

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



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Our Ref.: S/2021/JMT

January 29, 2021

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,

Further to our letter dated January 29, 2021 we enclose herewith Investor Presentation pertaining to the Financial Results for the quarter ended December 31, 2020.

You are requested to take note of the above.

Thanking You,
Yours faithfully,

For The Great Eastern Shipping Co. Ltd.

Jayesh M. Trivedi
President (Secl. & Legal) & Company Secretary
Email Id : jayesh_trivedi@greatship.com

The Great Eastern Shipping Co. Ltd.



The Great Eastern
Shipping Co. Ltd.



The Great Eastern Shipping Co. Ltd.



QUARTERLY RESULTS UPDATES – Q3FY21

29 January 2021

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.

FINANCIAL RESULTS

Q3 FY 2020-21

REPORTED FINANCIAL HIGHLIGHTS

GE Shipping Q3FY21 consolidated Net Profit at Rs. 176 Crores

Standalone			Key Figures	Consolidated		
Q3FY21	Q3FY20	9MFY21	(Amount in Rs. Crs)	Q3FY21	Q3FY20	9MFY21
			Income Statement			
696	935	2,277	Revenue (including other income)	859	1,150	2,789
367	536	1,378	EBITDA (including other income)	421	638	1,605
204	339	886	Net Profit	176	331	870
			Balance Sheet			
10,739	9,758	10,739	Total Assets	14,309	13,529	14,309
5,921	5,145	5,921	Equity	7,614	6,900	7,614
3,751	3,557	3,751	Total Debt (Gross)	5,211	5,191	5,211
603	1,576	603	Long Term Debt (Net of Cash)	994	2,031	994
			Cash Flow			
152	368	1,138	From operating activities	223	495	1,267
(204)	40	(278)	From investing activities	(206)	95	(274)
228	(316)	34	From financing activities	172	(434)	(182)
177	92	894	Net cash inflow/(outflow)	189	156	811

NORMALIZED FINANCIAL HIGHLIGHTS

GE Shipping Q3FY21 consolidated Normalized Net Profit at Rs. 115 Crores

Standalone			Key Figures (Amount in Rs. Crs)	Consolidated		
Q3FY21	Q3FY20	9MFY21		Q3FY21	Q3FY20	9MFY21
Income Statement						
696	935	2,277	Revenue (including other income)	859	1,150	2,789
317	531	1,217	EBITDA (including other income)	359	623	1,408
154	339	725	Net Profit	115	333	672
Balance Sheet						
10,739	9,758	10,739	Total Assets	14,309	13,529	14,309
5,921	5,145	5,921	Equity	7,614	6,900	7,614
4,257	3,996	4,257	Total Debt (Gross)	5,717	5,630	5,717
1,109	2,015	1,109	Long Term Debt (Net of Cash)	1,500	2,470	1,500

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		
Q3FY21	Q3FY20	9MFY21		Q3FY21	Q3FY20	9MFY21
			Key financial figures			
10.62%	27.20%	17.59%	*Return on Equity (ROE) (%)	6.11%	19.77%	12.43%
10.33%	18.13%	11.63%	*Return on Capital Employed (ROCE) (%)	8.68%	5.20%	8.68%
0.72	0.78	0.72	Gross Debt/Equity (x)	0.75	0.75	0.75
0.19	0.39	0.19	Net Debt/Equity (x)	0.20	0.20	0.20
10.49	23.03	49.31	Earnings per share, EPS (INR/Share)	7.82	22.61	45.71
18.08	31.27	72.17	Cash Profit per share (INR/Share)	19.88	35.39	81.94
450	451	450	Net Asset Value per share (INR/Share)	477-527	512-538	477-527

*Annualized Figures

PERFORMANCE REVIEW

Break up of Revenue days (Shipping)

Revenue Days	Q3 FY21	Q3 FY20
Owned Tonnage	4,081	4,227
Inchartered Tonnage	44	-
Total Revenue Days	4,125	4,227
Total Owned Tonnage (mn.dwt)	3.51	3.70

Break up of Revenue days (Offshore)

Revenue Days	Q3 FY21	Q3 FY20
Offshore Logistics	1,440	1,495
Drilling Services	367	366
Total	1,807	1,861

Average TCYs earned over last few quarters in various (Shipping) categories

Average (TCY \$ per day)	Q3 FY21	Q2 FY21	Q-o-Q Change	Q3 FY20	Y-o-Y Change
Crude Carriers	16,634	25,233	-34%	38,853	-57%
Product Carriers	10,441	10,874	-4%	18,555	-44%
LPG Carriers	26,965	29,238	-8%	22,847	18%
Dry Bulk	11,588	11,248	-3%	12,908	-10%

REVENUE VISIBILITY & COVERAGE

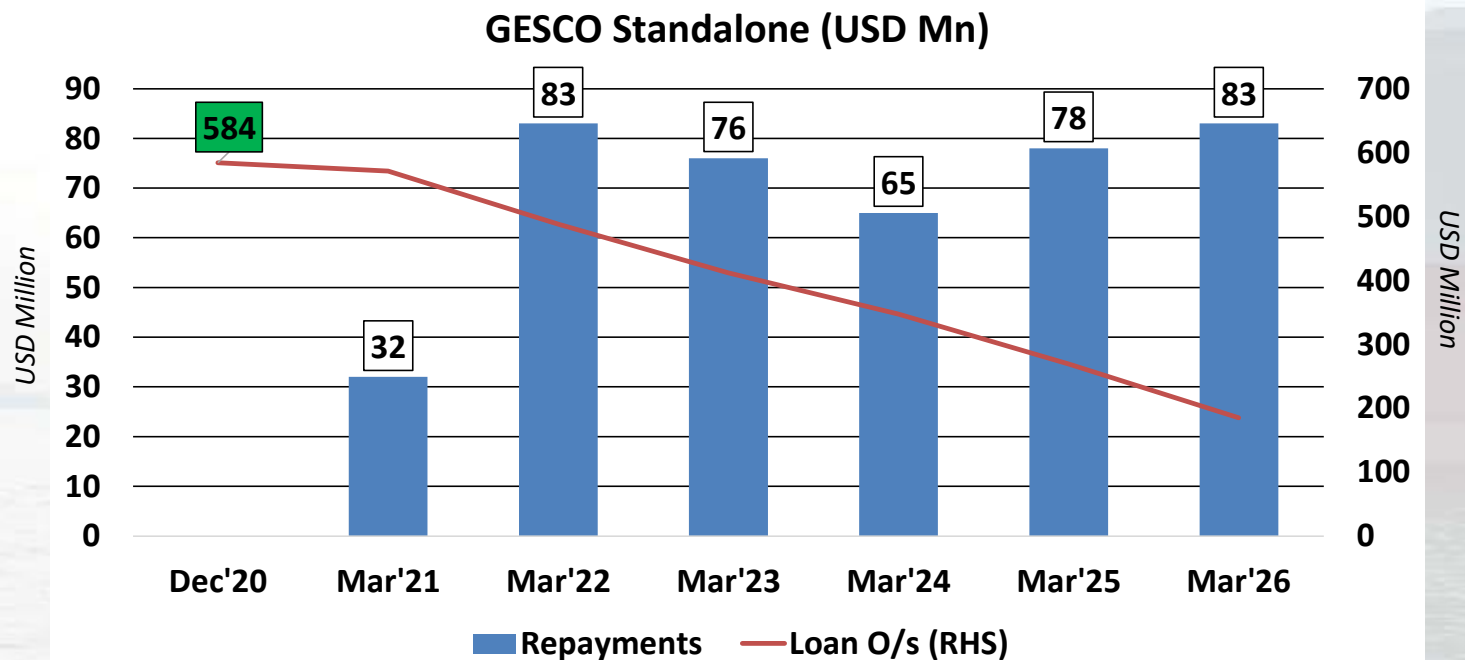
Category-wise coverage of operating days (Shipping) --- FY21

Category	Extent of coverage of fleet's operating days	Revenue Visibility
Crude Carriers	52%	Rs 259 Cr
Product Carriers	40%	
LPG Carriers	100%	
Dry Bulk	48%	

Category-wise coverage of operating days (Offshore) --- FY21

Category	Extent of coverage of fleet's operating days	Revenue Visibility
Jackup Rigs	80%	Rs 145 Cr
AHTSV	88%	
MPSVV	62%	
PSV/ROSV	96%	

GESCO STANDALONE DEBT REPAYMENT SCHEDULE (NEXT 5 YEARS)



GESCO: We have effective all-in USD cost of debt of less than 4%. 85% of debt portfolio is fixed.

FLEET PROFILE

SHIPPING			
Fleet	DWT	Number of Ships	Average Age (Yrs.)
Crude Carriers	1,164,215	9	13.38
Product Carriers	1,092,465	18	12.84
Gas Carriers	224,260	5	17.89
Dry Bulk Carriers	1,026,462	13	8.28
Total	3,507,402	45	12.01

OFFSHORE		
Fleet	Number of Units	Average Age (Yrs.)
Jack Up Rigs	4	9.10
Platform Supply Vessels	4	11.25
Anchor handling Tug Cum Supply Vessels	8	11.10
Multipurpose Platform Supply & Support Vessels	2	10.58
ROV Support Vessels	5	9.27

FLEET DEVELOPMENT

Crude Tankers:

- We have sold our two oldest Suezmax Vessels both Built in 2000

Product Tankers:

- We have bought an LR2 Vessel Built 2012

DryBulk:

- We have contracted to sell a Supramax Bulk Carrier Built 2006
- We have contracted to buy a Capesize Vessel Built 2014

LPG:

- We have sold our oldest VLGC Built 1996
- We have bought a VLGC Built 2002

SHIPPING MARKET

Business & Financial Review November 2017



TANKER MARKET



OKING

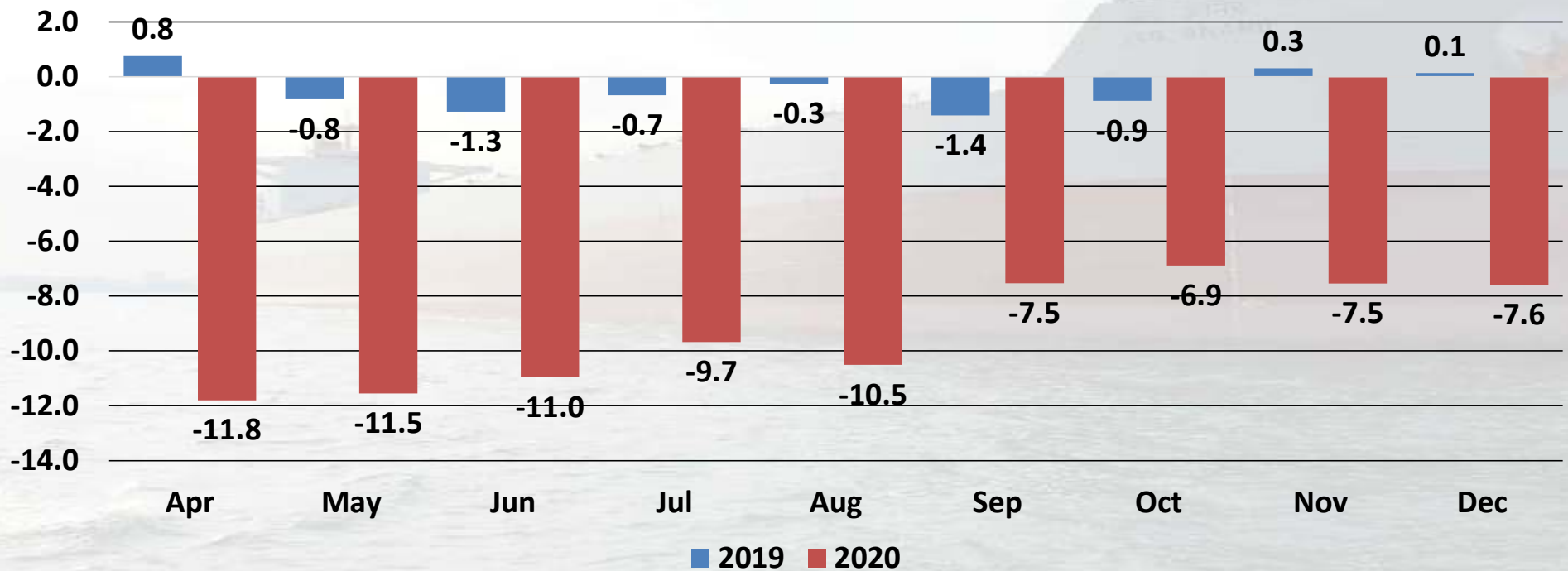
Freight Rates are currently around operating costs

Suezmax Freight Rates (\$ per day)	Q1FY	Q2FY	Q3FY	YTD
FY 2020	15,687	16,700	74,653	35,680
FY 2021	47,808	12,074	6,587	22,156
Y/Y	205%	-28%	-91%	-38%

MR Freight Rates (\$ per day)	Q1FY	Q2FY	Q3FY	YTD
FY 2020	11,389	9,954	20,030	13,791
FY 2021	26,348	9,038	6,451	13,946
Y/Y	131%	-9%	-68%	1%

Refinery Runs well below Pre – COVID Levels Despite revival of growth in Global GDP

Change in Refinery Runs y/y (mbpd)



Mbpd: Million barrels per day
Sources: Industry Reports

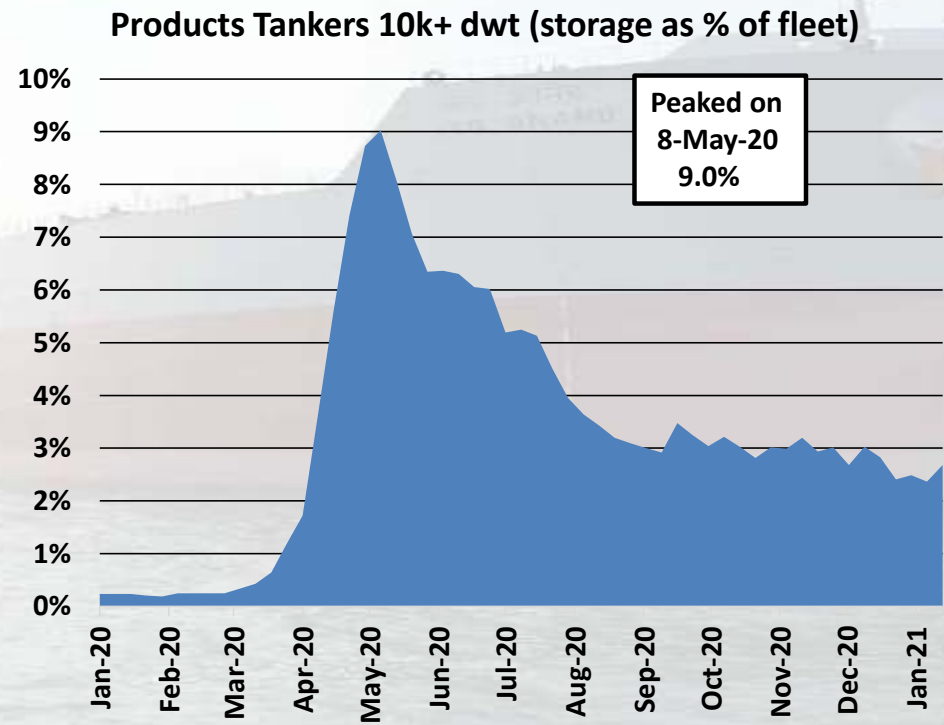
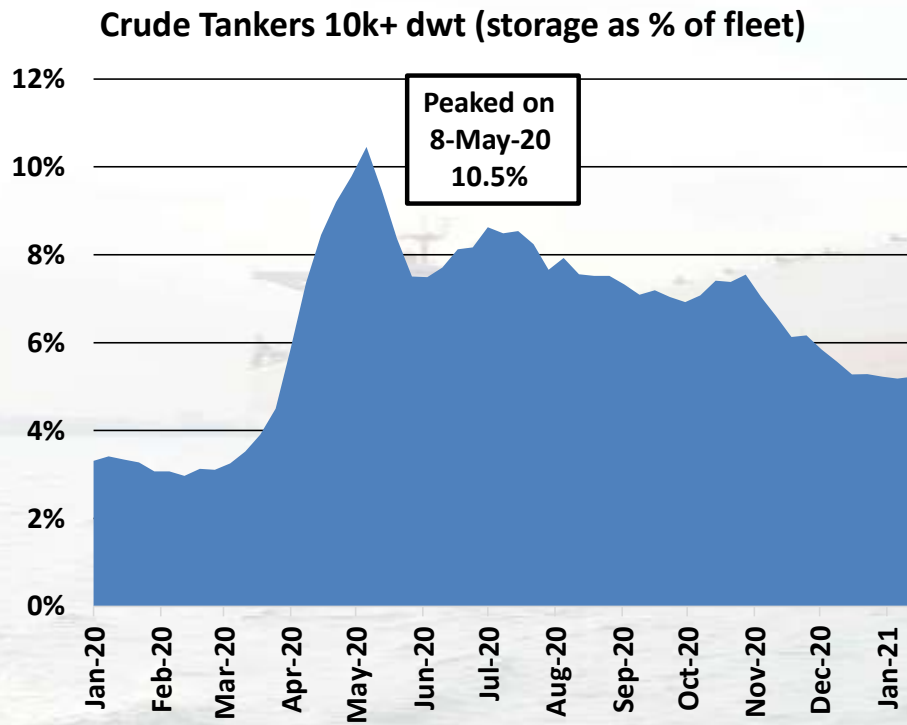
Demand for Oil is unlikely to reach Pre-COVID Levels Until 2022

Oil demand growth (mbpd)	Cal 2020	Cal 2021
EA	-8.0	5.0
IEA	-8.9	5.5
OPEC	-9.8	5.9
EIA	-9.0	5.6

Mbpd: Million barrels per day

Sources: Industry Reports

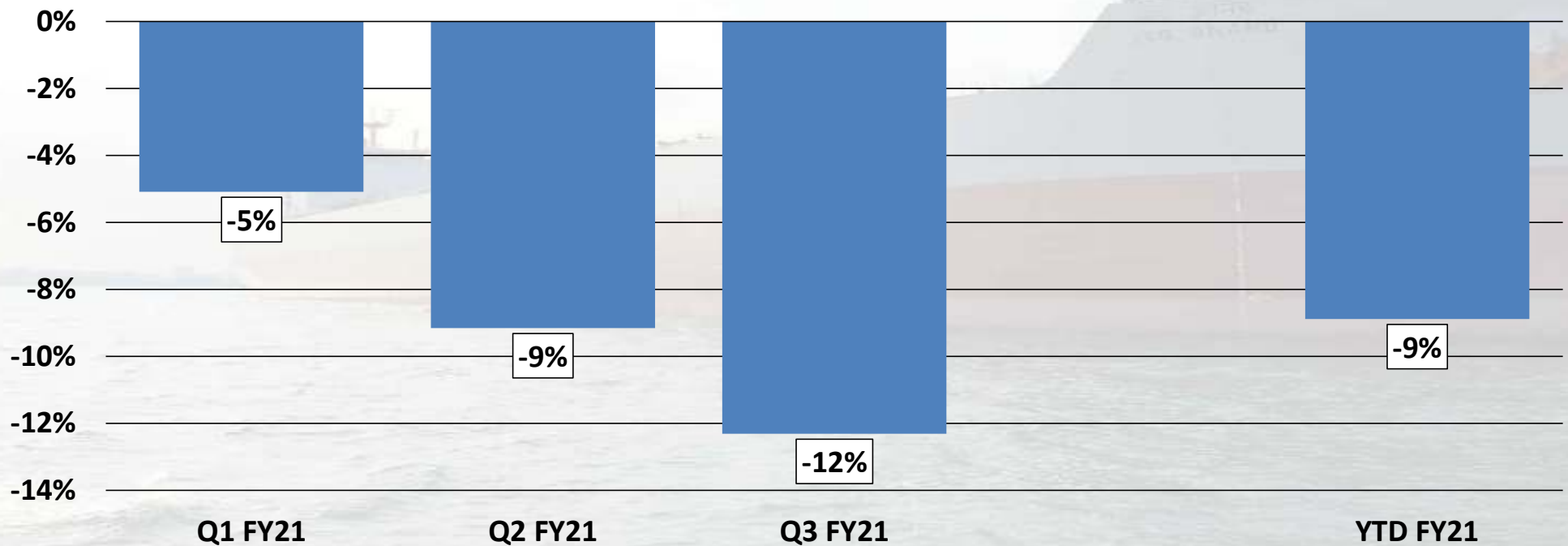
Release of Floating Storage in the Quarter Has added to the Fleet Supply



Note: Excludes dedicated storage

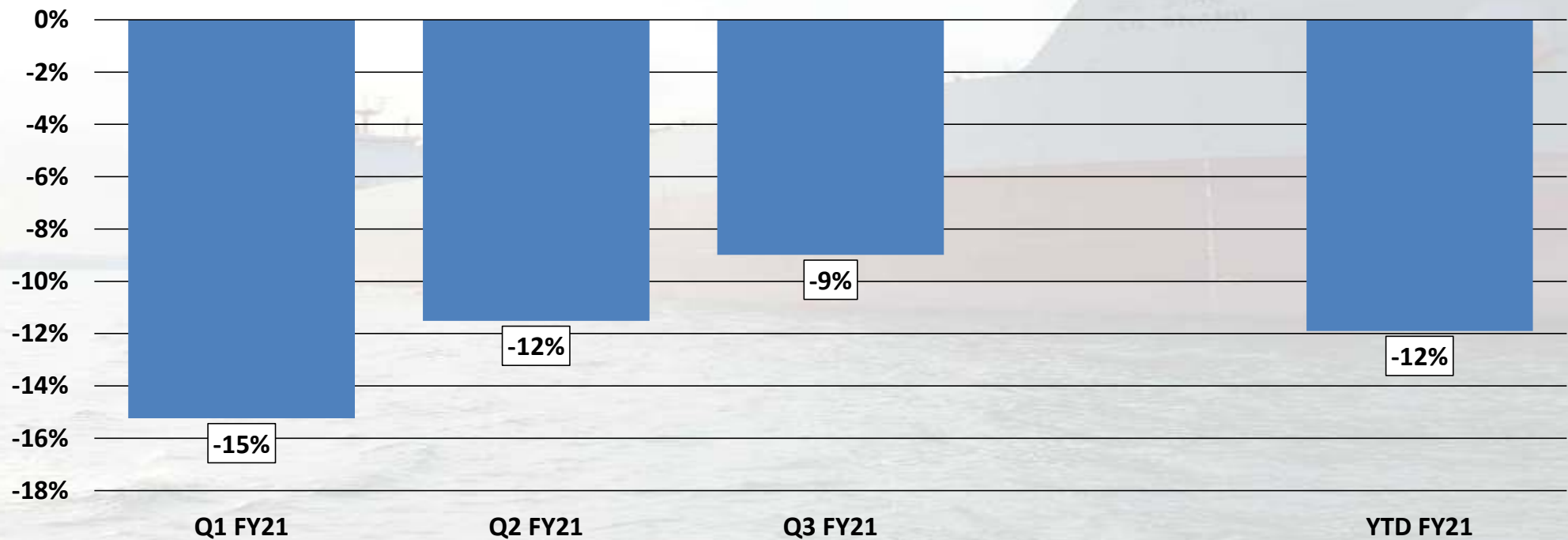
Until Floating Storage Clears and Demand Revives Crude Trade is likely to remain depressed

Change in crude trade y/y (%)



A similar story for the Product Trade

Change in products trade y/y (%)

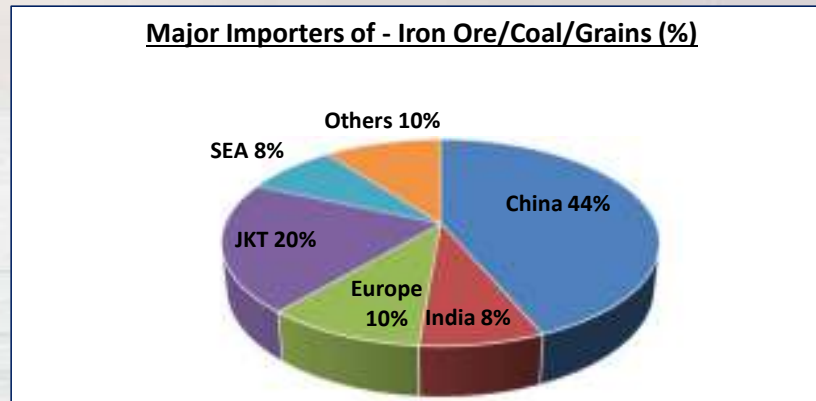
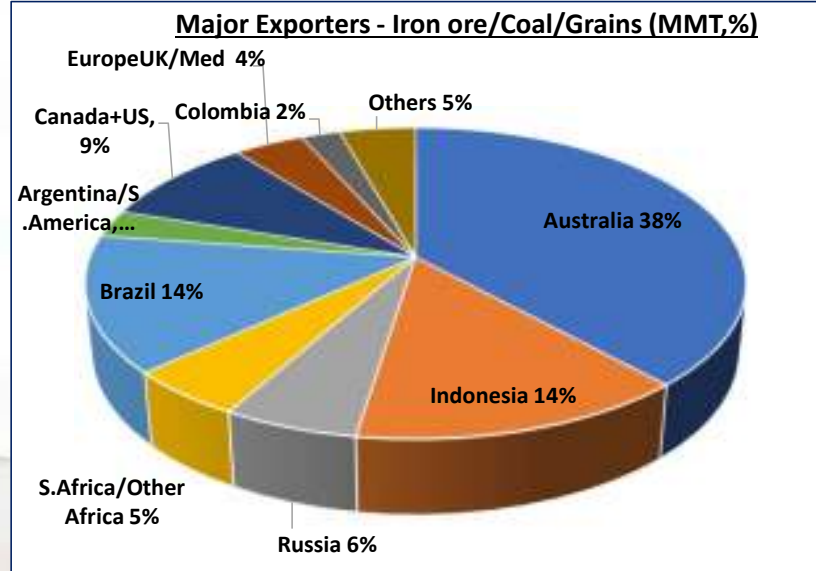
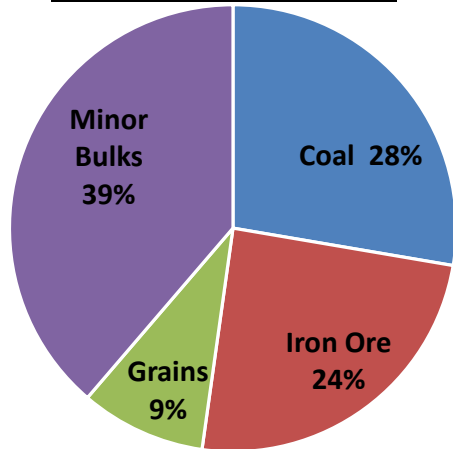


DRY BULK MARKET



DRY BULK MARKETS

Commodity wise Break up of Global DB demand (%)

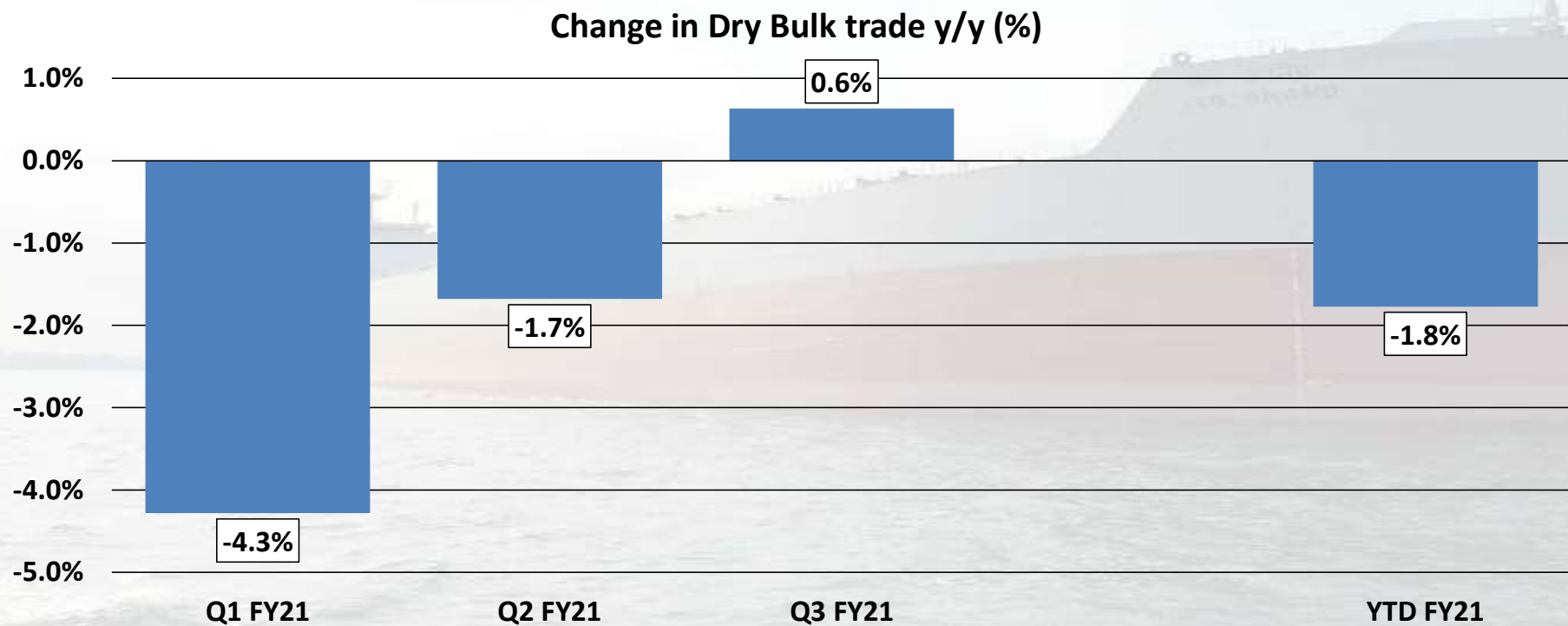


Earnings have softened across Asset Classes

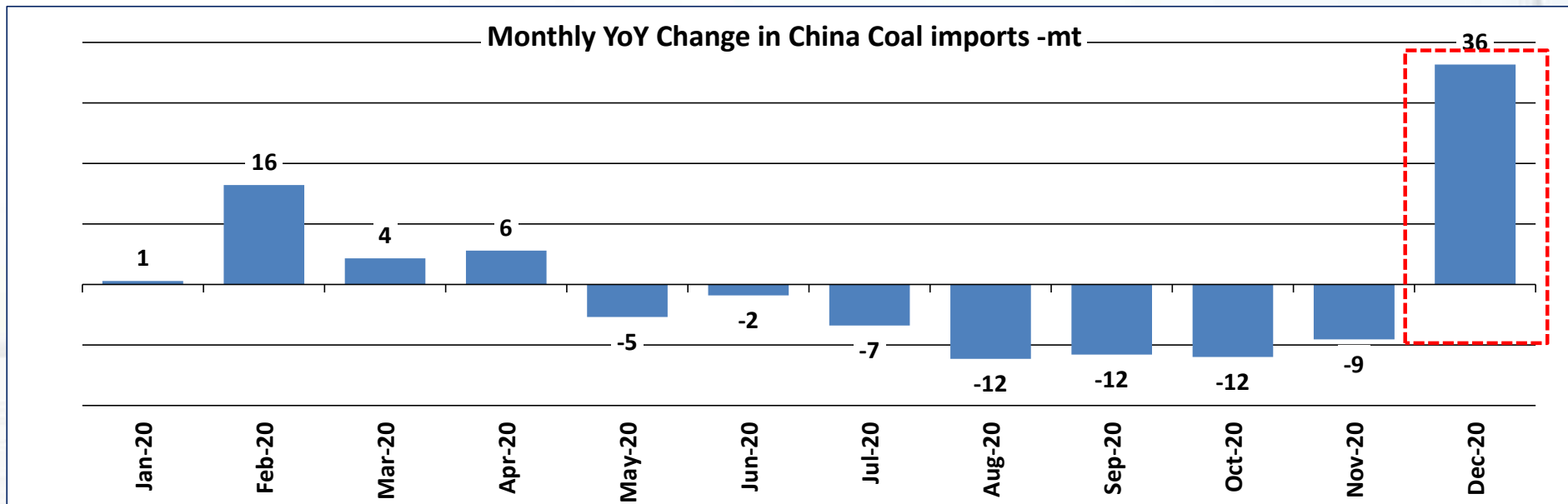
Capesize Freight Rates (\$ per day)	Q1FY	Q2FY	Q3FY	YTD
FY 2020	11,372	29,365	22,184	20,974
FY 2021	9,932	20,761	16,944	15,879
Y/Y	-13%	-29%	-24%	-24%

Panamax Freight Rates (\$ per day)	Q1FY	Q2FY	Q3FY	YTD
FY 2020	9,521	16,014	11,717	12,417
FY 2021	6,054	11,772	10,709	9,512
Y/Y	-36%	-26%	-9%	-23%

Trade Growth has begun to show positive signs



CHINA COAL IMPORTS SURGE IN DECEMBER



Chinese coal imports have been decreasing through the year due to strict custom controls. However, severe winter in China has been driving electricity demand lately & govt has now granted approval to power plants to import coal without clearance. Domestic Chinese prices have also been increasing due to high demand and lower domestic production response. At this moment international coal is at deep discount to domestic Chinese coal.

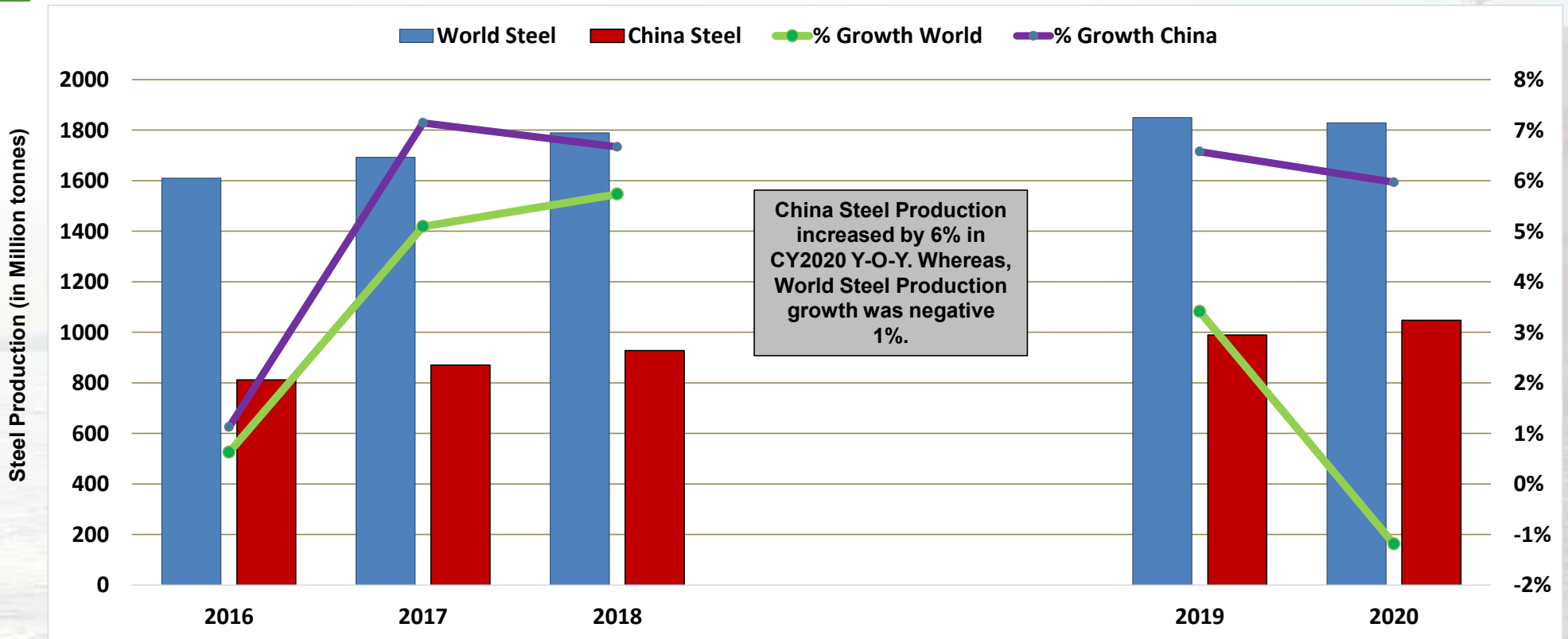
GLOBAL DRYBULK COMMODITY SEABORNE TRADE DATA

Global Commodity Trade Data - mt	Absolute Inc/Dec YoY (CY20-CY19)	% Inc/Dec YoY
Iron Ore	59	3.8%
Coal	-118	-9.1%
Grains	32	7.5%
Minor Bulk	-48	-3.2%
Total Growth	-77	-1.6%

China Iron Ore trade growth has been 9.30% for CY2020 Y-o-Y

China Coal imports growth has been tail ended with overall 1.4% for CY2020 Y-o-Y

CHINA & WORLD STEEL PRODUCTION



LPG (GAS) MARKET

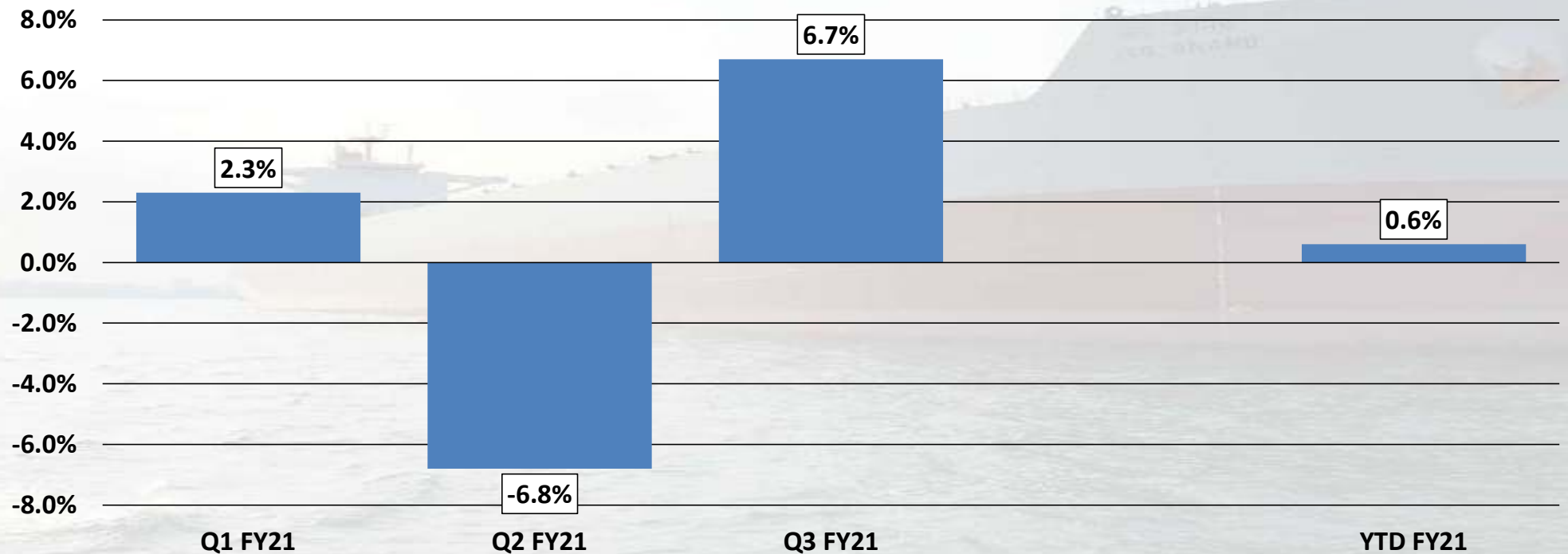


Despite a lower YTD freight rate, earnings remain strong

VLGC Freight Rates (\$ per day)	Q1FY	Q2FY	Q3FY	YTD
FY 2020	50,691	53,795	66,010	56,832
FY 2021	33,007	40,722	68,362	47,364
Y/Y	-35%	-24%	4%	-17%

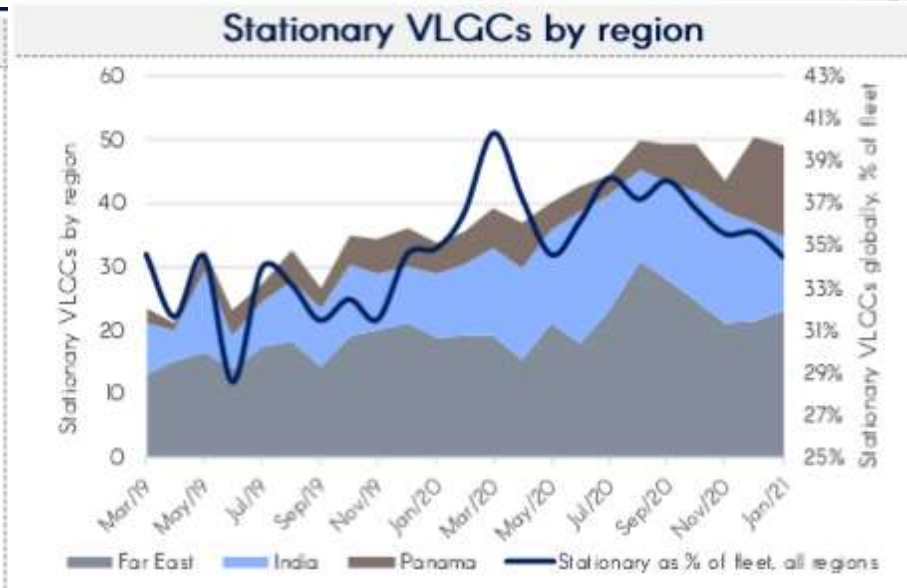
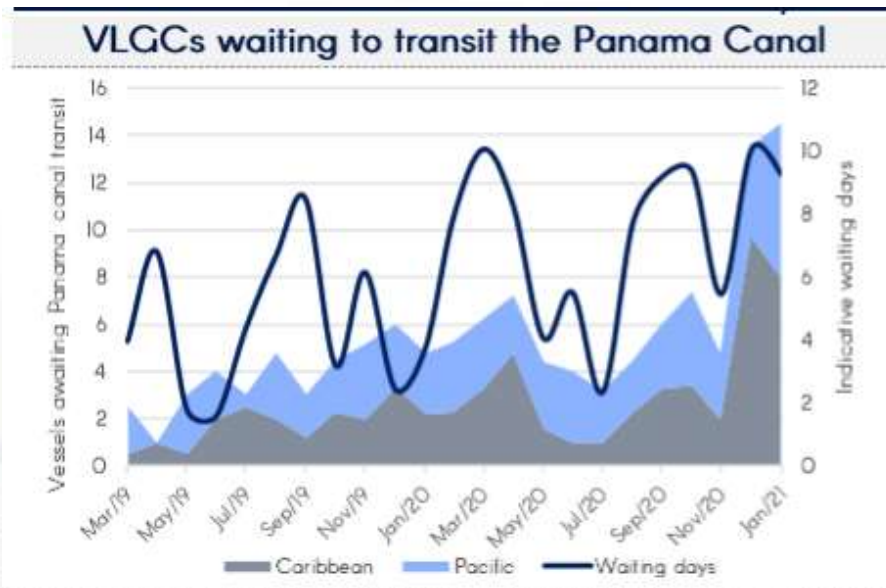
Trade Growth has been strong during the quarter

Change in VLGC trade y/y (%)



LPG

PANAMA CANAL TRANSITS



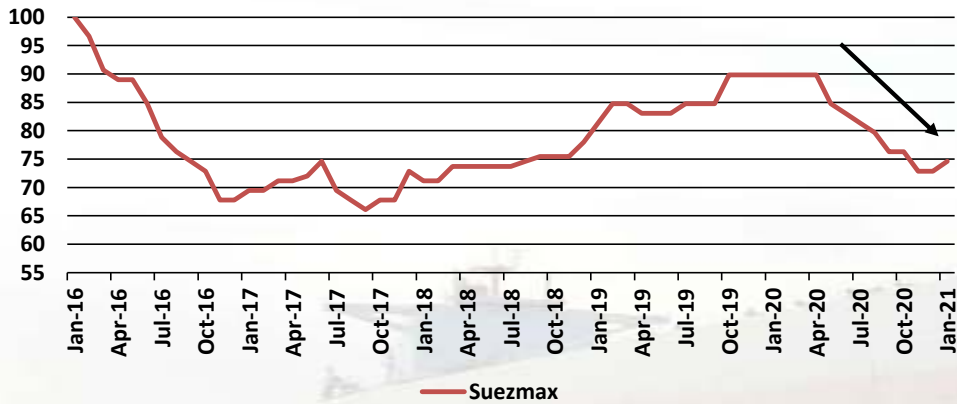
Change in policy by Panama Authority to reserve slots for liners and LNG vessels had a significant impact on frequently trading LPG vessels through Panama. This contributed to supply tightness and hence freight rates soaring past \$100,000 per day



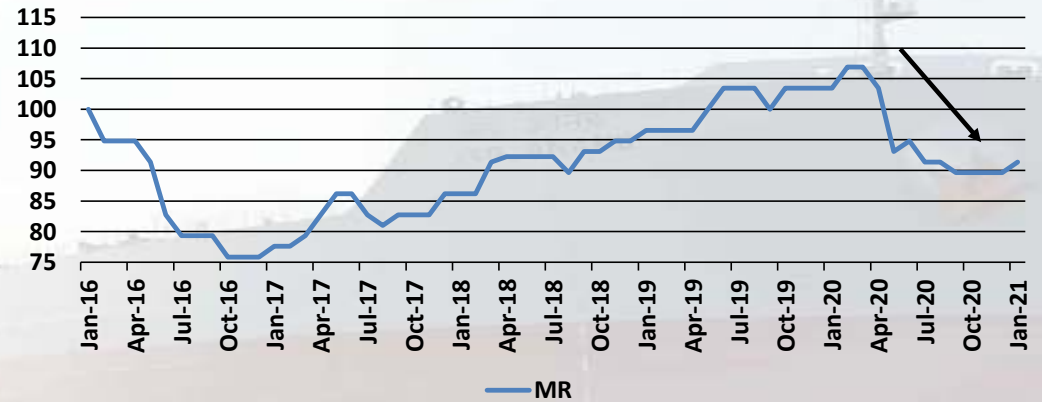
ASSET PRICE MOVEMENT - SHIPPING

ASSET PRICE MOVEMENT (INDEXED) Over the Last 5 Years

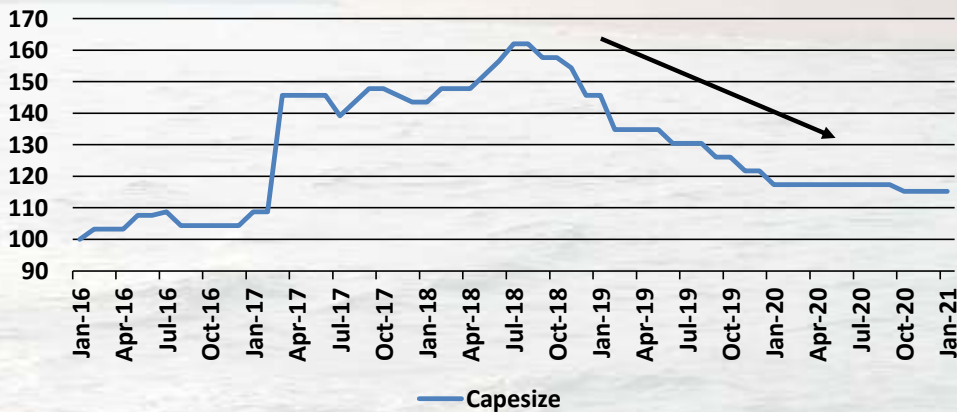
5 Yr Old Asset Value Movement (Crude)



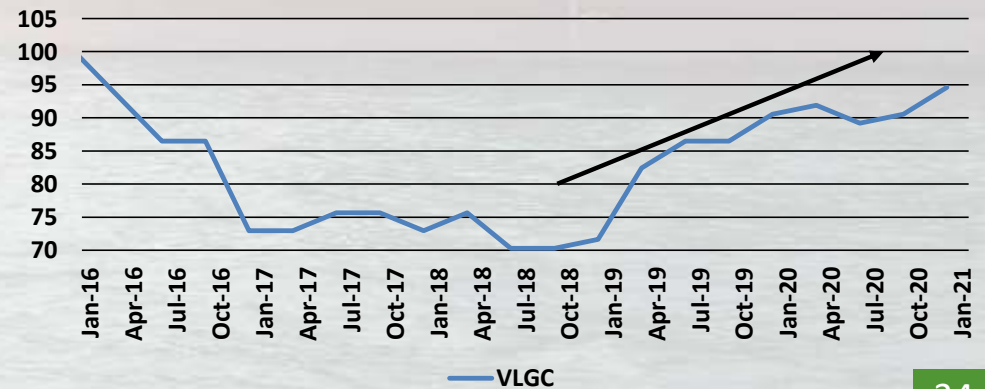
5 Yr Old Asset Value Movement (Products)



5 Yr Old Asset Value Movement (Dry Bulk)

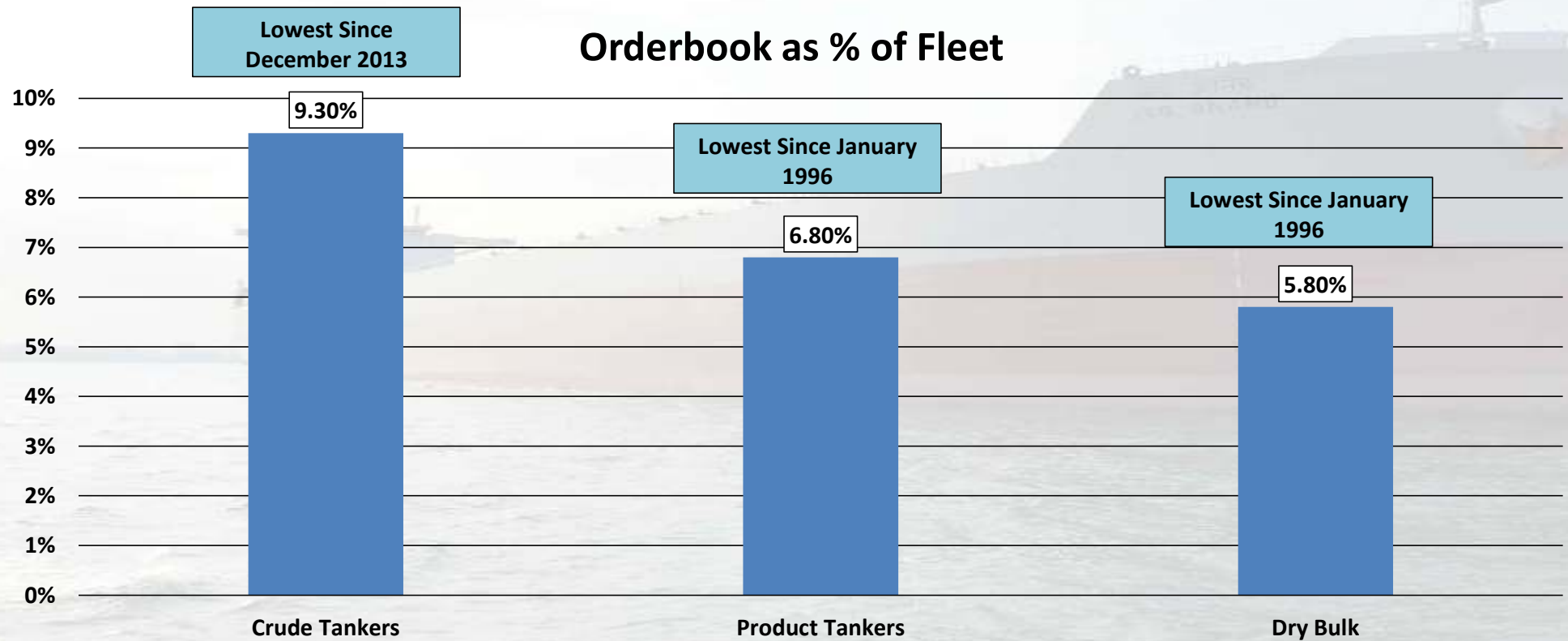


5 Yr Old Asset Value Movement (LPG)



Sources: Industry Reports

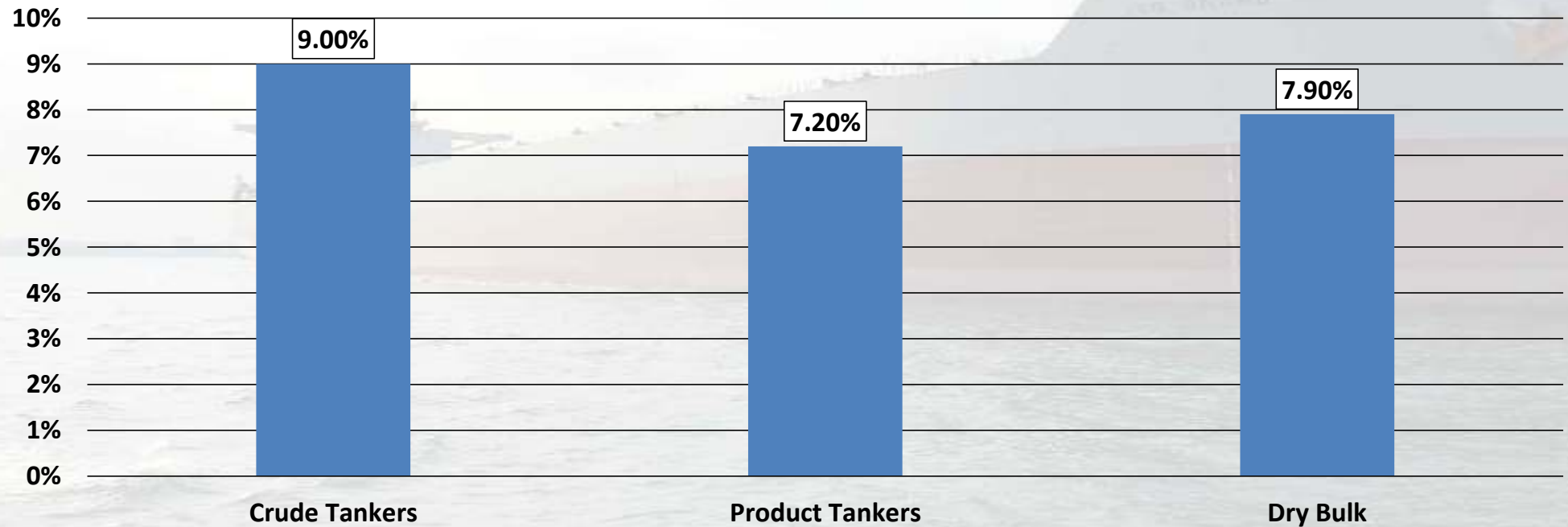
One of the Lowest Order Book to Fleet Ratios For Tankers and Bulkers



Note : Data does not extend beyond Jan 1996 for both Product and Dry

A weak freight market may incentivize scrapping

Scrapping Potential (Age>20 years) as % of Total Fleet



SCRAPPING

Vessel Category	Fleet (mn Dwt)	Scrapping (% of beginning world fleet)						
	31 Dec 20	2020	2019	2018	2017	2016	2015	2014
Crude	428.58	0.38%	0.61%	4.62%	2.35%	0.35%	0.23%	1.60%
Product	164.23	0.51%	0.43%	1.64%	1.42%	0.62%	0.61%	1.19%
Dry Bulk	911.65	1.63%	0.92%	0.54%	1.77%	3.67%	4.03%	2.25%

Scrapping has been low for a while especially in Products and Crude sector

The Great Eastern Shipping Co. Ltd.

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



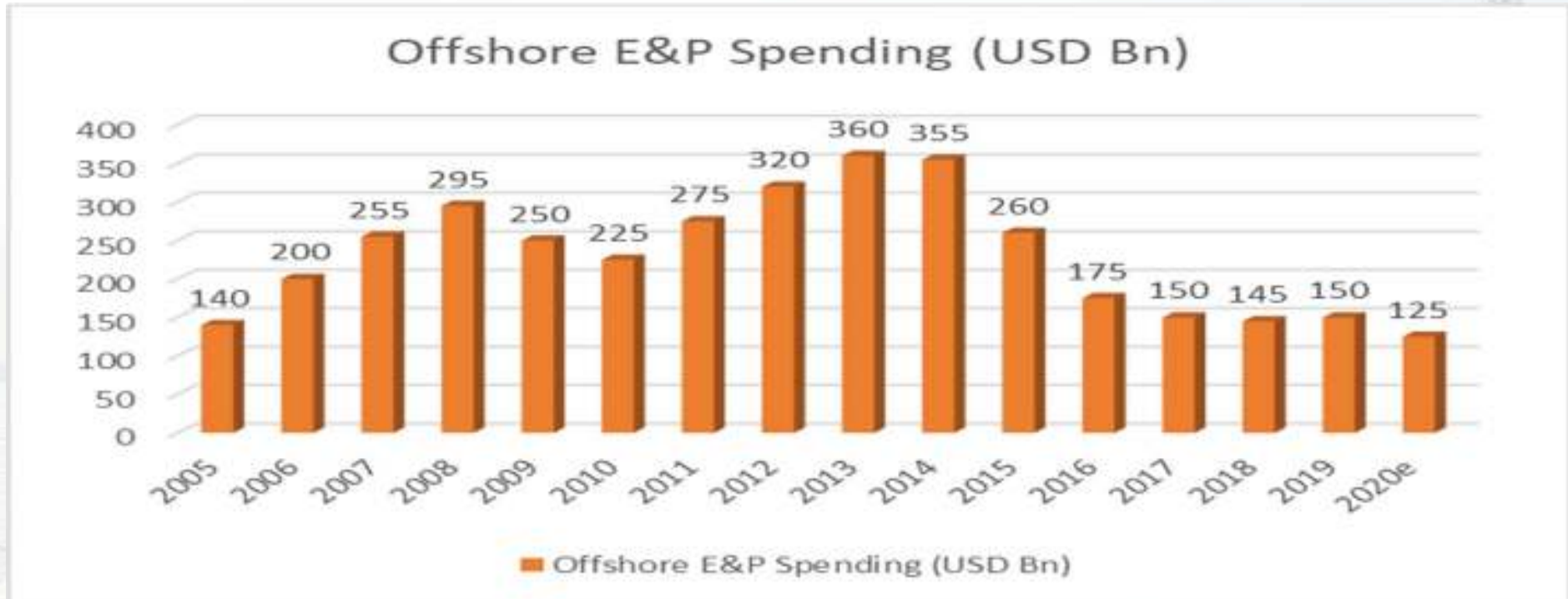
OFFSHORE BUSINESS FLEET PROFILE

Fleet Utilization

Current Owned Fleet Type	Fleet Count	Extent of coverage of fleet's operating days (3M FY21)
Jack Up Rigs (350ft)	4	80%
Anchor Handling Tug cum Supply Vessels (AHTSV)	8	88%
Multipurpose Platform Supply and Support Vessels (MPSSV)	2	62%
Platform Supply Vessels (PSV) / ROV Support Vessels (ROVSV)	9	96%

As on 31st December 2020

OFFSHORE E&P SPENDING



The source has revised Offshore E&P spending higher across the years.

Source – Industry Reports

KEY POINTS ON OFFSHORE MARKETS

Q4CY2020

Day Rates

- The oil price has bounced back up sharply from the lows of early 2020 on back of OPEC cuts and relaxation of lockdown restrictions.
- Early terminations & contract renegotiations seen in early 2020 have now reduced. Also, charter rates have now stabilized albeit at lower levels.

Fleet Growth

- Rigs: Competitive fleet has reduced by about 4% over last 1 year and by about 7.6% over the last 4 years due to scrapping and cold stacking.
- OSV's: Competitive fleet has reduced by about 7% over last 1 year and by about 5-6% over the last 4 years.
- Very few new orders for vessels as well as rigs in last 4-5 years.

Global Fleet Utilization

- Rigs: 60-70% (Term) (Utilization remained almost flattish during the last quarter and declined by about 7.6% since Dec19)
- Vessels: 40-50% (Term) (Utilization remained almost flattish during the last quarter and declined by about 6.3% from Dec19 levels)

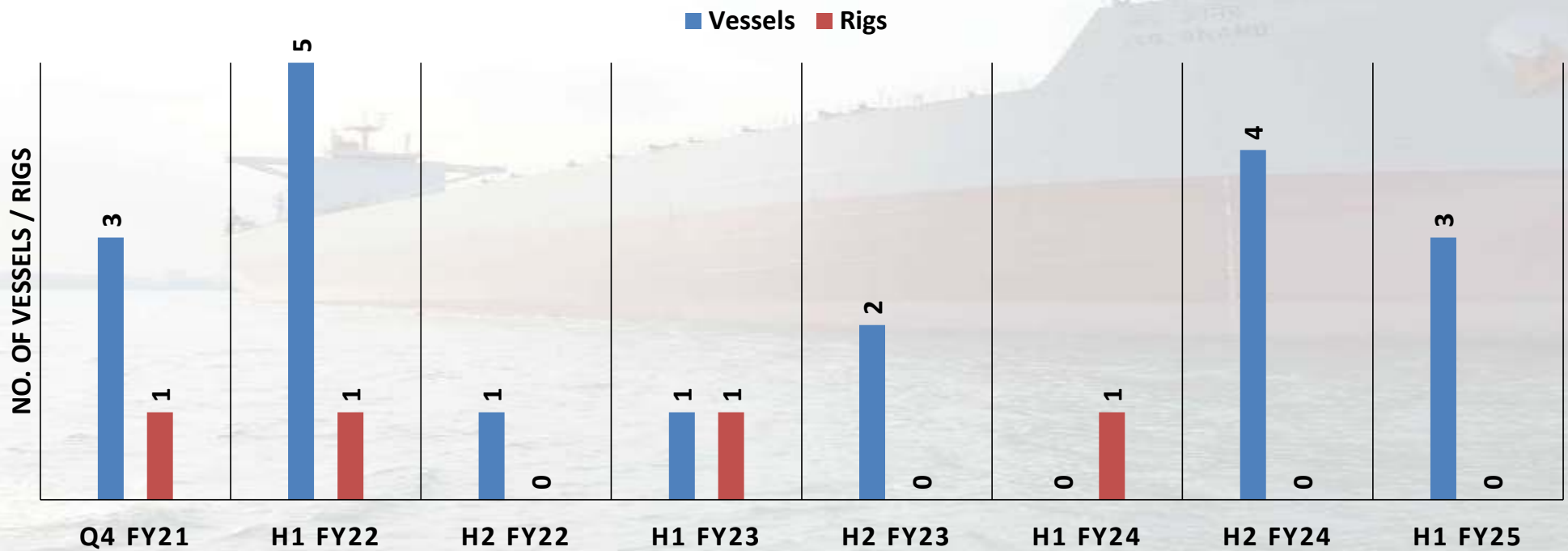
GLOBAL FLEET SUPPLY OFFSHORE

Fleet Profile

Number	Jackup Rigs	PSVs + AHTSVs
Current Fleet	520	3571
Orderbook	39	166
<i>O/B to current fleet</i>	7.5%	4.6%
<i>Total Scrapping since January 2016 (nos.)</i>	102	360
<i>No. of Vessels/Rigs more than 20/30 years old (as %age of fleet)</i>	38%	19%
<i>Cold Stacked more than 3 years</i>	67	652

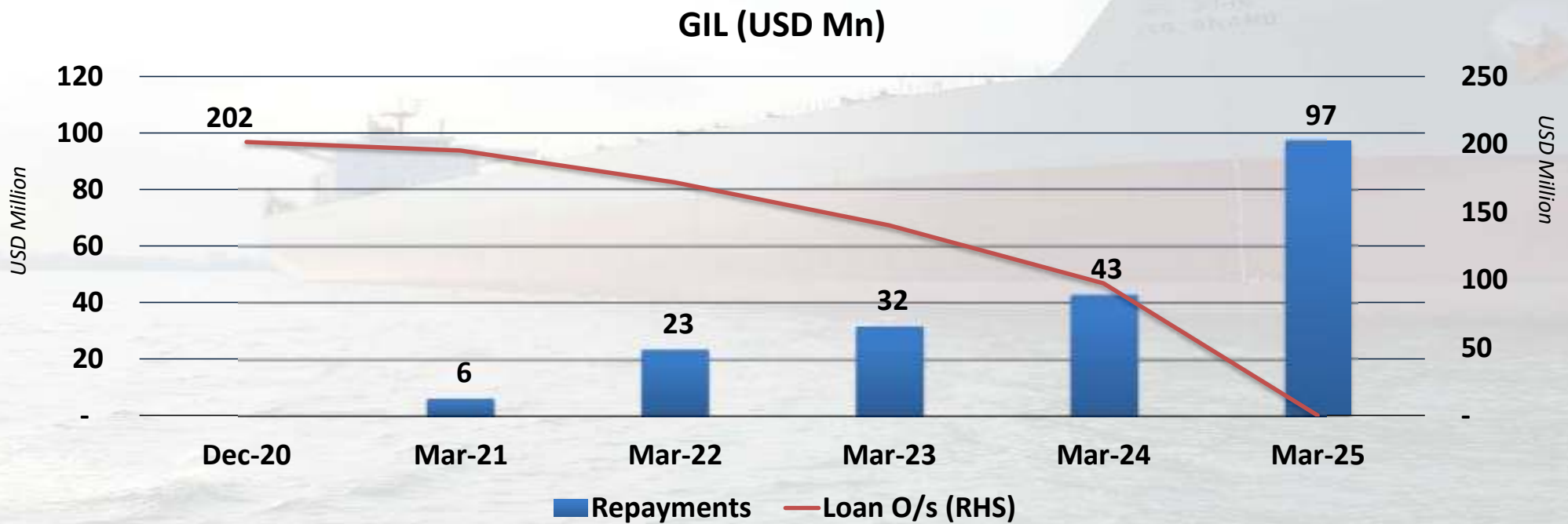
There is a large potential for scrapping over next few years if the market continues to remain weak.

Vessels / Rigs coming up for repricing OFFSHORE



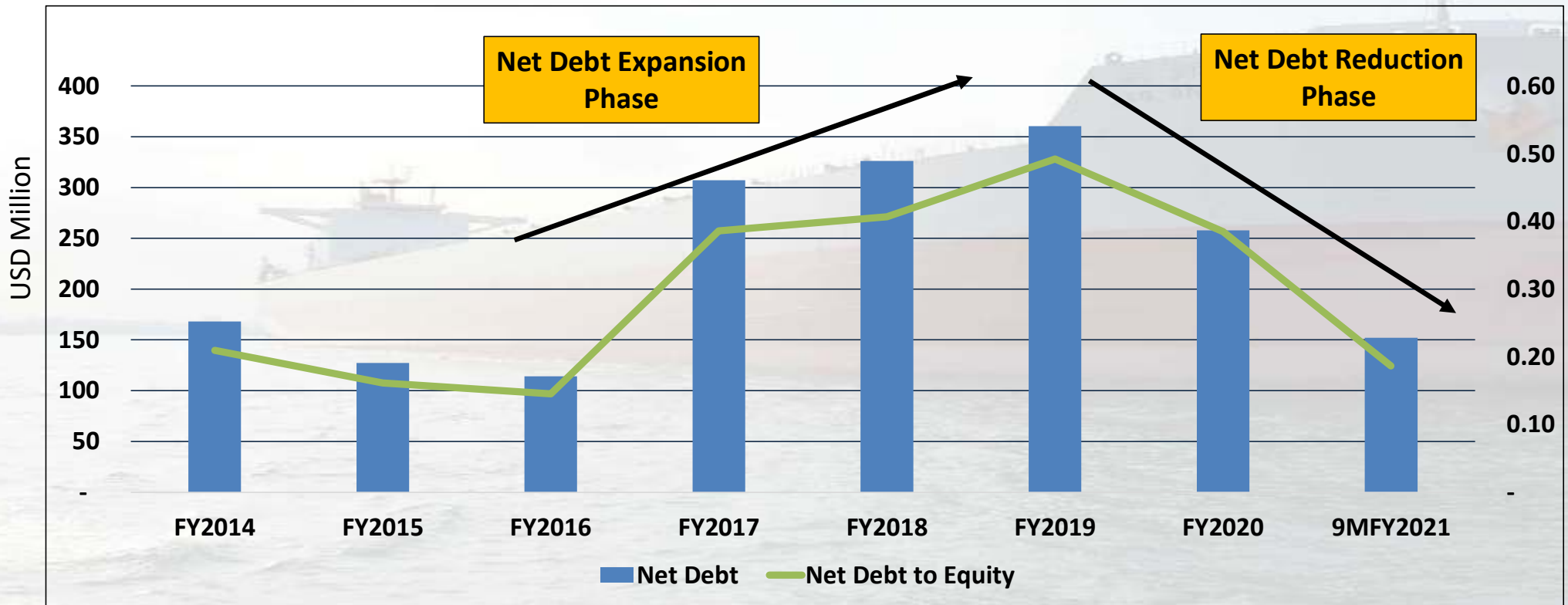
GREATSHIP

DEBT REPAYMENT SCHEDULE (NEXT 5 YEARS)

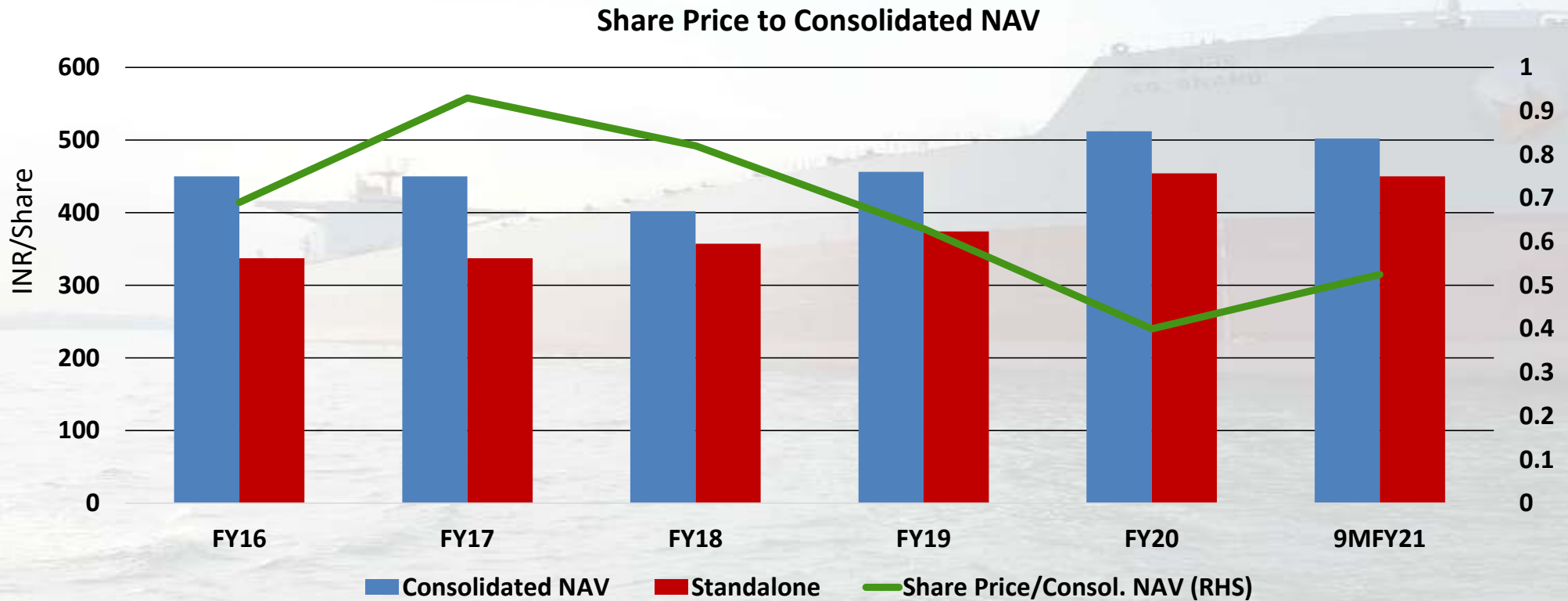


KEY VALUATION METRICS

NET DEBT EXPANSION & REDUCTION PHASE



SHARE PRICE TO CONSOLIDATED NET ASSET VALUE



SUMMARY – SHIPPING & OFFSHORE

Market Positives (Shipping):

- Historically Low Orderbook (Except Gas)
- High Scrapping Potential (Except Gas)

Market Negatives (Shipping):

- Short Term Supply Overhang
- Weak Fundamental Trade Demand

Market Negatives (Offshore):

- E&P Spends Significantly Reduced

Company Positives:

- Deleveraged Balance Sheet
- Proven ability to manage shipping cycles
- Capital Available for future buying opportunities





THANK YOU
visit us at www.greatship.com