

**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/2021/JMT

October 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,

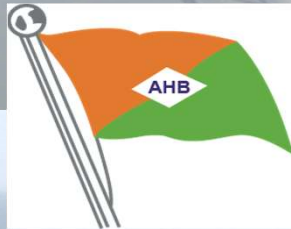
Further to our letter dated October 29, 2021 we enclose herewith Investor Presentation pertaining to the Financial Results for the quarter and half year ended September 30, 2021.

You are requested to take note of the above.

Thanking You,
Yours faithfully,

For The Great Eastern Shipping Co. Ltd.

Jayesh M. Trivedi
President (SecI. & Legal) & Company Secretary
Email Id : 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 Q2FY22



29 October 2021

REPORTED FINANCIAL

HIGHLIGHTS

GE Shipping Q2FY22 consolidated Net Profit at Rs. 223 Crores

Declared an interim dividend of Rs. 4.50 per share

Standalone			Key Figures	Consolidated		
Q2FY22	Q2FY21	H1FY22	(Amount in Rs. Crs)	Q2FY22	Q2FY21	H1FY22
			Income Statement			
788	622	1,467	Revenue (including other income)	953	800	1,769
461	377	754	EBITDA (including other income)	501	435	783
273	216	373	Net Profit	223	225	235
			Balance Sheet			
10,845	1,0469	10,845	Total Assets	13,947	14,089	13,947
6,356	5,700	6,356	Equity	7,838	7,425	7,838
3,550	3,501	3,550	Total Debt (Gross)	4,794	5,015	4,794
544	521	544	Long Term Debt (Net of Cash)	976	971	976
			Cash Flow			
294	347	524	From operating activities	351	352	587
39	(90)	(138)	From investing activities	5	(99)	(237)
(254)	(70)	(540)	From financing activities	(318)	(165)	(654)
79	187	(154)	Net cash inflow/(outflow)	38	88	(304)

NORMALIZED FINANCIAL

HIGHLIGHTS

GE Shipping Q2FY22 consolidated Net Profit at Rs. 217 Crores

Declared an interim dividend of Rs. 4.50 per share

Standalone			Key Figures (Amount in Rs. Crs)	Consolidated		
Q2FY22	Q2FY21	H1FY22		Q2FY22	Q2FY21	H1FY22
Income Statement						
788	622	1467	Revenue (including other income)	953	800	1769
413	307	700	EBITDA (including other income)	453	376	759
249	149	383	Net Profit	217	134	303
Balance Sheet						
10,845	10,469	10,845	Total Assets	13,947	14,089	13,947
6,356	5,700	6,356	Equity	7,838	7,425	7,838
3,910	4,039	3,910	Total Debt (Gross)	5,153	5,553	5,153
903	1,058	903	Long Term Debt (Net of Cash)	1,336	1,508	1,336

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		
Q2FY22	Q2FY21	H1FY22		Q2FY22	Q2FY21	H1FY22
			Key financial figures			
15.87%	10.62%	12.31%	*Return on Equity (ROE) (%)	11.16%	7.31%	7.79%
11.17%	7.83%	8.86%	*Return on Capital Employed (ROCE) (%)	8.23%	5.91%	6.15%
0.62	0.71	0.62	Gross Debt/Equity (x)	0.66	0.75	0.66
0.14	0.19	0.14	Net Debt/Equity (x)	0.17	0.20	0.17
16.96	10.11	26.07	Earnings per share, EPS (INR/Share)	14.79	9.12	20.59
24.96	17.50	41.90	Cash Profit per share (INR/Share)	27.84	20.98	45.85
4.50	-	4.50	Dividend per share(INR/Share)	4.50	-	4.50
570	445	570	Net Asset Value per share (INR/Share)	594-643	473-524	594-643

PROFIT & LOSS STATEMENT

INDUSTRY FORMAT

Standalone			INR Crores	Consolidated		
Q2FY22	Q1FY22	H1FY22		Q2FY22	Q1FY22	H1FY22
705	623	1327	Operating Revenue	866	765	1631
168	168	335	Less : Direct Operating Expenses/Voyage Expenses	178	186	363
537	455	992	Time Charter Equivalent (A)	689	579	1268
35	12	48	Profit on sale of ships	36	12	48
48	44	92	Other Income including	51	39	90
83	57	140	Total Other Income (B)	86	52	138
168	175	343	Other Operating Expense	261	254	515
40	49	89	Administrative & General Expense	62	70	132
208	224	432	Total Expenses (C)	322	324	647
413	288	700	EBITDA (D) = [(A)+(B)-(C)]	453	307	759
118	115	233	Depreciation & Amortization (E)	184	179	364
0	0	0	Impairment (F)	8	0	8
295	173	467	Operating Profit including other Income	261	127	388
			(G) = [(D)-(E)-(F)]			
62	74	136	Finance Expense (H)	85	98	183
(49)	26	(23)	Derivative losses/(gains) (I)	(35)	49	14
0	(30)	(30)	Foreign Currency Exchange losses/(gains) (J)	(12)	(26)	(38)
9	4	13	Income tax expense (K)	1	(7)	(6)
273	99	373	Net Profit [(G)-(H)-(I)-(J)]	223	12	235

PERFORMANCE REVIEW

Break up of Revenue days (Shipping)

Revenue Days	Q2 FY22	Q2 FY21
Owned Tonnage	4,028	4,007
Inchartered Tonnage	-	9
Total Revenue Days	4,028	4,016
Total Owned Tonnage (mn.dwt)	3.57	3.70

Break up of Revenue days (Offshore)

Revenue Days	Q2 FY22	Q2 FY21
Offshore Logistics	1,227	1,706
Drilling Services	275	351
Total	1,502	2,057

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

Average (TCY \$ per day)	Q2 FY22	Q1 FY22	Q-o-Q Change	Q2 FY21	Y-o-Y Change
Crude Carriers	10,515	8,779	20%	25,233	-58%
Product Carriers	8,198	10,518	-22%	10,874	-25%
LPG Carriers	28,789	26,514	9%	29,238	-2%
Dry Bulk	30,117	24,238	24%	11,248	168%

REVENUE VISIBILITY & COVERAGE

Category-wise coverage of operating days (Shipping) --- FY22

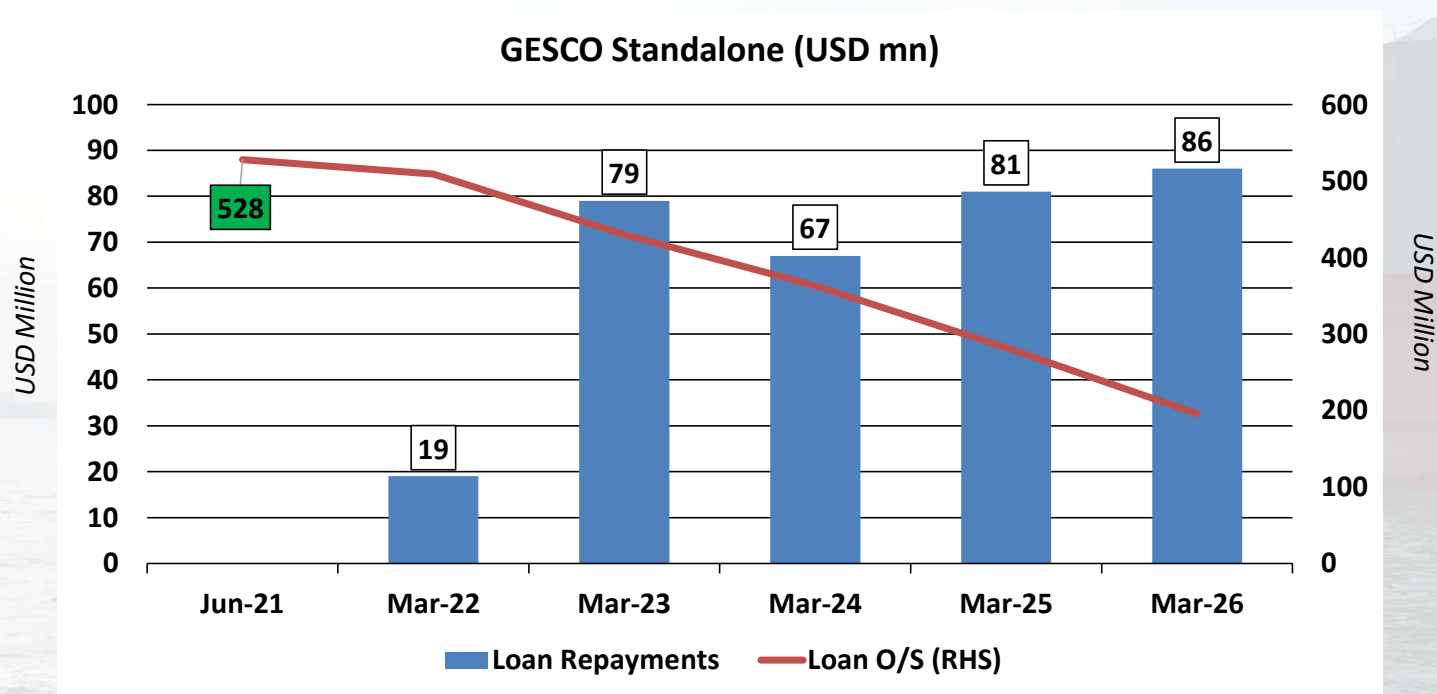
Category	Extent of coverage of fleet's operating days	Revenue Visibility
Crude Carriers	10%	Rs 382 Cr
Product Carriers	18%	
LPG Carriers	86%	
Dry Bulk	28%	

Category-wise coverage of operating days (Offshore) --- FY22

Category	Extent of coverage of fleet's operating days	Revenue Visibility
Jackup Rigs	96%	Rs 334 Cr
AHTSV	91%	
MPSVV	33%	
PSV/ROSV	100%	

GESCO STANDALONE

DEBT REPAYMENT SCHEDULE (NEXT 5 YEARS)



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

FLEET PROFILE

SHIPPING				Committed Capex/Sale
Fleet	DWT (FY21)	Fleet (29 th Oct 21)		
		No:	Avg Age	
Crude Carriers	1,058,499	8	13.69	NIL
Product Carriers	1,092,465	18	13.63	
Gas Carriers	212,260	5	17.02	
Dry Bulk Carriers	1,210,805	14	8.55	
Total	3,574,029	45	12.13	
OFFSHORE				
Fleet		Number of Units	Average Age (Yrs.)	
Jack Up Rigs		4	10.06	
Platform Supply Vessels		4	12.23	
Anchor handling Tug Cum Supply Vessels		8	11.69	
Multipurpose Platform Supply & Support Vessels		2	11.54	
ROV Support Vessels		5	10.25	

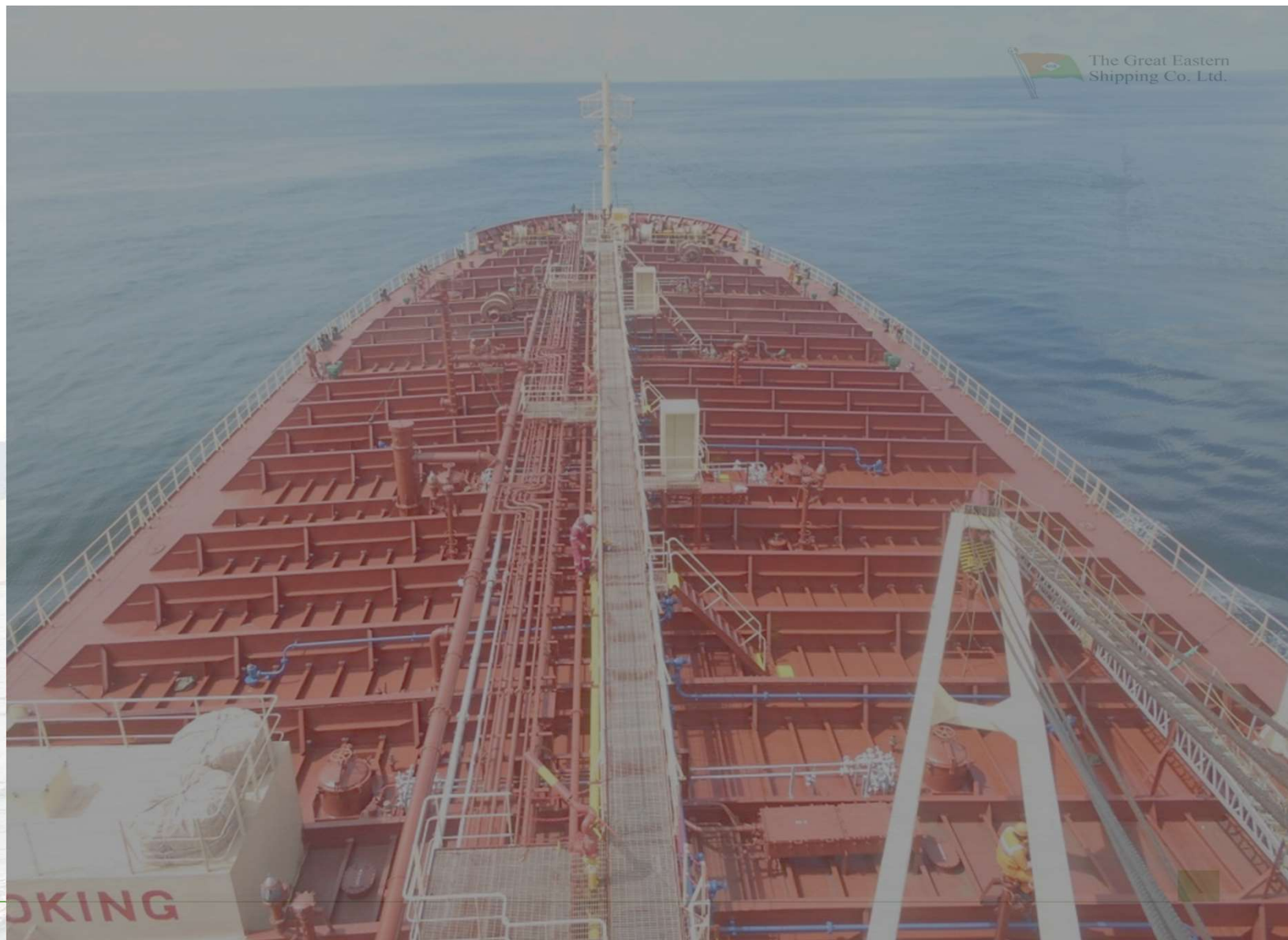
SHIPPING MARKET



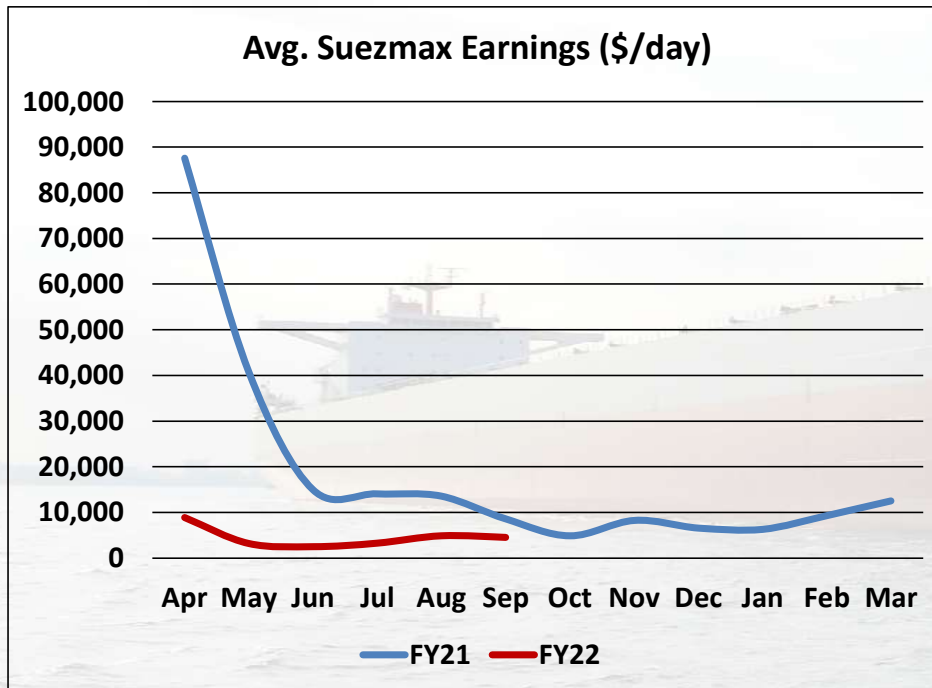
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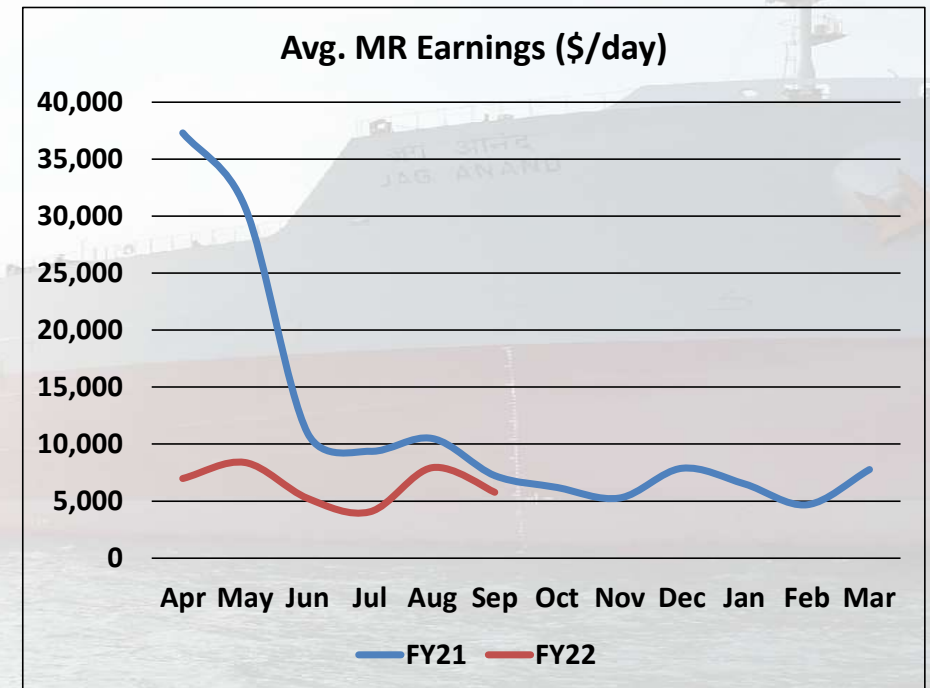
TANKER MARKET



Crude and Product Tankers



\$/day	FY21	FY22	% change
H1	29,941	4,559	-85%

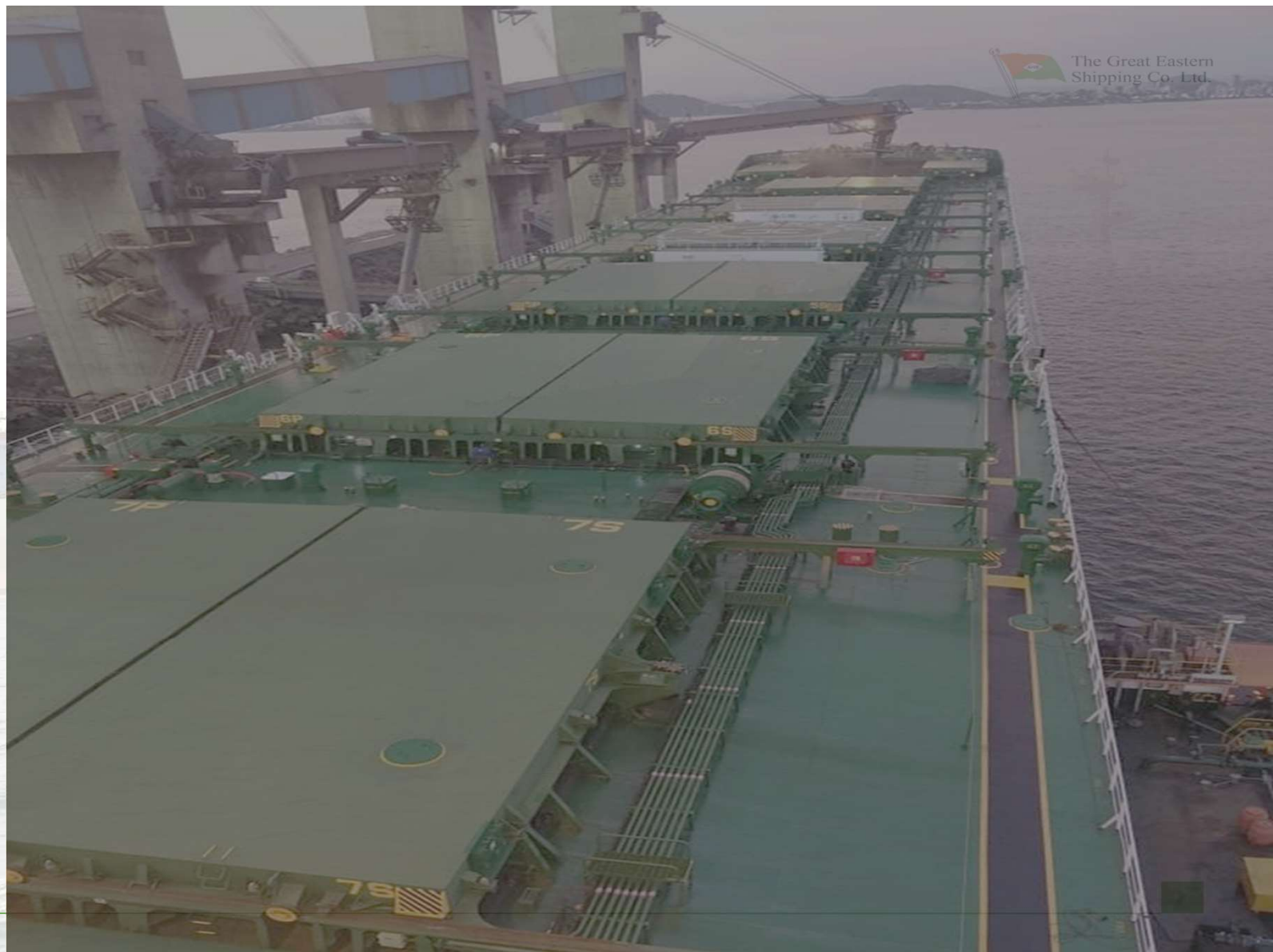


\$/day	FY21	FY22	% change
H1	17,693	6,400	-64%

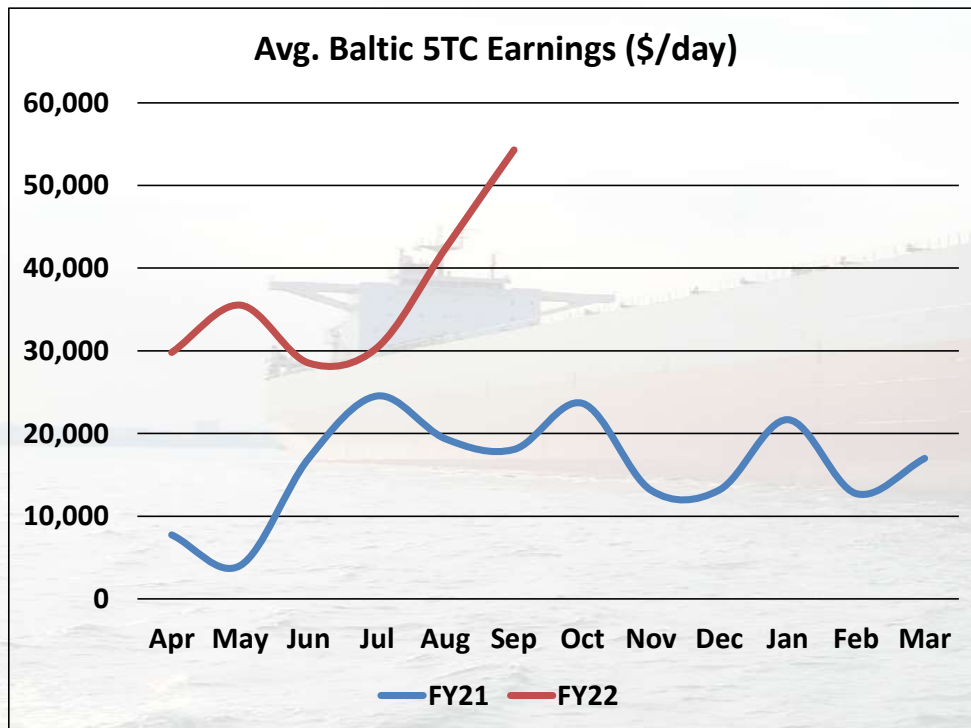
Crude and Product Tankers

- Freight rates continue to hover around operating costs
- While demand for all other core products has returned close to pre-pandemic levels, Jet demand is ~2.7 mbpd (33%) lower than pre-pandemic levels (Sep-19) as air-traffic remains impacted due to Covid.
- Refinery runs and crude trade remain 4% and 9% below pre-covid levels while product trade is close to pre-pandemic levels.
- Significant supply growth (Crude Tankers: 3% y/y and Product Tankers: 2% y/y) from new buildings
- OPEC+ has released a schedule to increase crude production which is yet to impact the market: Reaching pre covid levels by September 2022

DRY BULK MARKET



Dry Bulk



Spot rates reached highs not seen since the super cycle

\$/day	FY21	FY22	% change
H1	15,130	36,830	143%

Dry Bulk

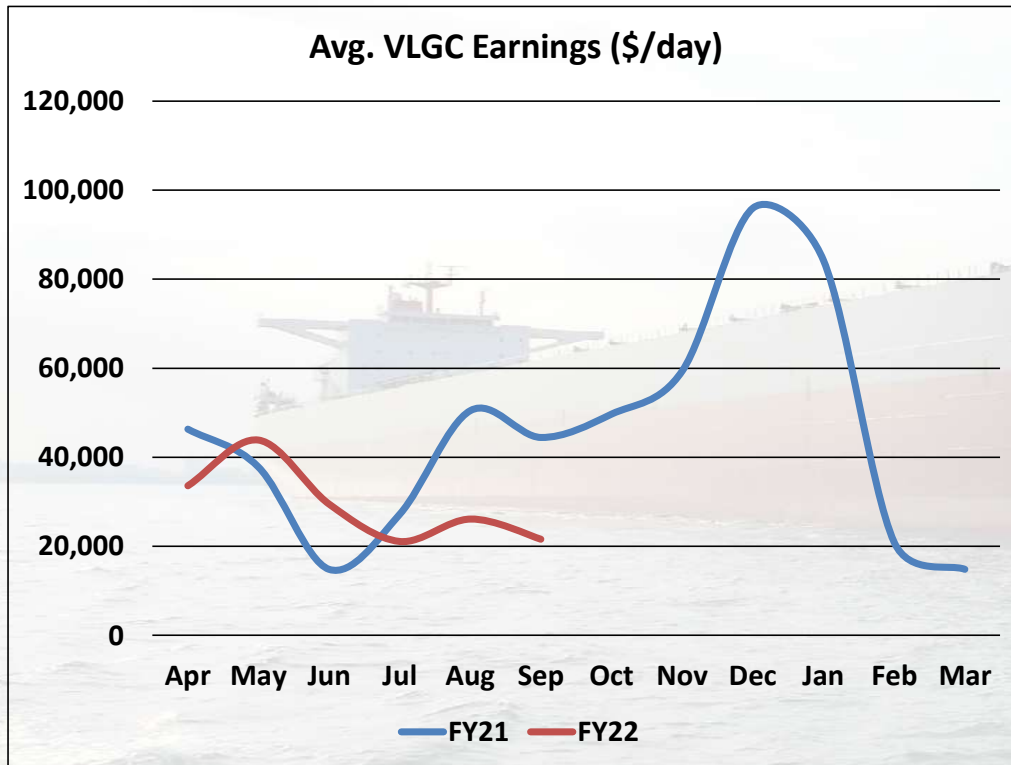
- Trade growth of approx. 5.5% YoY in Jan-Sep 21
- Covid related congestion in Asia, and weather disruptions – tightened tonnage supply. Congestion in Q3 Cal 21 @ 5% of the fleet was highest since Q4 2011.
- World energy shortage led to surging coal prices. Global coal trade was strongly supported by coal shortage in China & India. High electricity demand amidst low domestic supply and urgency to build low inventories before winter supported trade.
- In accordance with Chinese Govt's mandate to achieve flat steel production in 2021, production cuts intensified in Q3 21.

LPG MARKET



The Great Eastern
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Gas



Spot rates trended lower

\$/day	FY21	FY22	% change
H1	36,864	29,308	-20%

Gas

- VLGC earnings averaged US \$ 23,000 / day during the quarter down 44 % YoY. Earnings were down 35 % from Q1 FY 2022 as well.
- Global VLGC trade grew by ~ 5 % YoY during the quarter mainly led by US export growth.
- VLGC fleet grew by 6 % YoY during the quarter. On a qoq basis, effective VLGC supply increased as high number of vessels in dry dock during the previous quarter were released back in to service.

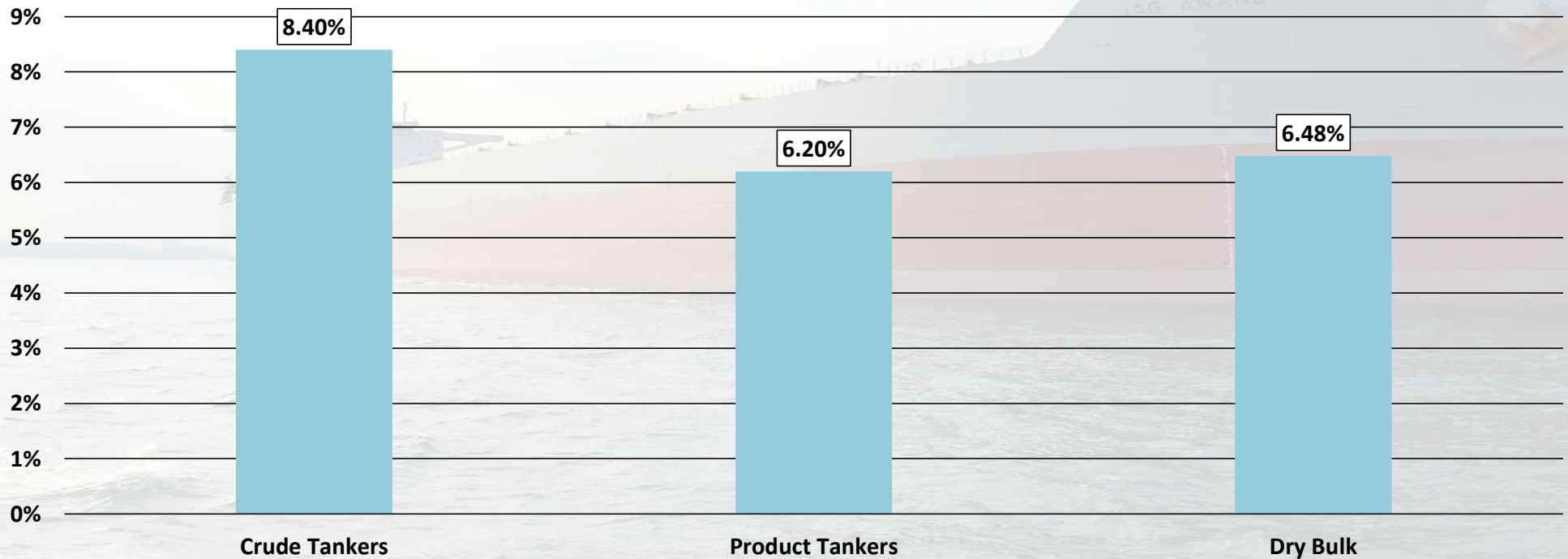
Fleet Supply



One of the Lowest Order Book to Fleet Ratios

While ordering is picking up for Bulkers

Orderbook as % of Fleet



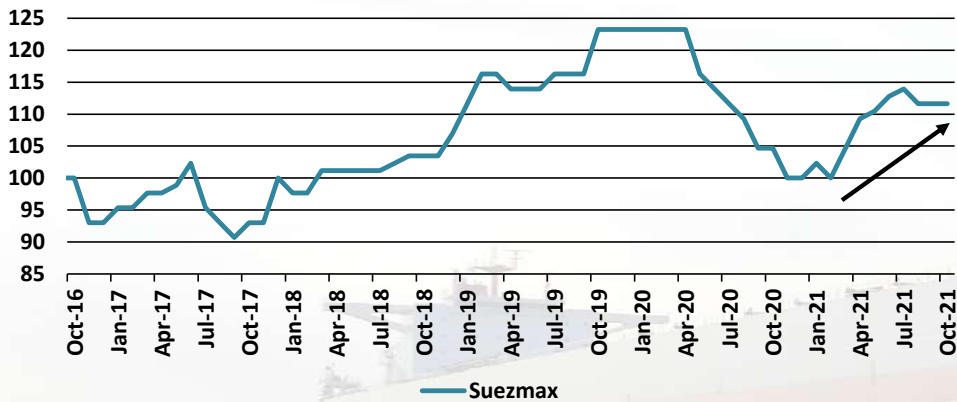
Sources: Industry Reports



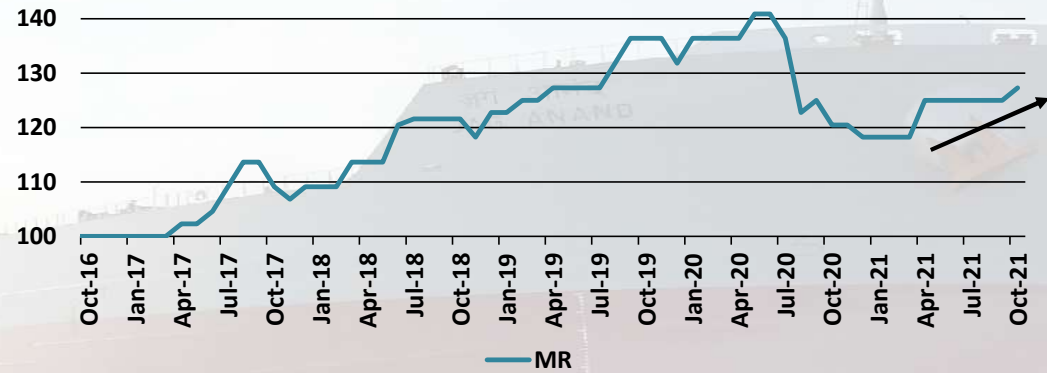
ASSET PRICE MOVEMENT

ASSET PRICE MOVEMENT (INDEXED) Over the Last 5 Years

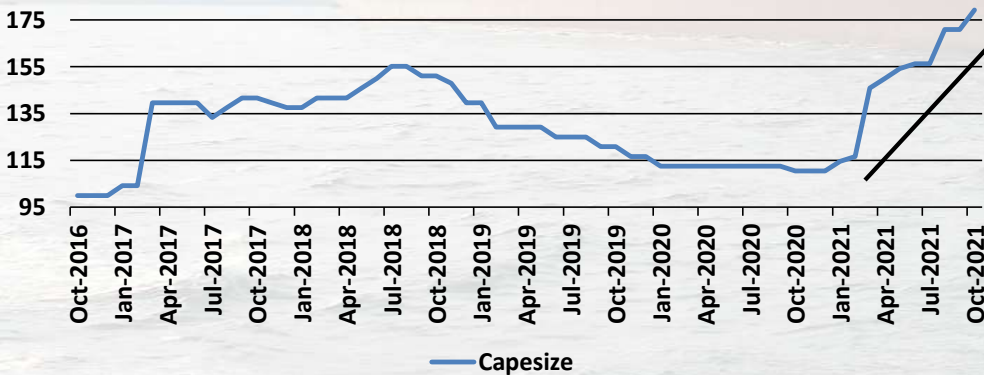
5 Yr Old Asset Value Movement (Crude)



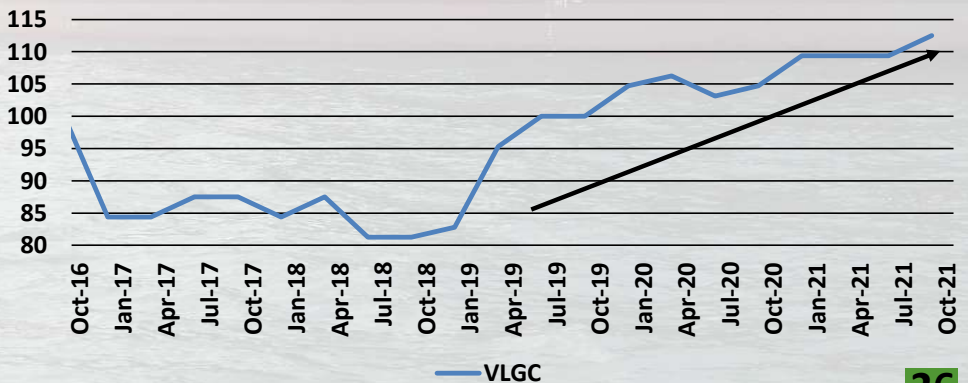
5 Yr Old Asset Value Movement (Products)



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)							
		Oct 21	YTDCY21	CY2020	CY2019	CY2018	CY2017	CY2016	CY2015
Crude	435	1.64%	0.53%	0.55%	4.39%	2.43%	0.39%	0.38%	1.75%
Product	177	1.58%	0.57%	0.60%	1.72%	1.22%	0.54%	0.62%	1.10%
Dry Bulk	938	0.53%	1.74%	0.93%	0.54%	1.85%	3.78%	4.02%	2.24%

- While tanker scrapping has picked up, it has still been lower than expected, considering the very poor freight rates
- High spot freight rates in the dry bulk market has deterred significant scrapping in the sector.

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



Fleet Supply

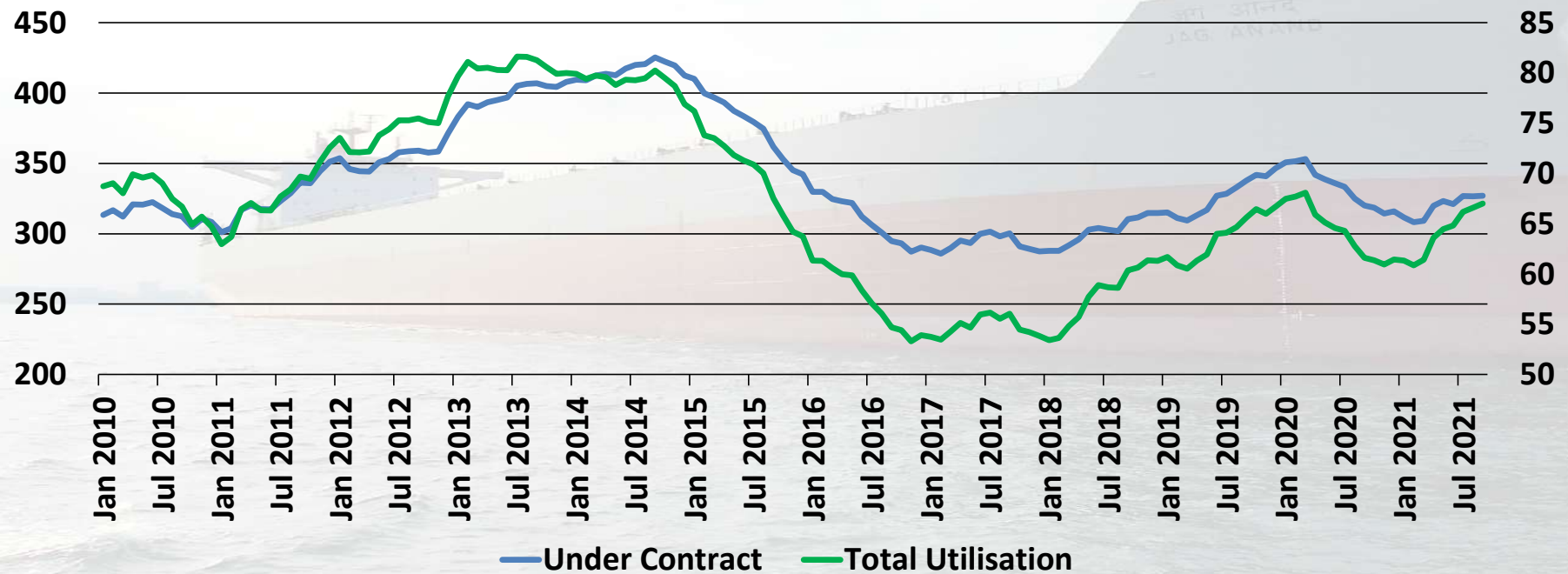
Increasing number of Cold Stacked Rigs

Number	Jackup Rigs	PSVs + AHTSVs
Current Fleet	488	3245
Orderbook	33	147
<i>O/B to current fleet</i>	6.8%	4.5%
<i>Total Scrapping since January 2016 (nos.)</i>	135	465
<i>No. of Vessels/Rigs more than 20/30 years old (as %age of fleet)</i>	34%	19%
<i>Cold Stacked more than 3 years</i>	53	666

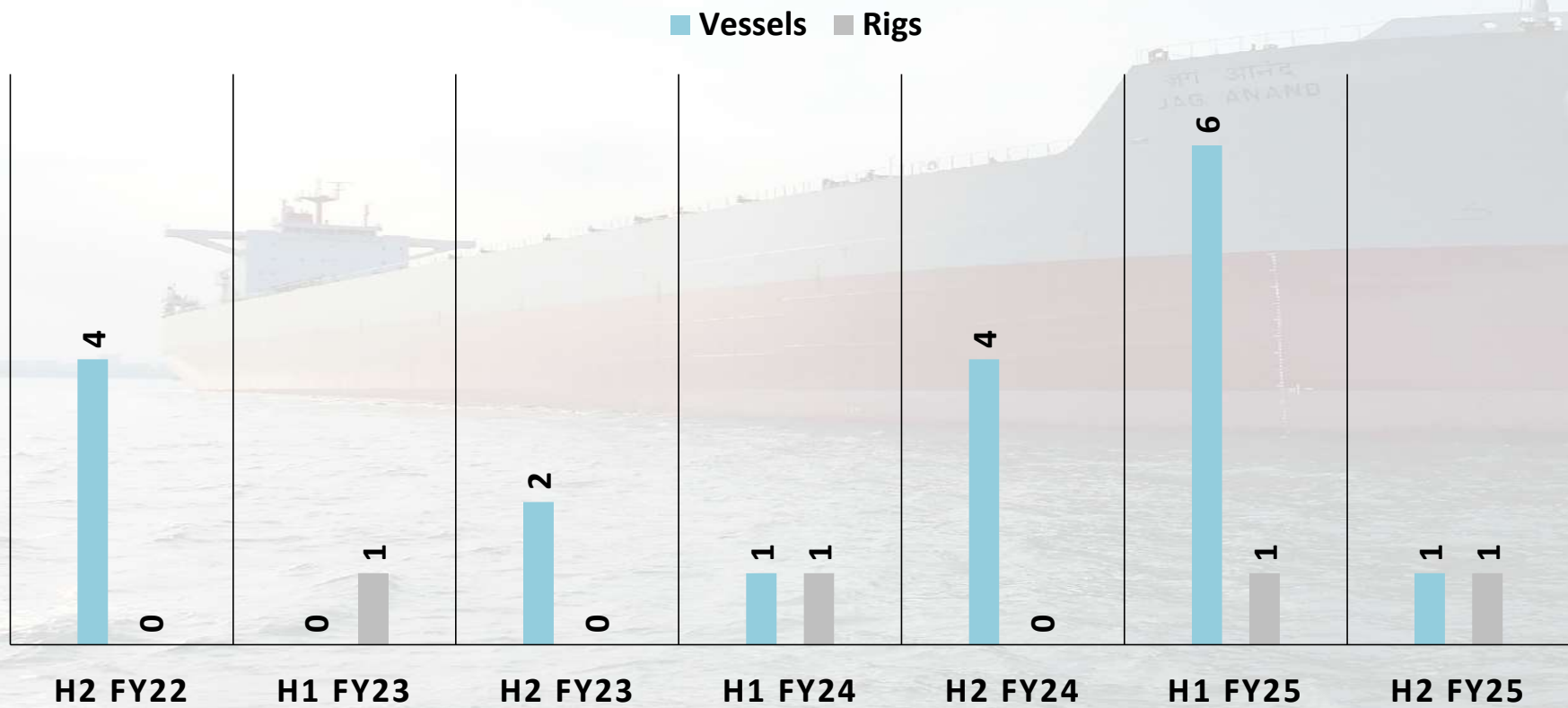
There is a large potential for scrapping over next few years if the market continues to remain weak.

Market Trends: Utilisation

Jack up utilisation: gradual improvement

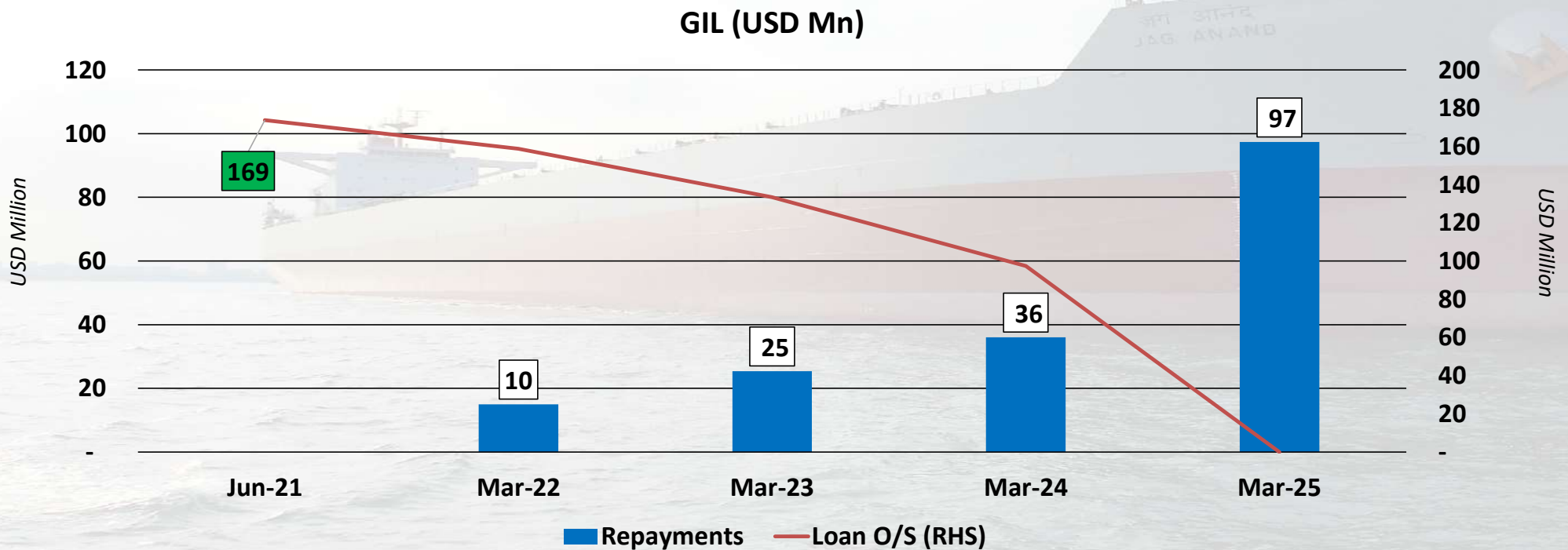


Repricing



GREATSHIP

DEBT REPAYMENT SCHEDULE (NEXT 5 YEARS)



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

INITIATIVES ON ENVIRONMENT

Implementation of various energy saving devices

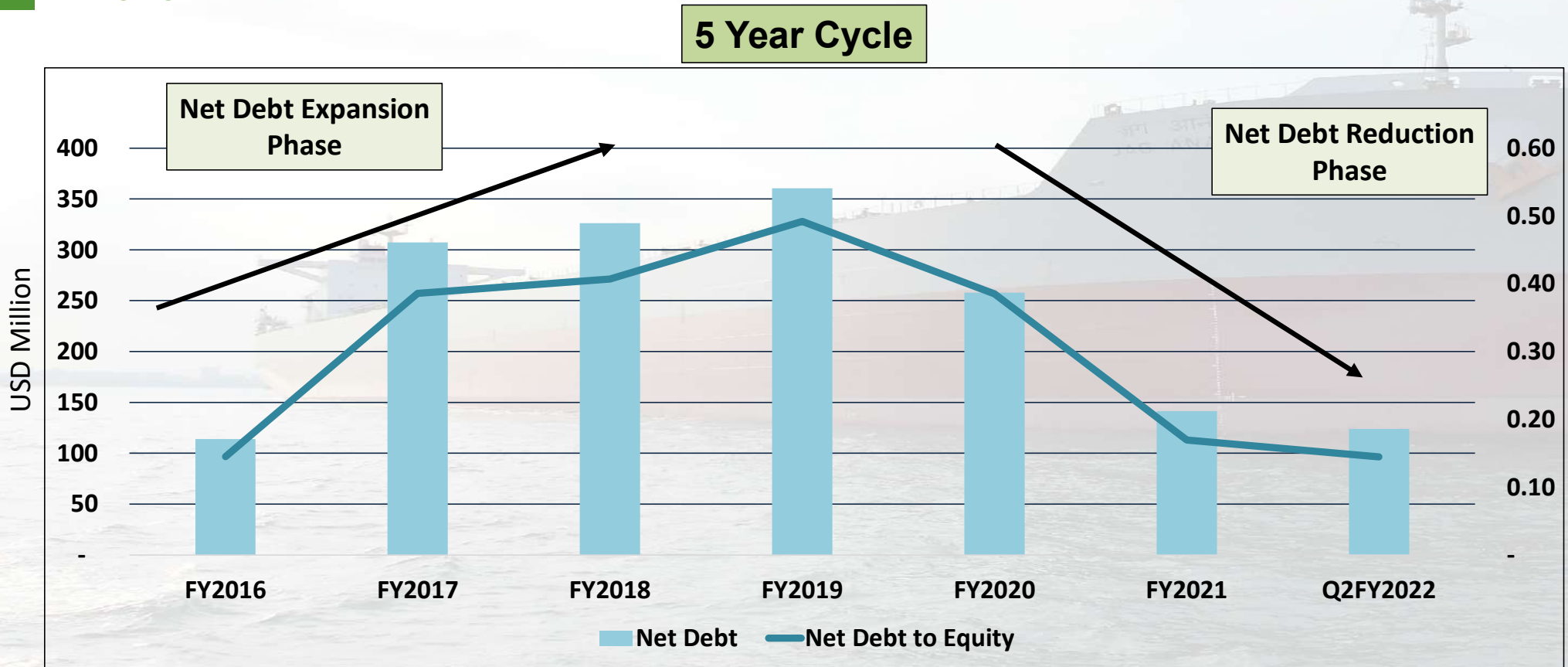
- High Performance Paint
- Mewis Duct
- Propeller Boss Cap Fins (PBCF)
- ECO Cap
- LED Lightings
- Rudder Bulb
- Pre-swirl Fins



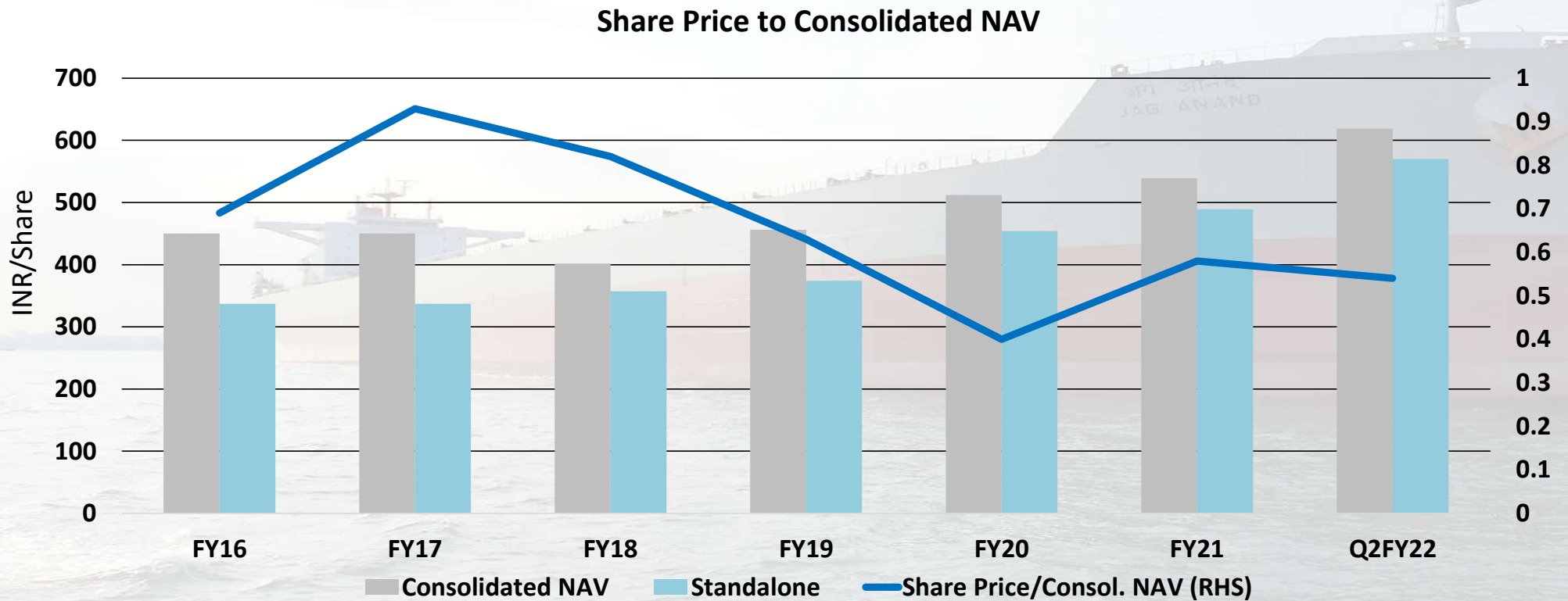
FINANCIALS

Counter Cyclical Investments have Generated Strong Cash Flows

Net CAPEX of over 400 mn USD but Net Debt has risen 10 mn USD from FY2016



Share Price to Consolidated NAV



** For Q2FY22 we have taken share price as on 29th October 2021*



THANK YOU
visit us at www.greatship.com