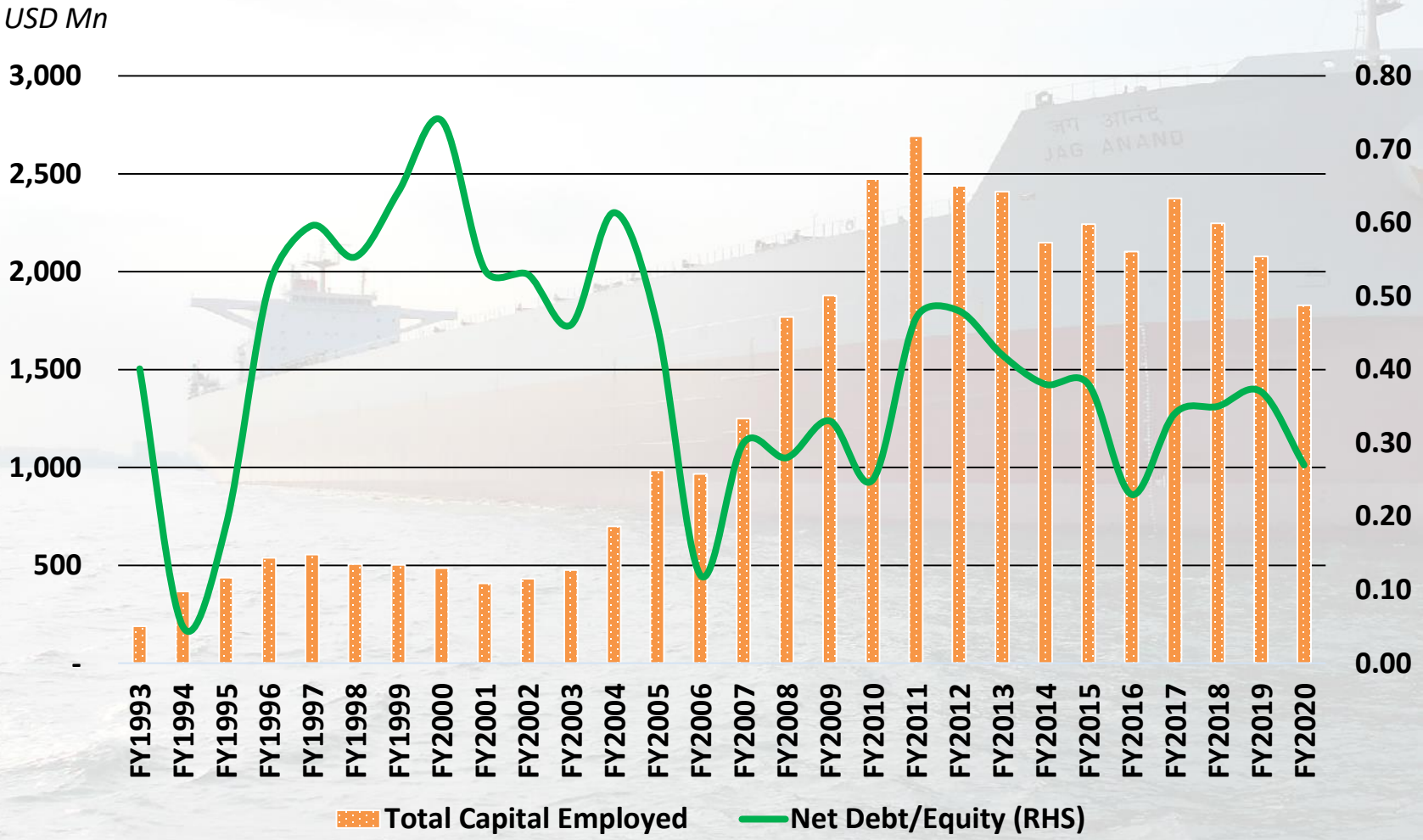
Diversified Fleet

In-House technical & commercial management

Strong balance sheet

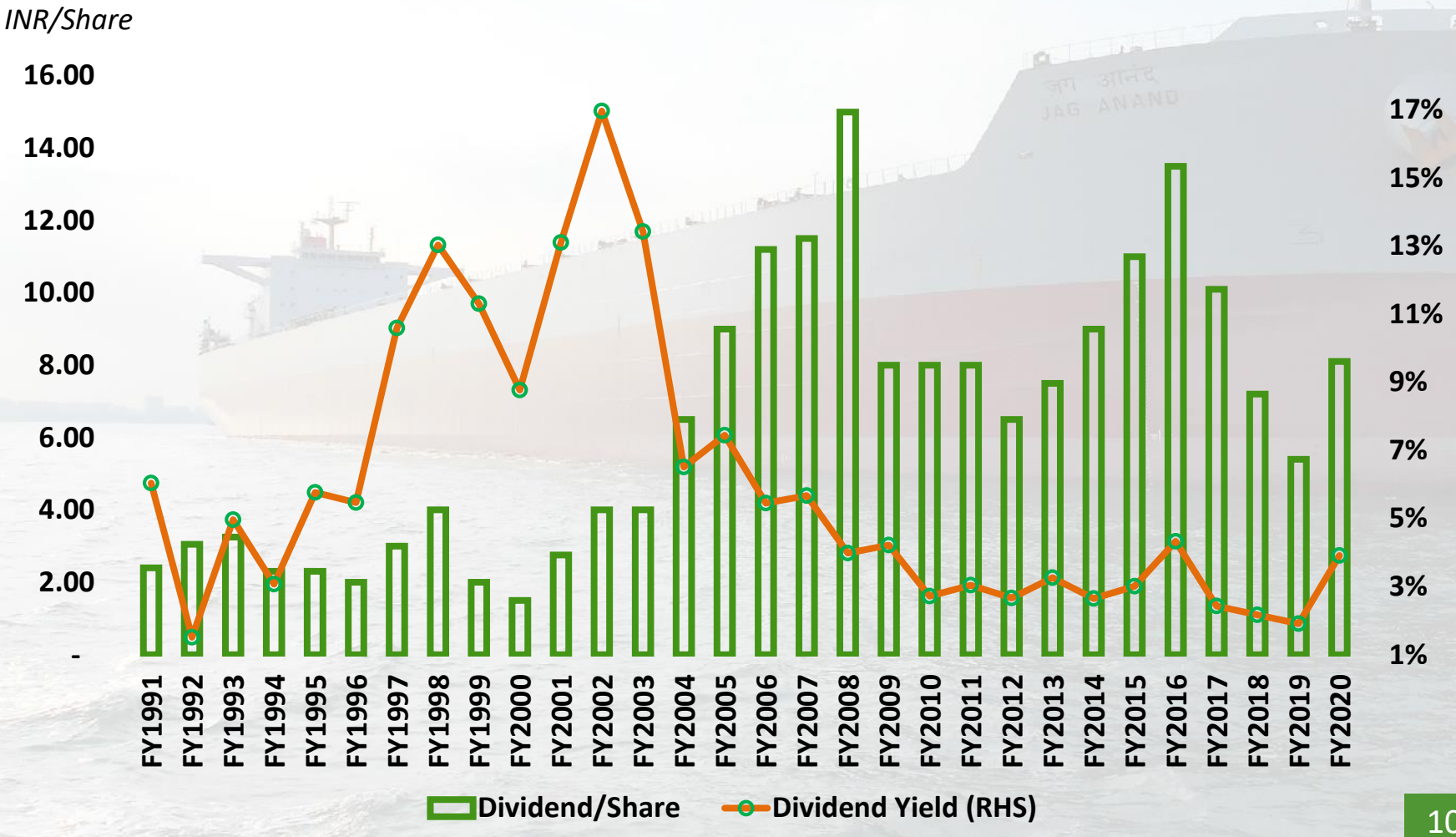
The Great Eastern Shipping Co. Ltd.

NET DEBT/EQUITY & TOTAL CAPITAL EMPLOYED (CONSOLIDATED)

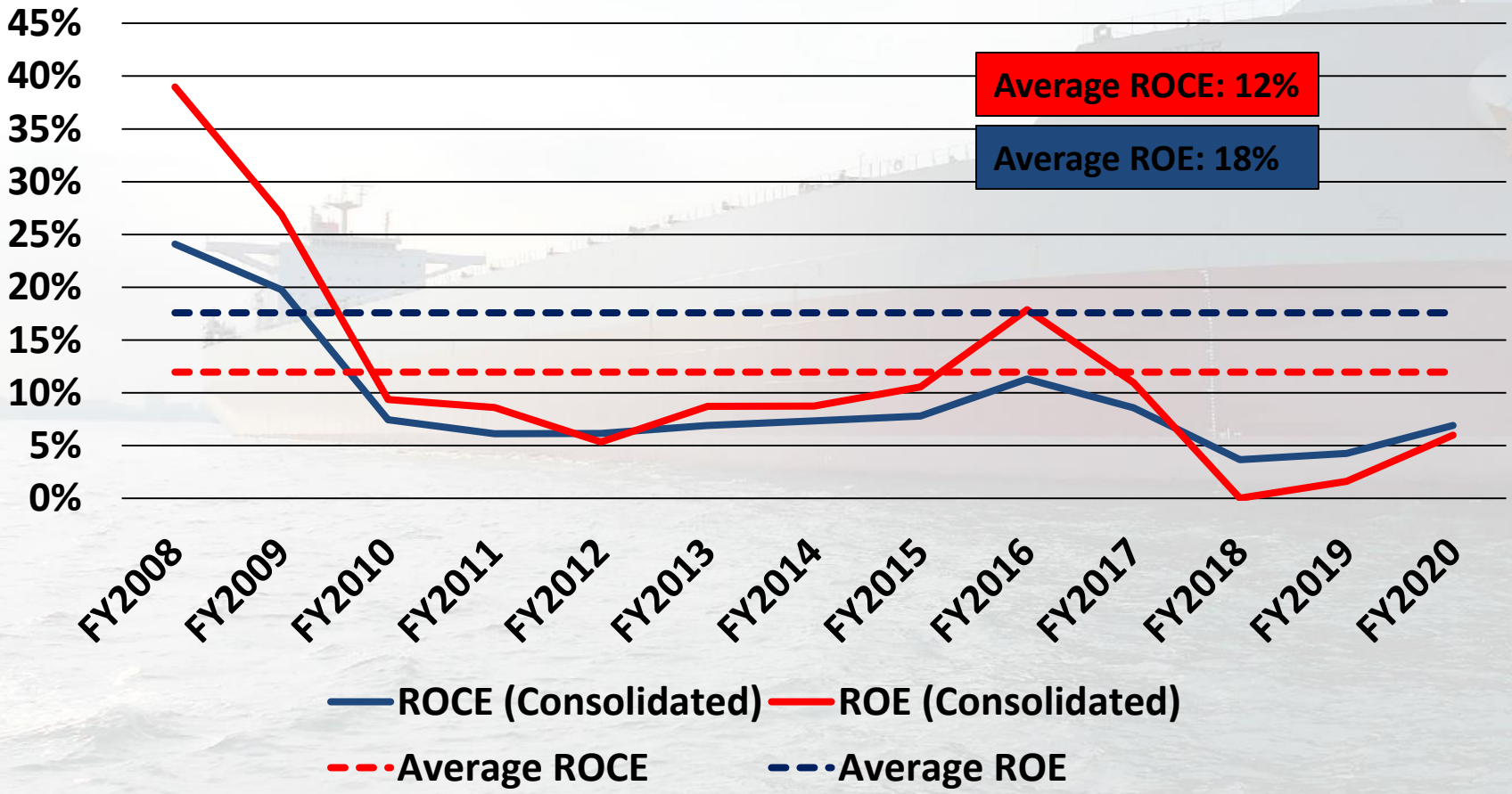


The Great Eastern Shipping Co. Ltd.

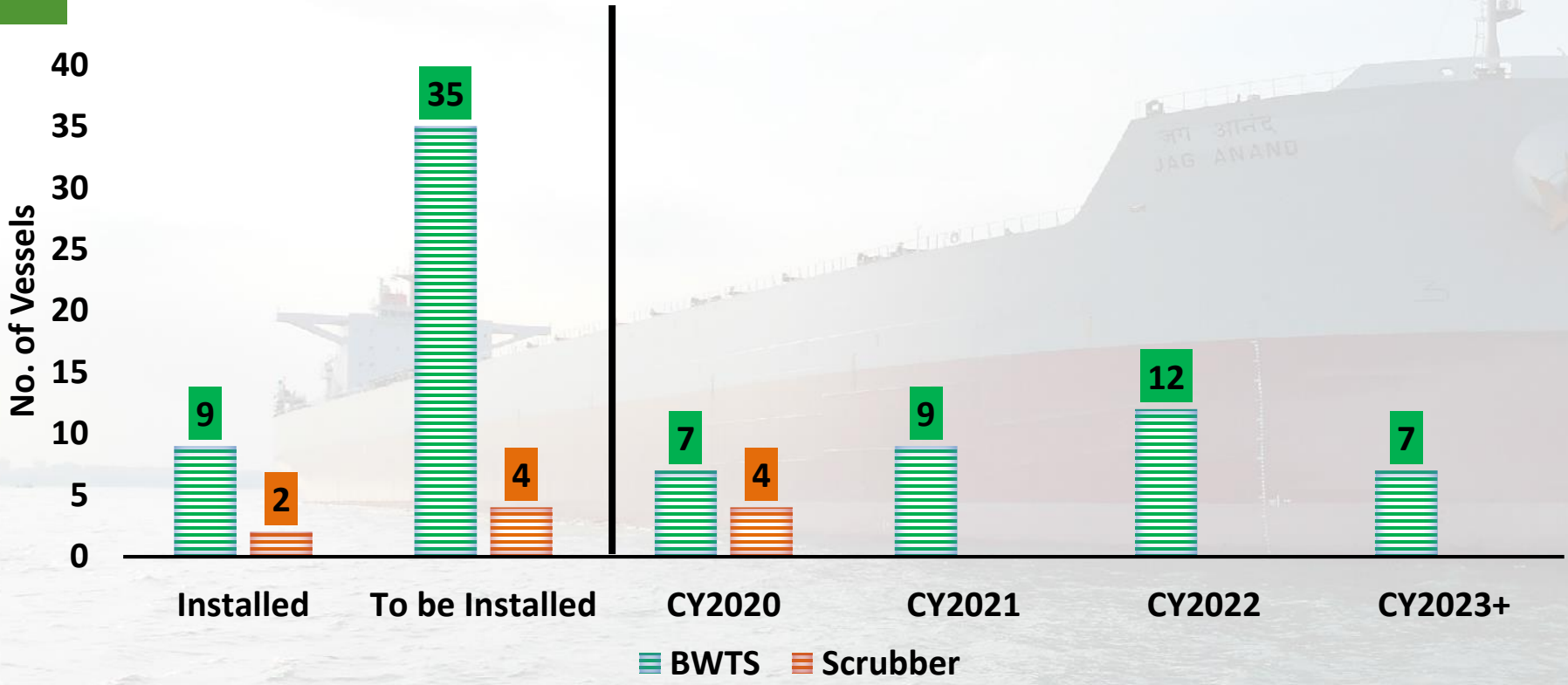
DIVIDEND/SHARE
(30+ YEARS CONTINUOUS DIVIDEND)



ROE & ROCE (CONSOLIDATED)



BWTS & SCRUBBER
INSTALLATION SCHEDULE



- Total 9 Vessels have been fitted with BWTS and 35 vessels are scheduled to be installed with BWTS
- 2 Vessels have been fitted with Scrubbers and 4 Vessels are scheduled to be installed with Scrubbers in CY2020

SHIPPING MARKET

IMPACT OF COVID-19

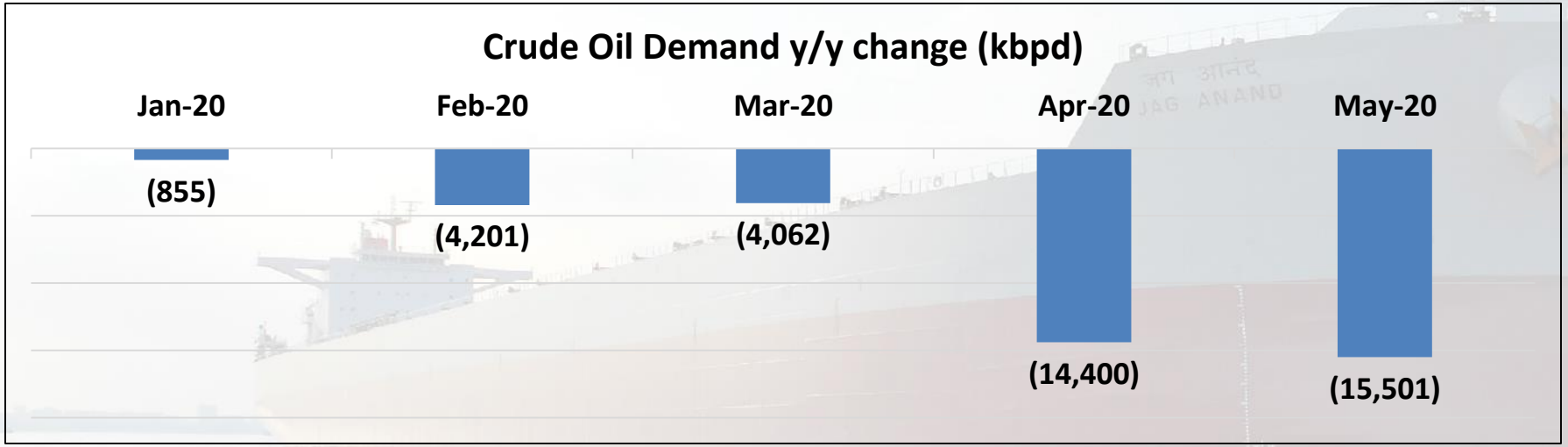
IMPACT OF COVID-19
ON SHIPPING

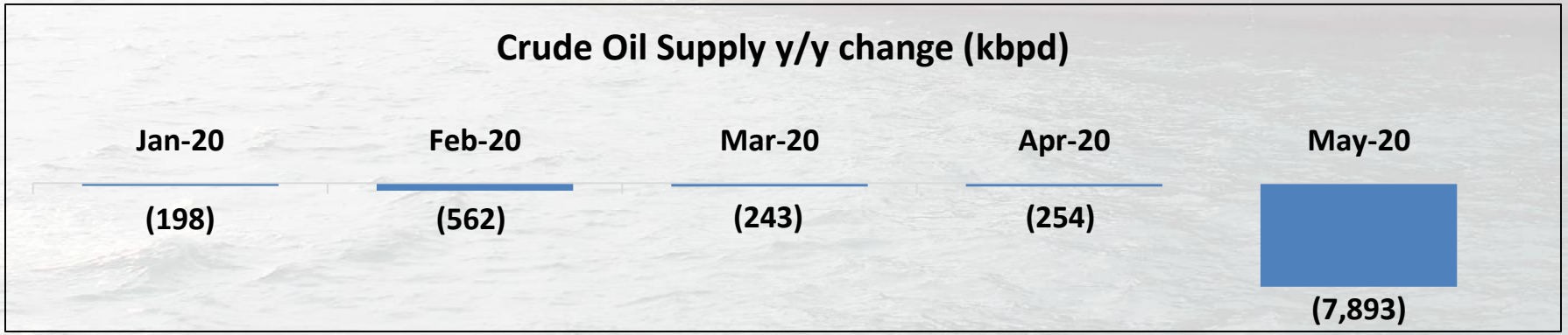
Operational Disruptions due to COVID-19

- Drydocks, Ballast Water Treatment system installations, Scrubber Installations – Delays & Postponements
- Shipyards & Newbuilding – Shortage of labour, repair delays, Vessel Delivery delays, supervision issues
- Ship Demolition – Lockdown/Quarantine in India, Bangladesh & Pakistan
- Crew Change Issues – Quarantine
- Port Delays and congestion – Process time and strictness, berthing issues
- Critical Spare Parts – Sourcing issues

Source – Industry Reports

CRUDE OIL
DEMAND & SUPPLY IMPACT



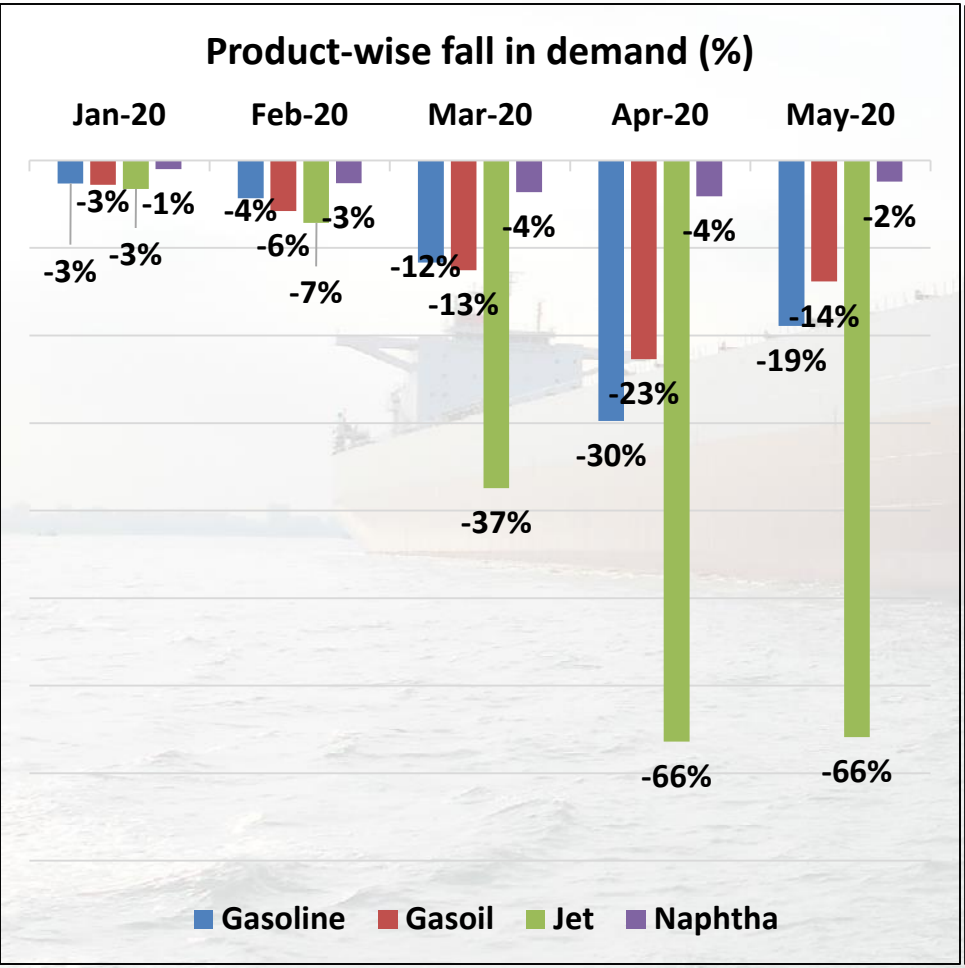


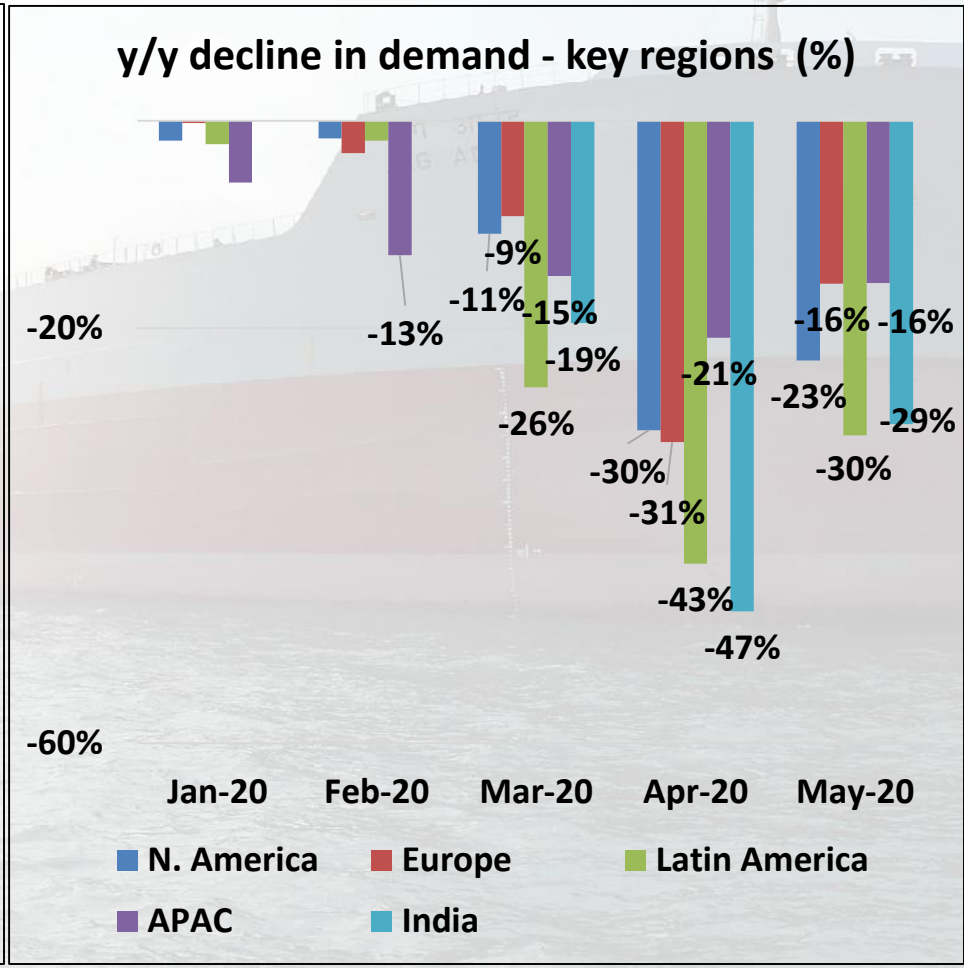
kbpd: Thousand Barrels Per Day

Sources: Industry Reports

DECLINE IN CORE PRODUCTS
DEMAND DURING JAN-MAY 2020

The Great Eastern Shipping Co. Ltd.

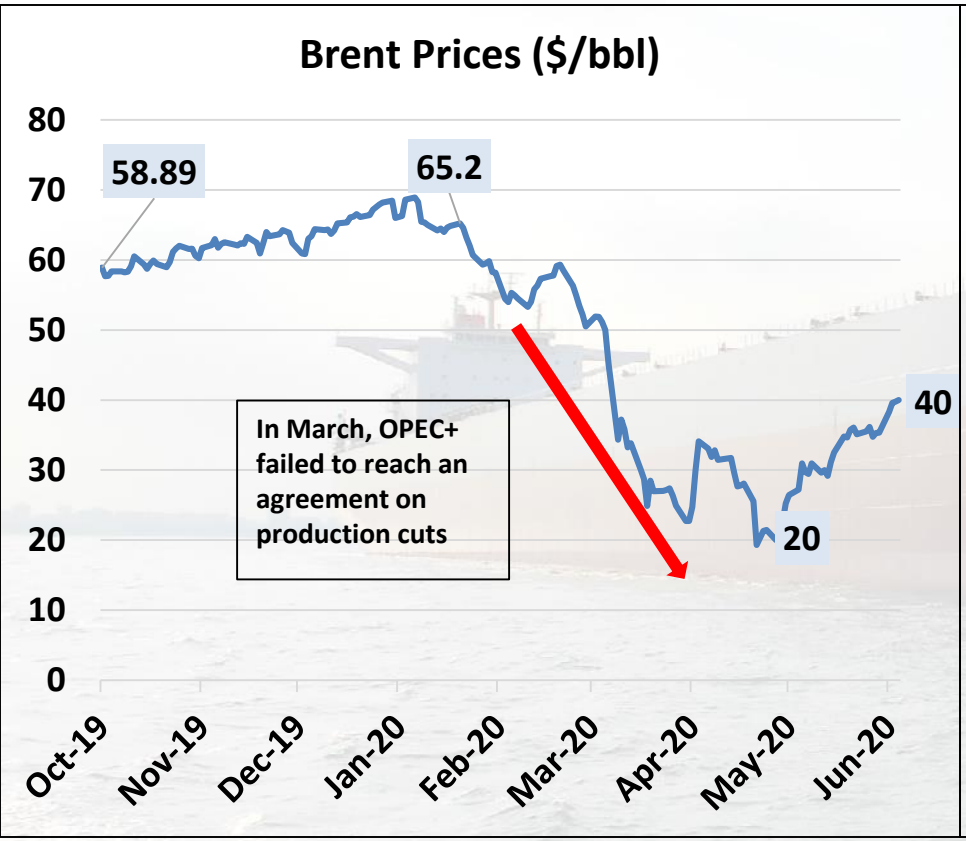


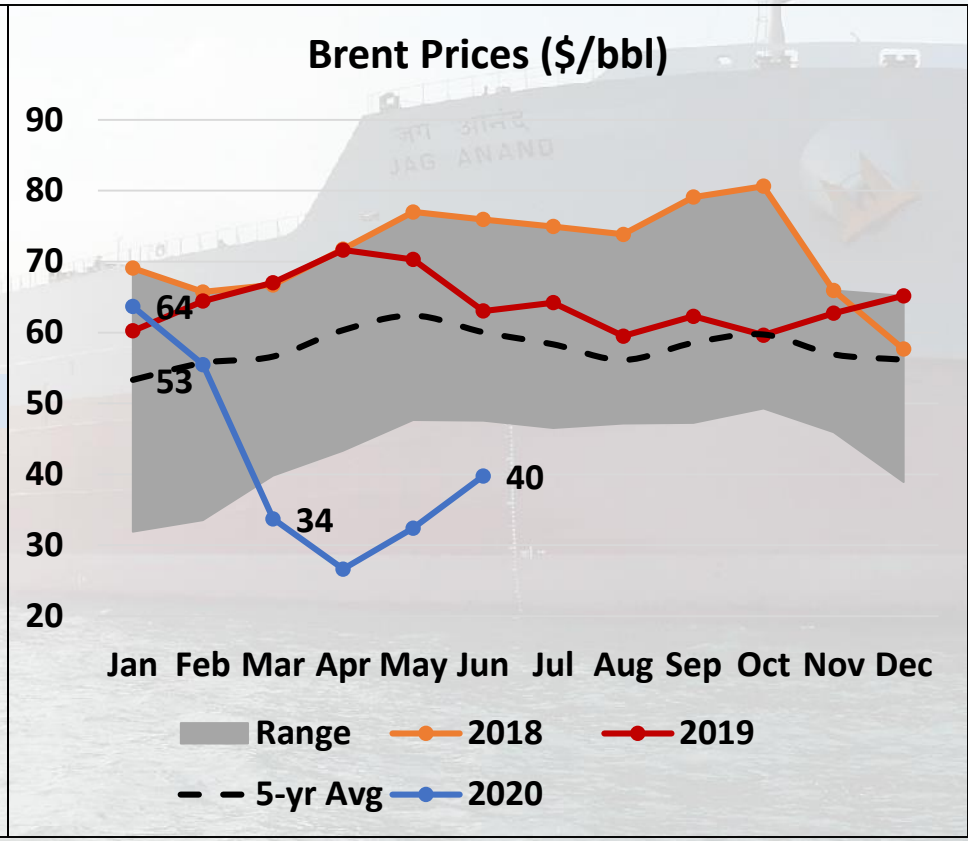


Sources: Industry Reports

BRENT OIL PRICE ($/BBL) COLLAPSED
SIGNIFICANTLY BEFORE OPEC SUPPLY CUT

The Great Eastern Shipping Co. Ltd.



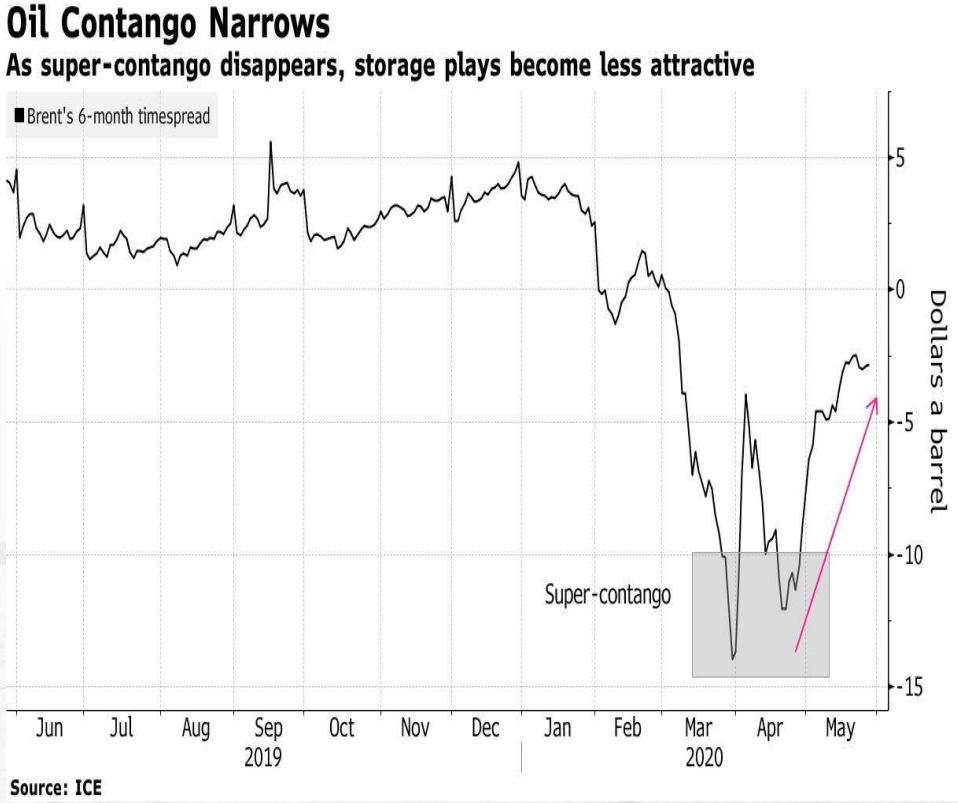


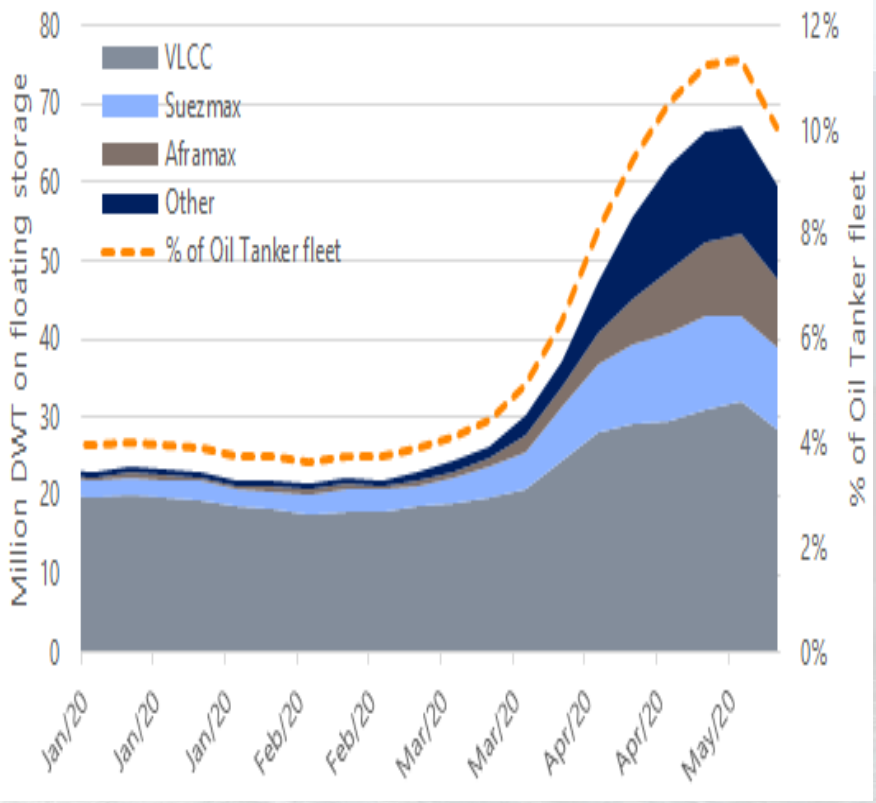
Brent Prices started to collapse in March, after failure of OPEC+ negotiations. In April, OPEC & Russia agreed to cut 10 mbpd in May & June months.

Sources: Industry Reports

OIL CONTANGO Vs.
FLOATING STORAGE OF OIL

The Great Eastern Shipping Co. Ltd.



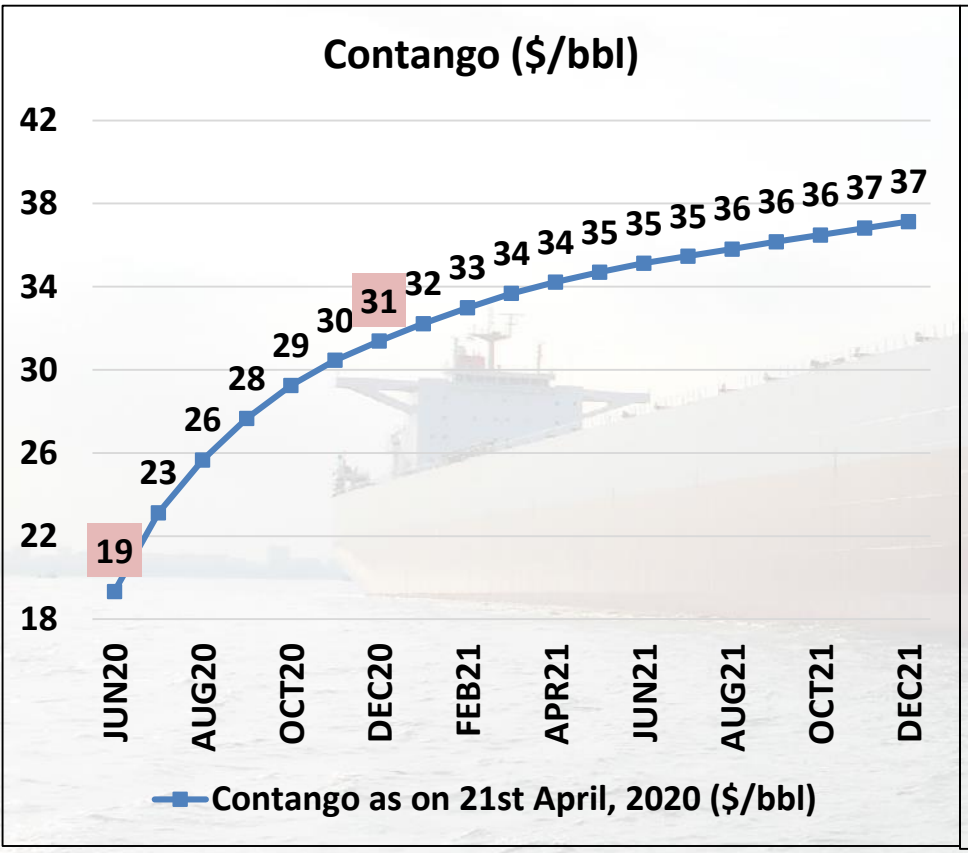


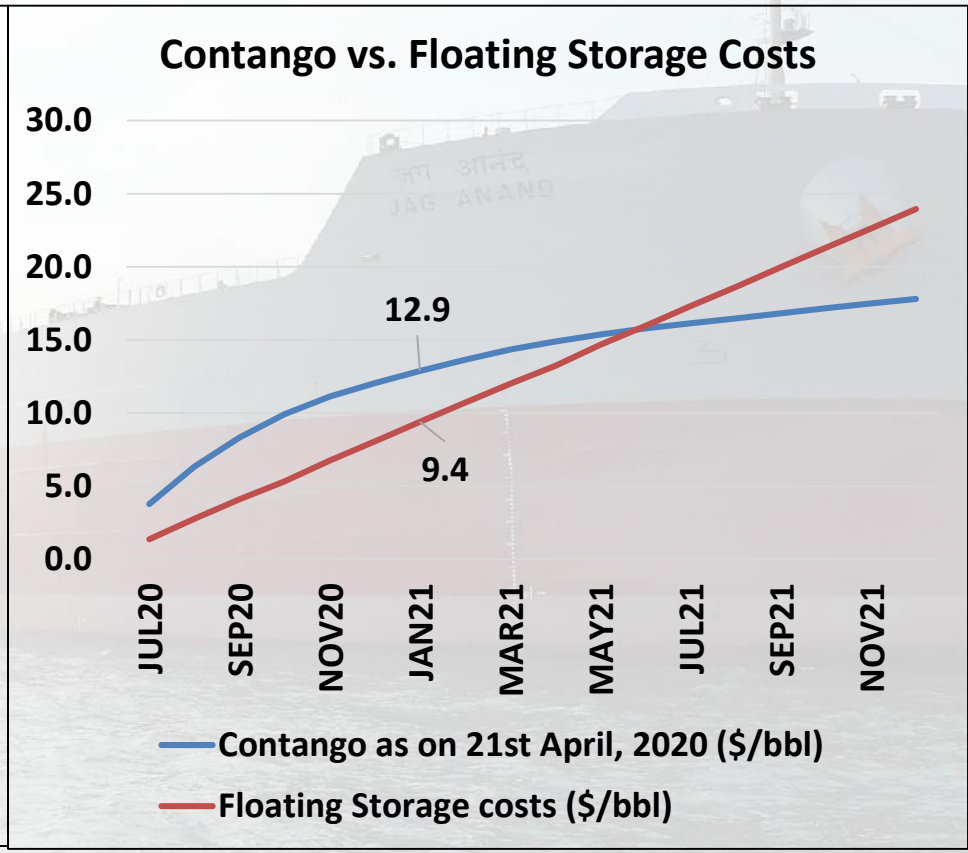
During March-April'20, Oil Contango was above the floating storage cost economics therefore increase in floating storage demand. While in May 2020, Oil Contango narrowed, hence floating storage also lowered.

Sources: Industry Reports

SAMPLE DAY OF SUPER CONTANGO – 21st April 2020

The Great Eastern Shipping Co. Ltd.

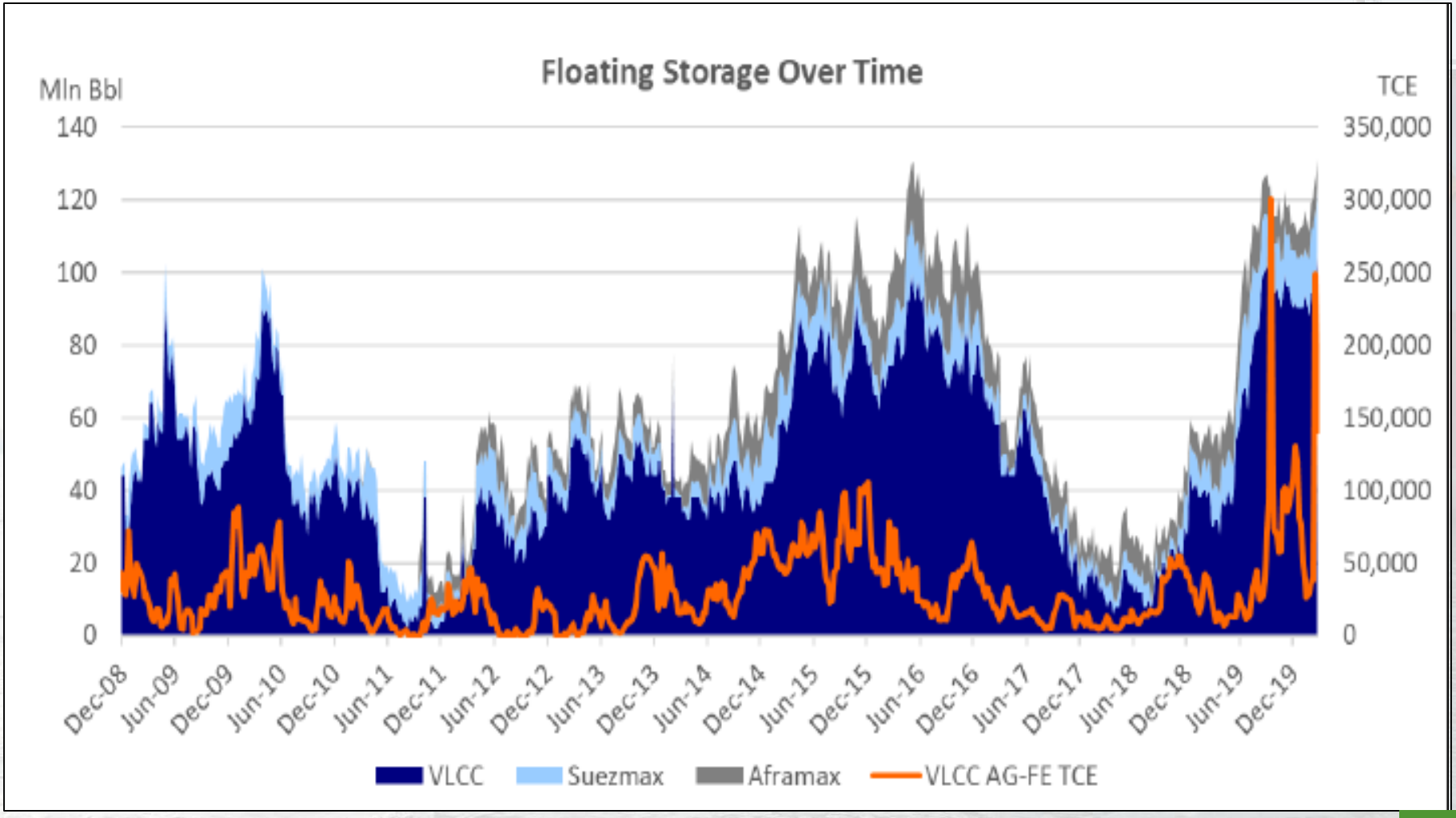




As an example, we have a sample day of super contango period, where its seen that contango was above the floating storage costs till early CY2021.

Sources: Industry Reports

HISTORICAL FLOATING STORAGE
POSITIVELY CORRELATED TO FREIGHT



Sources: Industry Reports

SUPPLY & DEMAND DISRUPTIONS
DRY BULK

Annual Export Output Impacted Countries – Dry Bulk

Iron Ore – Brazil, South Africa, Canada, India & Peru

Met Coal – Mongolia & USA

Thermal Coal – South Africa, Columbia, Indonesia & USA

Grains – No Impact, Essential Commodities

Nickel Ore – Philippines & Indonesia (Nicke Ore Ban)

Minor Bulks – South Africa, Middle East & South East Asia

Dry Bulk Demand

Steel Plant Closures in European Region, India, Japan & South Korea – Impacting Iron Ore Demand

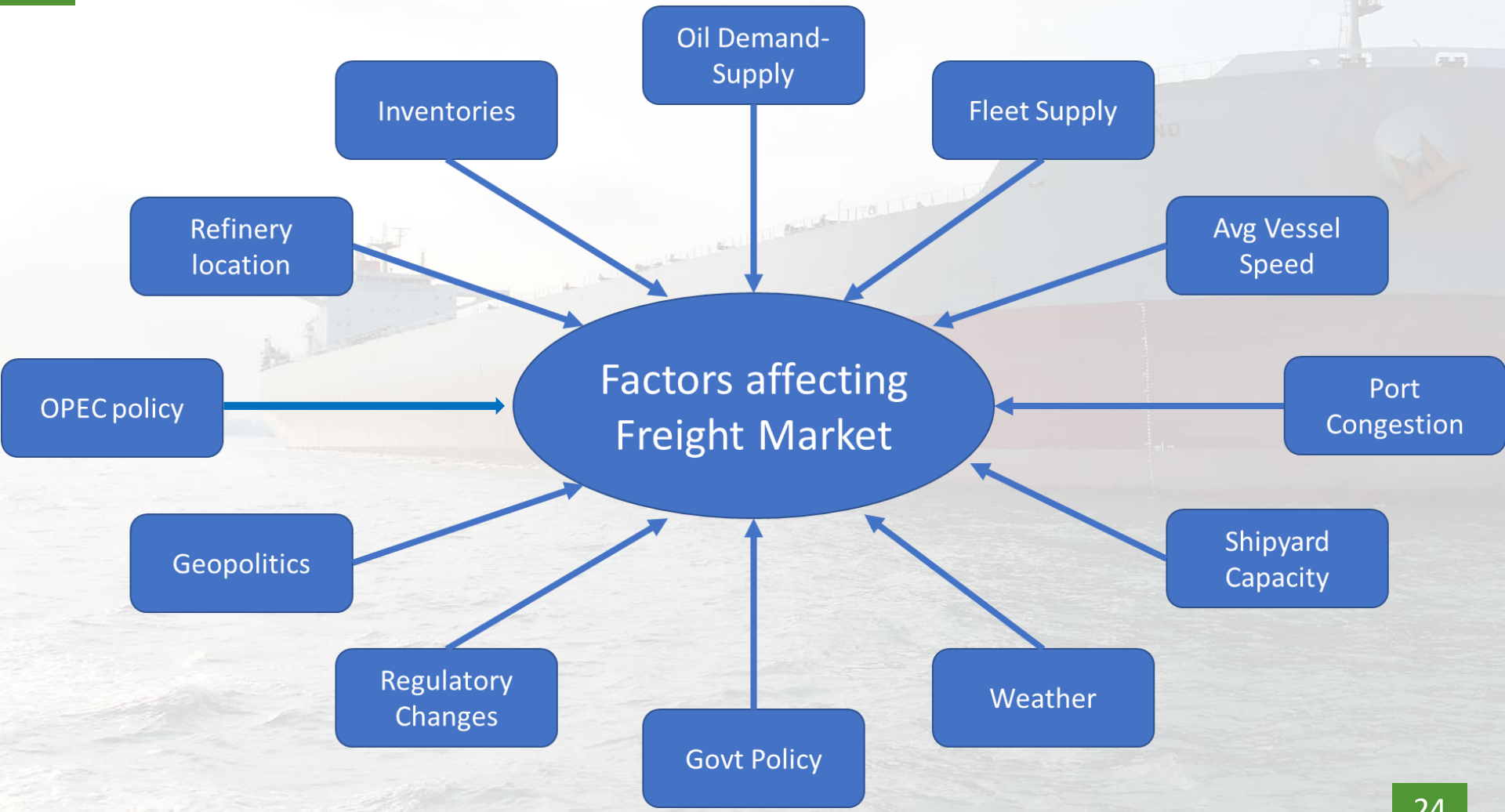
Lower Industrial power use due to weak demand & ample domestic supplies - Impacting Coal Demand

Minor Bulks - Significant demand impact - Metal & Mineral, Steel products & Forest products

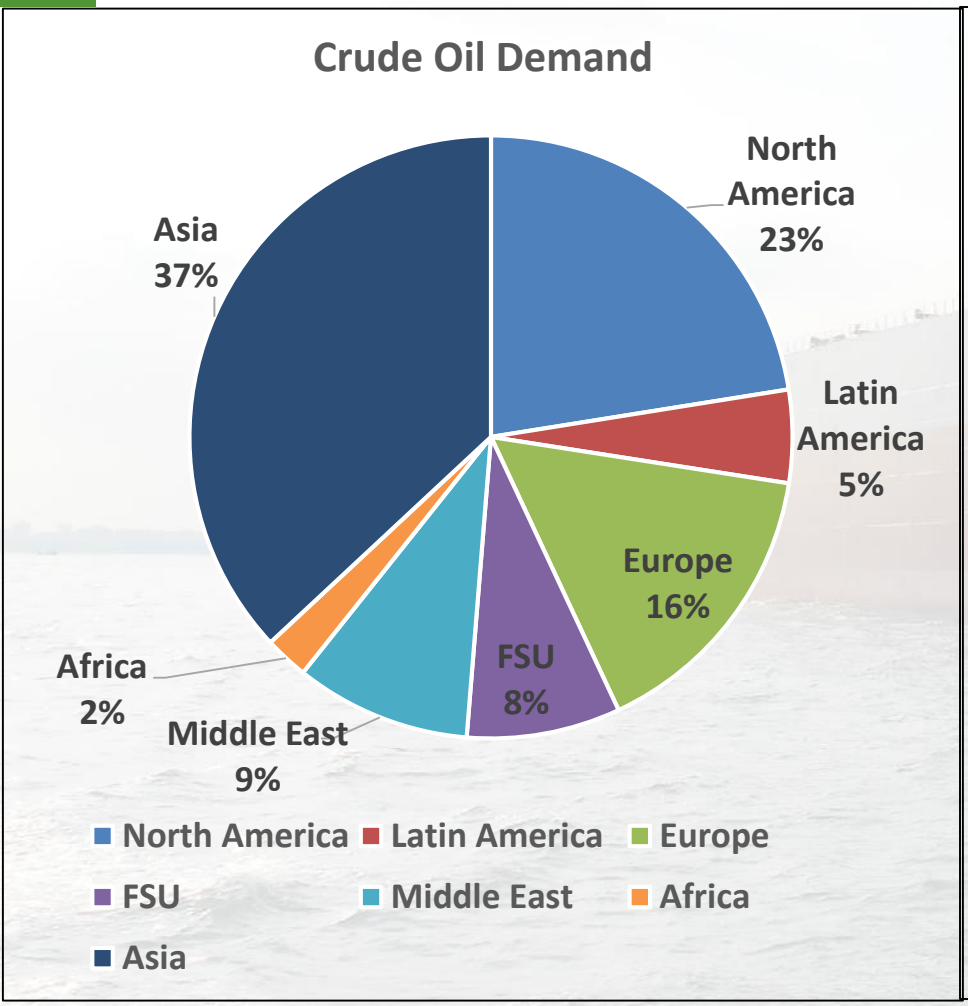
Sources: Industry Reports

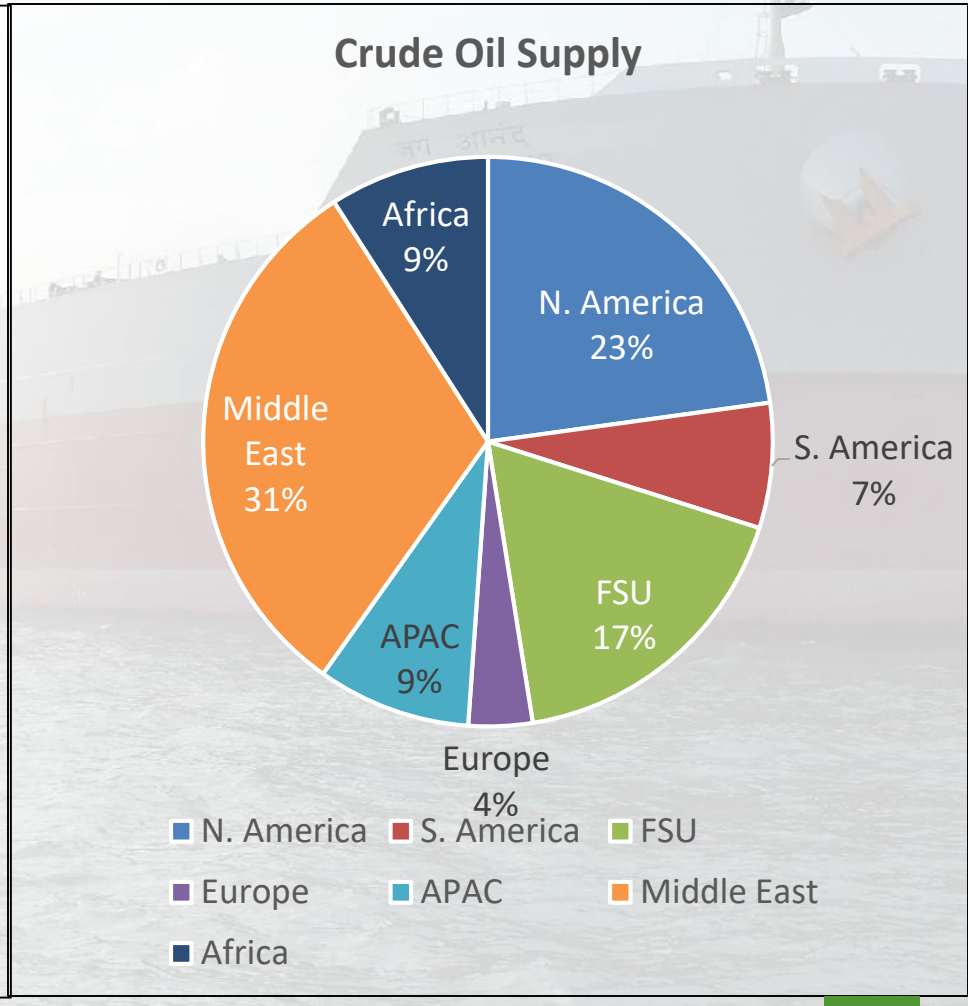
TANKER MARKET

FACTORS AFFECTING FREIGHT MARKET



GLOBAL CRUDE OIL DEMAND & SUPPLY BREAK-UP (REGION WISE)





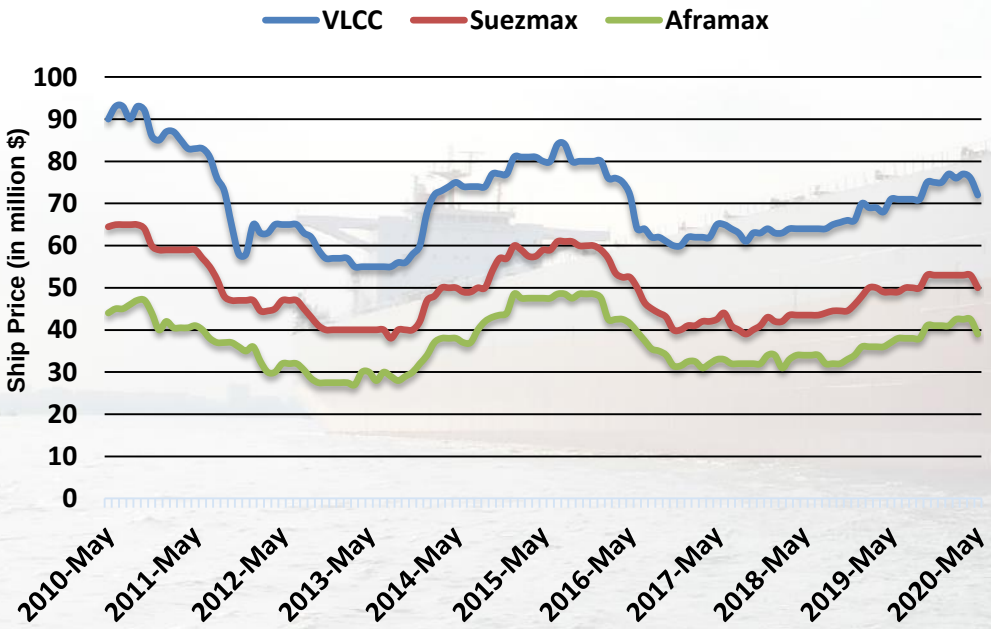
Sources: Industry Reports

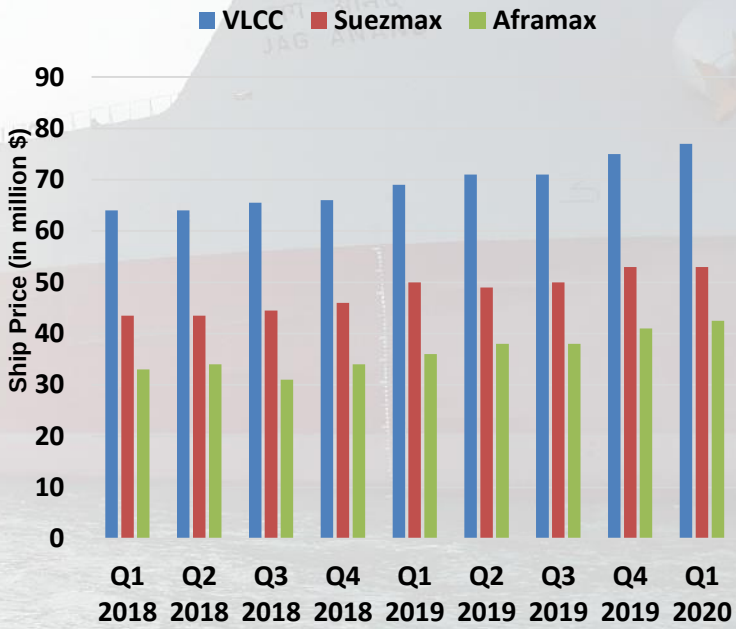
KEY POINTS ON TANKER MARKET

Asset Prices	•VLCC 5 yr old asset prices increased about 12% Y-O-Y Q1CY20 •Suezmax 5 yr old asset prices increased about 8% Y-O-Y Q1CY20
Freight Rates	•BCTI averaged 5% over Q4CY19 & BDTI averaged 6% below Q4CY19 during Q1CY20
Crude Market	•U. S. production was up about 1.05 million barrels a day year-on-year, U. S. exports were up about 0.80 million barrels a day, whereas, imports have been down 0.6 million barrels a day year-on-year Q1CY20. •In Q1CY2020 Y-O-Y, overall crude loadings were largely flattish with MEG loadings down by 0.5 million barrels a day, Atlantic basin were flat offset by APAC incremental crude loadings of 0.5 million barrels a day
Product Market	•In Q1CY2020 Y-O-Y, overall trade growth for Core Refined Products was higher by 0.25 million barrels a day. •This was driven by Asia Pacific & Europe exports growth offset by negative exports growth out of MEG mainly Gasoil & Gasoline
LPG Market	•US VLGC exports grew by 25% in Q1CY2020 Y-O-Y, due to trade arbitrage between US & Far East LPG Prices and higher supplies out of US •Overall VLGC loadings was up by 7% Y-O-Y Q1CY2020 largely driven by US. Fleet growth of 2.5% Y-O-Y. Baltic LPG index averaged US $66.5/ton during Q1CY2020 up 124% Y-O-Y.
Fleet Growth	•Crude tankers net fleet growth in Q1CY20 is 1.36%, product tankers net fleet growth is 0.84% and VLGC growth in net fleet is 3.9% sequentially

Source – Industry Reports

TANKERS – ASSET PRICE MOVEMENT (5-YEAR OLD)





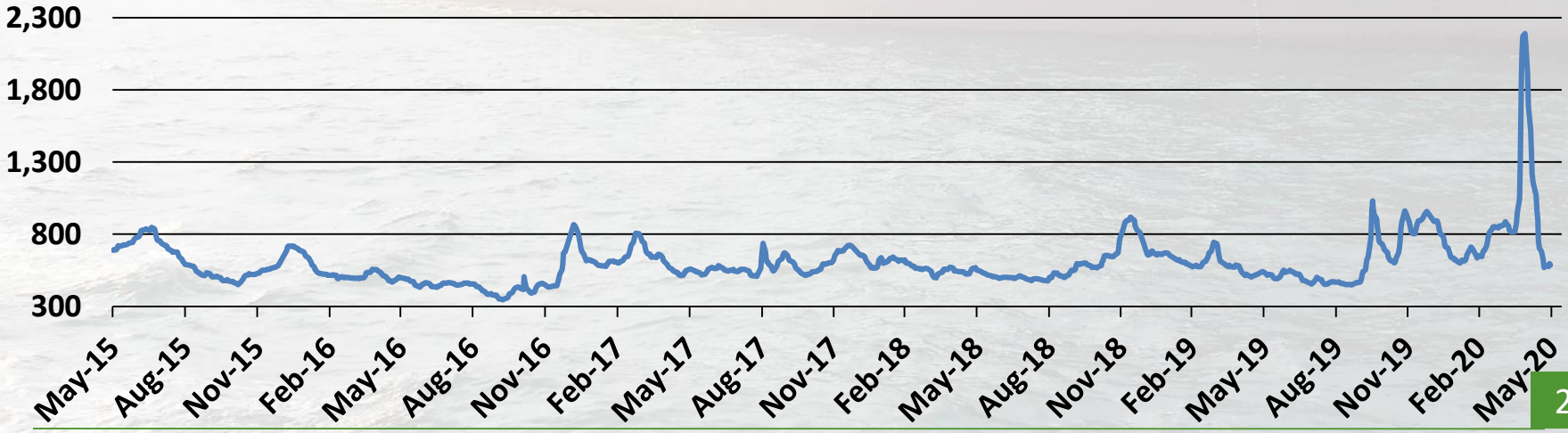
Wet Bulk asset prices has improved by 8% to 12% in Q1CY2020 Y-O-Y.

Source – Industry Reports

BALTIC DIRTY & CLEAN INDEX

BALTIC DIRTY TANKER INDEX

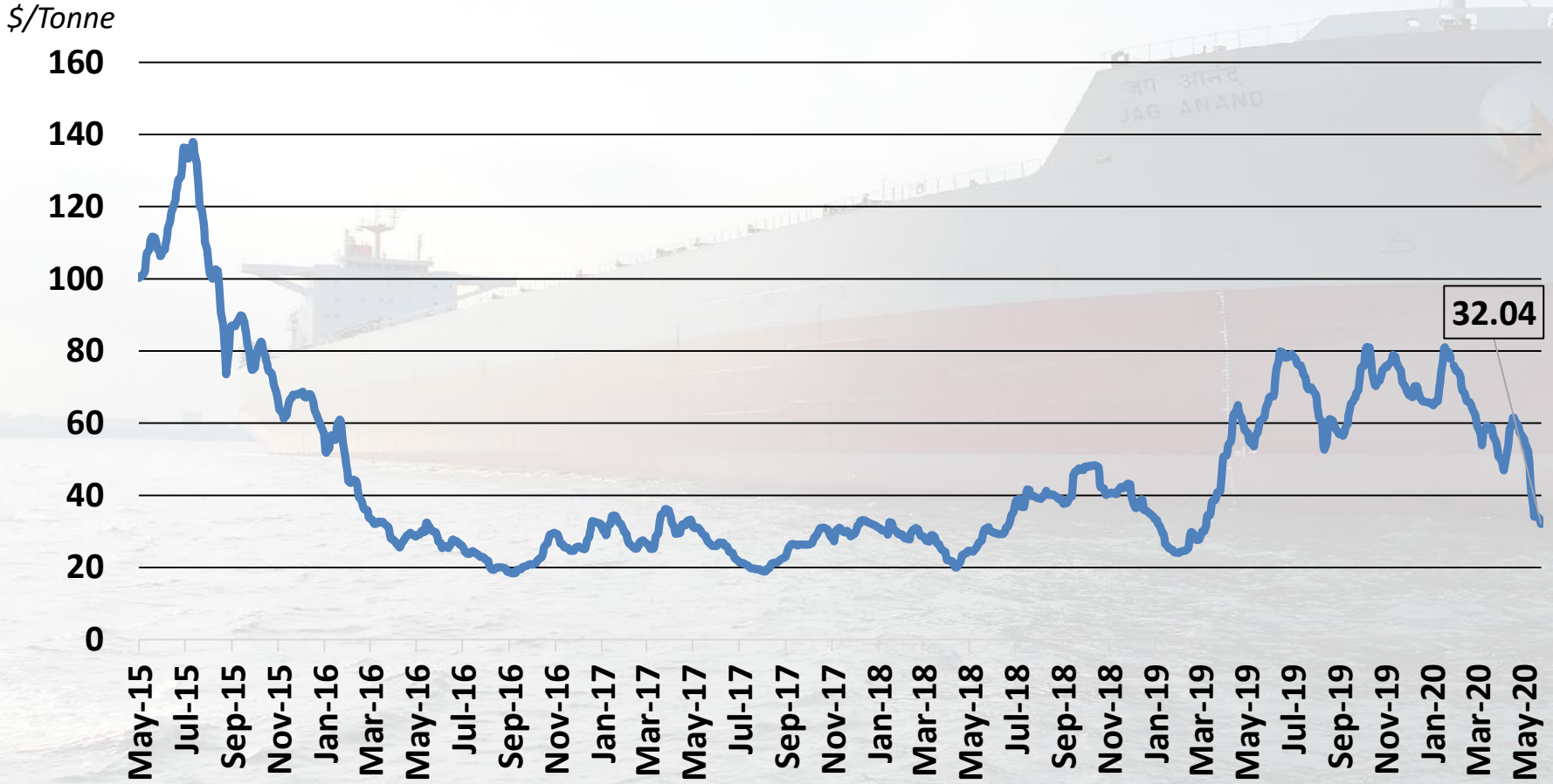
BALTIC CLEAN TANKER INDEX



Source – Industry Reports

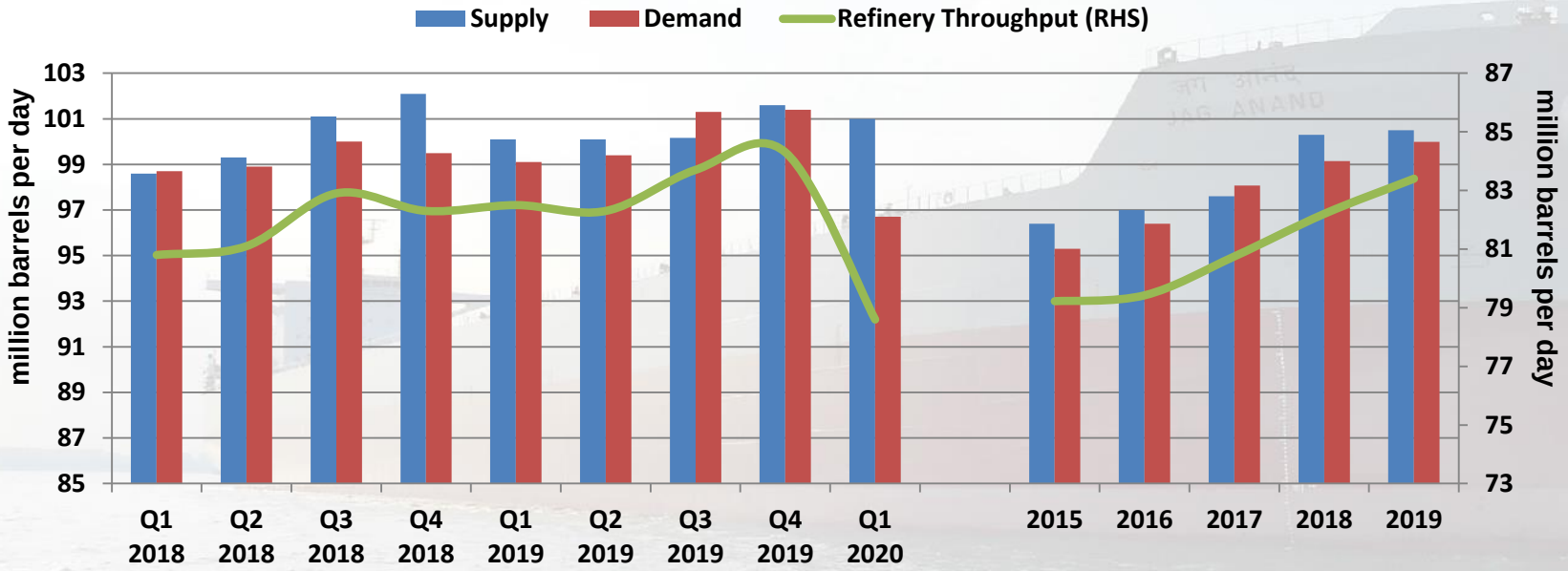
BALTIC LPG ASSESSMENT (LPG Fully

Ref, Ras Tanura – Chiba (Japan)



Sources: Industry Reports

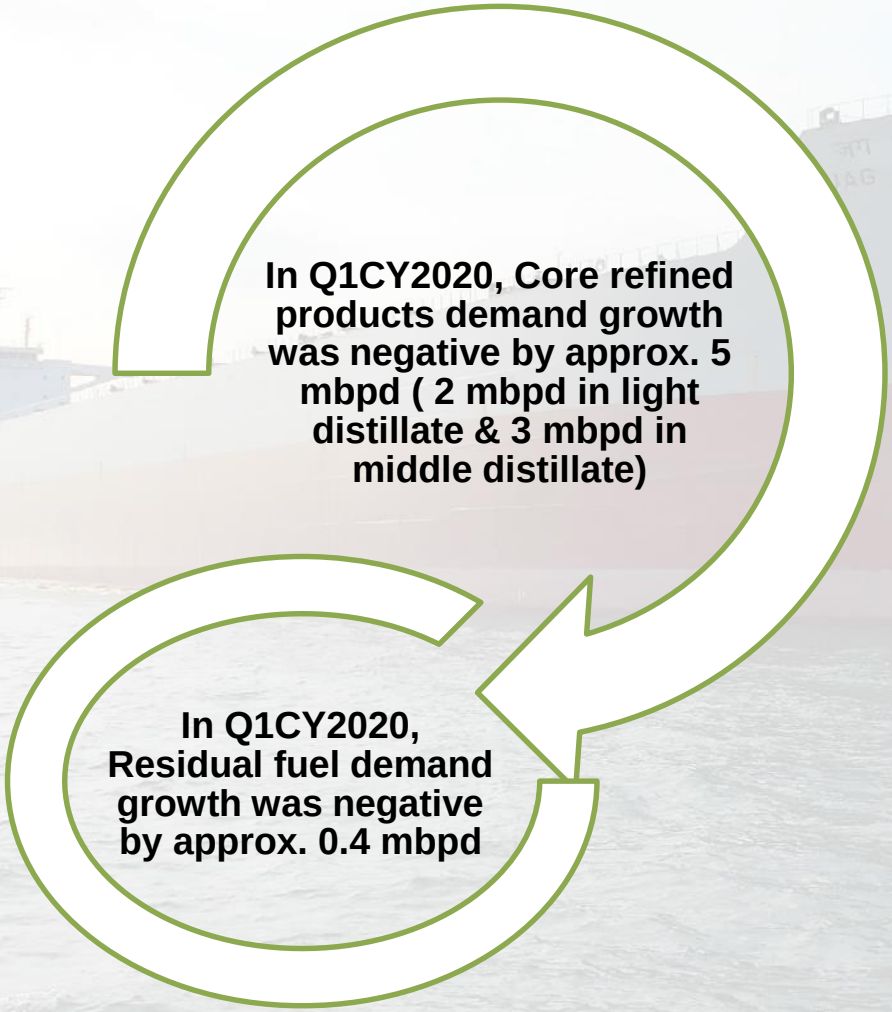
TOTAL OIL SUPPLY & DEMAND



In Q1CY20 Y-O-Y, refinery throughput growth has been down by approx. 3 mbpd mainly due to COVID-19 impact on product demand

Source – Industry Reports

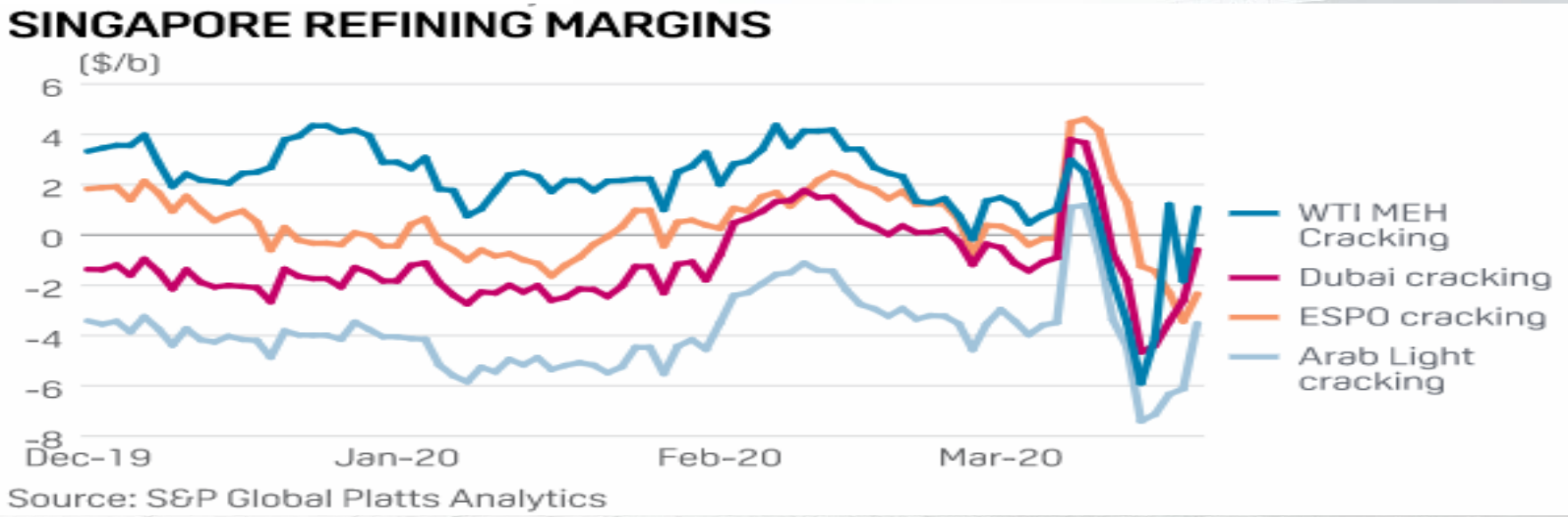
OIL PRODUCTS & RESIDUAL FUEL DEMAND GROWTH



Kindly Note: mbpd stands for million barrels per day

Source – Industry Reports

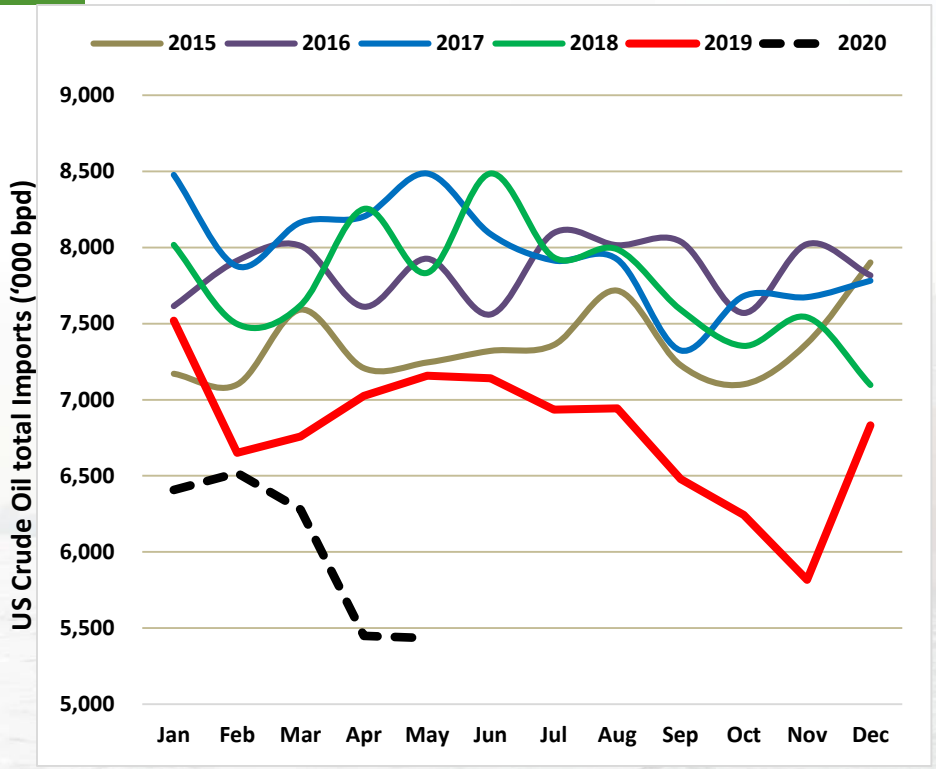
REFINERY MARGINS

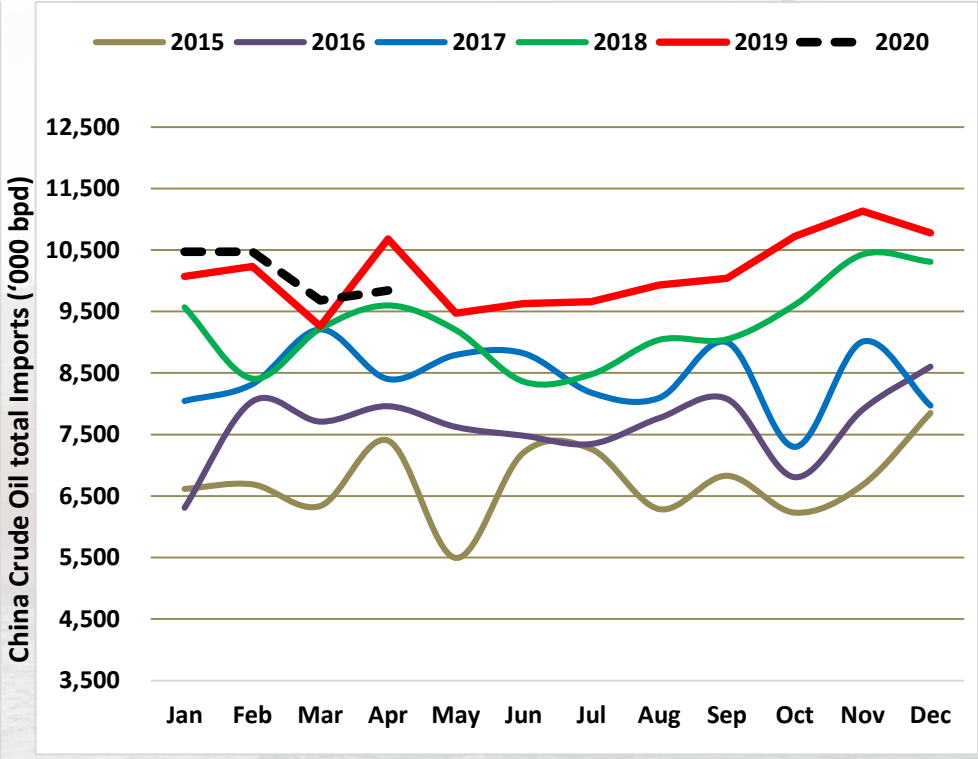


Refinery Margins were substantially down (ending quarter with 5 yr lows) across the globe, especially Asia it was at 5 yr lows for entire Q1CY20. Gasoline & Jet cracks were worst impacted.

Source – Industry Reports

CRUDE OIL IMPORTS (US & China)

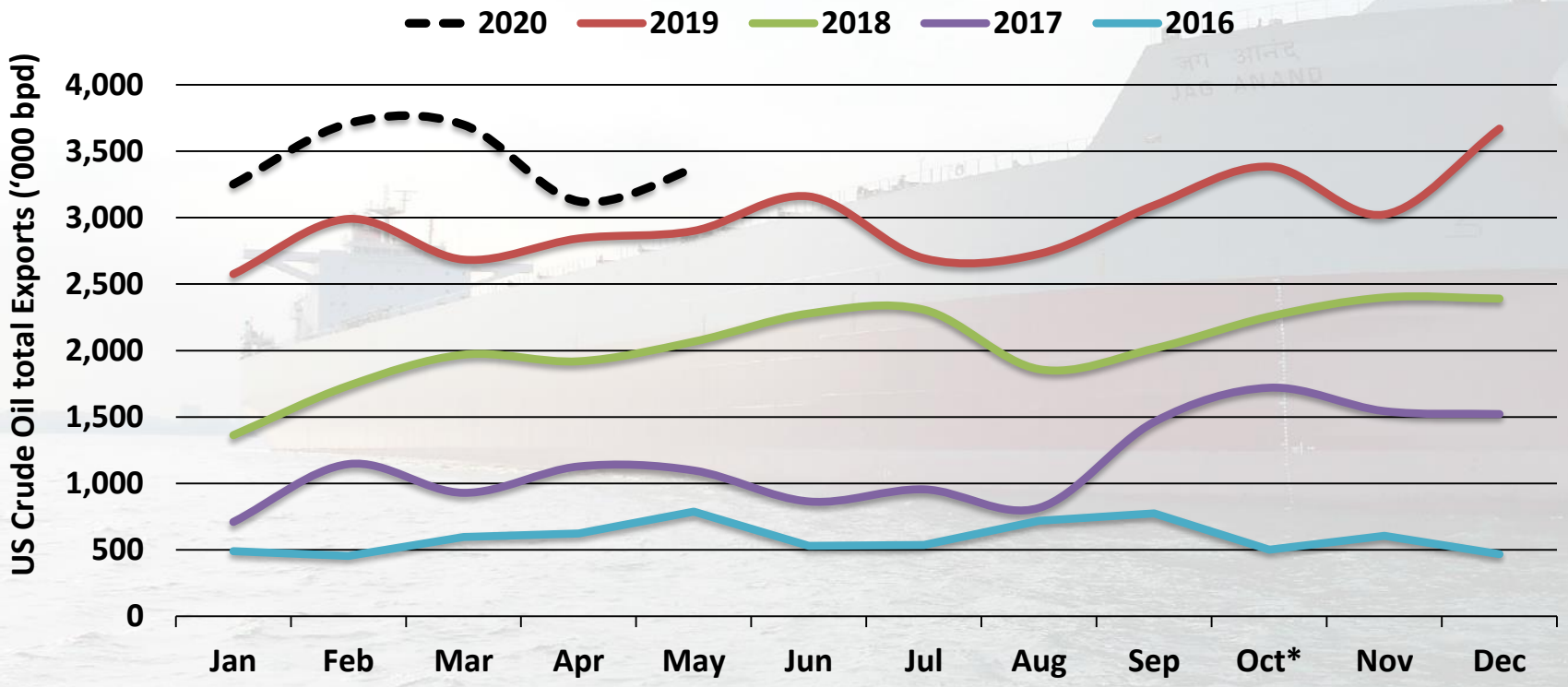




In Q1CY20, China imported 4% higher crude oil than Q1CY19 as new refineries were ramping up

Source – Industry Reports

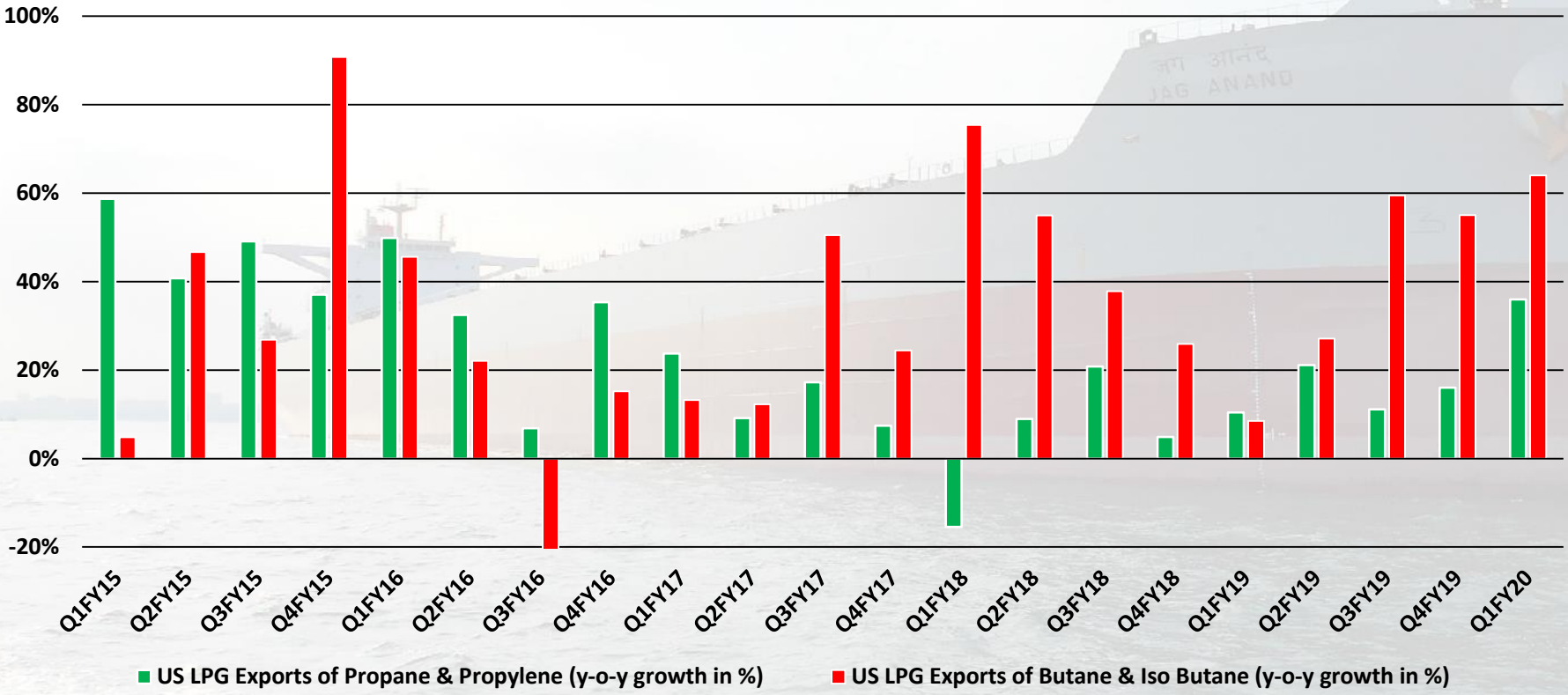
CRUDE OIL EXPORTS (US)



YTD2020, US exported 22% higher crude oil than YTD2019

Sources: Industry Reports

US LPG EXPORTS OF PROPANE, PROPYLENE, BUTANE & ISO BUTANE



US VLGC exports grew by 25% in Q1CY2020 Y-O-Y

Sources: Industry Reports

WORLD FLEET GROWTH
CRUDE TANKERS

Tanker Fleet - mn Dwt	1-Jan-18	1-Jan-19	1-Jan-20	22-May-20
VLCC	225.10	227.42	247.33	252.57
Suezmax	80.60	81.86	85.00	89.23
Aframax	67.20	67.07	70.13	73.61
Total (80k+)*	**378.90**	**381.69**	**408.06**	**421.09**

**Includes panamax crude tankers*

Order Book (mn Dwt)	2020	2021	2022+	Total
Orderbook as % of current fleet	***3.1%***	***3.9%***	***1.7%***	***8.7%***

Slippage (YTD2020)	**About 8-12%**

Source – Industry Reports

WORLD FLEET GROWTH
PRODUCT TANKERS & VLGC

Product Fleet - mn Dwt	1-Jan-18	1-Jan-19	1-Jan-20	22-May-20
LR2	36.60	37.9	40.7	41.63
LR1	26.51	26.9	27.9	28.01
MR/Handy (35k+)	82.40	83.3	86.8	88.37
Total (35k+)*	**147.61**	**150.93**	**158.65**	**161.37**

**Suezmax Product Tankers included*

Order Book(mn Dwt)	2020	2021	2022+	Total
Orderbook as % of current fleet	***2.2%***	***3.2%***	***1.7%***	***7.1%***

Slippage Product (YTD2020)	**About 25-29%**

Fleet - No. of Vessels	1-Jan-19	1-Jan-20	22-May-20
VLGC	**265**	**282**	**294**

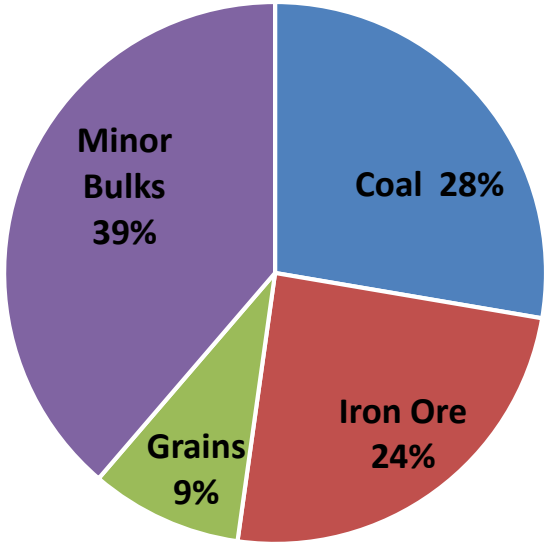
Order Book (No. of Vessels)	2020	2021	2022+	Total
Orderbook as % of current fleet	**3.1%**	**7.1%**	**1.7%**	**11.9%**

Source – Industry Reports

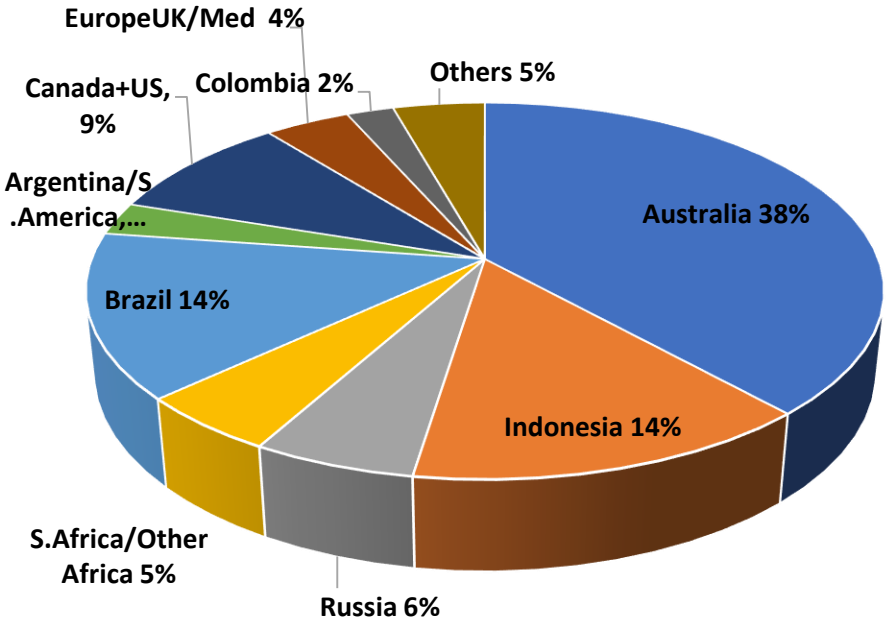
DRY BULK MARKET

DRY BULK MARKETS

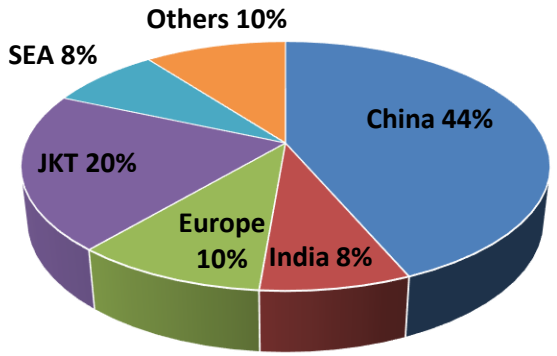
Commodity wise Break up of Global DB demand (%)



Major Exporters - Iron ore/Coal/Grains (MMT,%)



Major Importers of - Iron Ore/Coal/Grains (%)



Sources: Industry Reports

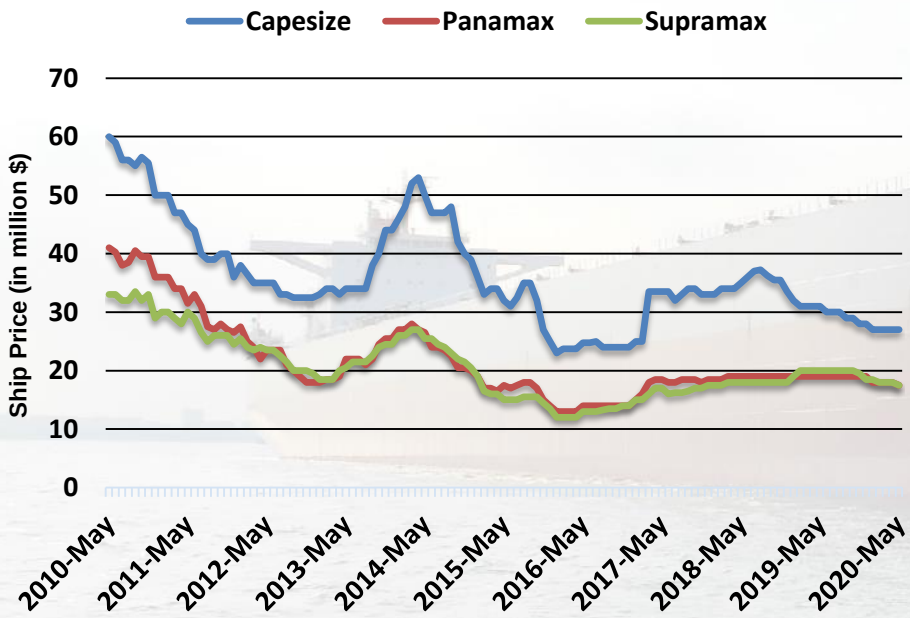
KEY POINTS ON DRY BULK MARKETS

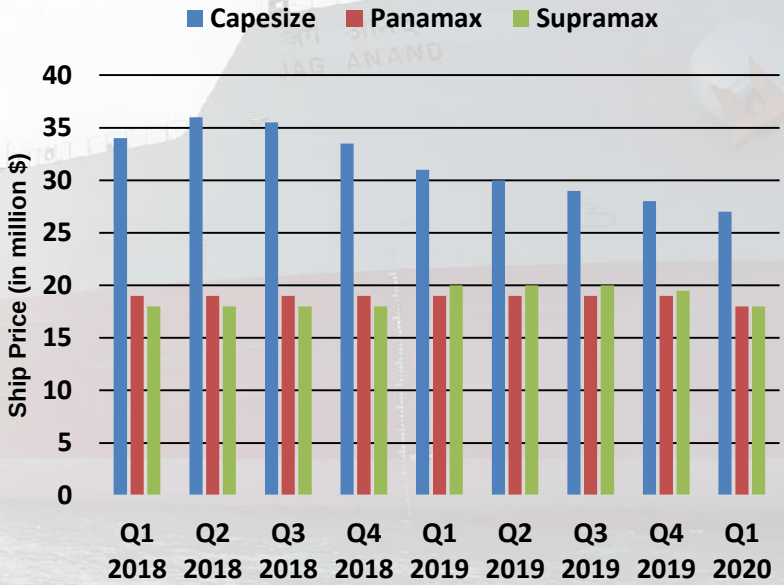
Asset Prices	• Capesize 5 yr old asset prices were down 13% in Q1CY2020 Y-O-Y • Panamax & Supramax 5 yr old asset prices were flat to marginally down in Q1CY2020 Y-O-Y
Freight Rates	• BDI hits 393 on 14-May-20, 80% down from multi year high of 2,518 on 04-Sep-19 • In Q1CY2020, BDI averaged 66% below Q4CY19 & 26% below Q1CY19
Coal Market	• China total coal imports for 4MCY2020 have risen by 26.9% Y-O-Y. Indian coal imports have risen 8.5% Y-O-Y in Q1CY2020
Iron Ore	• China's Iron Ore imports increased by 5% in 4MCY2020 Y-O-Y. Maximum increase has been in the month of April 2020.
Fleet Growth	• Dry Bulk net fleet growth in Q1CY2020 was about 1% sequentially.

Source – Industry Reports

BULKER ASSET PRICES

5-YEAR OLD

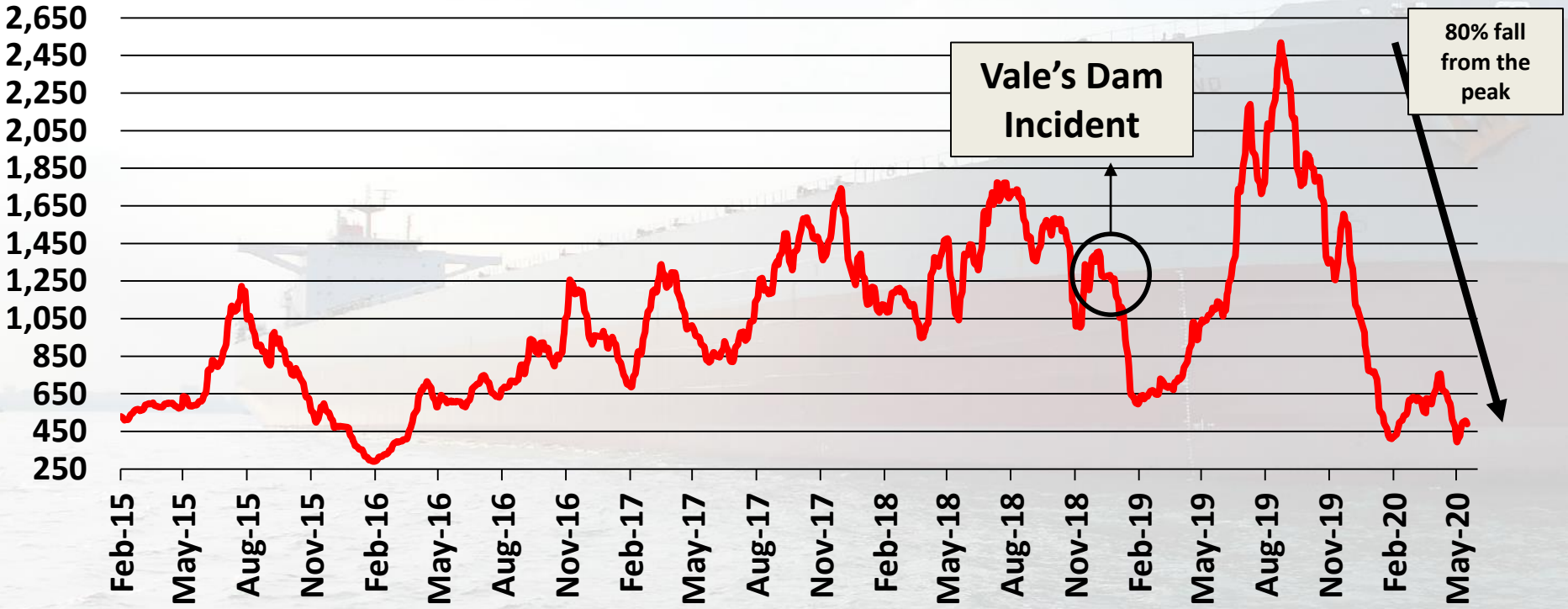




Capesize asset prices were down 13% in Q1CY2020 Y-O-Y. Panamax asset prices were flat Q1CY2020 Y-O-Y while Supramax asset prices were down 10% in Q1CY2020 Y-O-Y.

Source – Industry Reports

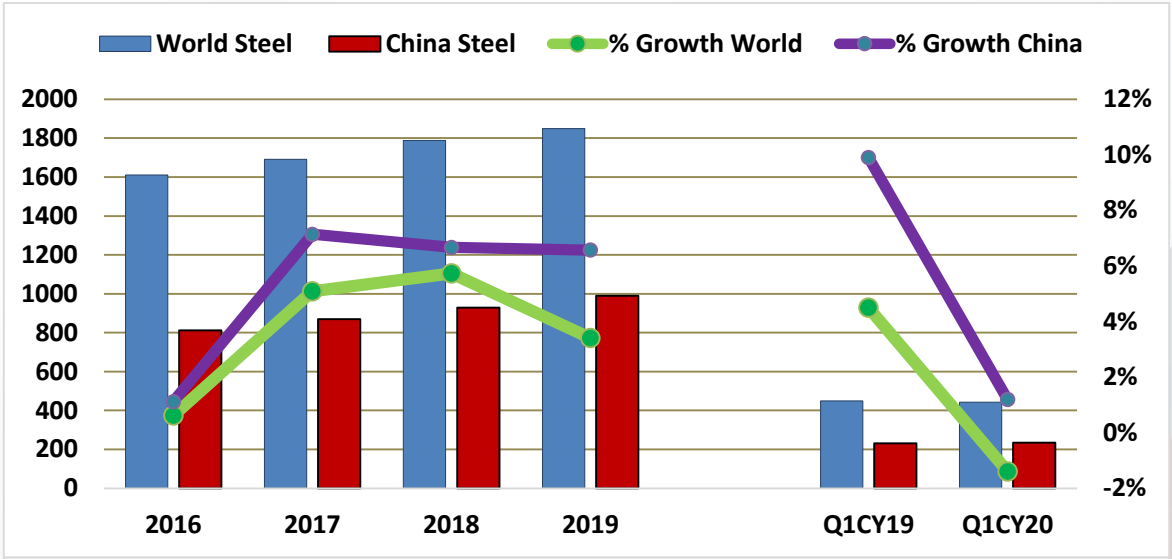
BALTIC DRY INDEX

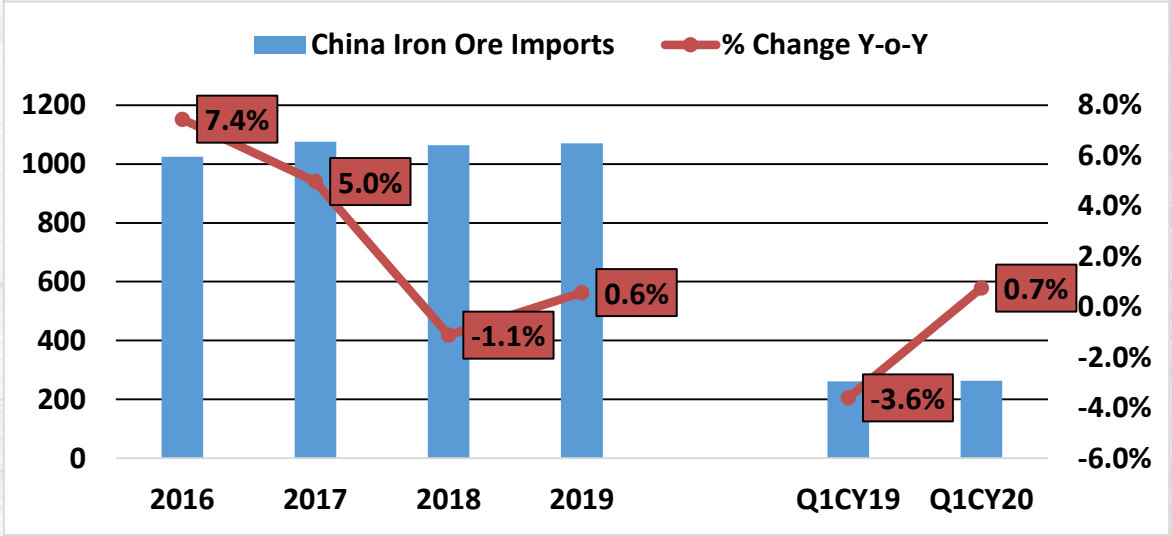


Baltic Dry Index hit multi year low of 393 since March 2016. The fall is 80% from multi year high of 2,518 on 4th September 2019.

Source – Industry Reports

CHINA IRON ORE & STEEL PRODUCTION





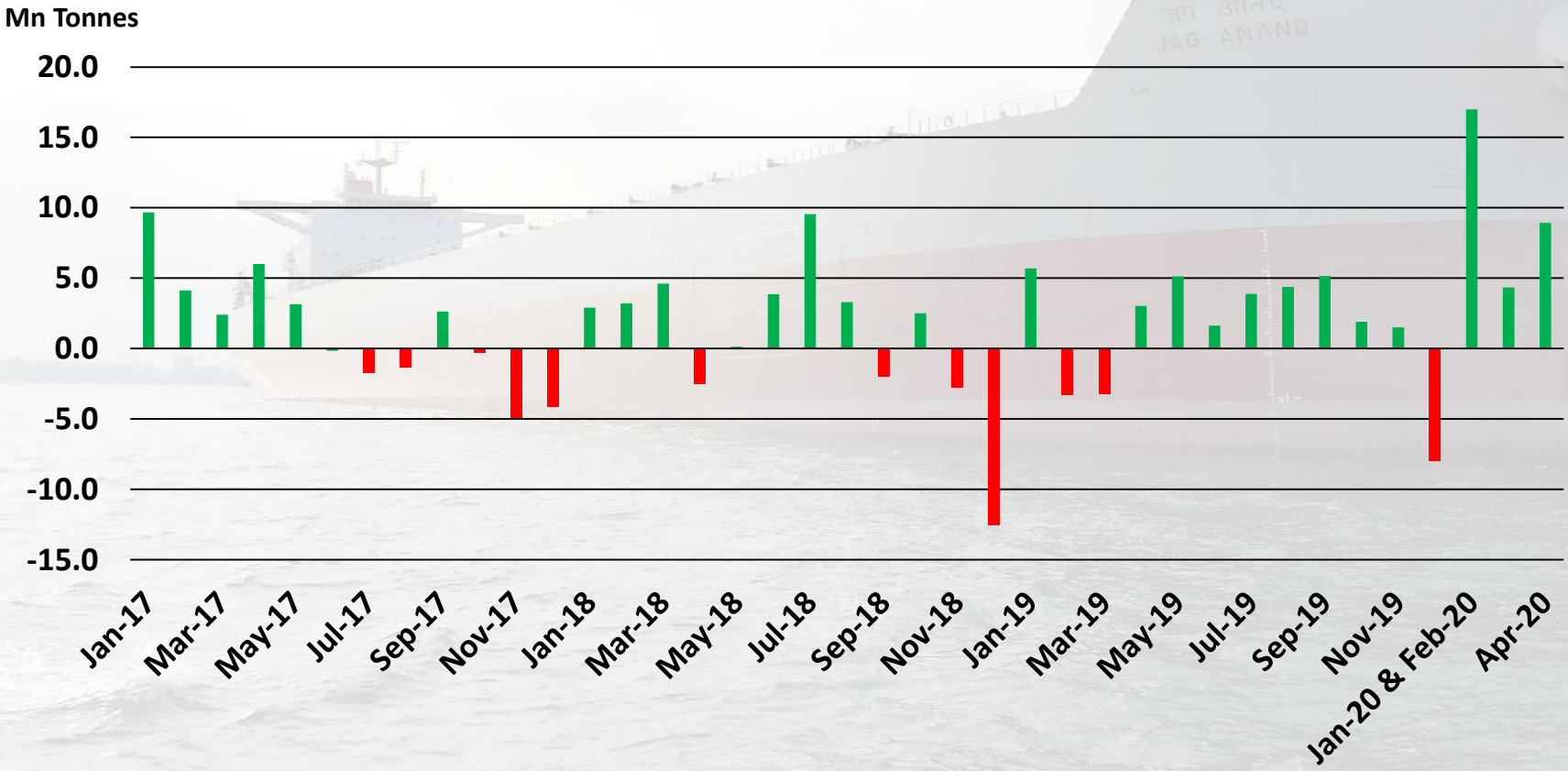
China Steel Production increased marginally 1.2% in Q1CY2020 Y-O-Y

China's iron ore import was flat in Q12020 Y-O-Y

Source – Industry Reports

CHINA COAL IMPORTS

China coal imports change (Y-O-Y)



Source – Industry Reports

WORLD FLEET GROWTH

DRY BULK

Fleet - Mn Dwt	1-Jan-18	1-Jan-19	1-Jan-20	22-May-20
Capesize	324	335	348	354
Panamax	202	207	218	223
Handymax	196	201	208	212
Handysize	96	98	100	105
Total	**818**	**841**	**875**	**893**

Orderbook (mn Dwt)	2020	2021	2022	2023+	Total
Orderbook (%Fleet)	3.9%	3.3%	0.9%	0.0%	8.1%

Slippage (Q1CY2020)	About 15%

Source – Industry Reports

SCRAPPING

Vessel Category	Fleet (mn Dwt)	Scrapping (% of beginning world fleet)						
	22 May 20	Q1CY20	2019	2018	2017	2016	2015	2014
Crude	421	0.03%	0.61%	4.62%	2.35%	0.35%	0.23%	1.60%
Product	161	0.24%	0.43%	1.64%	1.42%	0.62%	0.61%	1.19%
Dry Bulk	893	0.57%	0.92%	0.54%	1.77%	3.67%	4.03%	2.25%

Scrapping was low for Crude and Product tanker sector in Q1CY2020

Source – Industry Reports

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 (FY21)
PSV	100%
ROVSV	89%
AHTSV	78%
MPSSV	35%
Jackup Rigs	91%

As on 31st March 2020

Source – Industry Reports

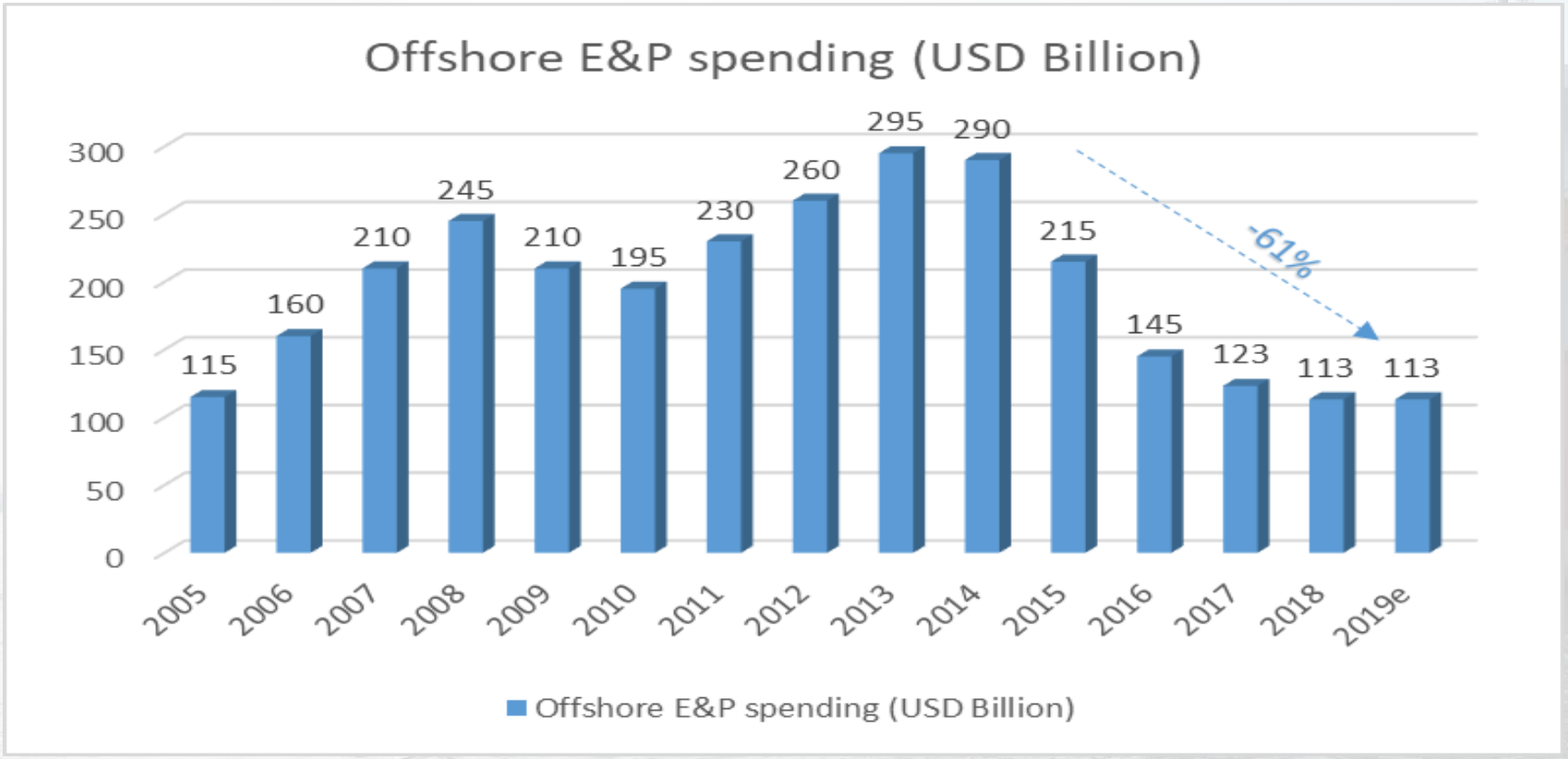
KEY POINTS ON E&P MARKETS

Q1CY2020

Day Rates	• The steep fall in oil price and Covid-19 impact on the world economy has stalled the recovery. Some regions have witnessed early terminations & renegotiations. • We have not yet seen this impact in Indian market as there is no new price discovery since last year.
Fleet Growth	• Rigs: Total fleet remains same compared to last quarter but increased by about 1.5% over one year. However, effective fleet (net of cold stacked) remains same. • OSV's: Total fleet reduced marginally compared to last quarter and by about 1.45% over one year. .
Fleet Utilization	• Rigs: 60-70% (Term) (Increased by about 7% from March19 levels but dropped subsequently by about 4% in last 2 months due to Covid-19 concerns) • Vessels: 40-50% (Term) (Increased by about 3% from March19 levels but dropped subsequently by about 4% in last 2 months due to Covid-19 concerns)
Slippage	• OSVs: 80%-90%(CY2019) • Rigs: 50% - 60%(CY2019)

Source – Industry Reports

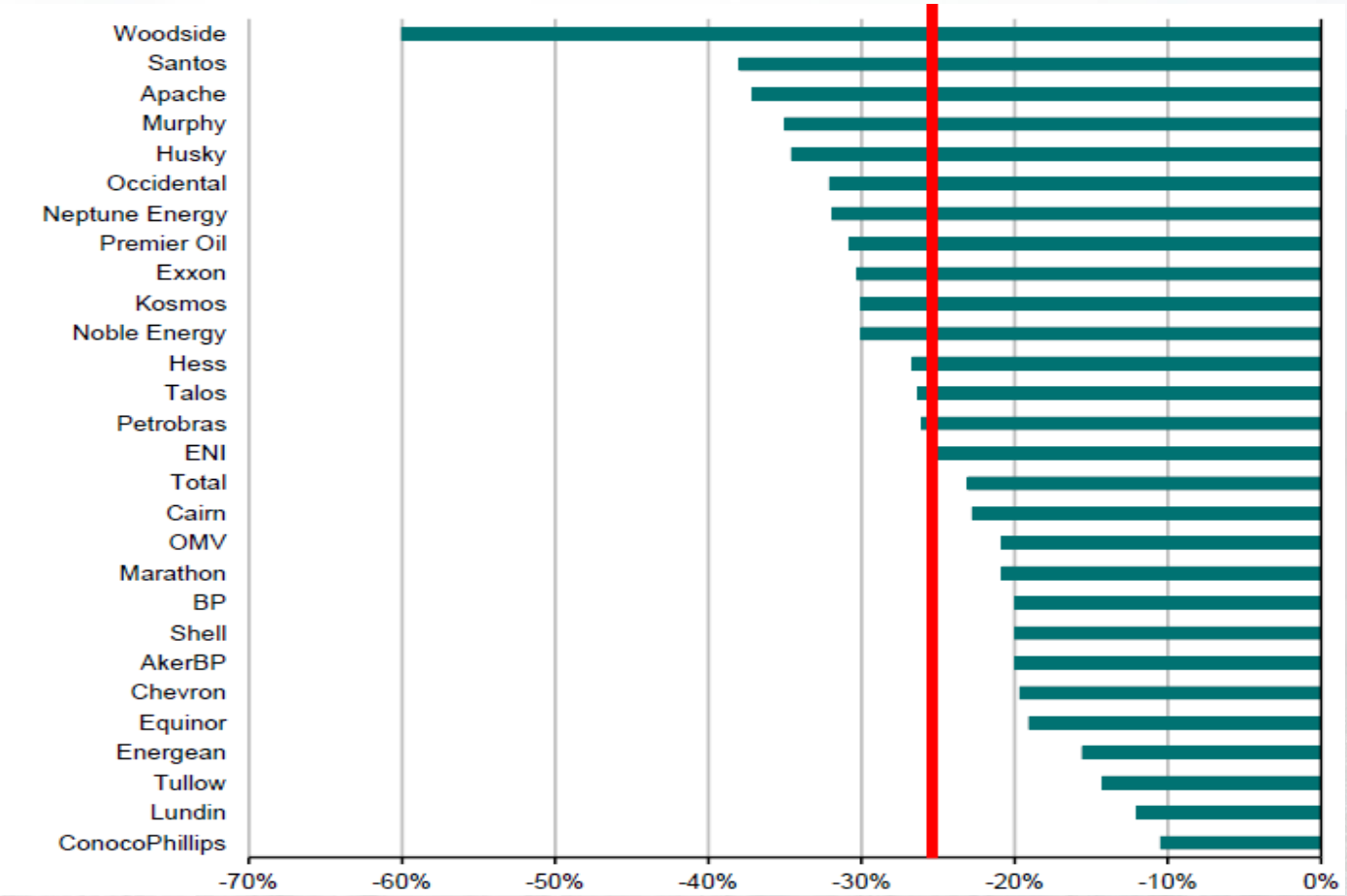
OFFSHORE E&P SPENDING



The E&P spending after declining marginally in 2018 was flattish in 2019. Spending in 2020 is expected to decline from 2019 levels.

Source – Industry Reports

OFFSHORE E&P SPENDING



2020 estimated Capex cuts announced by industry players. Aggregate cuts is about 25%

Source – Industry Reports

GLOBAL FLEET SUPPLY
OFFSHORE

Fleet & Orderbook

Number	Jackup Rigs	AHTSVs	PSV
Current Fleet	524	1980	1610
Orderbook	46	67	113
O/B to current fleet	*8.8%*	*3.38%*	*7.02%*

- 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 40% of Jackup rig fleet is currently 25 years and above.
- Average stacking period for cold stacked rigs globally is about 4.6 years while for vessels it's about 3.8 years.
- While the orderbook of the OSV fleet is low, there are still more than 400 modern vessels (less than 15 year old) which are currently cold stacked

Source – Industry Reports

FINANCIAL RESULTS

FY 2019-20

FINANCIAL HIGHLIGHTS

The Great Eastern Shipping Co. Ltd.

GE Shipping FY20 consolidated Net Profit at Rs. 207 Crores

Declared 2nd interim dividend of Rs. 2.70 per share (Total dividend declared of Rs. 8.10 per share for FY20)

Standalone		*Key Figures*	Consolidated	
FY20	**FY19**	**(Amount in Rs. Crs)**	**FY20**	**FY19**
		Income Statement		
3,168.90	2,913.41	Revenue (including other income)	3,948.48	3,819.94
1,113.79	864.62	EBITDA (including other income)	1,428.08	1,345.38
1,209.07	858.71	#EBITDA (including other income)	1,547.15	1,388.60
280.69	**(19.47)**	**Net Profit**	**207.14**	**(21.45)**
		Balance Sheet		
10,005.79	10,340.73	Total Assets	13,832.82	14,370.22
5,067.05	5,065.72	Equity	6,795.64	6,809.67
3,594.57	4,103.92	Total Debt (Gross)	5,276.82	5,998.94
1,323.24	1,832.37	Long Term Debt (Net of Cash)	1,842.80	2,504.15
		Cash Flow**		
1,141.40	676.63	From operating activities	1,487.18	1,075.40
133.84	(456.53)	From investing activities	84.42	(514.46)
(1,409.32)	(701.89)	From financing activities	(1,864.05)	(1,022.17)
(134.08)	(481.79)	Net cash inflow/(outflow)	(292.45)	(461.23)

FINANCIAL HIGHLIGHTS

The Great Eastern Shipping Co. Ltd.

Standalone		*Key Figures*	Consolidated	
FY20	**FY19**		**FY20**	**FY19**
		Key financial figures		
35.15%	29.68%	EBITDA Margin	36.17%	35.22%
8.08%	-0.14%	*#Return on Equity (ROE)	5.99%	1.61%
8.15%	3.60%	*#Return on Capital Employed (ROCE)	6.90%	4.25%
0.71	0.81	Gross Debt/Equity Ratio	0.78	0.88
0.26	0.36	Net Debt/Equity Ratio	0.27	0.37
70.59	69.57	Average Exchange rate USD/INR	70.59	69.57
75.67	69.15	End of Period Exchange rate USD/INR	75.67	69.15
		Share related figures(in Rs.)		
18.89	(1.29)	Earnings per share, EPS	13.94	(1.42)
18.85	(1.29)	Diluted earnings per share	13.91	(1.42)
59.62	33.37	Cash Profit per share	77.42	58.64
8.10	**5.40**	**Dividend per share**	**8.10**	**5.40**

 # 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	Q4 FY20	Q4 FY19
Owned Tonnage	4,073	4,278
Inchartered Tonnage	-	105
Total Revenue Days	**4,073**	**4,383**
Total Owned Tonnage (mn.dwt)	3.70	3.90

Average TCY Details

Average (TCY $ per day)	Q4'FY20	Q4'FY19	% Change
Crude Carriers	32,338	21,559	50%
Product Carriers	18,274	16,325	12%
LPG Carriers	25,932	16,505	57%
Dry Bulk	8,321	10,389	-20%

Mix of Spot & Time

Days (in %)	Q4'FY20	Q4'FY19
Dry Bulk		
Spot %	90%	92%
Time %	10%	08%
Tankers		
Spot %	73%	84%
Time %	27%	16%
Total		
Spot %	78%	87%
Time %	22%	13%

THANK YOU

visit us at www.greatship.com