

**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/028/2018/JMT

February 15, 2018

**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,

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

You are requested to kindly take note of the same.

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

**Jayesh M. Trivedi**  
**President (SecI. & Legal) & Company Secretary**



The Great Eastern  
Shipping Co. Ltd.

# BUSINESS OVERVIEW



FEBRUARY 2018

# FORWARD LOOKING STATEMENT

Except for historical information, the statements made in this presentation constitute forward looking statements. These include statements regarding the intent, belief or current expectations of GE Shipping and its management regarding the Company's operations, strategic directions, prospects and future results which in turn involve certain risks and uncertainties. Certain factors may cause actual results to differ materially from those contained in the forward looking statements; including changes in freight rates; global economic and business conditions; effects of competition and technological developments; changes in laws and regulations; difficulties in achieving cost savings; currency, fuel price and interest rate fluctuations etc. The Company assumes no responsibility with regard to publicly amending, modifying or revising the statements based on any subsequent developments, information or events that may occur.

# CORPORATE PROFILE



## Shipping (Bulk)

## Offshore

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

### Tankers

- Crude
- Products/LPG

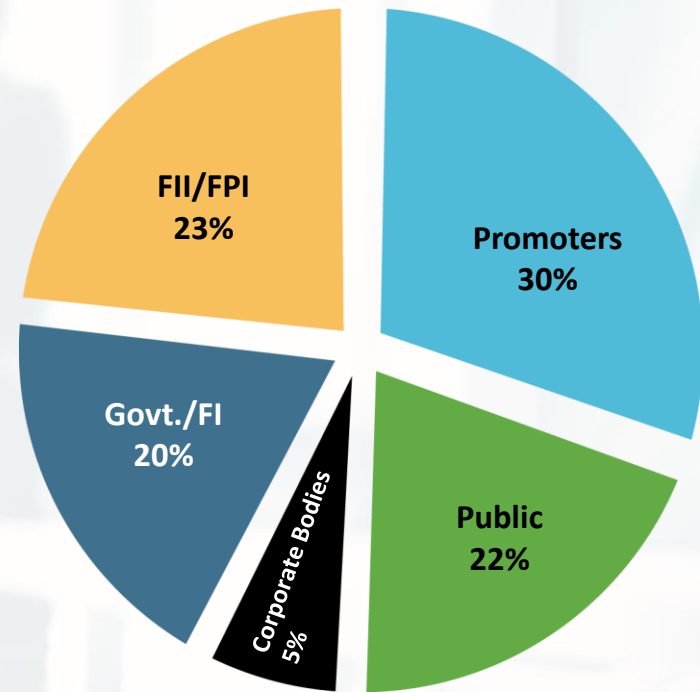
### Dry Bulk

### Logistics

### Drilling

India's largest private sector shipping company Over 69 years of  
experience

# SHAREHOLDING PATTERN



Shareholding Pattern as on 31 December 2017

# FLEET PROFILE

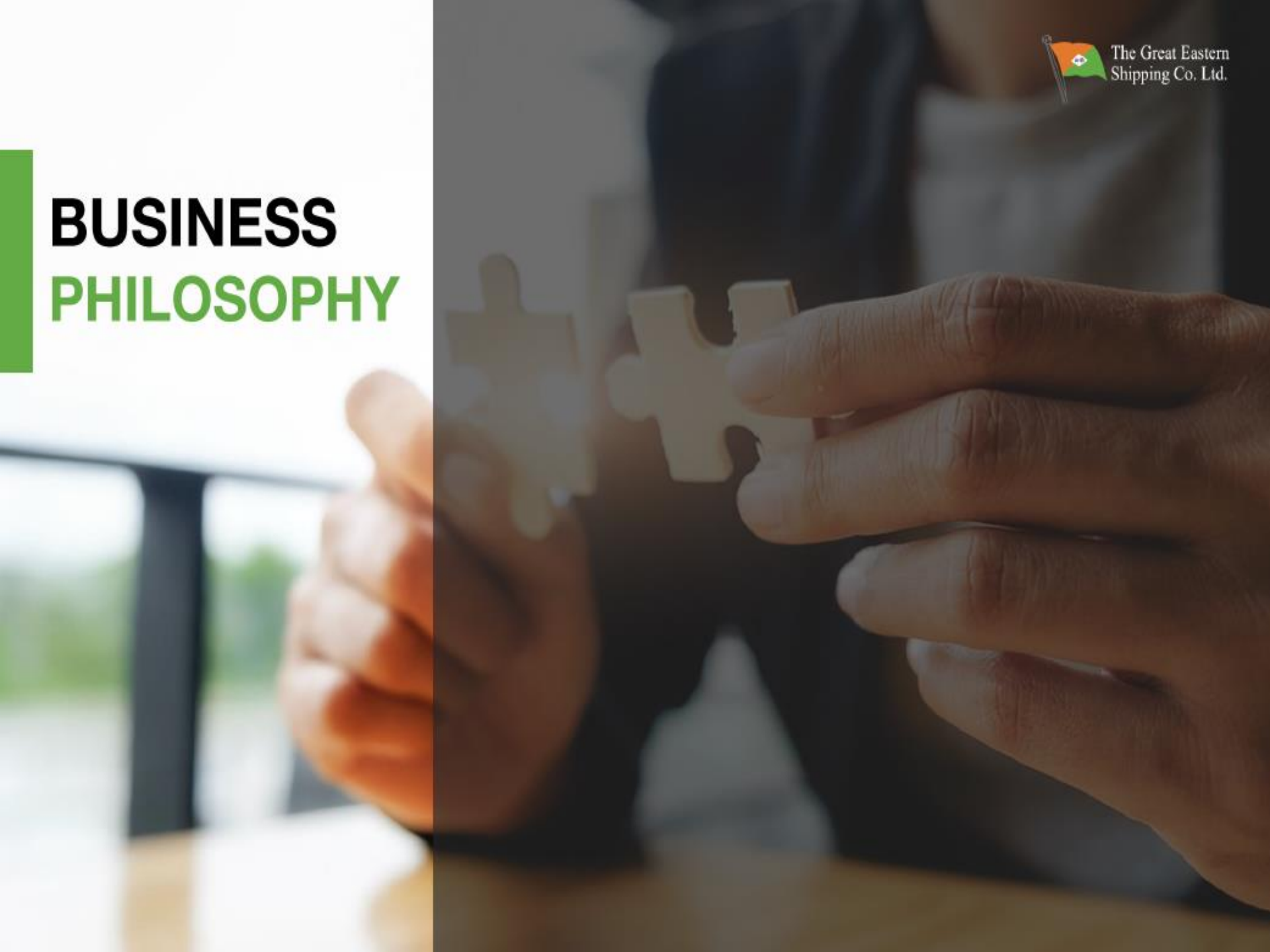
## SHIPPING

| Fleet             | DWT              | Number of Ships | Average Age (Yrs.) |
|-------------------|------------------|-----------------|--------------------|
| Crude Carriers    | 1,608,683        | 12              | 12.39              |
| Product Carriers  | 987,207          | 17              | 10.30              |
| Gas Carriers      | 126,099          | 3               | 22.48              |
| Dry Bulk Carriers | 1,211,485        | 16              | 6.29               |
| <b>Total</b>      | <b>3,933,474</b> | <b>48</b>       | <b>10.31</b>       |

## OFFSHORE

| Fleet                                          | Number of Units | Average Age (Yrs.) |
|------------------------------------------------|-----------------|--------------------|
| Jack Up Rigs                                   | 4               | 6.34               |
| Platform Supply Vessels                        | 4               | 8.51               |
| Anchor handling Tug Cum Supply Vessels         | 8               | 8.36               |
| Multipurpose Platform Supply & Support Vessels | 2               | 7.82               |
| ROV Support Vessels                            | 5               | 6.53               |

# **BUSINESS** **PHILOSOPHY**



# 4 KEY TO OUR SUCCESS



**Dynamically  
managing  
cycles**



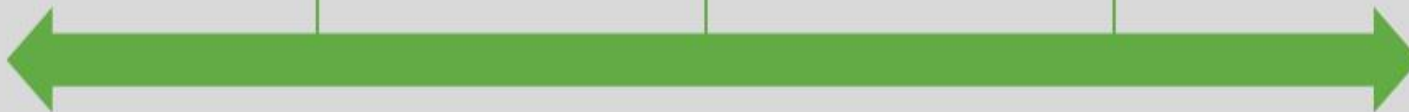
**Diversified  
Fleet**



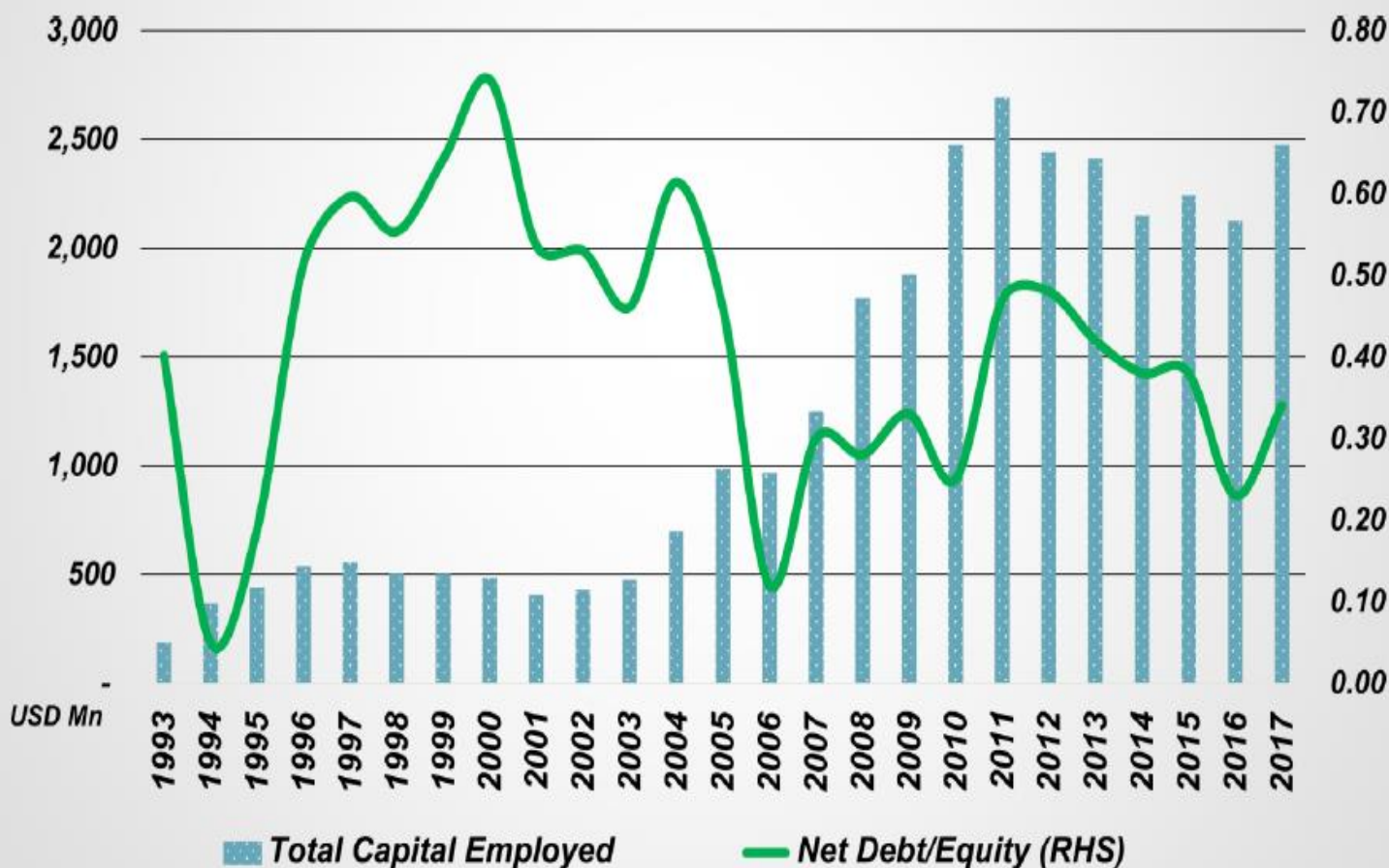
**In-House  
technical &  
commercial  
management**



**Strong  
balance sheet**

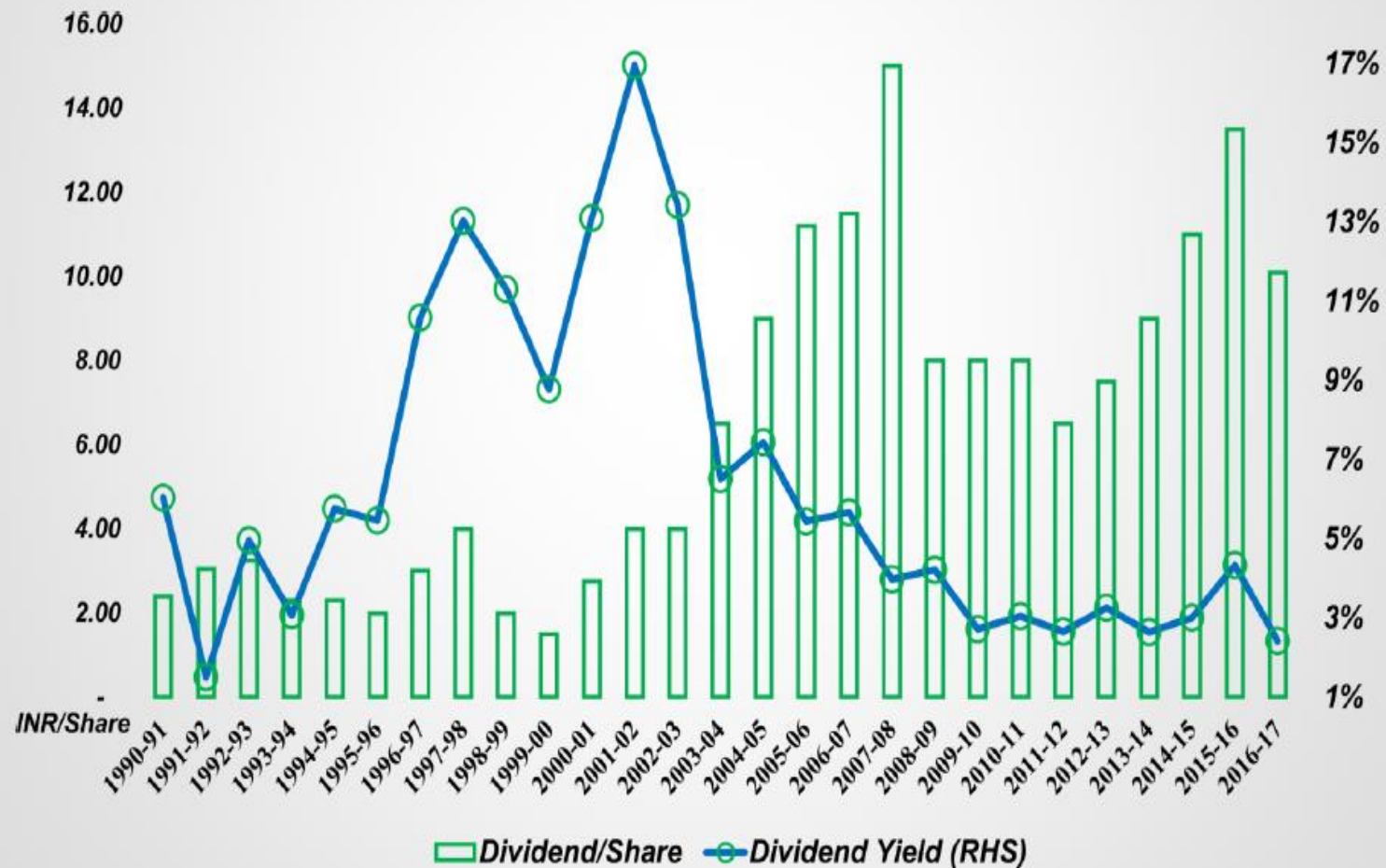


# NET DEBT/EQUITY & TOTAL CAPITAL EMPLOYED (CONSOLIDATED)

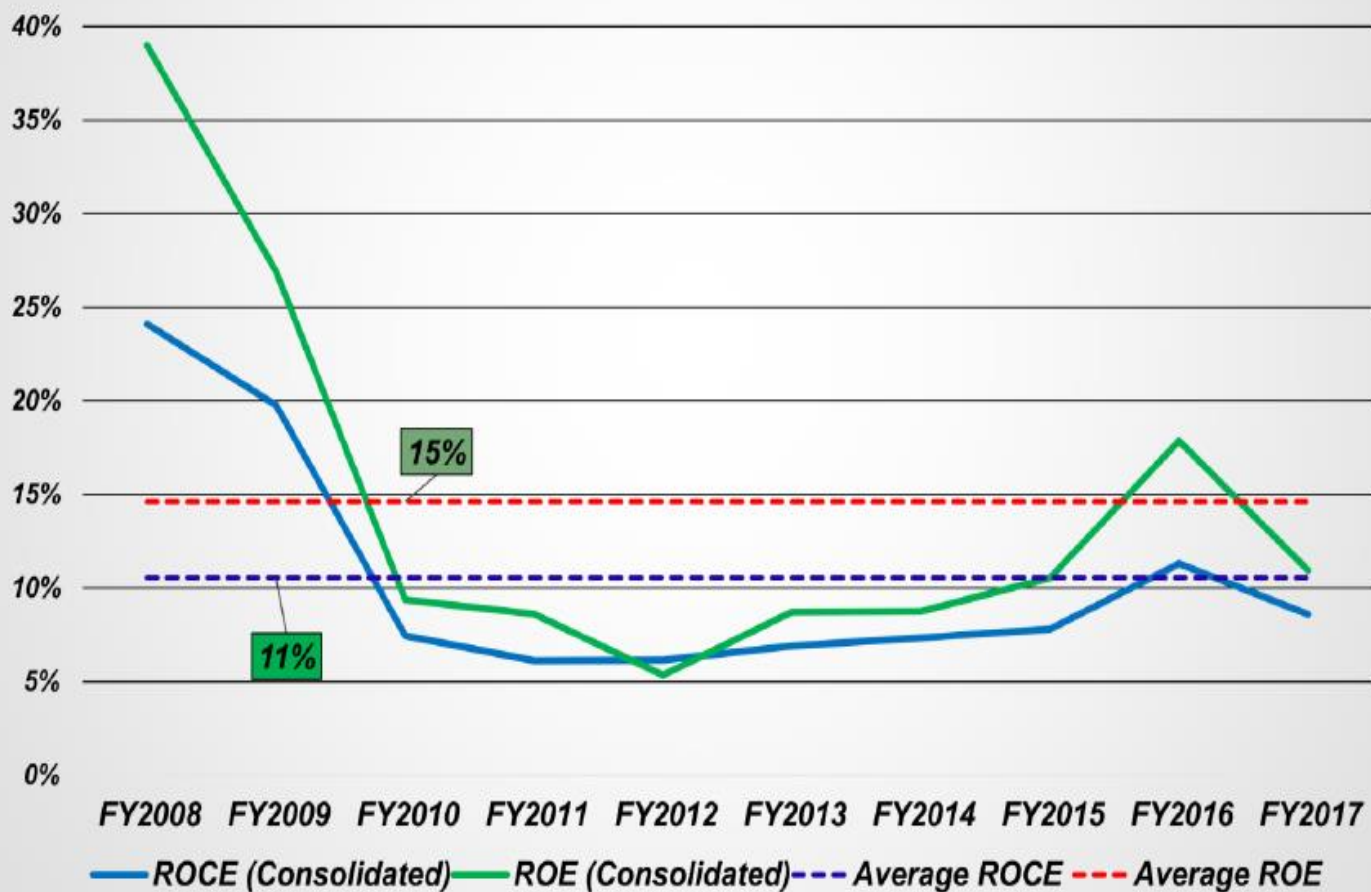


# DIVIDEND / SHARE

## (30+ YEARS CONTINUOUS DIVIDEND)



# ROE & ROCE (CONSOLIDATED)



# SHIPPING MARKET



# KEY POINTS ON **TANKER MARKET**

## Asset Prices

- VLCC 5 yr old asset prices are up about 5% Y-O-Y
- Suezmax & Aframax 5 yr old asset prices have moved marginally Y-O-Y

## Freight Rates

- BCTI rose by 8% & BDTI fell by about 7% during Q3FY18
- In 2018, BCTI has decreased by 11% while BDTI has decreased by 23%

## Crude Market

- Strong demand and refinery runs aided crude trade growth. However, inventory drawdown limited the upside. Further, strong fleet supply growth had a negative impact on the crude tanker rates.

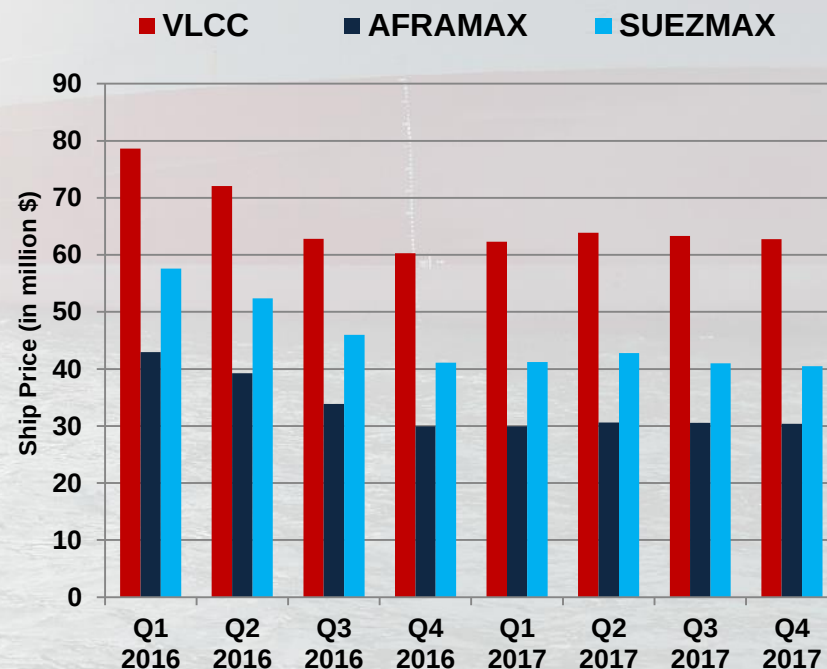
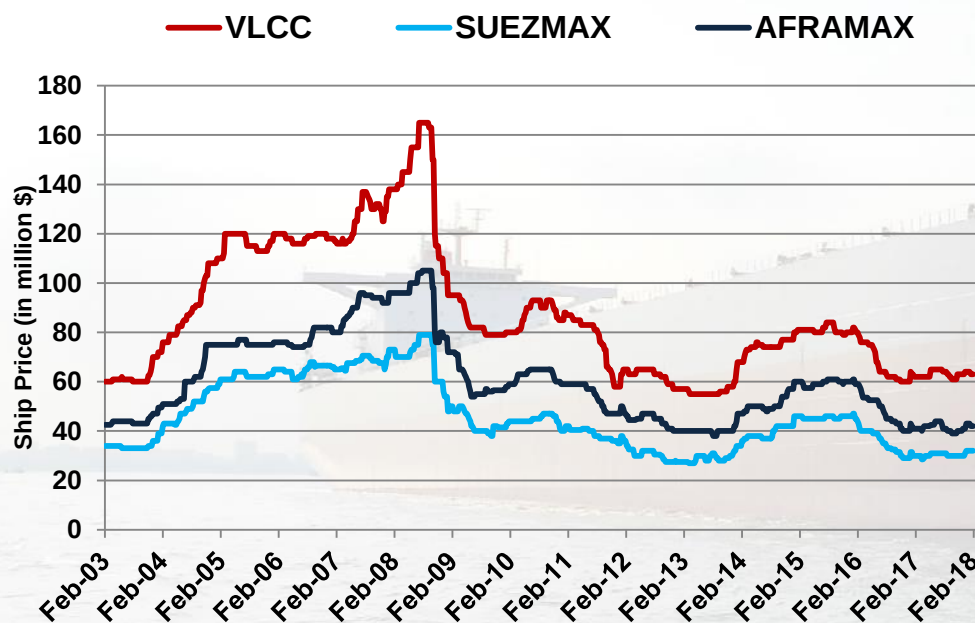
## Product Market

- Inventory drawdowns and higher proportion of short haul trade impacted earnings during the quarter despite continued strength in demand growth

## Fleet Growth

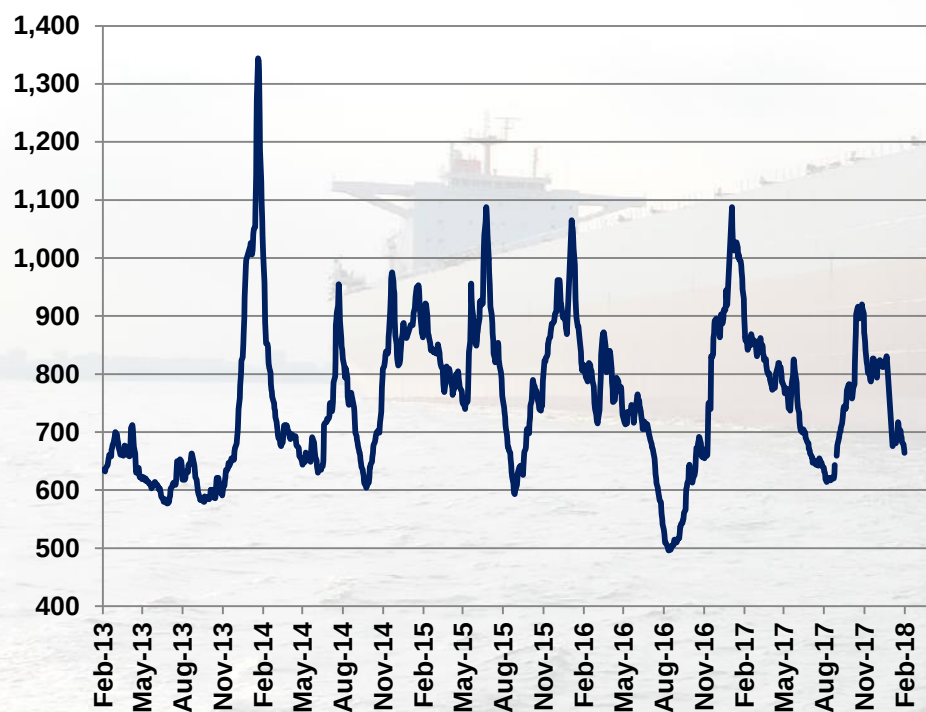
- Crude tankers net fleet growth in CY17 is 5.3% and product tankers net fleet growth is 4.4%

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



# BALTIC DIRTY & CLEAN INDEX

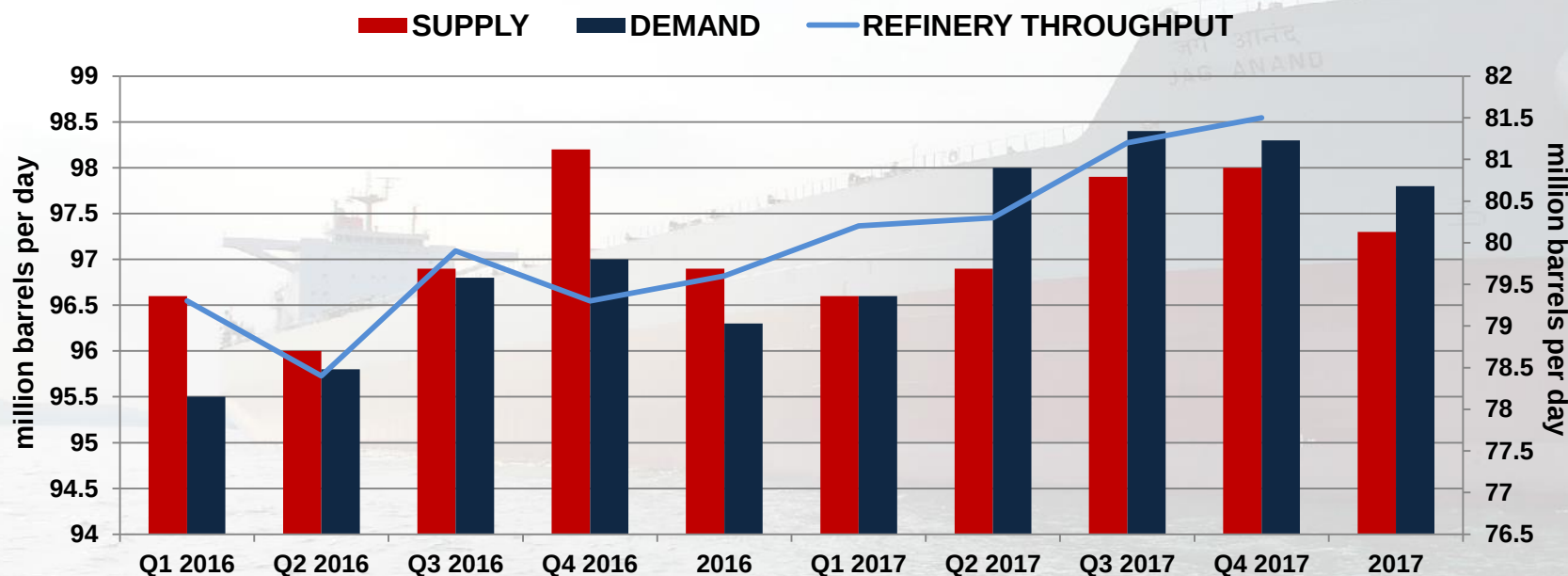
## BALTIC DIRTY TANKER INDEX



## BALTIC CLEAN TANKER INDEX

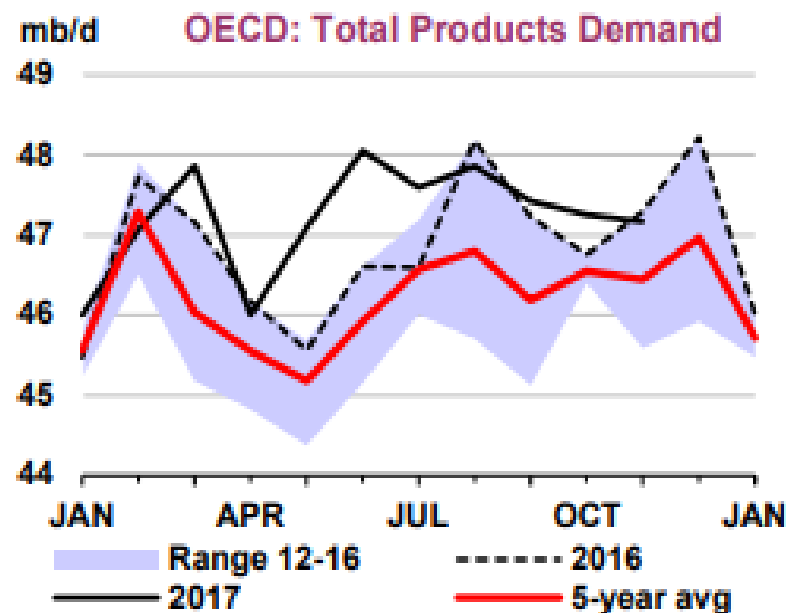
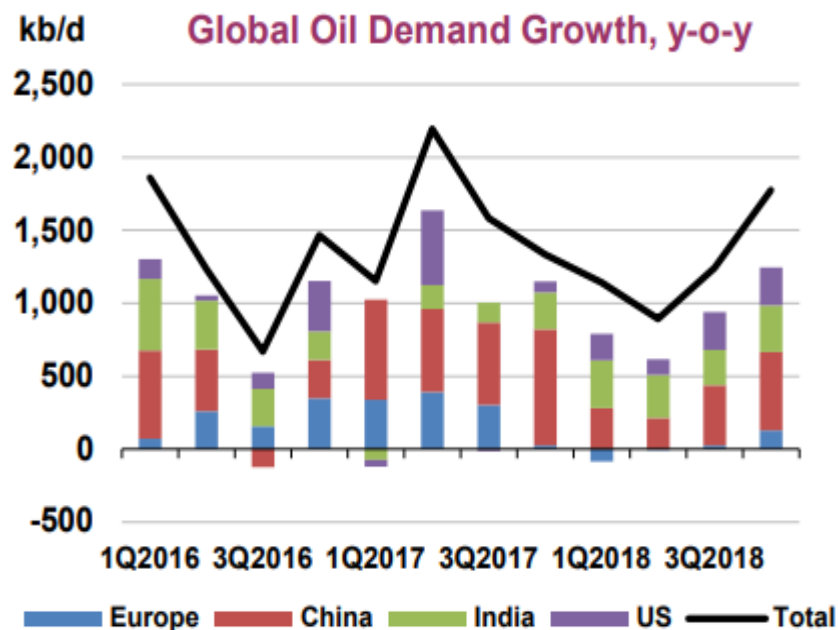


# CRUDE OIL SUPPLY & DEMAND



**In Q3FY18, despite strong demand and refinery runs growth, crude tanker rates fell owing to higher vessel deliveries and release of vessels from floating storage**

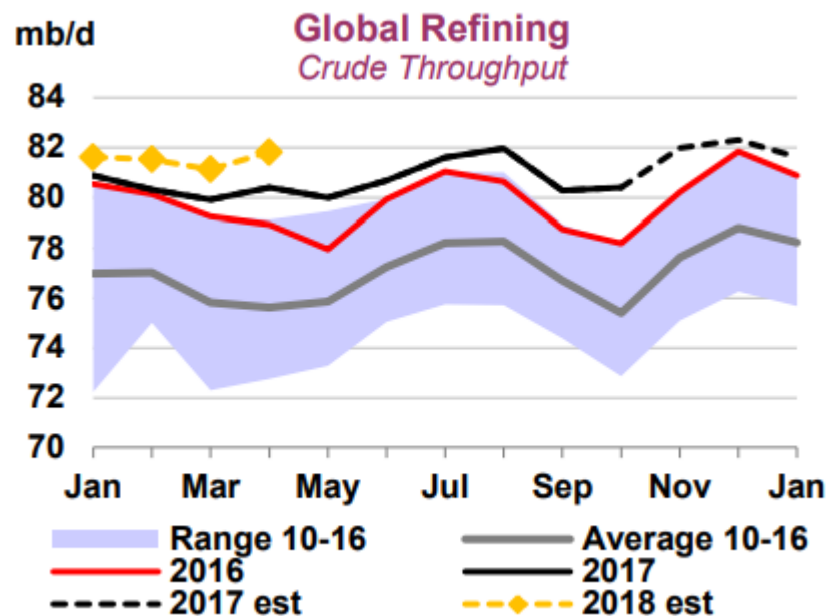
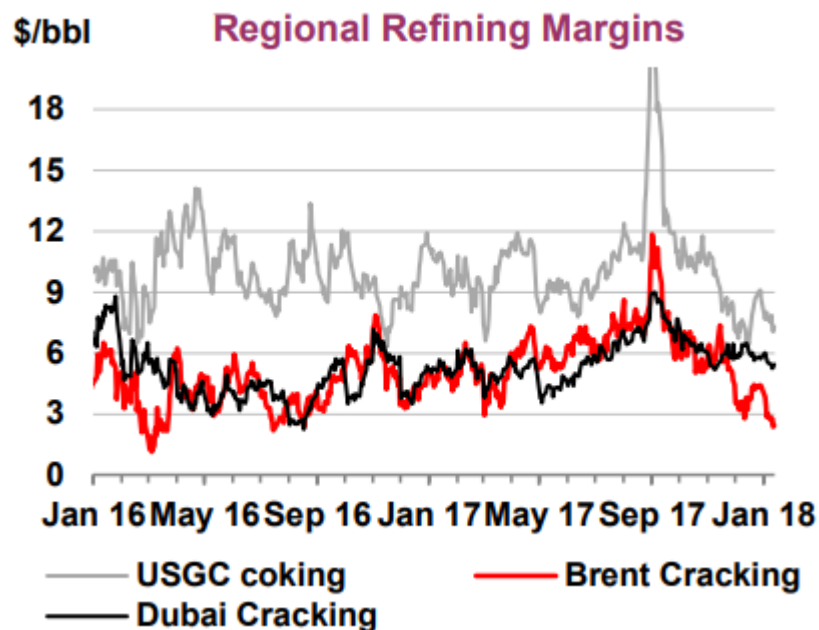
# CRUDE & PRODUCT GROWTH



**Crude:** Majority of the demand is principally fuelled by positive growth in Asia, OECD Europe & North America.

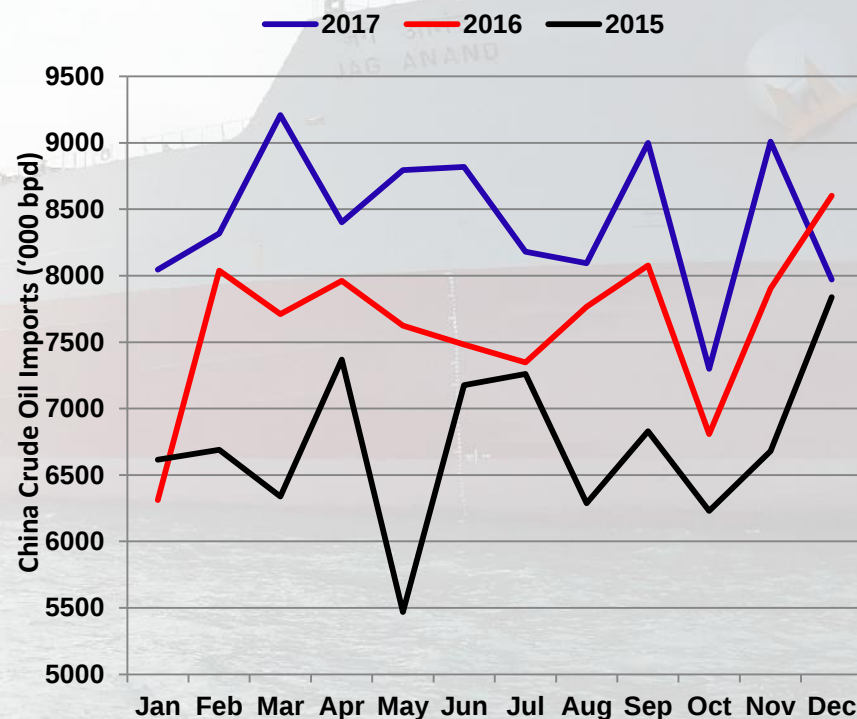
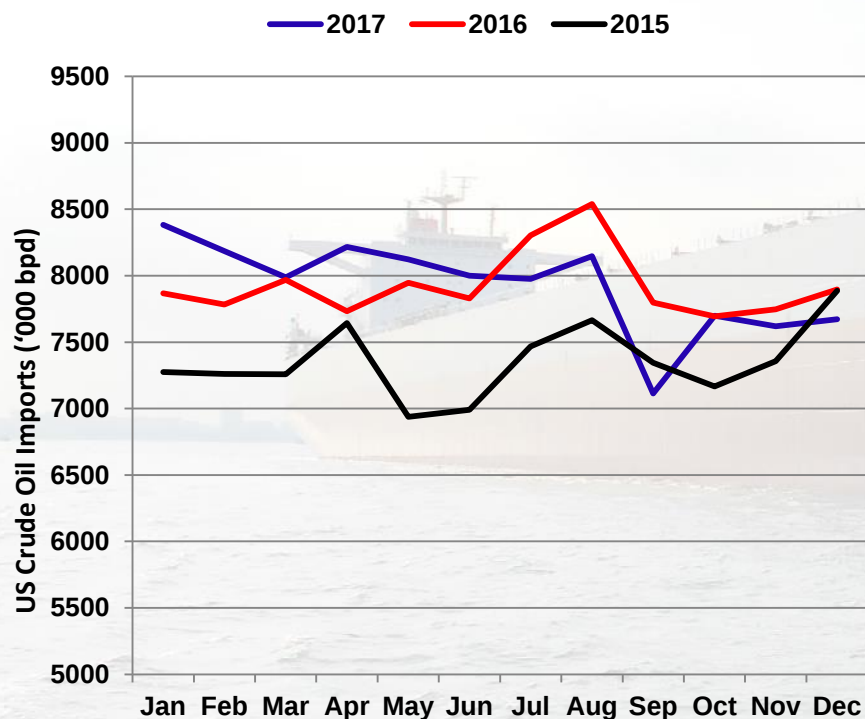
**Products:** Majority of the demand growth is principally fuelled by positive growth in Non-OECD Asia.

# REFINERY MARGINS



Margins have been high, driven by healthy demand & limited available refining capacity

# CRUDE OIL IMPORTS



**In CY2017, China imported 10% higher crude oil than CY2016**

# WORLD FLEET GROWTH

## CRUDE TANKERS

| Tanker Fleet (mn Dwt) | 31-Jan-18    | 1-Jan-18     | 1-Jan-17     | 1-Jan-16      | 1-Jan-15      | 1-Jan-14      |
|-----------------------|--------------|--------------|--------------|---------------|---------------|---------------|
| VLCC                  | 221.60       | 221.0        | 209.6        | 200.00        | 193.75        | 186.13        |
| Suezmax               | 79.6         | 78.4         | 72.2         | 71.09         | 69.68         | 68.43         |
| Aframax               | 63.9         | 63.7         | 63.0         | 64.37         | 64.15         | 63.71         |
| <b>Total</b>          | <b>365.1</b> | <b>363.1</b> | <b>344.8</b> | <b>335.46</b> | <b>327.58</b> | <b>318.27</b> |

| Order Book (mn Dwt)                    | 2018 | 2019 | 2020+ | Total |
|----------------------------------------|------|------|-------|-------|
| <i>Orderbook as % of current fleet</i> | 7%   | 4%   | 1%    | 13%   |

|                            |            |
|----------------------------|------------|
| <b>Slippage<br/>(2017)</b> | <b>17%</b> |
|----------------------------|------------|

# WORLD FLEET GROWTH

## PRODUCT TANKERS & VLGC

| Product Fleet (mn Dwt) | 31-Jan-18     | 1-Jan-18      | 1-Jan-17      | 1-Jan-16      | 1-Jan-15      | 1-Jan-14      |
|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| LR2                    | 36.9          | 36.59         | 33.68         | 30.44         | 27.42         | 26.93         |
| LR1                    | 31.62         | 31.54         | 30.62         | 23.75         | 23.72         | 23.61         |
| MR/Handy (35k+)        | 91.2          | 91.21         | 88.35         | 82.95         | 78.40         | 75.74         |
| <b>Total</b>           | <b>159.79</b> | <b>159.35</b> | <b>152.64</b> | <b>137.14</b> | <b>129.54</b> | <b>126.28</b> |

| Order Book (mn Dwt)                    | 2018      | 2019      | 2020+     | Total      |
|----------------------------------------|-----------|-----------|-----------|------------|
| <i>Orderbook as % of current fleet</i> | <b>4%</b> | <b>3%</b> | <b>2%</b> | <b>10%</b> |

|                                    |            |
|------------------------------------|------------|
| <b>Slippage<br/>(Product 2017)</b> | <b>36%</b> |
|------------------------------------|------------|

| Fleet (No. of Vessels) | 31-Jan-18 | 1-Jan-17 | 1-Jan-16 |
|------------------------|-----------|----------|----------|
| VLGC                   | 266       | 239      | 195      |

| Order Book (No. of Vessels)            | 2018 | 2019 | 2020+ | Total |
|----------------------------------------|------|------|-------|-------|
| <i>Orderbook as % of current fleet</i> | 2%   | 7%   | 5%    | 13%   |

# KEY POINTS ON DRY BULK MARKETS

## Asset Prices

- Capesize 5 yr old asset prices rose by about 32% in CY2017
- Panamax & Supramax 5 yr old asset prices rose by about 28% in CY2017

## Freight Rates

- BDI hits a 4 year high of 1,670 in Dec-17
- In 2018, BDI has fallen by 18%

## Coal Market

- China total coal imports for CY2017 have risen by 6%

## Iron Ore

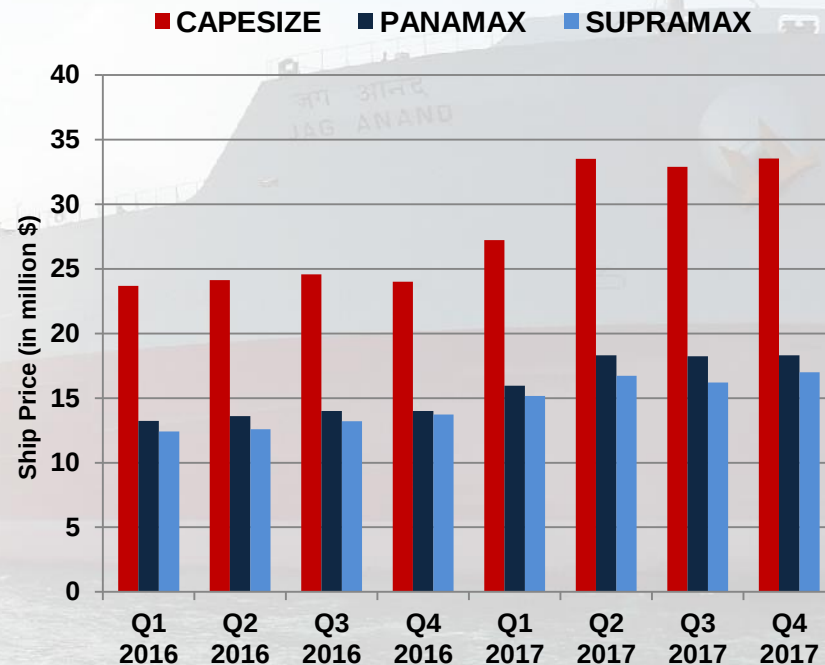
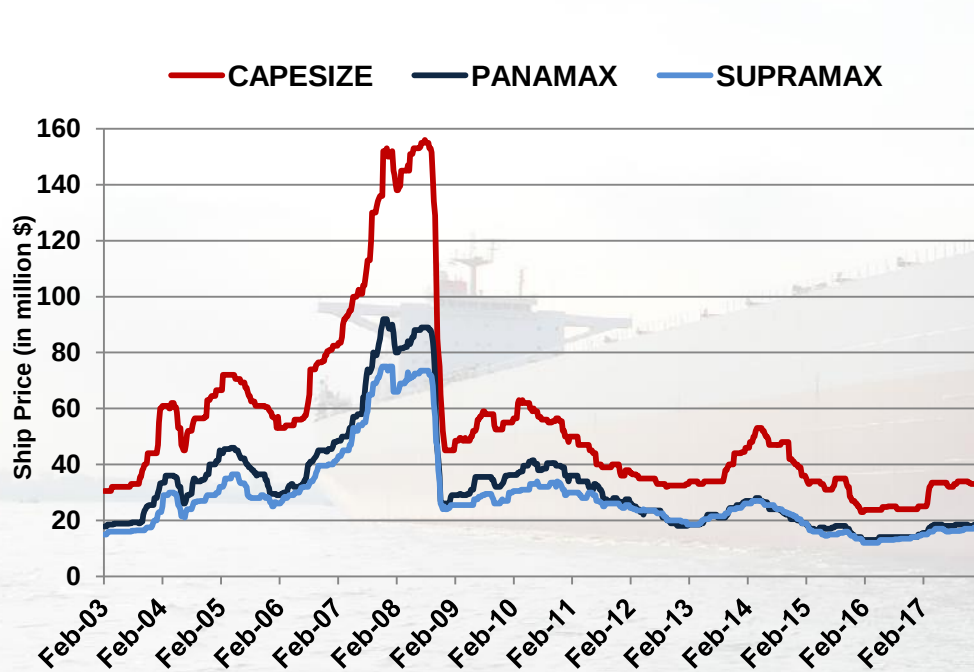
- China's Iron Ore imports grew by 5%
- China Iron Ore imports from Australia have increased by around 4-5% & Brazil have increased 7% in CY2017

## Fleet Growth

- Dry Bulk net fleet growth in CY2017 is about 3%

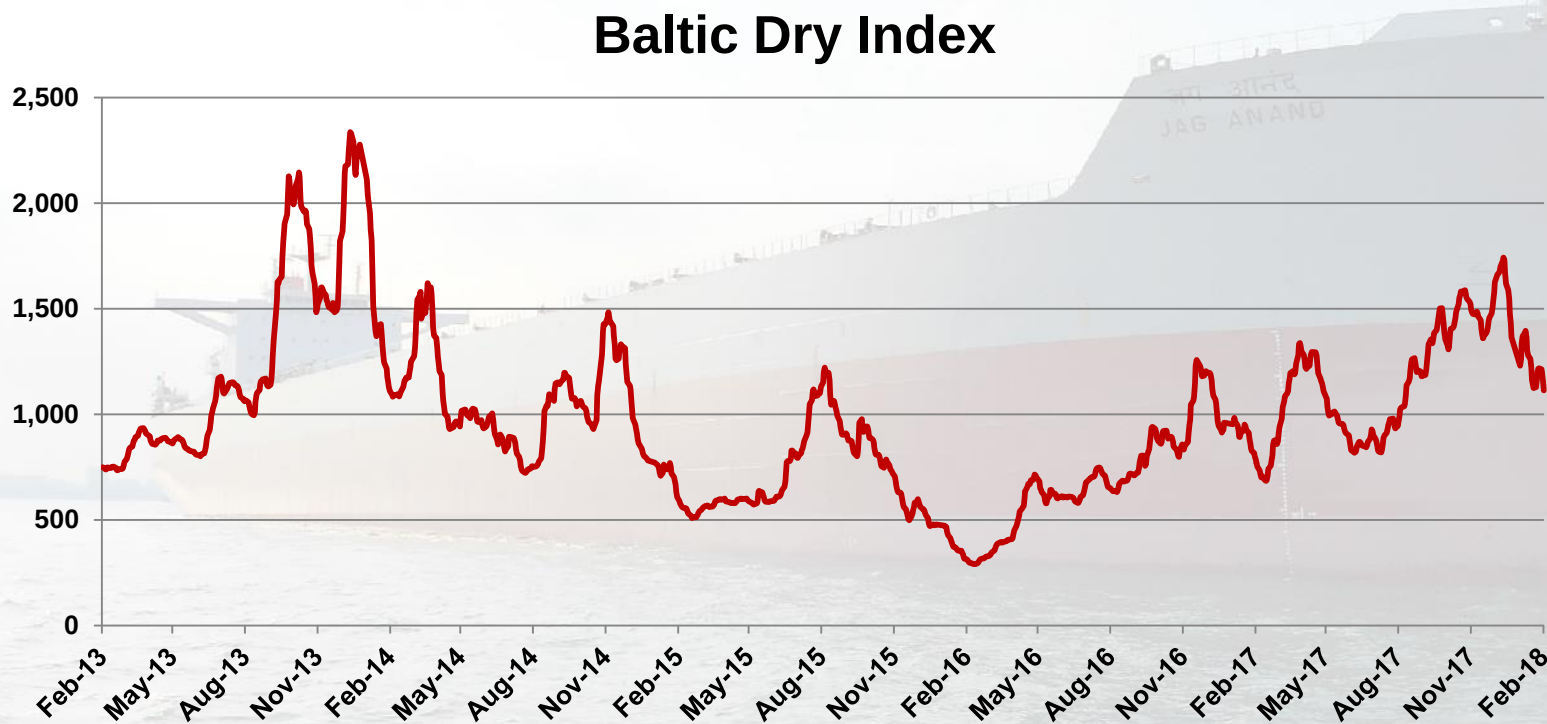
# BULKER ASSET PRICES

## 5-YEAR OLD



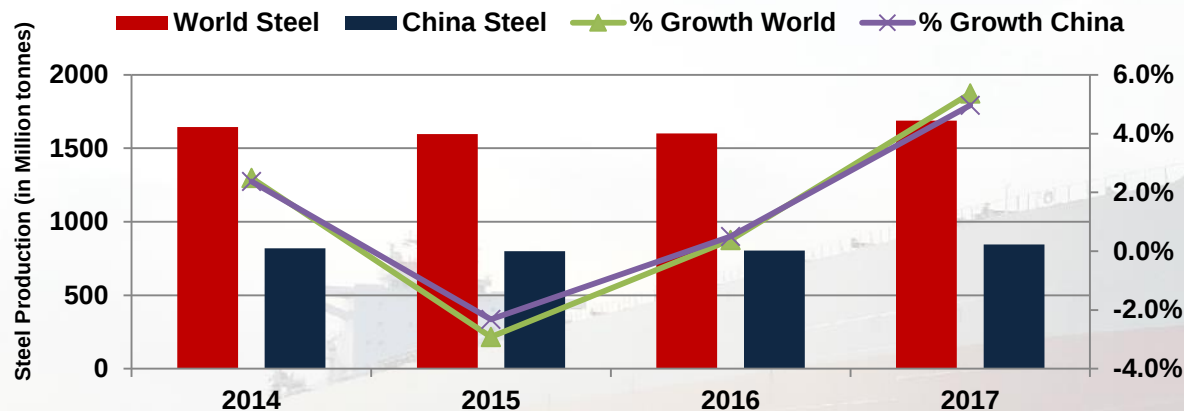
**Dry Bulk asset prices on average rose by about 30% in 2017 compared to 2016**

# BALTIC DRY INDEX

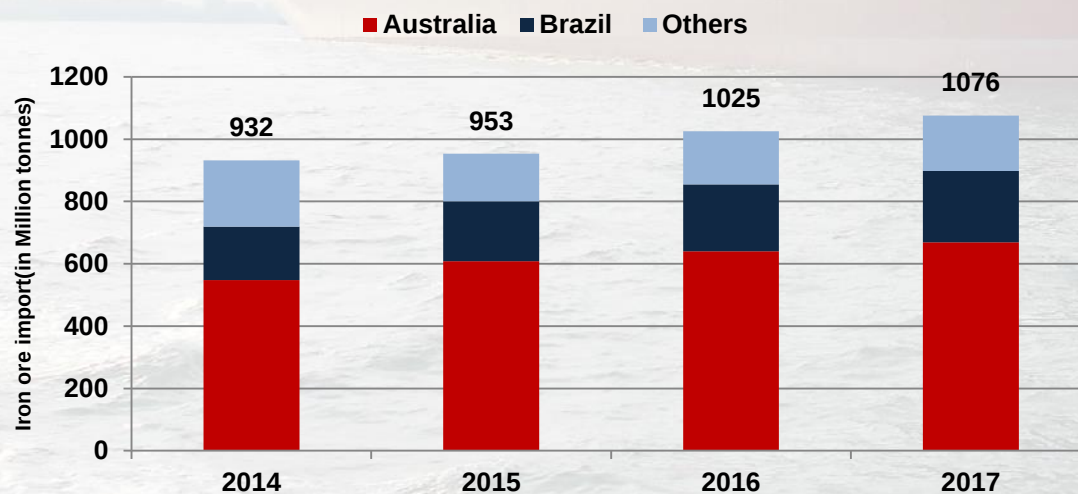


**Baltic Dry Index hits 4 year high of 1,670 in Dec'17 from a low of 291 in Feb'16**

# CHINA IRON ORE & STEEL PRODUCTION



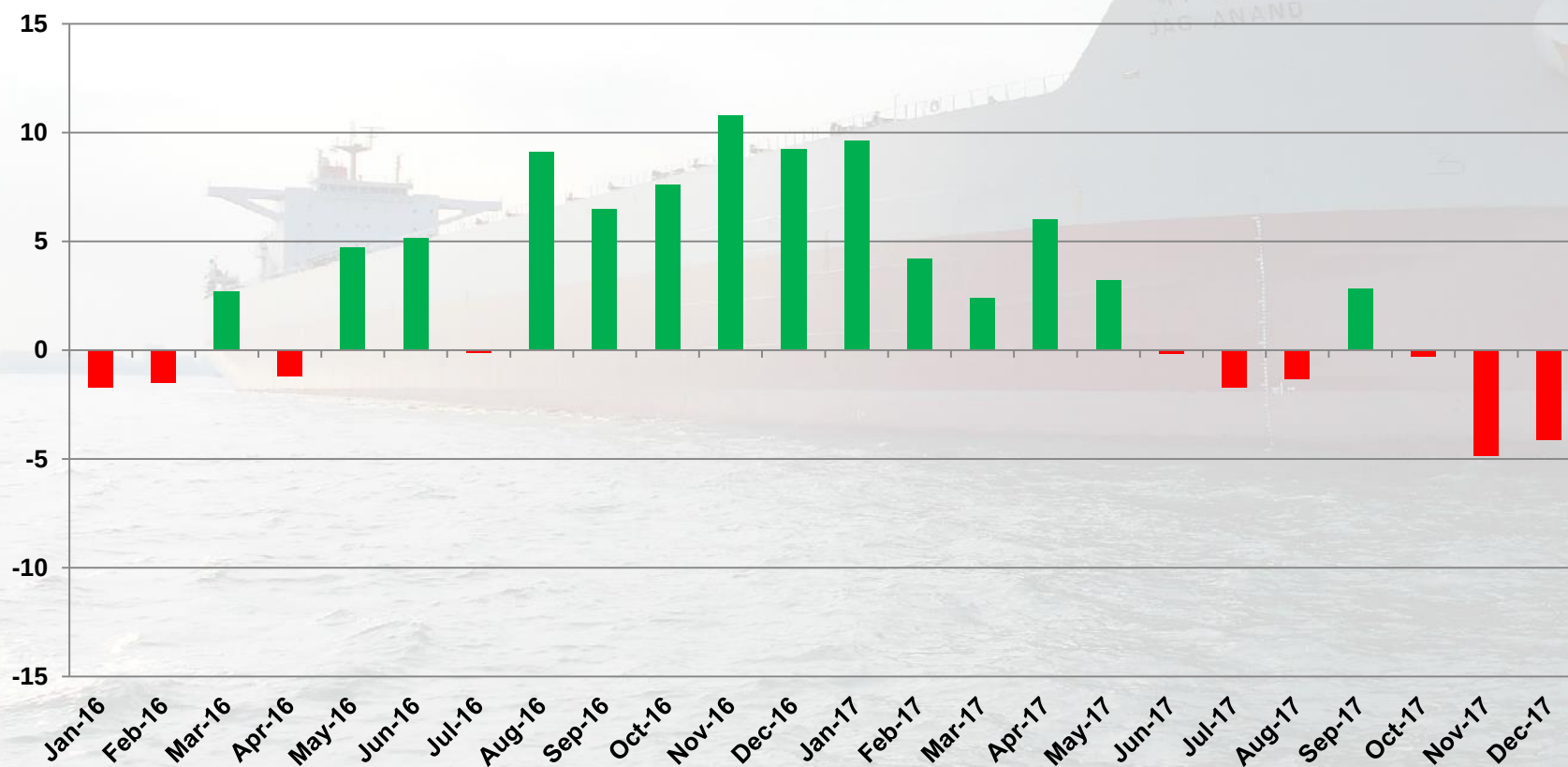
**Steel Production  
increased 5% in CY2017**



**China's iron ore import  
grew 5% in CY2017**

# CHINA COAL IMPORTS

## China coal imports change (Y-O-Y)



# WORLD FLEET GROWTH

## DRY BULK

| Fleet (mn Dwt) | 31-Jan-18     | 1-Jan-18   | 1-Jan-17   | 1-Jan-16   |
|----------------|---------------|------------|------------|------------|
| Capesize       | 325.44        | 324        | 315        | 309        |
| Panamax        | 202.47        | 202        | 196        | 195        |
| Handymax       | 197.07        | 196        | 189        | 180        |
| Handysize      | 96.4          | 96         | 94         | 93         |
| <b>Total</b>   | <b>821.38</b> | <b>817</b> | <b>794</b> | <b>776</b> |

| Orderbook (mn Dwt) | 2018 | 2019 | 2020 | 2021+ | Total |
|--------------------|------|------|------|-------|-------|
| Orderbook (%Fleet) | 4%   | 3%   | 2%   | 1%    | 10%   |

|                 |     |
|-----------------|-----|
| Slippage (2017) | 34% |
|-----------------|-----|

# SCRAPPING

| Vessel Category | Fleet (mn Dwt) | Scrapping(% of beginning world fleet) |       |       |       |       |
|-----------------|----------------|---------------------------------------|-------|-------|-------|-------|
|                 | 31 Jan 18      | 2018 (YTD)                            | 2017  | 2016  | 2015  | 2014  |
| Crude           | 365.1          | 0.40%                                 | 2.35% | 0.35% | 0.23% | 1.60% |
| Product         | 159.79         | 0.40%                                 | 1.42% | 0.62% | 0.61% | 1.19% |
| Dry Bulk        | 821.4          | 0.08%                                 | 1.77% | 3.67% | 4.03% | 2.25% |

**Scrapping picks up for tankers, and slows down 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 (Q4 FY18) |
|-------------|--------------------------------------------------------|
| PSV         | 74%                                                    |
| ROVSV       | 72%                                                    |
| AHTSV       | 97%                                                    |
| MPSSV       | 50%                                                    |
| Jackup Rigs | 74%                                                    |

# KEY POINTS ON E&P MARKETS

## CY 2017

### Day Rates

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

### Fleet Growth

- Rigs: Remain flat as compared to year 2016
- OSV's: Fleet size has reduced by around 1% in last one year; however operating fleet has reduced by 11% compared to year before due to stacking of vessels

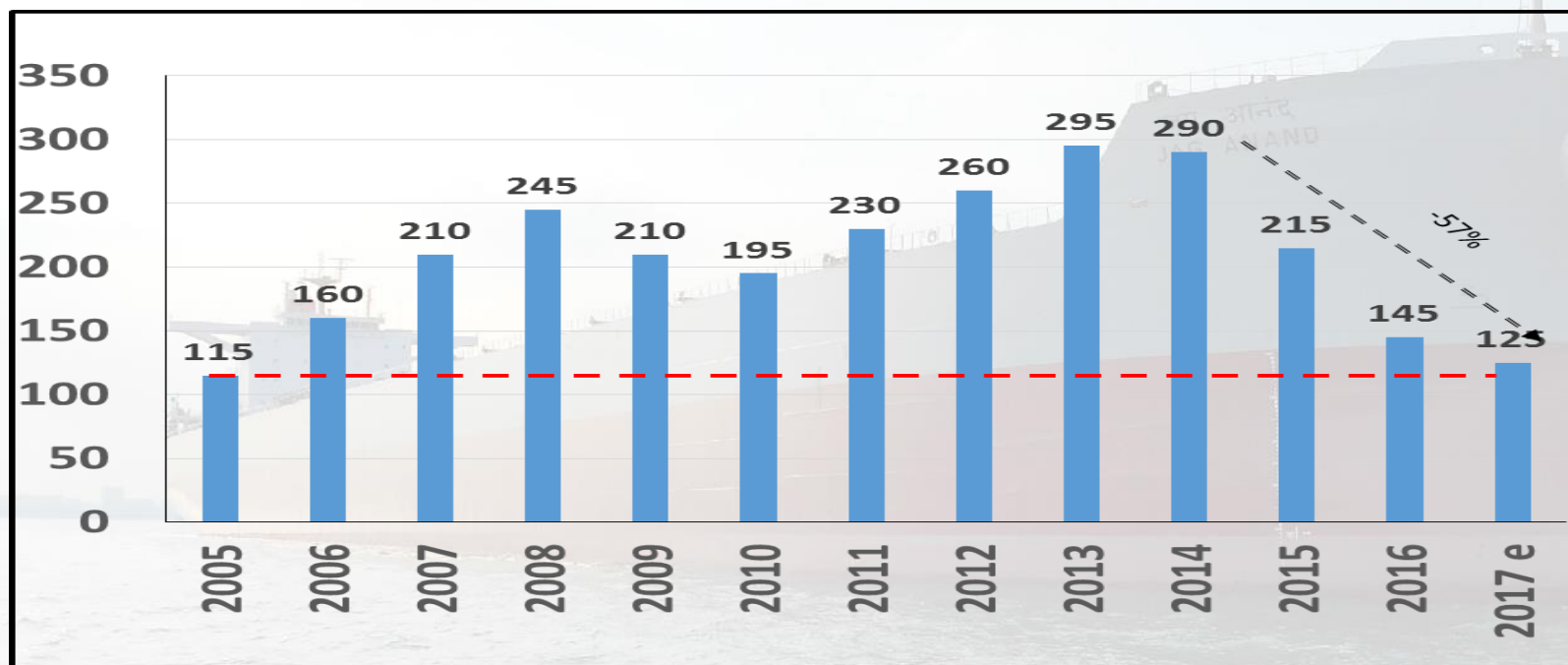
### Fleet Utilization

- About 50-60%

### Slippage

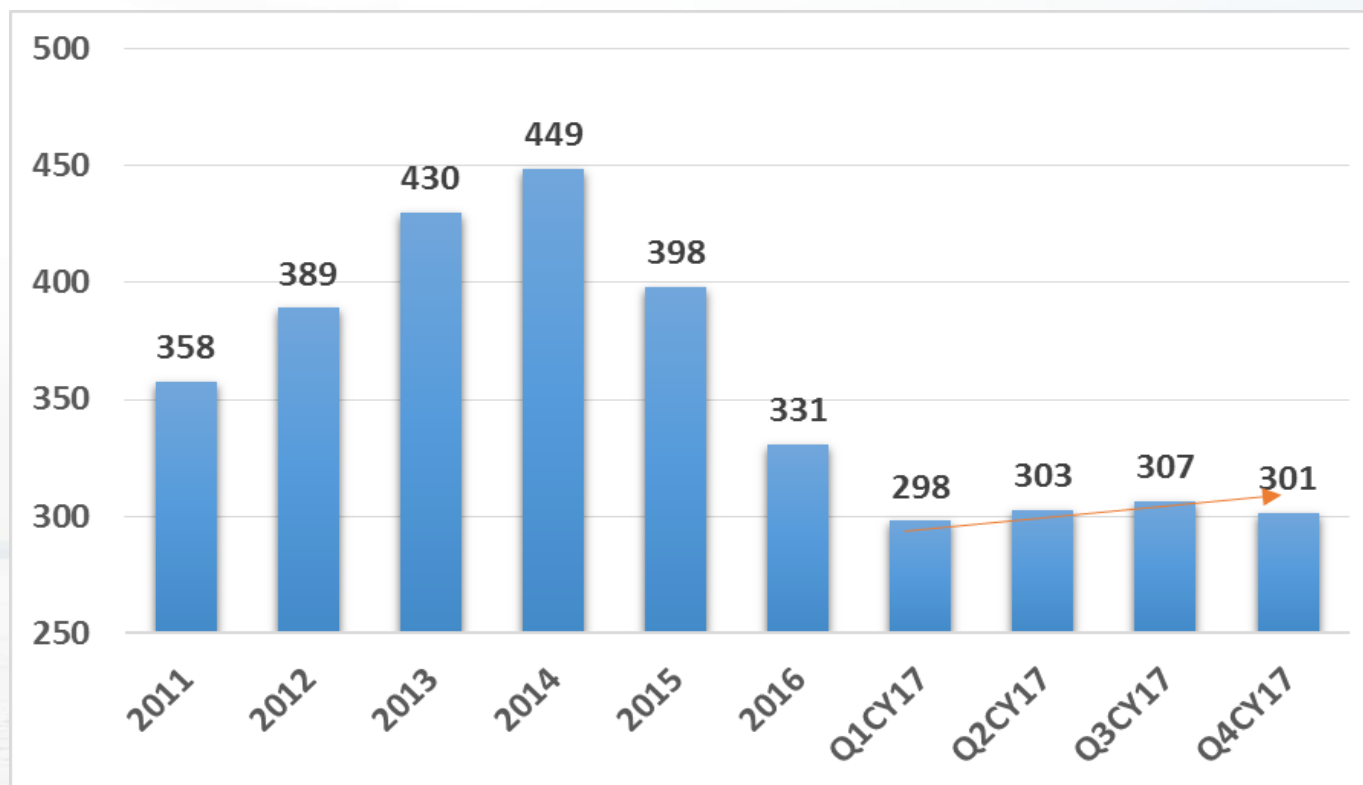
- OSVs: 60%-70%(CY2017)
- Rigs: 60% - 70%(CY2017)

# OFFSHORE E&P SPENDING



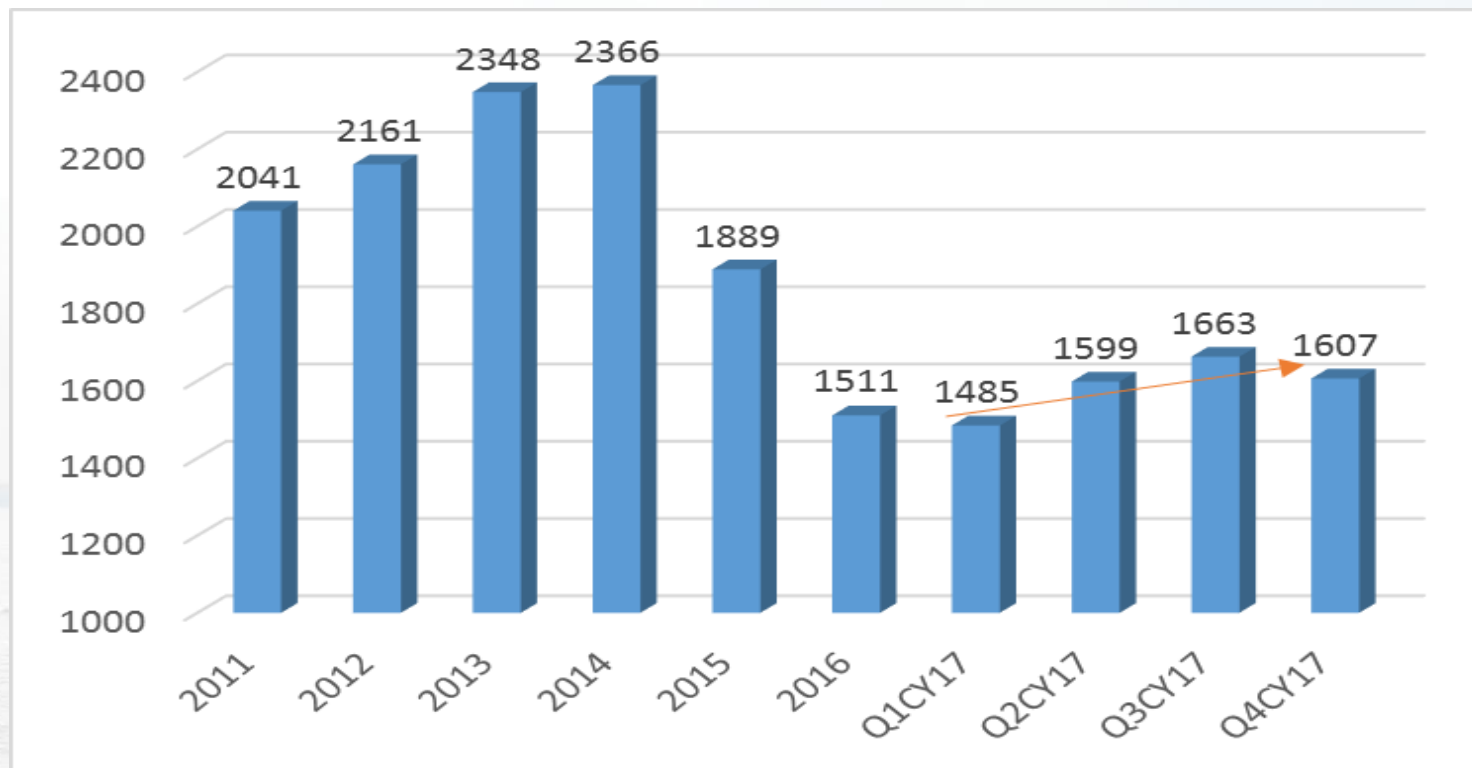
E&P spending in 2017 has marginally declined however, the same is expected to show a flattish trend in 2018

# JACK UP RIGS ON CONTRACT



**Number of Jack-up Rigs on contract which fell from a peak in 2014 have gradually started picking up.**

# OSV FLEET (PSV + AHTSV) ON TERM CONTRACT



**Number of PSVs and AHTSVs on contract are also increasing showing signs of recovery in the market.**

# GLOBAL FLEET SUPPLY OFFSHORE

## Fleet & Orderbook

| Number                      | Jackup Rigs | AHTSVs | PSV  |
|-----------------------------|-------------|--------|------|
| Current Fleet               | 541         | 2081   | 1647 |
| Orderbook                   | 96          | 121    | 159  |
| <i>O/B to current fleet</i> | 17.7%       | 5.8%   | 7.6% |

- Q4CY2017 actual deliveries have been far lower than scheduled. Due to bleak employment scenario owners have refrained from taking delivery. A lot of deliveries due in 2017 were pushed forward to 2018 and have not yet been delivered. Going forward slippage is expected to remain high.
- Although the activity has started to pick up in the Jack-up and OSV space, the charter rates are expected to remain at low levels till the excess supply in the market is cleared.
- In case of PSVs and AHTSVs more than half the fleet is either idle/stacked or working in spot market at a very low utilization.



# FINANCIAL HIGHLIGHTS

## Q3 FY18



**\*Non-GAAP measures**

# Q3 FY18 FINANCIAL HIGHLIGHTS

| Standalone |         |         | Key Figures                            | Consolidated |         |         |
|------------|---------|---------|----------------------------------------|--------------|---------|---------|
| Q3 FY18    | Q3 FY17 | 9M FY18 |                                        | Q3 FY18      | Q3 FY17 | 9M FY18 |
|            |         |         | <b>Key financial figures</b>           |              |         |         |
| 40.09%     | 66.08%  | 43.89%  | EBITDA Margin                          | 45.07%       | 64.19%  | 48.46%  |
| 4.23%      | 13.82%  | 4.45%   | Return on Equity (ROE)                 | 5.40%        | 13.10%  | 3.83%   |
| 5.59%      | 11.04%  | 5.80%   | Return on Capital Employed (ROCE)      | 5.27%        | 9.78%   | 5.17%   |
| 0.85       | 0.76    | 0.85    | Gross Debt/Equity Ratio                | 0.89         | 0.87    | 0.89    |
| 0.31       | 0.06    | 0.31    | Net Debt/Equity Ratio                  | 0.34         | 0.20    | 0.34    |
| 64.97      | 67.23   | 64.56   | Average Exchange rate USD/INR          | 64.97        | 67.23   | 64.56   |
| 63.87      | 67.92   | 63.87   | End of Period<br>Exchange rate USD/INR | 63.87        | 67.92   | 63.87   |
|            |         |         |                                        |              |         |         |
|            |         |         | <b>Share related figures(in Rs.)</b>   |              |         |         |
| 3.65       | 11.40   | 11.52   | Earnings per share, EPS                | 6.51         | 16.92   | 13.84   |
| 3.64       | 11.38   | 11.49   | Diluted earnings per share             | 6.50         | 16.89   | 13.81   |
| 12.61      | 17.71   | 36.16   | Cash Profit per share                  | 20.07        | 29.01   | 52.25   |
| -          | 3.60    | -       | Dividend per share                     | -            | 3.60    | -       |

# Q3 FY18 FINANCIAL HIGHLIGHTS

## Breakup of Revenue Days

| Revenue Days                 | Q3 FY18      | Q3 FY17      |
|------------------------------|--------------|--------------|
| Owned Tonnage                | 4,329        | 3,339        |
| Inchartered Tonnage          | 141          | 89           |
| <b>Total Revenue Days</b>    | <b>4,470</b> | <b>3,428</b> |
| Total Owned Tonnage (mn.dwt) | 3.92         | 3.23         |

## Average TCY Details

| Average (TCY \$ per day)     | Q3'FY18 | Q3'FY17 | % Change |
|------------------------------|---------|---------|----------|
|                              |         |         |          |
| Crude Carriers               | 16,811  | 19,231  | (12.58%) |
| Product Carriers (Incl. Gas) | 15,259  | 16,285  | (6.3%)   |
| Dry Bulk                     | 12,231  | 6,972   | 75.43%   |

## Mix of Spot & Time

| Days (in %)            | Q3'FY18 | Q3'FY17 |
|------------------------|---------|---------|
| <b><u>Dry Bulk</u></b> |         |         |
| Spot %                 | 79%     | 45%     |
| Time %                 | 21%     | 55%     |
| <b><u>Tankers</u></b>  |         |         |
| Spot %                 | 76%     | 50%     |
| Time %                 | 24%     | 50%     |
| <b><u>Total</u></b>    |         |         |
| Spot %                 | 77%     | 49%     |
| Time %                 | 23%     | 51%     |

THANK YOU

**THANK YOU**

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