

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



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Our Ref.: S/2022/JMT

June 16, 2022

BSE Limited

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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.

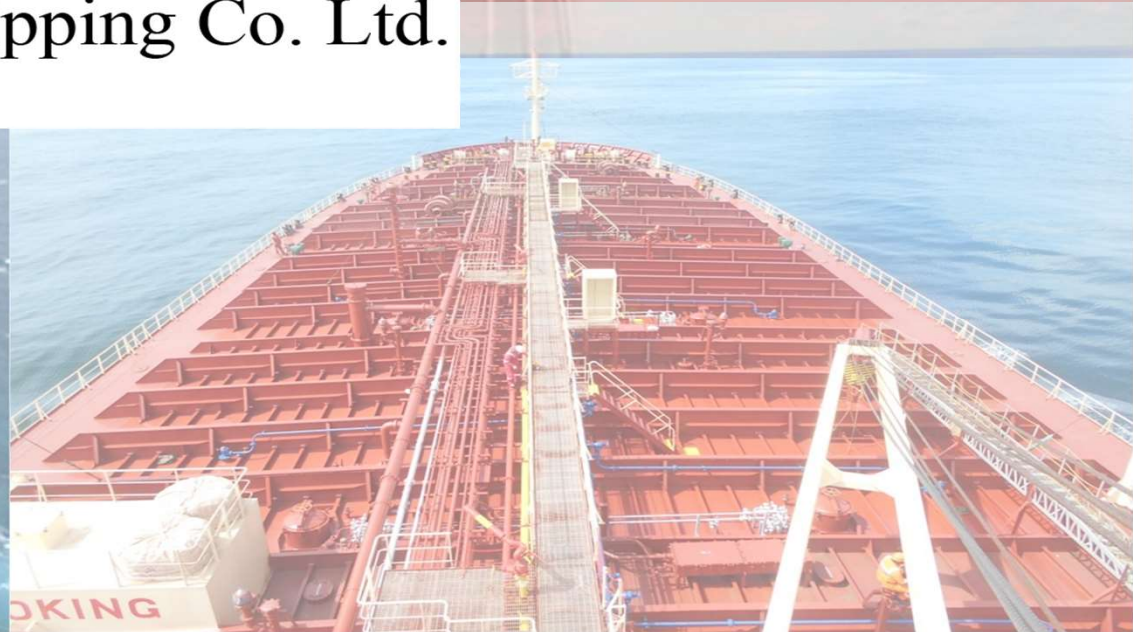
You are requested to take note of the same.

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

Jayesh M. Trivedi
President (Secr. & Legal) & Company Secretary



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.

INVESTOR PRESENTATION FY2022



16 Jun 2022

REPORTED FINANCIAL HIGHLIGHTS

GE Shipping FY22 consolidated Net Profit at INR 630 Cr

Declared second interim dividend of INR 5.40/Share (Total dividend declared of INR 9.90/Share for FY22)

Standalone		Key Figures	Consolidated	
FY22	FY21	(Amount in INR Cr)	FY22	FY21
Income Statement				
2,966	2,893	Revenue (including other income)	3,669	3,568
1,543	1,732	EBITDA (including other income)	1,695	1,931
812	1,030	Net Profit	630	919
Balance Sheet				
10,969	10,845	Total Assets	13,969	14,145
6,571	6,098	Equity	8,051	7,704
3,430	3,715	Total Debt (Gross)	4,625	5,011
378	584	Long Term Debt (Net of Cash)	720	943
Cash Flow				
1,150	1,342	From operating activities	1,367	1,506
(263)	(389)	From investing activities	(400)	(406)
(981)	(100)	From financing activities	(1,179)	(496)
(94)	853	Net cash inflow/(outflow)	(212)	604

NORMALIZED FINANCIAL HIGHLIGHTS

GE Shipping FY22 consolidated Net Profit at INR 656 Cr

Declared second interim dividend of INR 5.40/Share (Total dividend declared of INR 9.90/Share for FY22)

Standalone		Key Figures	Consolidated	
FY22	FY21	(Amount in INR Cr)	FY22	FY21
		Income Statement		
2,966	2,893	Revenue (including other income)	3,669	3,568
1,379	1,477	EBITDA (including other income)	1,570	1,691
787	842	Net Profit	656	738
		Balance Sheet		
10,969	10,845	Total Assets	13,969	14,145
6,571	6,098	Equity	8,051	7,704
3,846	4,163	Total Debt (Gross)	5,042	5,458
794	1,032	Long Term Debt (Net of Cash)	1,137	1,390

REPORTED FINANCIAL HIGHLIGHTS

Standalone		Key Figures	Consolidated	
Q4FY22	Q4FY21	(Amount in INR Cr)	Q4FY22	Q4FY21
		Income Statement		
740	627	Revenue (including other income)	983	799
358	313	EBITDA (including other income)	453	338
186	144	Net Profit	189	49
		Balance Sheet		
10,969	10,845	Total Assets	13,969	14,145
6,571	6,098	Equity	8,051	7,704
3,430	3,715	Total Debt (Gross)	4,625	5,011
378	584	Long Term Debt (Net of Cash)	720	943
		Cash Flow		
203	205	From operating activities	337	239
(53)	(111)	From investing activities	(42)	(132)
(271)	(134)	From financing activities	(322)	(314)
(121)	(40)	Net cash inflow/(outflow)	(27)	(206)

NORMALIZED FINANCIAL HIGHLIGHTS

Standalone		Key Figures	Consolidated	
Q4FY22	Q4FY21	(Amount in INR Cr)	Q4FY22	Q4FY21
		Income Statement		
740	627	Revenue (including other income)	983	799
302	260	EBITDA (including other income)	407	284
178	116	Net Profit	204	65
		Balance Sheet		
10,969	10,845	Total Assets	13,969	14,145
6,571	6,098	Equity	8,051	7,704
3,846	4,163	Total Debt (Gross)	5,042	5,458
794	1,032	Long Term Debt (Net of Cash)	1,137	1,390

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

Standalone		Key Figures	Consolidated	
FY22	FY21		FY22	FY21
		Key financial figures		
12.42%	15.08%	**Return on Equity (ROE) (%)	8.33%	10.45%
8.94%	10.25%	**Return on Capital Employed (ROCE) (%)	6.46%	7.63%
0.59	0.68	Gross Debt/Equity (x)	0.63	0.71
0.12	0.17	Net Debt/Equity (x)	0.14	0.18
55.10	57.29	Earnings per share, EPS (INR/Share)	45.95	50.20
85.64	87.13	Cash Profit per share (INR/Share)	95.38	100.99
9.90*	9.00	Dividend per share(INR/Share)	9.90*	9.00
618	489	Net Asset Value per share (INR/Share)	654-705	514-562

*Includes second interim dividend

** Annualized Figures

PROFIT & LOSS STATEMENT

INDUSTRY FORMAT

Standalone		INR Cr	Consolidated	
FY22	FY21		FY22	FY21
2,798	2,642	Operating Revenue	3,472	3,302
723	571	Less : Direct Operating Expenses/Voyage Expenses	770	588
2,074	2072	Time Charter Equivalent (A)	2,702	2,714
48	86	Profit on sale of ships	53	86
135	165	Other Income including	159	180
184	250	Total Other Income (B)	212	266
700	674	Other Operating Expense	1,057	1,026
178	172	Administrative & General Expense	288	264
879	845	Total Expenses (C)	1,345	1,289
1,379	1477	EBITDA (D) = [(A)+(B)-(C)]	1,570	1,691
436	439	Depreciation & Amortization (E)	698	700
0	0	Impairment (F)	8	46
943	1039	Operating Profit including other Income	864	945
		(G) = [(D)-(E)-(F)]		
276	227	Finance Expense (H)	370	242
(90)	(310)	Derivative losses/(gains) (I)	(49)	(313)
(73)	55	Foreign Currency Exchange losses/(gains) (J)	(77)	73
19	36	Income tax expense (K)	(10)	24
812	1030	Net Profit [(G)-(H)-(I)-(J)]	630	919

PERFORMANCE REVIEW

Break up of Revenue days (Shipping)

Revenue Days	Q4 FY22	Q4 FY21
Owned Tonnage	3,939	3,942
Inchartered Tonnage	59	13
Total Revenue Days	3,998	3,955
Total Owned Tonnage (mn.dwt)	3.57	3.51

Break up of Revenue days (Offshore)

Revenue Days	Q4 FY22	Q4 FY21
Offshore Logistics	1,508	1,508
Drilling Services	335	352
Total	1,843	1,860

PERFORMANCE REVIEW

Average annual TCYs earned in various (Shipping) categories

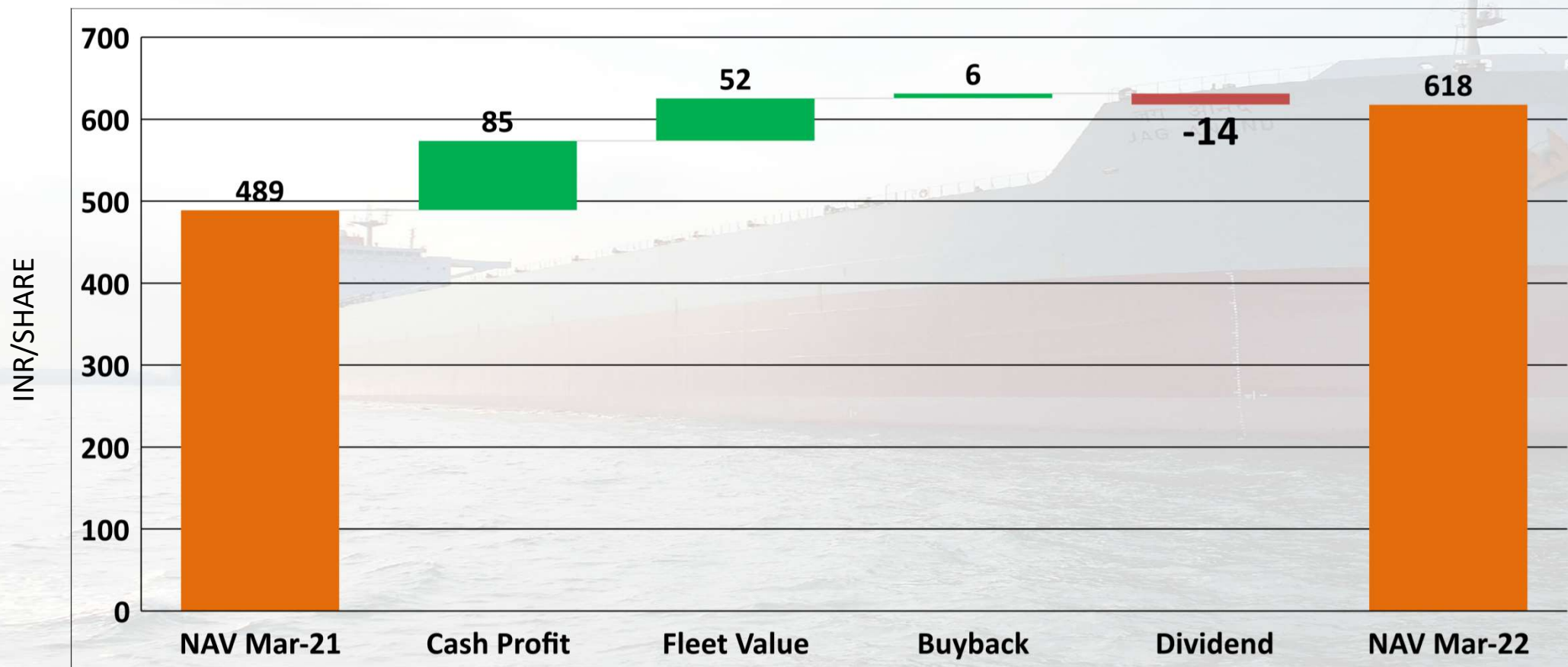
Average (TCY USD/day)	FY22	FY21	Y-o-Y Change
Crude Carriers	11,661	24,695	-53%
Product Carriers	9,914	14,728	-33%
LPG Carriers	27,594	28,186	-2%
Dry Bulk	26,995	10,907	148%

PERFORMANCE REVIEW

Average quarterly TCYs earned in various (Shipping) categories

Average (TCY USD/day)	Q4 FY22	Q3 FY22	Q-o-Q Change	Q4 FY21	Y-o-Y Change
Crude Carriers	15,051	12,098	24%	15,674	-4%
Product Carriers	10,251	10,689	-4%	10,877	-6%
LPG Carriers	26,107	28,609	-9%	27,731	-6%
Dry Bulk	22,158	31,003	-29%	13,529	64%

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



BUYBACK UPDATES

Total Shares Bought Back	4,199,323
Average Price (INR/Share)	316.21*
Amount Utilized (INR Cr)	132.79*
% of Equity Reduced	2.86%
Buyback tax on Utilized Amount (INR Cr)	29.96
Remaining Amount Excl. Tax (INR Cr)	92.21*

Amount Earmarked (INR Cr)	225.00
Taxation on Amount (INR Cr)	52.42
Total Amount Earmarked (INR Cr)	277.42
Maximum Buy Back Price (INR/Share)	333.00

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

REVENUE VISIBILITY & COVERAGE

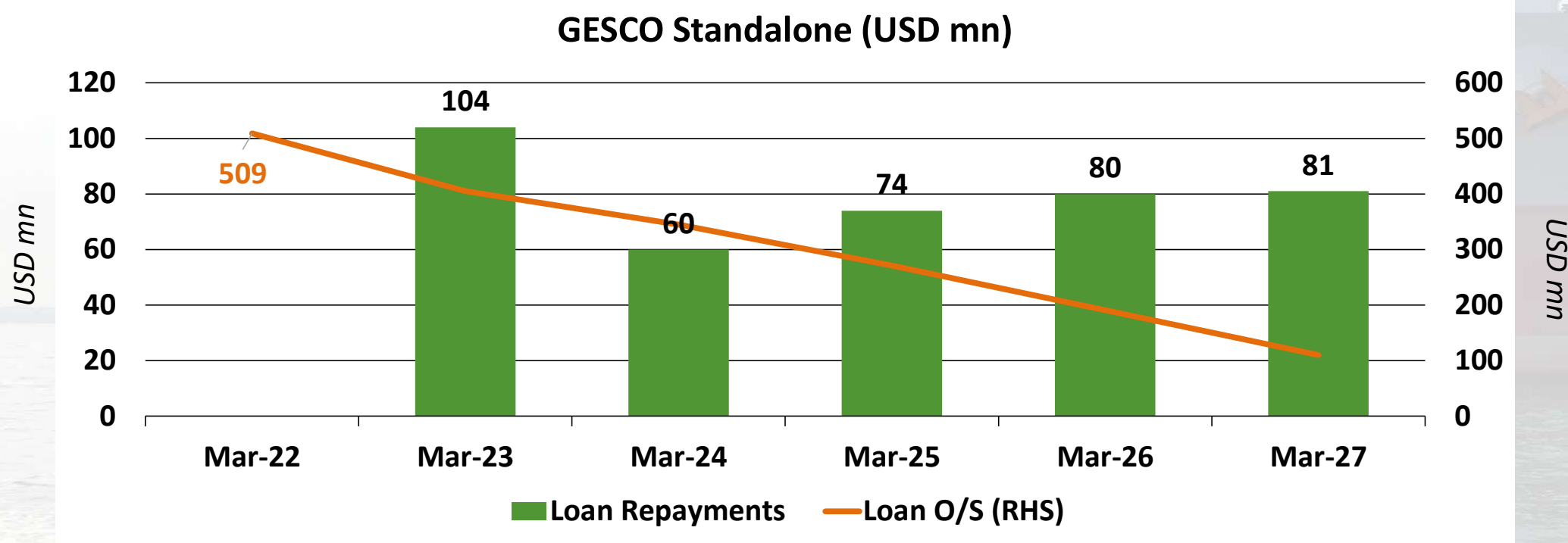
Category-wise coverage of operating days (Shipping) --- FY23

Category	Extent of coverage of fleet's operating days	Revenue Visibility
Crude Carriers	10%	INR 744 Cr
Product Carriers	20%	
LPG Carriers	70%	
Dry Bulk	21%	

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

Category	Extent of coverage of fleet's operating days	Revenue Visibility
Jackup Rigs	93%	INR 671 Cr
AHTSV	80%	
MPSVV	36%	
PSV/ROVSV	95%	

GESCO STANDALONE DEBT REPAYMENT SCHEDULE (NEXT 5 YEARS)



**GESCO: We have effective all-in USD cost of debt of less than 3.50% (Mar-22):
90% of debt portfolio is fixed.**

FLEET PROFILE

SHIPPING				
Fleet	DWT (FY22)	Fleet (16-Jun-22)		Committed Capex/Sale
		No:	Avg Age	
Crude Carriers	1,058,499	8	14.21	Sale: 1 MGC to be sold in H1FY23
Product Carriers	1,092,465	18	14.15	
Gas Carriers	212,260	5	17.54	
Dry Bulk Carriers	1,210,805	14	9.07	
Total	3,574,029	45	12.65	
OFFSHORE				
Fleet	Number of Units		Average Age (Yrs.)	
Jack Up Rigs	4		10.58	
Platform Supply Vessels	4		12.75	
Anchor handling Tug Cum Supply Vessels	8		12.21	
Multipurpose Platform Supply & Support Vessels	2		12.06	
ROV Support Vessels	4		10.60	

MANAGEMENT PHILOSOPHY

Focussed on the same business for 70+ years...

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



International standards/ no. of customers

Port State Control

54 inspections with nil
observations

Total Inspection 66

Unplanned technical downtime

FY22 – 0.46%



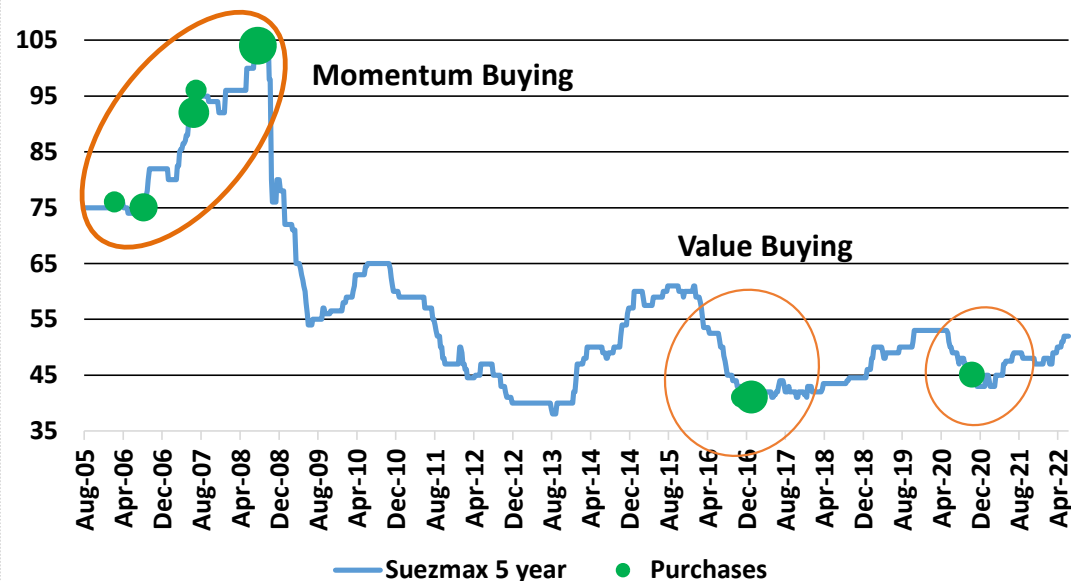
- 78 inspections carried out by oil majors with an average of 2.74 observations per inspection

In FY 22, we carried cargo for a total of 95 customers,
predominantly international

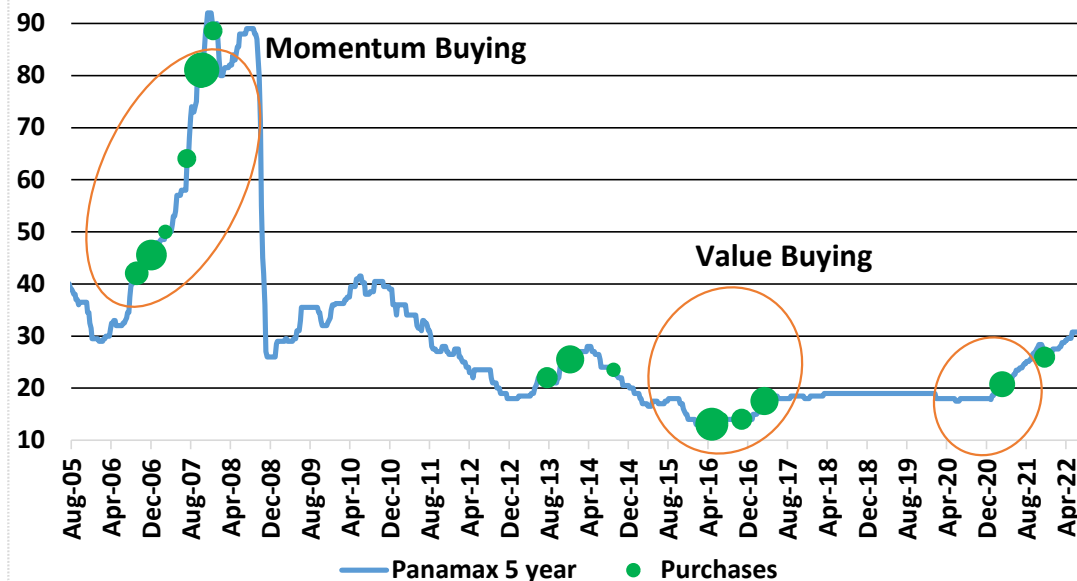
Prudent Capital Allocation

Transformation from Momentum Buying to Value Buying

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



Purchase (DryBulk) Vs Panamax Drybulk 5 year old



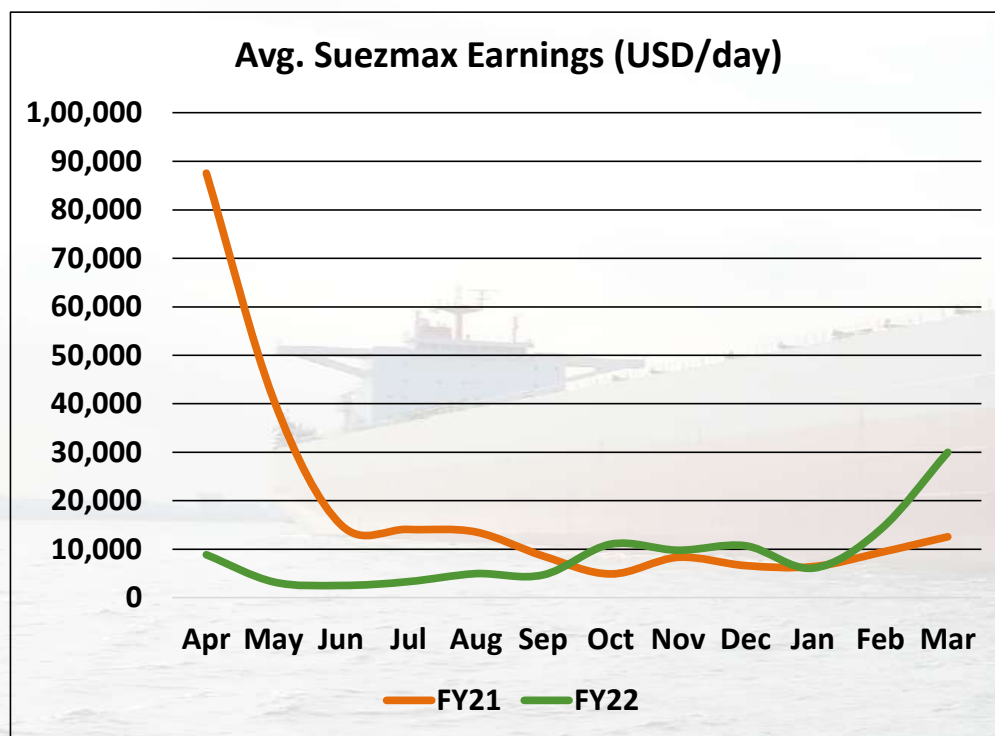
SHIPPING MARKET



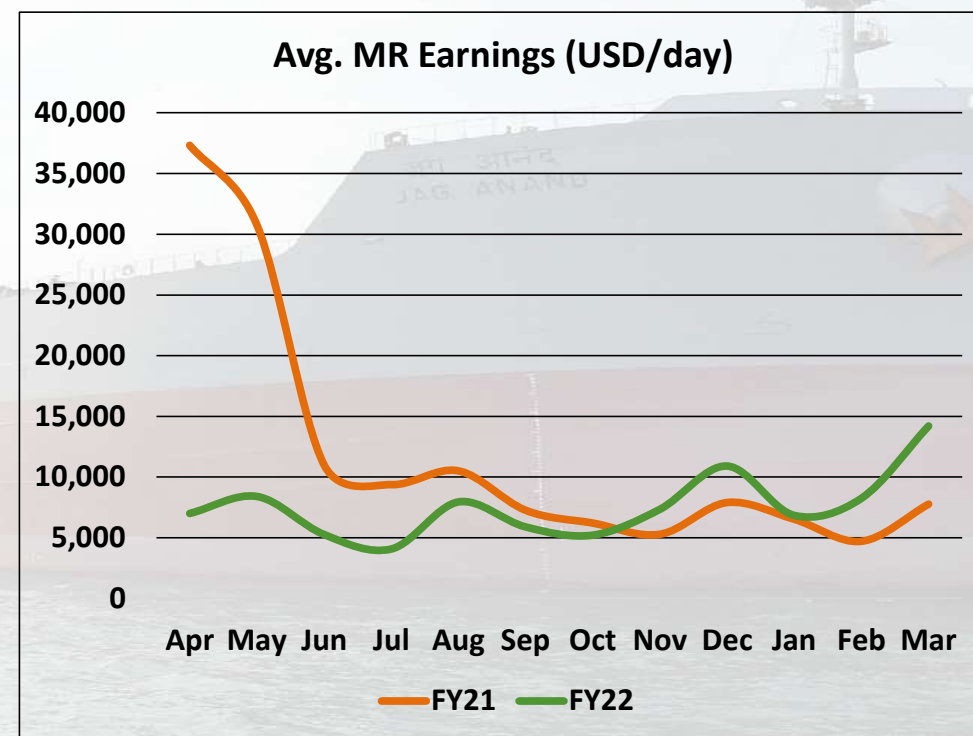
TANKER MARKET



Crude and Product Tankers



USD/day	FY21	FY22	% change
12M	18,970	9,079	-52%



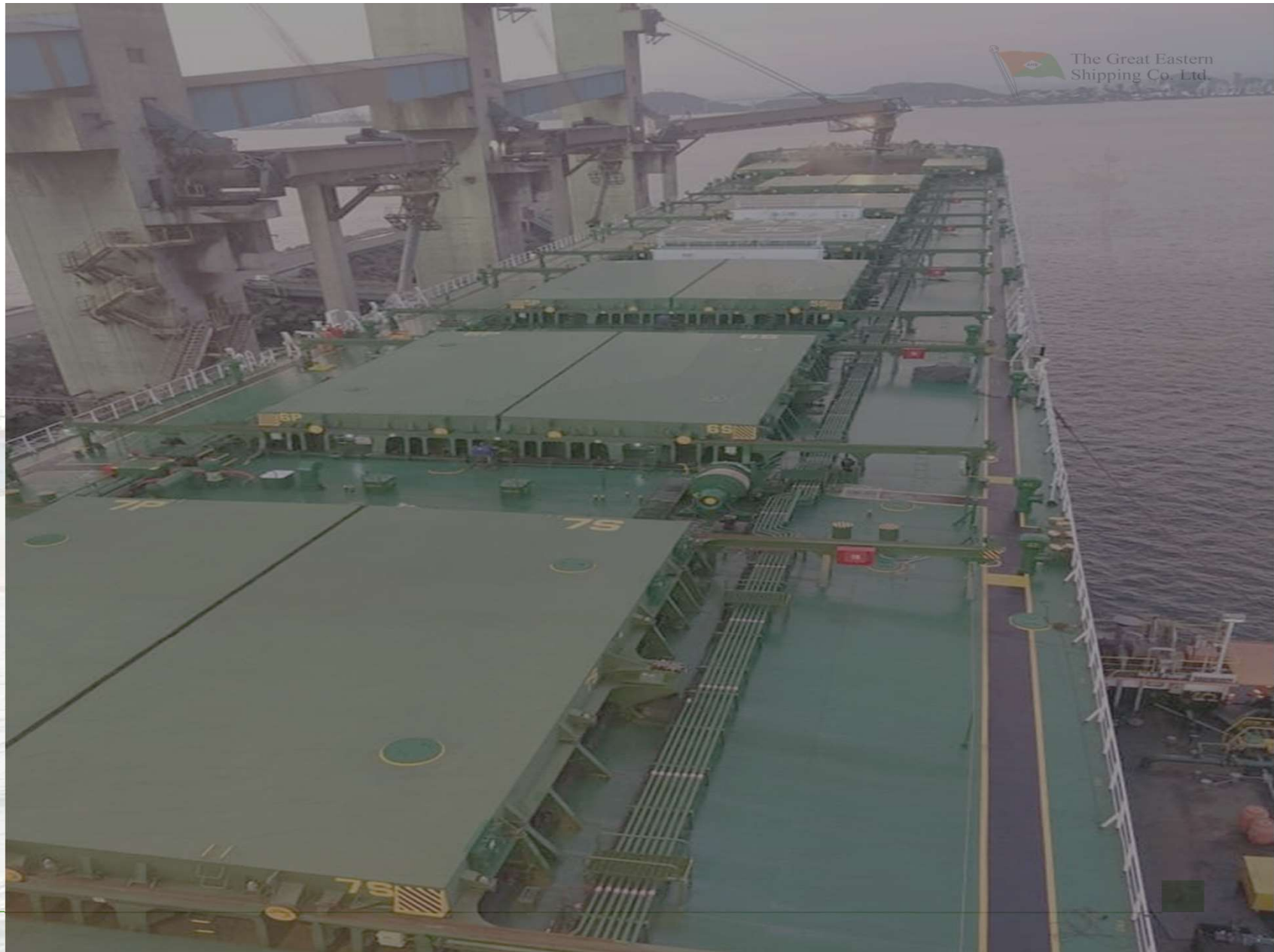
USD/day	FY21	FY22	% change
12M	12,040	7,597	-37%

Sources: Industry Reports

Crude and Product Tankers

- Crude & product trade remained 6% & 4% below pre-COVID levels.
- In the same period, the crude and product tanker fleets have grown by almost 6% and 5% respectively
- Owing to these factors, freight rates remained very subdued until Feb-end. The onset of the Russia-Ukraine conflict led to a sudden spike in tanker earnings
- Whilst spot freight market has cooled off a bit for the larger vessel sizes, spot rates for crude Aframax tankers and all product tankers are witnessing significant strength currently

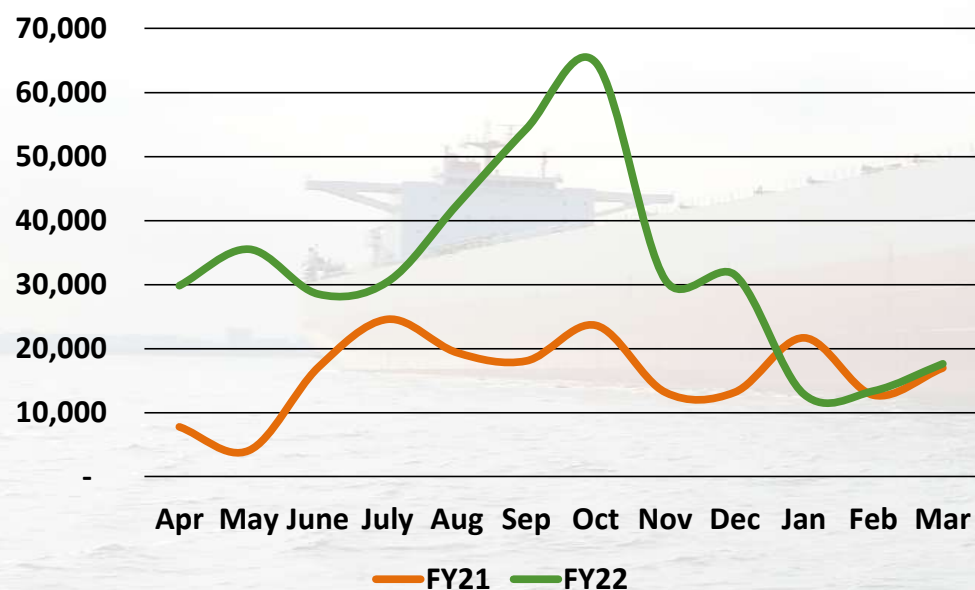
DRY BULK MARKET



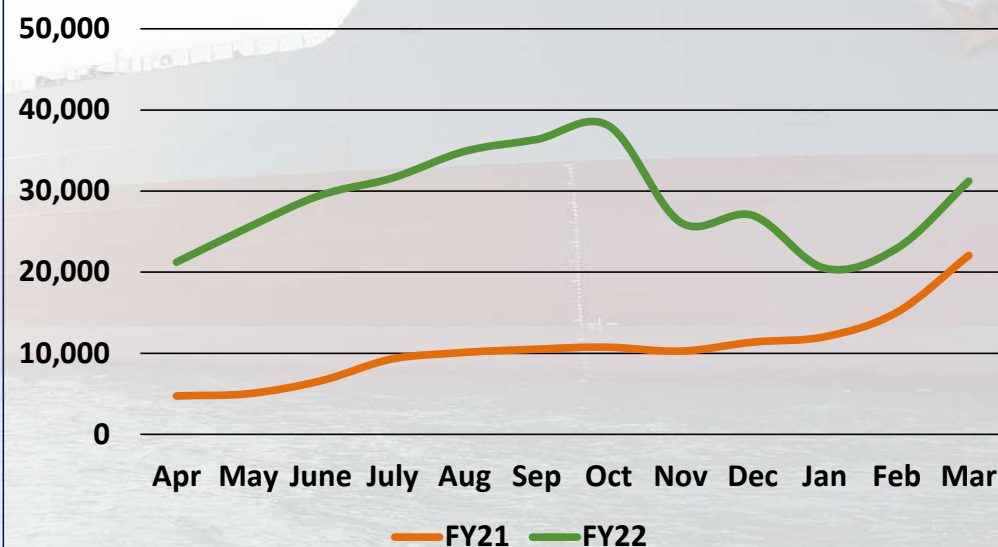
Dry Bulk

DB Freight softened in Q4FY22 in line with seasonality, but Sub-Capes outperformed Capes

Avg Baltic Capesize 5T/C Earnings (USD/day)



Avg Baltic Supra Earnings BSI-58 10T/C (USD/day)



USD/day	FY21	FY22	% change
12M	16,012	32,642	104%

USD/day	FY21	FY22	% change
12M	10,631	28,728	170%

Sources: Industry Reports

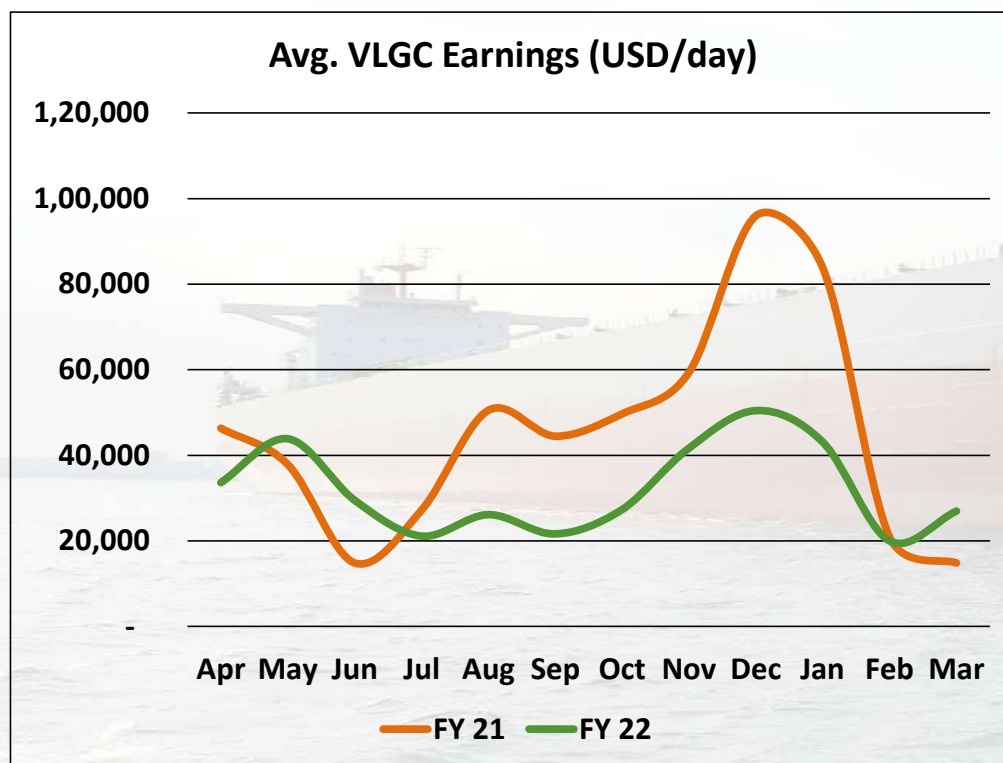
Dry Bulk

- Dry bulk demand (in ton-miles) was marginally higher (+0.5%) in Q4FY22 led by longer distances. Total trade volume, however, was lower by about 1.8% yoy, primarily led by iron ore (weather disruptions (rains) in Brazil) and coal (Indonesian coal export ban in Jan '22).
- On the other hand, dry bulk fleet grew by ~3.6% y/y.
- Whilst dry bulk cargo supplies were particularly tight, the Ukrainian war led disruption and China congestion led to fleet wide inefficiency which has also supported freight rates particularly for the sub capes.

LPG (GAS) MARKET



Gas



VLGC Spot earnings sustained healthy levels during Q4 FY-22 but were lower YoY in comparison to Q4 FY-21.

USD/day	FY21	FY22	% change
12M	45,500	32,100	-29%

Gas

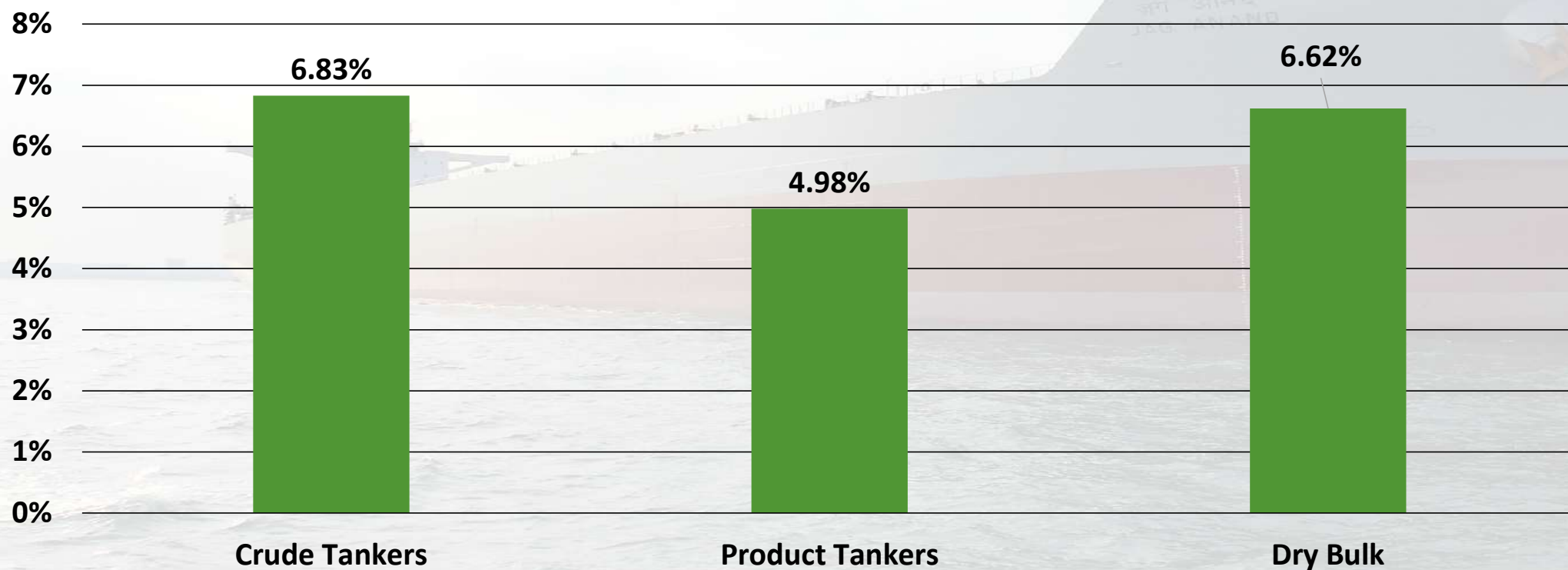
- VLGC spot earnings averaged USD 30,000 / day during Q4 FY-22 down 25 % YoY.
- The drop in earnings was majorly attributed to a 60 % YoY increase in bunker prices (VLSFO).
- Baltic LPG spot freight rates averaged marginally better than the corresponding period (USD 57 per ton versus USD 55 per ton) last year as fleet utilization improved slightly
- Whilst VLGC trade grew 10 % YoY fleet grew more than 7 % YoY due to YoY drop in scheduled dry docking

Fleet Supply



One of the Lowest Order Book to Fleet Ratios

Orderbook as % of Fleet



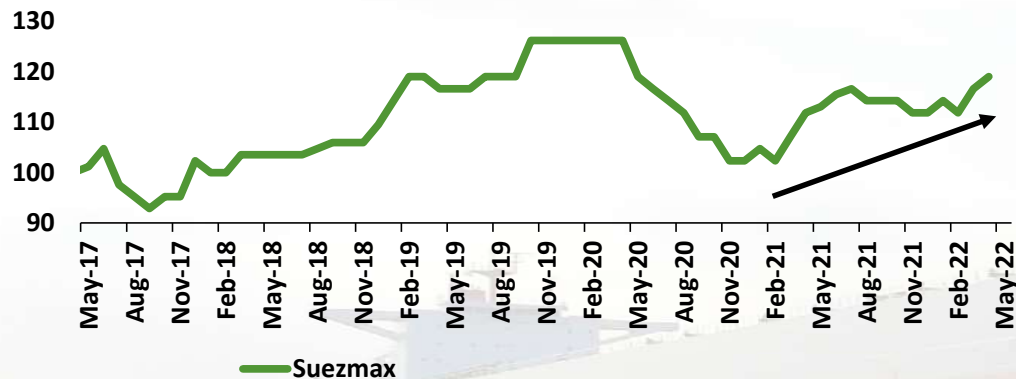
Sources: Industry Reports

ASSET PRICE MOVEMENT

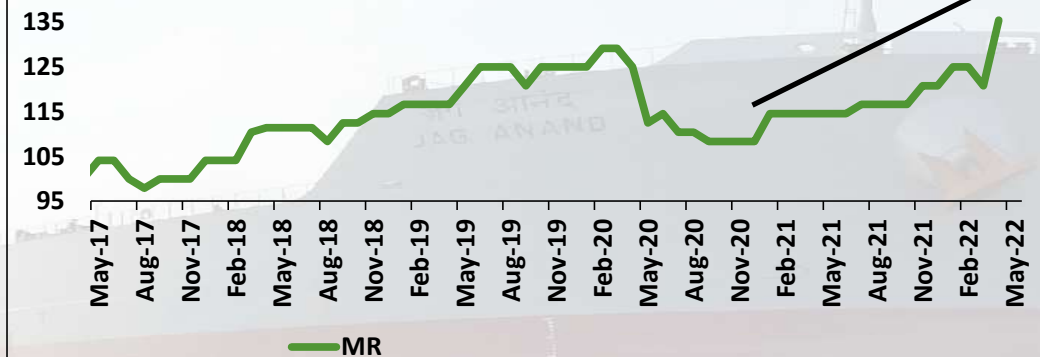
ASSET PRICE MOVEMENT (INDEXED)

Over the Last 5 Years

5 Yr Old Asset Value Movement (Crude)



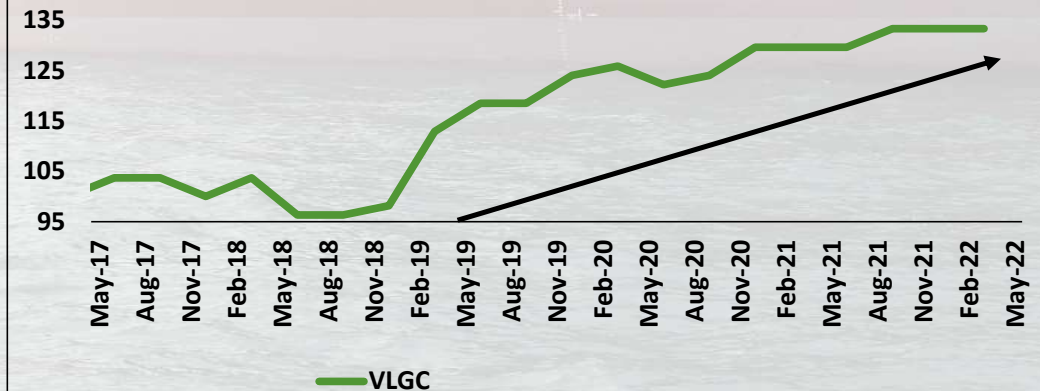
5 Yr Old Asset Value Movement (Product)



5 Yr Old Asset Value Movement (Dry Bulk)



5 Yr Old Asset Value Movement (LPG)



SCRAPPING

Vessel Category	Fleet (mn Dwt)	Scrapping (% of beginning world fleet)								
	May 22	Q1CY2022	CY2021	CY2020	CY2019	CY2018	CY2017	CY2016	CY2015	CY2014
Crude	438	0.31%	2.47%	0.53%	0.55%	4.39%	2.43%	0.39%	0.38%	1.75%
Product	174	0.47%	2.11%	0.57%	0.60%	1.72%	1.22%	0.54%	0.62%	1.10%
Dry Bulk	953	0.11%	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)



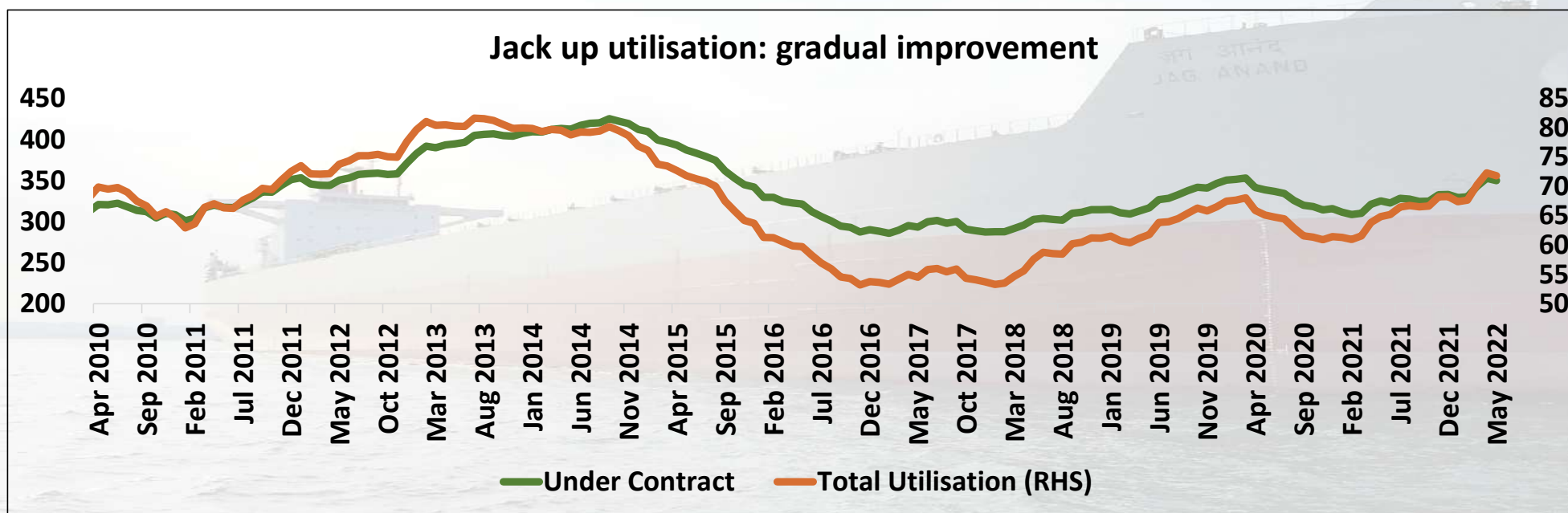
Fleet Supply

Increasing number of Cold Stacked Rigs

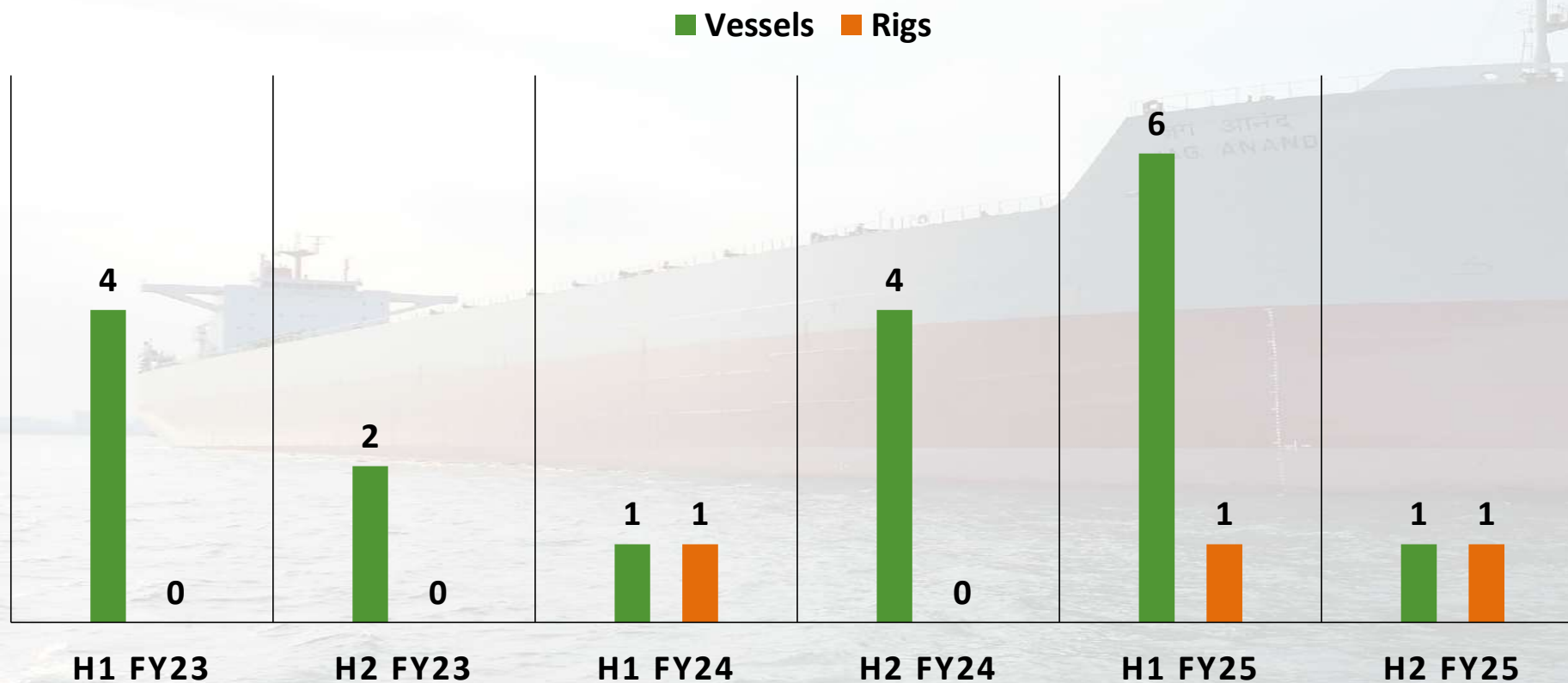
Number	Jackup Rigs	PSVs + AHTSVs
Current Fleet	488	3,515
Contracted Fleet	350	2,157
Orderbook	28	132
O/B to current fleet	5.7%	3.8%
Total Scrapping since January 2016 (nos.)	141	507
No. of Vessels/Rigs more than 20/30 years old (as %age of fleet)	33%	19%
Cold Stacked more than 3 years	50	661

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

Market Trends: Utilisation



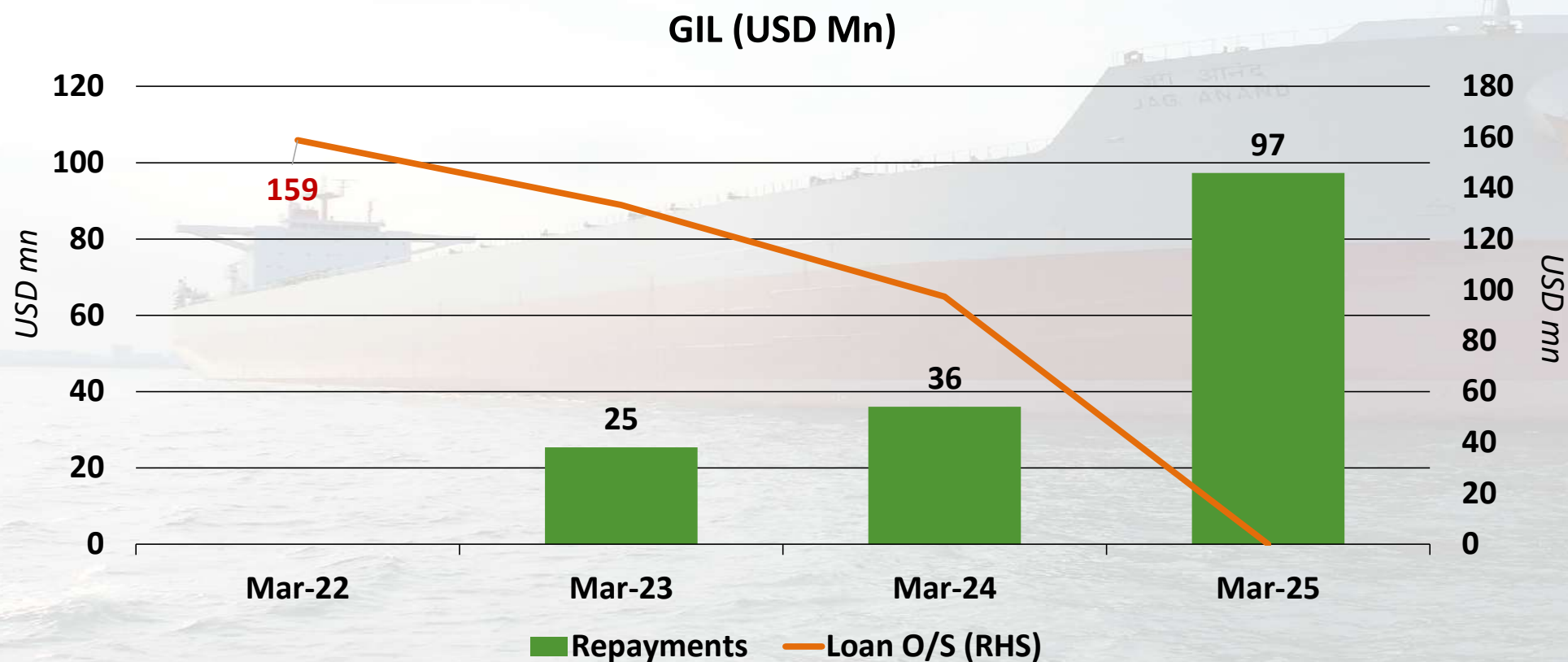
Repricing



One JU Rig has received LOA for next contract after completion of the existing contract. It 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

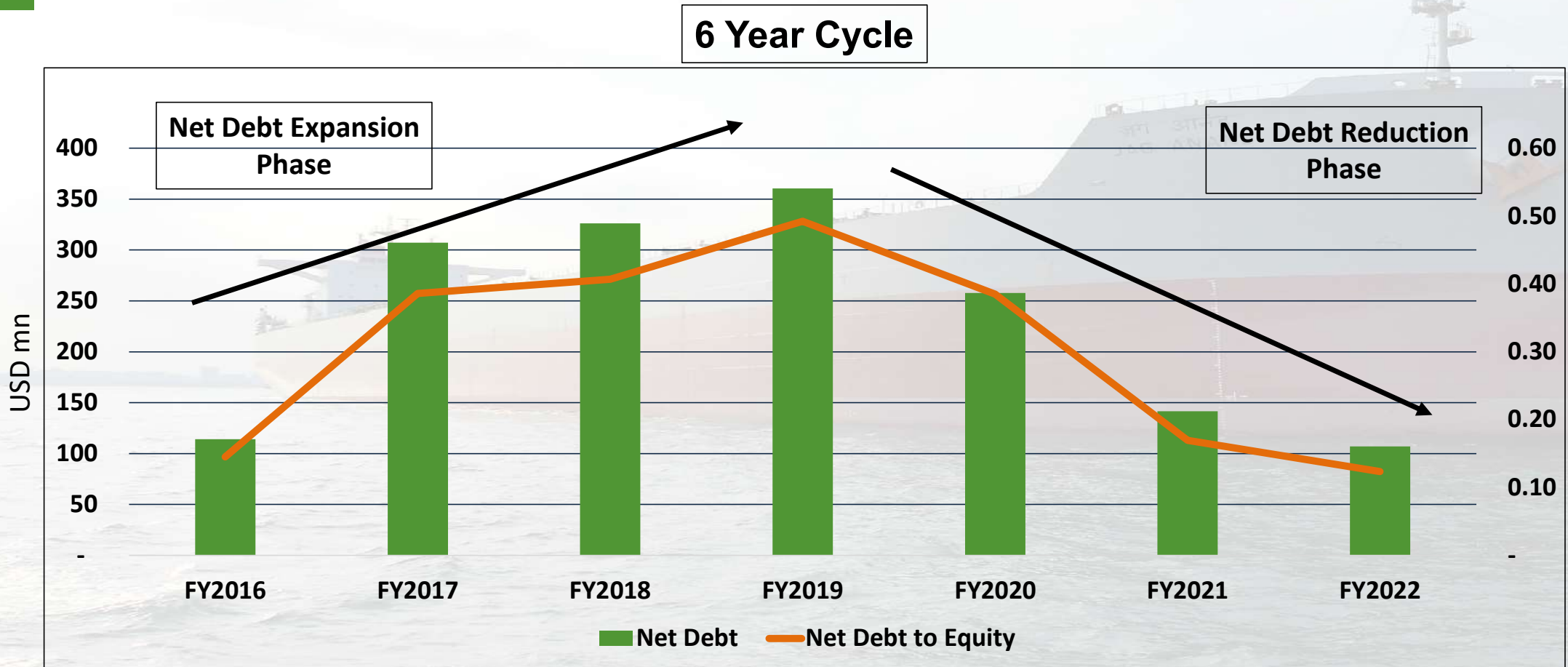
Mar 22: 0.17

INITIATIVES ON ENVIRONMENT

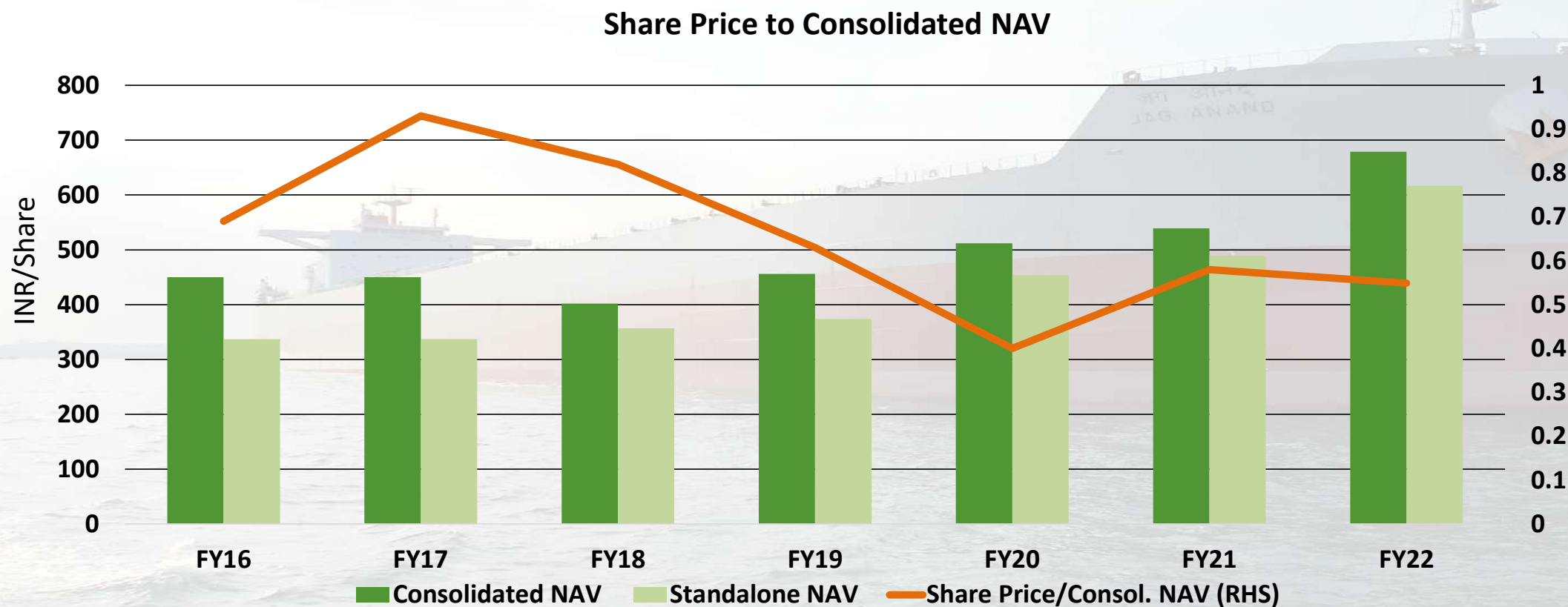
- Voluntarily published our first Environment Social Governance (ESG) report
- Established a working group for feasibility study on alternate fuels and fuel optimisation technologies in view of the IMO emission reduction targets.
- After the Jan 2020 IMO mandate on switching from 3.50% Sulphur to 0.5%, 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

FINANCIALS

Counter Cyclical Investments have Generated Strong Cash Flows



Share Price to Consolidated NAV



* For FY22 we have taken share price as on 14th June 2022

THANK YOU

visit us at www.greatship.com