

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



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Our Ref.: S/2020/JMT

October 29, 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,

Further to our letter dated October 29, 2020 we enclose herewith Press Release to be issued pertaining to the Financial Results for the quarter and half year ended September 30, 2020.

You are requested to take note of the above.

Thanking You,

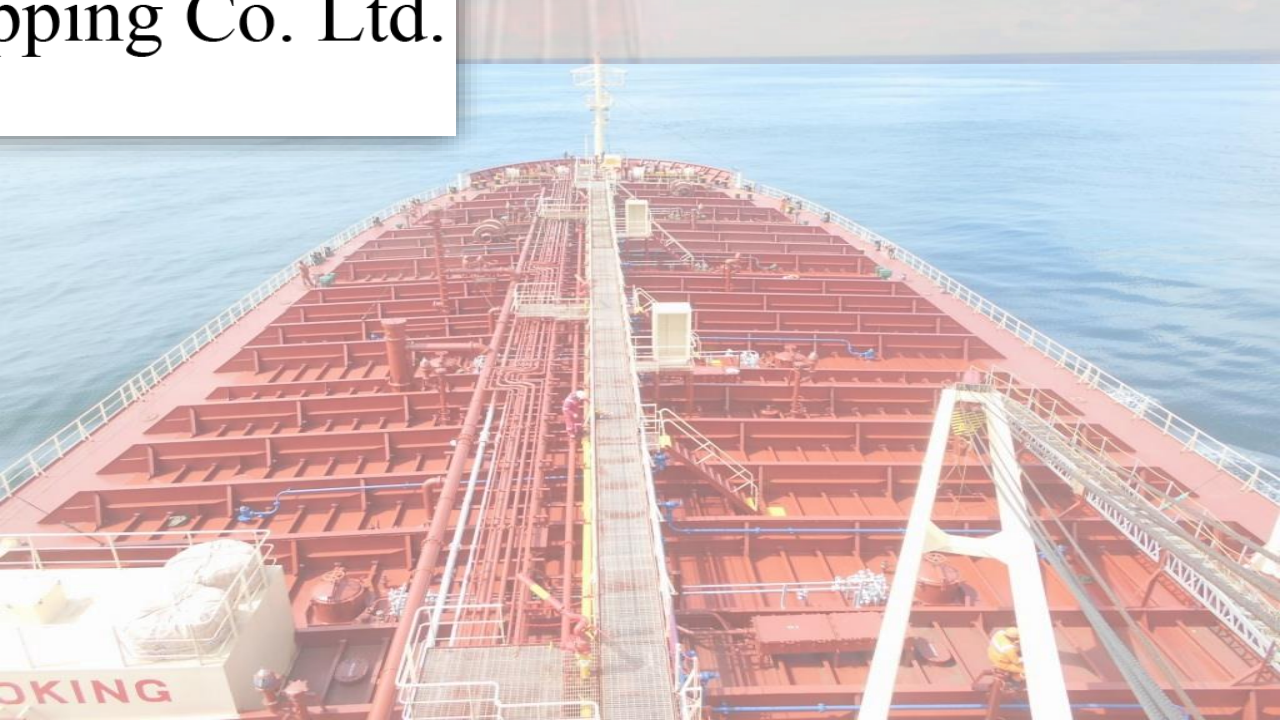
Yours faithfully,

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.





QUARTERLY RESULTS UPDATES – Q2FY21



29 October 2020

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

Q2 FY 2020-21

REPORTED FINANCIAL HIGHLIGHTS

GE Shipping Q2FY21 consolidated Net Profit at 225 Rs. Crores

Standalone			Key Figures	Consolidated		
Q2FY21	Q2FY20	H1FY21	(Amount in Rs. Crs)	Q2FY21	Q2FY20	H1FY21
			Income Statement			
624	647	1580	Revenue (including other income)	802	855	1931
374	220	1011	EBITDA (including other income)	467	322	1184
216	5	681	Net Profit	225	(19)	693
			Balance Sheet			
10,469	9,629	10,469	Total Assets	14,089	13,483	14,089
5,700	4,836	5,700	Equity	7,425	6,585	7,425
3,501	3,691	3,501	Total Debt (Gross)	5,015	5,415	5,015
521	1,801	521	Long Term Debt (Net of Cash)	971	2,403	971
			Cash Flow			
347	213	984	From operating activities	352	276	1,043
(90)	(4)	(73)	From investing activities	(99)	27	(68)
(70)	(848)	(195)	From financing activities	(165)	(1,036)	(355)
186	(639)	716	Net cash inflow/(outflow)	89	(732)	620

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

GE Shipping Q2FY21 consolidated Normalized Net Profit at Rs. 134 Crores

Standalone			Key Figures	Consolidated		
Q2FY21	Q2FY20	H1FY21	(Amount in Rs. Crs)	Q2FY21	Q2FY20	H1FY21
			Income Statement			
624	647	1580	Revenue (including other income)	802	855	1931
307	260	900	EBITDA (including other income)	376	360	1048
149	57	570	Net Profit	134	61	557
			Balance Sheet			
10,469	9,629	10,469	Total Assets	14,089	13,483	14,089
5,700	4,836	5,700	Equity	7,425	6,585	7,425
4,039	4,215	4,039	Total Debt (Gross)	5,553	5,938	5,553
1,058	2,324	1,058	Long Term Debt (Net of Cash)	1,508	2,927	1,508

NORMALIZED FINANCIAL HIGHLIGHTS

Standalone			Key Figures	Consolidated		
Q2FY21	Q2FY20	H1FY21		Q2FY21	Q2FY20	H1FY21
			Key financial figures			
21.19%	10.62%	4.65%	*Return on Equity (ROE) (%)	7.31%	3.68%	15.66%
14.64%	8.32%	6.49%	*Return on Capital Employed (ROCE) (%)	6.18%	6.47%	11.01%
0.71	0.87	0.71	Gross Debt/Equity (x)	0.75	0.90	0.75
0.19	0.48	0.19	Net Debt/Equity (x)	0.20	0.44	0.20
10.11	3.87	38.81	Earnings per share, EPS (INR/Share)	9.12	4.15	37.89
17.50	12.43	54.09	Cash Profit per share (INR/Share)	20.98	17.20	62.06
445	394	445	Net Asset Value per share (INR/Share)	473-524	447-473	473-524

*Annualized Figures

PERFORMANCE REVIEW

Break up of Revenue days (Shipping)

Revenue Days	Q2 FY21	Q2 FY20
Owned Tonnage	4,007	4,040
Inchartered Tonnage	9	7
Total Revenue Days	4,016	4,047
Total Owned Tonnage (mn.dwt)	3.70	3.85

Break up of Revenue days (Offshore)

Revenue Days	Q2 FY21	Q2 FY20
Offshore Logistics	1,706	1,383
Drilling Services	351	368
Total	2,057	1,751

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

Average (TCY \$ per day)	Q2 FY21	Q1 FY21	Q-o-Q Change	Q2 FY20	Y-o-Y Change
Crude Carriers	25,233	40,109	-37%	16,509	53%
Product Carriers	10,874	27,112	-60%	14,924	-27%
LPG Carriers	29,238	28,908	1%	19,840	47%
Dry Bulk	11,248	7,218	56%	13,131	-14%

REVENUE VISIBILITY & COVERAGE

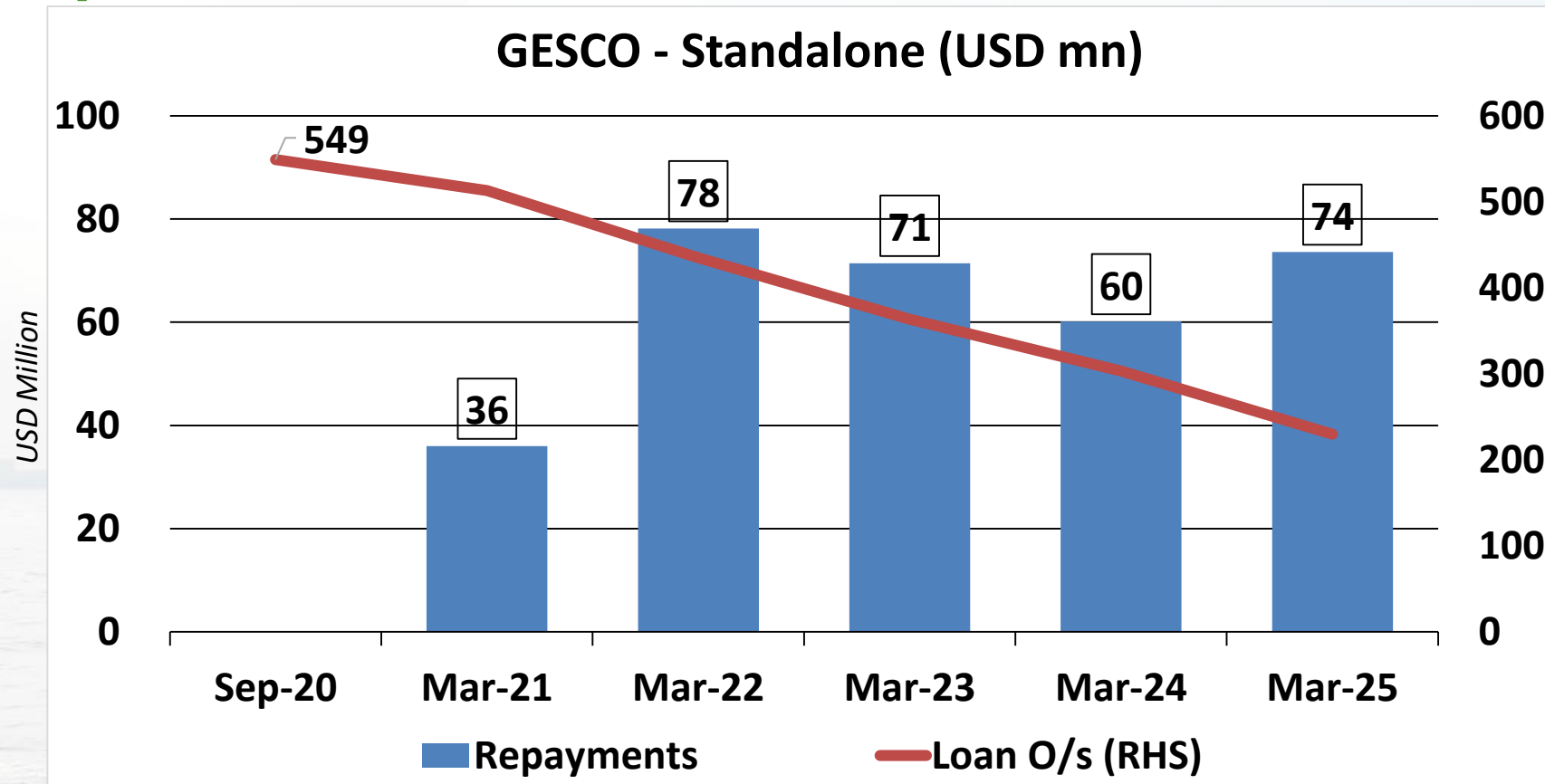
Category-wise coverage of operating days (Shipping) --- FY21

Category	Extent of coverage of fleet's operating days	Revenue Visibility
Crude Carriers	38%	Rs 339 Cr
Product Carriers	22%	
LPG Carriers	70%	
Dry Bulk	34%	

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

Category	Extent of coverage of fleet's operating days	Revenue Visibility
Jackup Rigs	90%	Rs 298 Cr
AHTSV	64%	
MPSVV	56%	
PSV/ROVSV	93%	

GESCO STANDALONE DEBT REPAYMENT SCHEDULE (NEXT 5 YEARS)



**Current outstanding excludes recent funds being raised for capital expenditures*

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	1,461,591	11	14.57
Product Carriers	987,207	17	13.02
Gas Carriers	224,260	5	17.64
Dry Bulk Carriers	1,026,462	13	8.03
Total	3,699,520	46	12.53

OFFSHORE			
Fleet		Number of Units	Average Age (Yrs.)
Jack Up Rigs		4	8.95
Platform Supply Vessels		4	11.10
Anchor handling Tug Cum Supply Vessels		8	10.96
Multipurpose Platform Supply & Support Vessels		2	10.43
ROV Support Vessels		5	9.12

Sale & Purchase activities during Q2 FY21

Contracted to sell its Very Large Gas Carrier named 'Jag Vidhi' built in 1996 and delivered the same subsequent to the quarter

Contracted to buy a secondhand Very Large Gas Carrier built in 2002 and took delivery of the same subsequent to the quarter

Sale & Purchase activities subsequent to Q2 FY21

Contracted to buy a secondhand Long Range 2 Product Carrier built in 2012 and it is expected to join the fleet in Q3FY21

SHIPPING MARKET



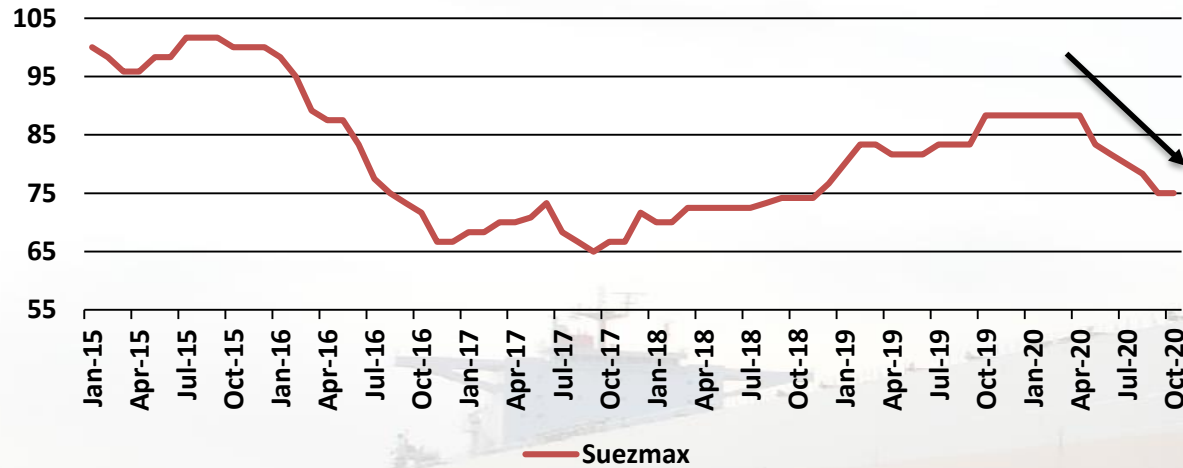


ASSET PRICE MOVEMENT - SHIPPING

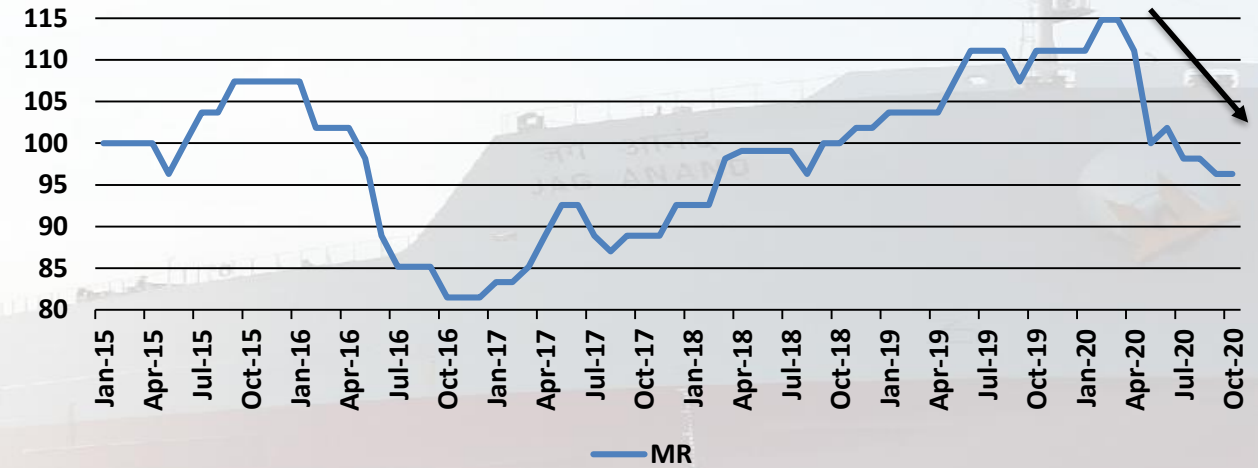
ASSET PRICE MOVEMENT (INDEXED)

Over the Last 5 Years

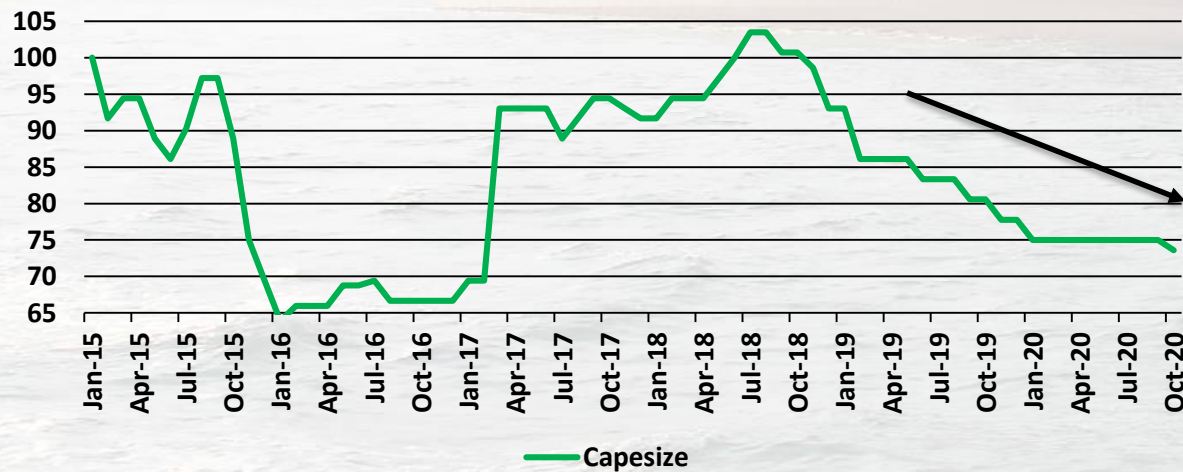
5 Yr Old Asset Value Movement (Crude)



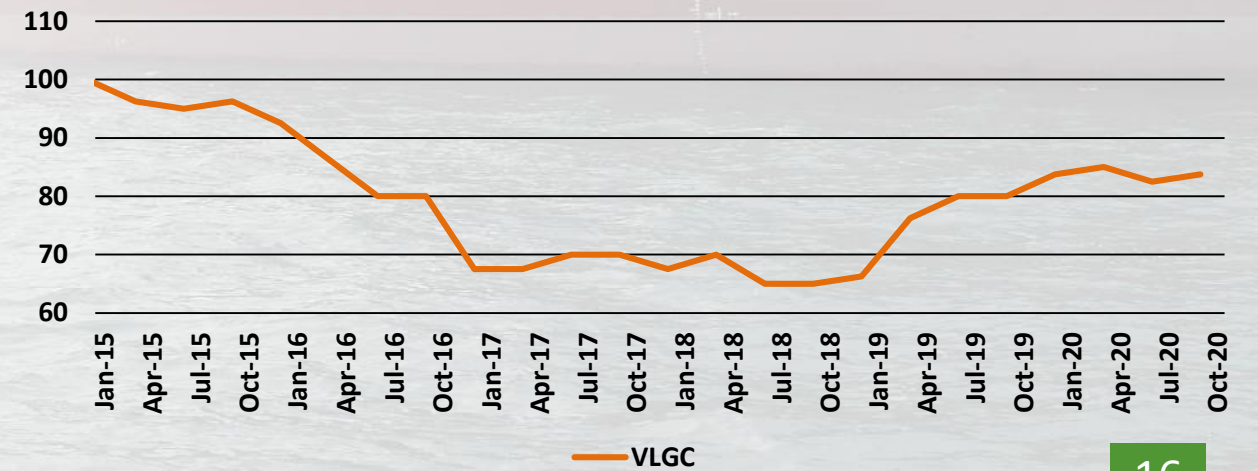
5 Yr Old Asset Value Movement (Products)



5 Yr Old Asset Value Movement (Dry Bulk)

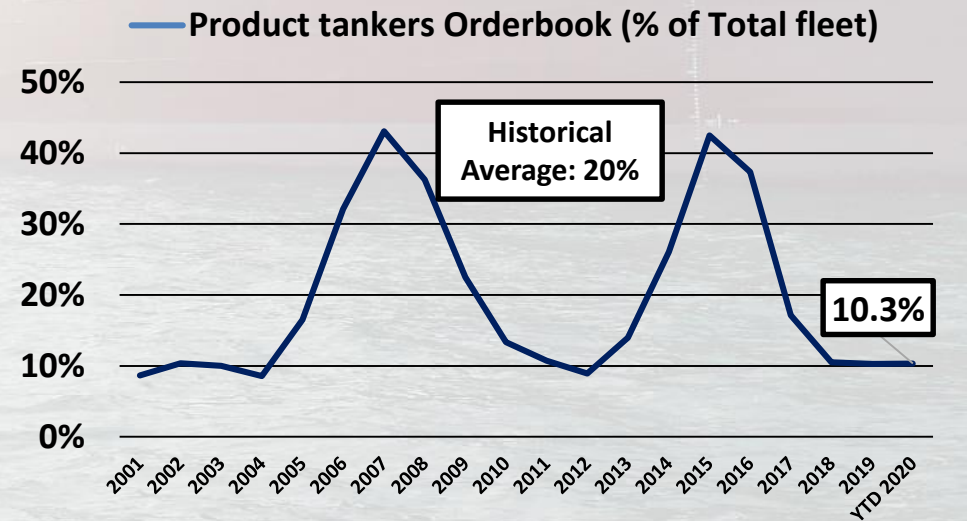
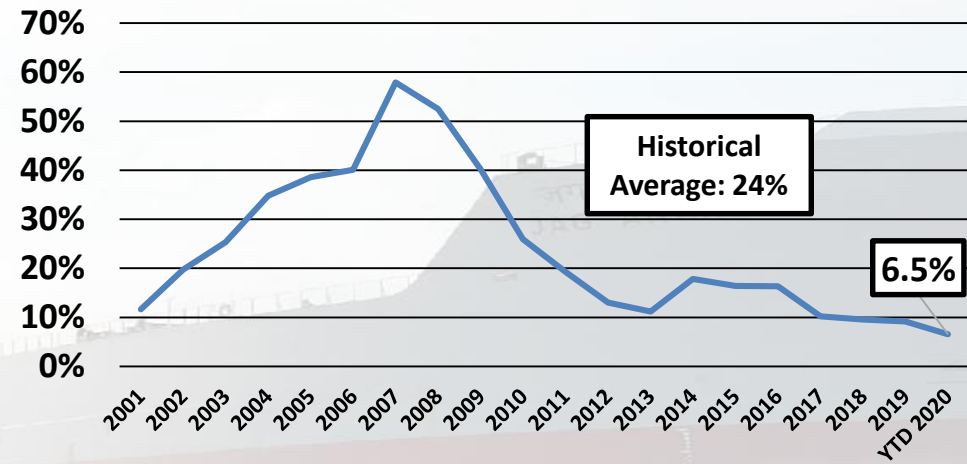
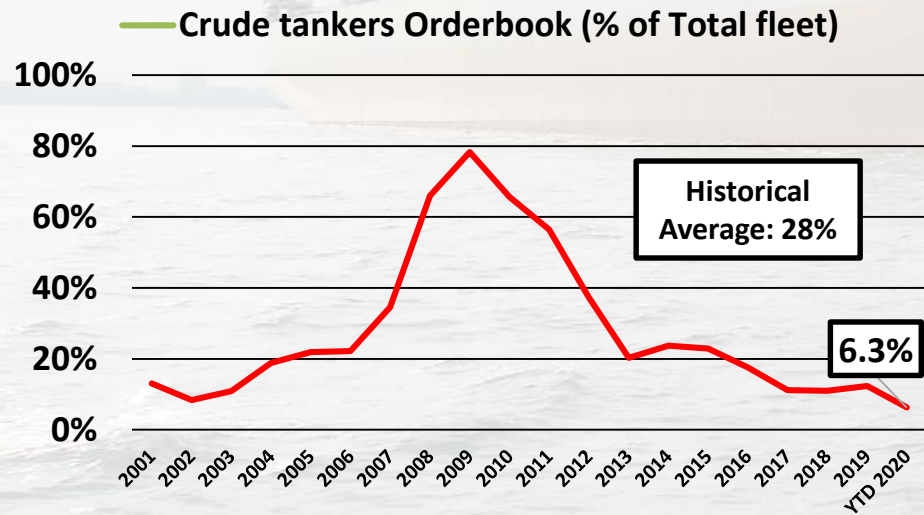
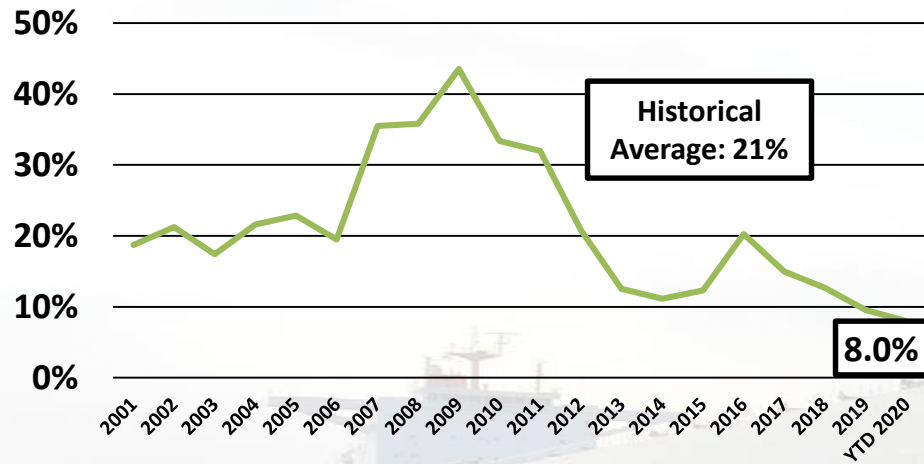


5 Yr Old Asset Value Movement (LPG)



SUPPLY SIDE

LOWEST ORDERBOOK IN 20 YEARS



— Dry Bulk Orderbook (% of Total fleet)

— LPG Carriers Orderbook (% of Total fleet)

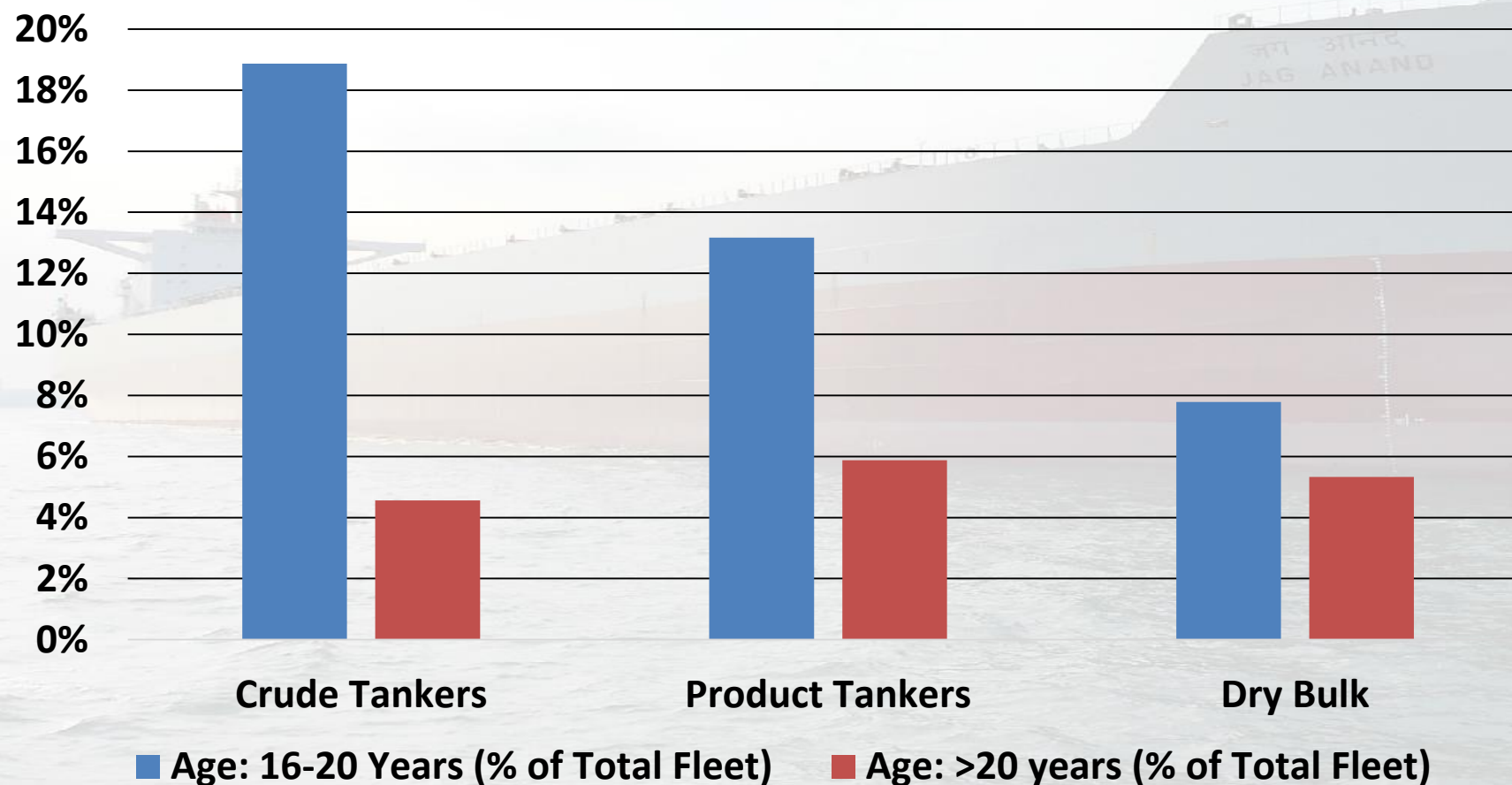
SCRAPPING

Vessel Category	Fleet (mn Dwt)	Scrapping (% of beginning world fleet)						
		25 Oct 20	9MCY20	2019	2018	2017	2016	2015
Crude	426	0.21%	0.61%	4.62%	2.35%	0.35%	0.23%	1.60%
Product	163	0.26%	0.43%	1.64%	1.42%	0.62%	0.61%	1.19%
Dry Bulk	908	1.23%	0.92%	0.54%	1.77%	3.67%	4.03%	2.25%

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

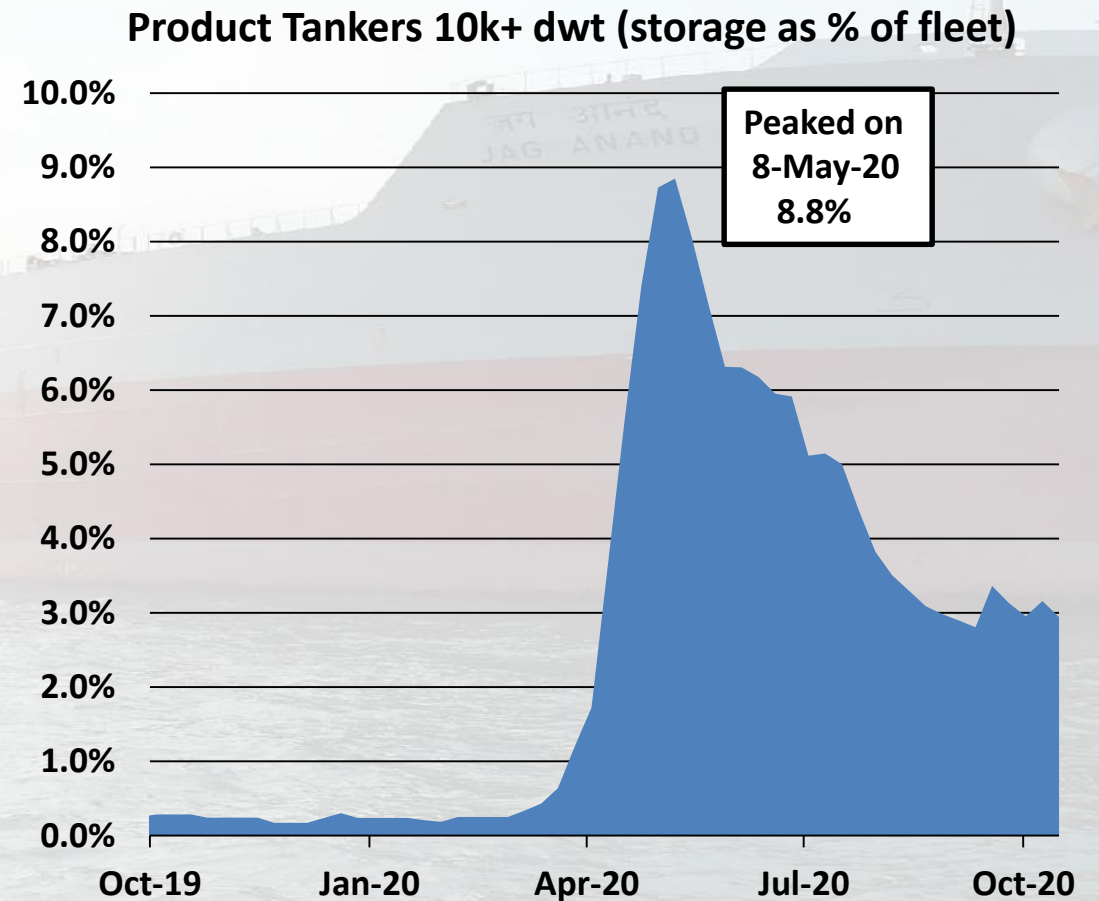
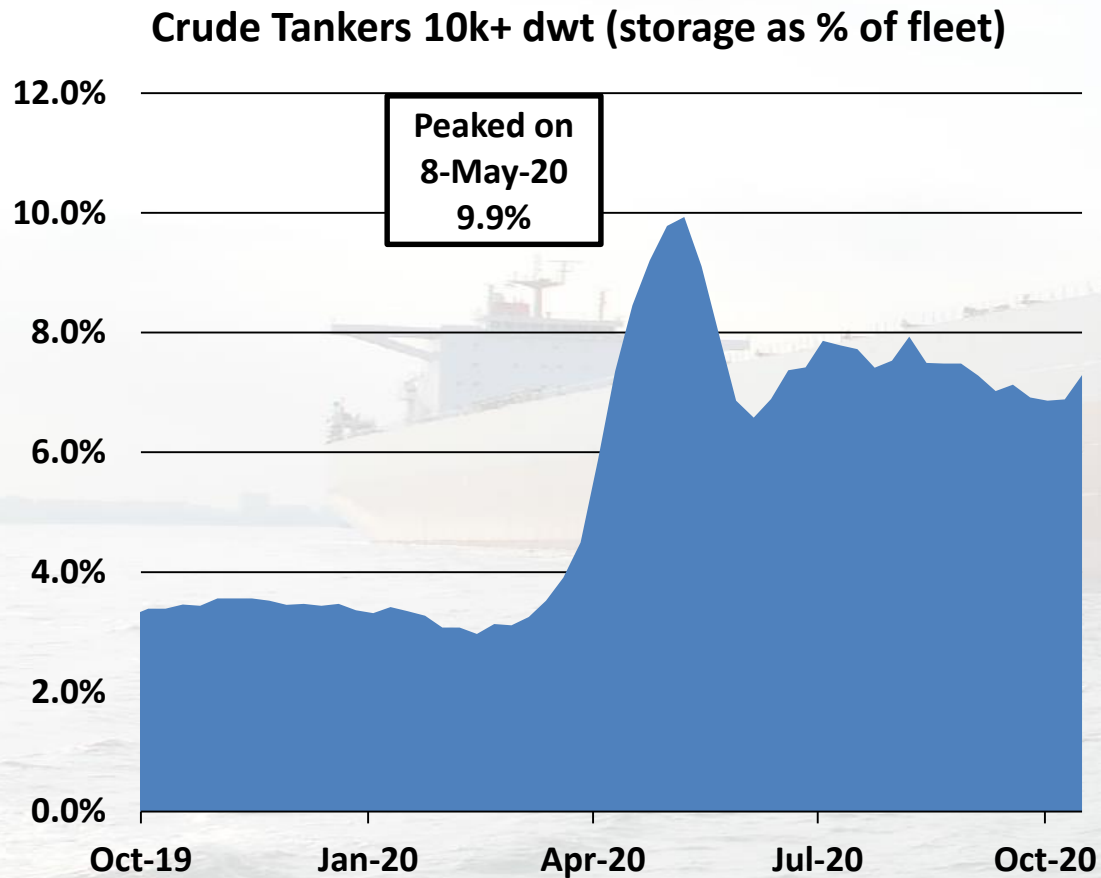
AGING FLEET HIGH SCRAPPING POTENTIAL

Assets above 15 years as % of total fleet



HOWEVER, SUPPLY OVERHANG IN THE SHORT TERM

FLOATING STORAGE OF OIL



Note: Excludes dedicated storage

CONGESTION – DRY BULK & LPG CARRIERS

FLEET HELD DUE TO CONGESTION HAS BEEN HIGHER

Bulkers

18 – 20% of Bulker Fleet (Capesize and Panamax) was tied up due to congestion during the quarter as compared to a usual average of 12 – 14 %

Gas (LPG)

7 – 10 % of VLGC Fleet was tied up due to congestion during the quarter as compared to a usual average of 4 – 5%

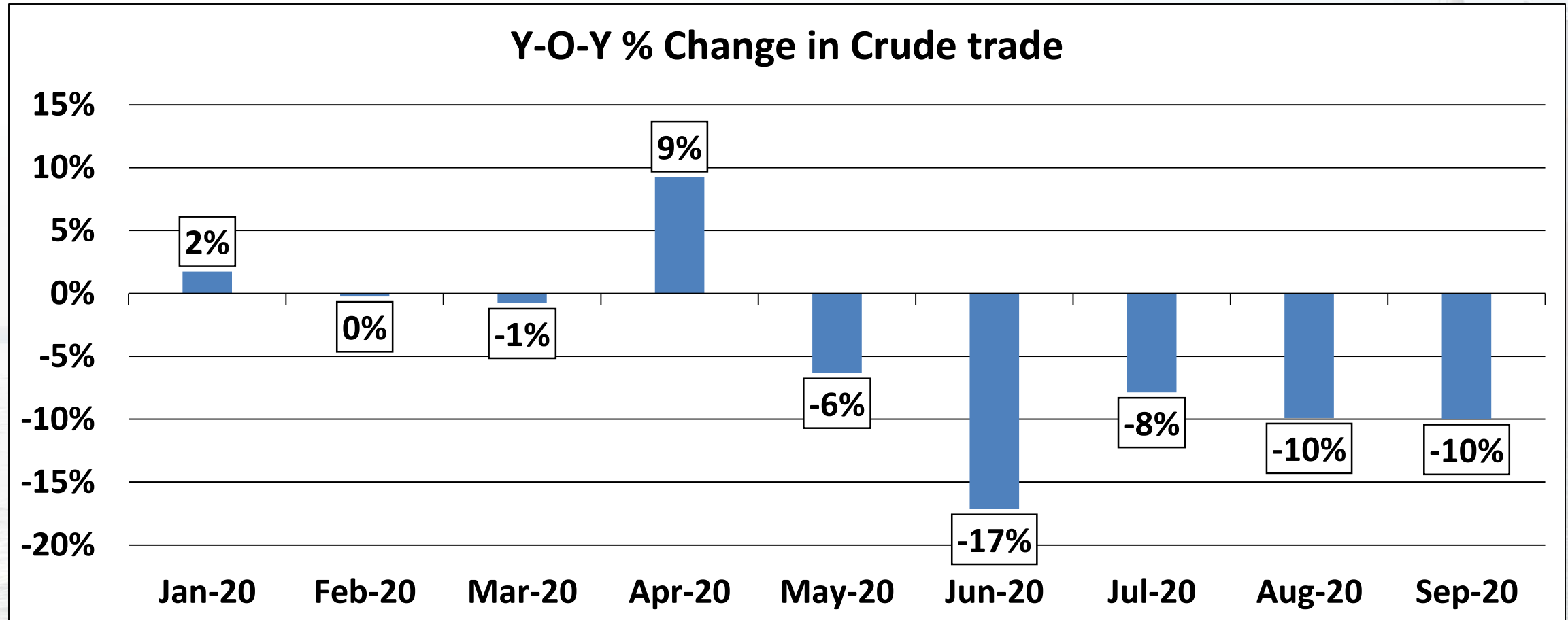


DEMAND SIDE - SHIPPING

TANKER MARKET

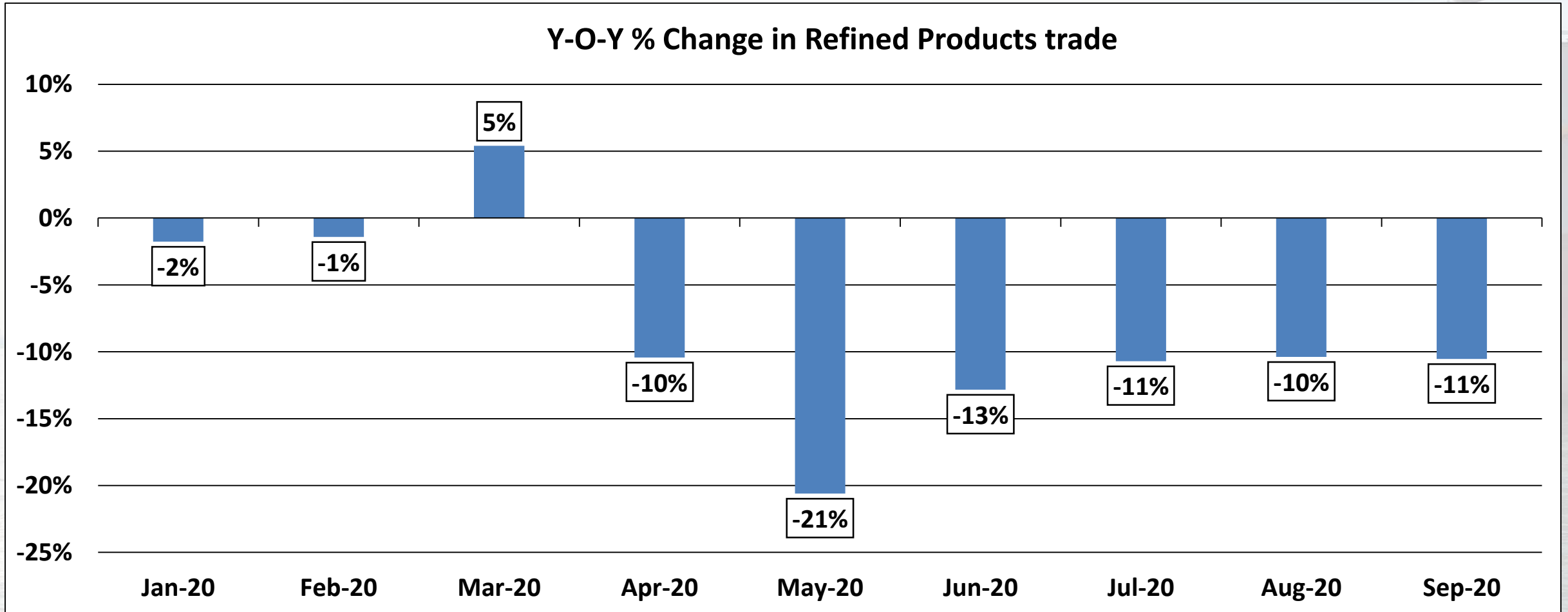


CRUDE OIL SEABORNE TRADE IMPACT



REFINED PRODUCTS

SEABORNE TRADE IMPACT



kbpd: Thousand Barrels Per Day

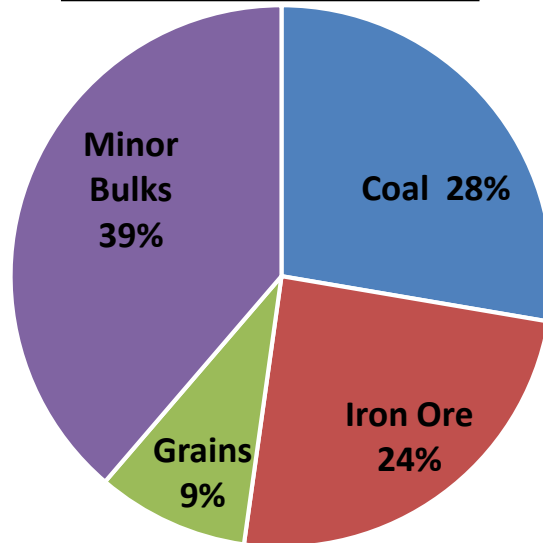
Sources: Industry Reports

DRY BULK MARKET

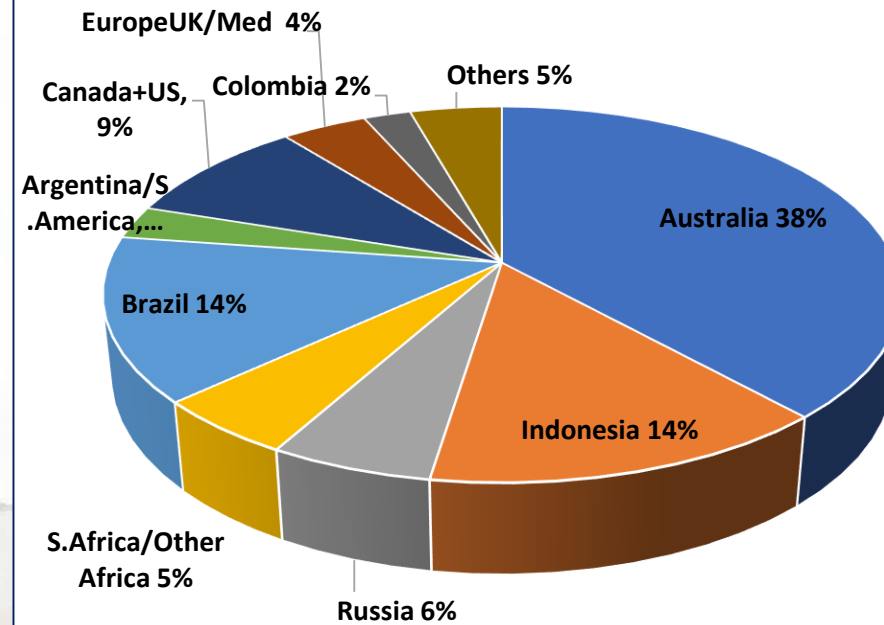


DRY BULK MARKETS

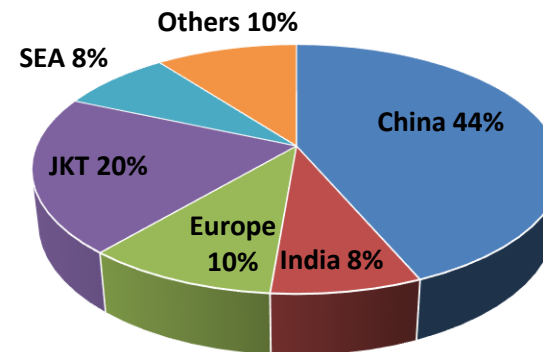
Commodity wise Break up of Global DB demand (%)



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



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

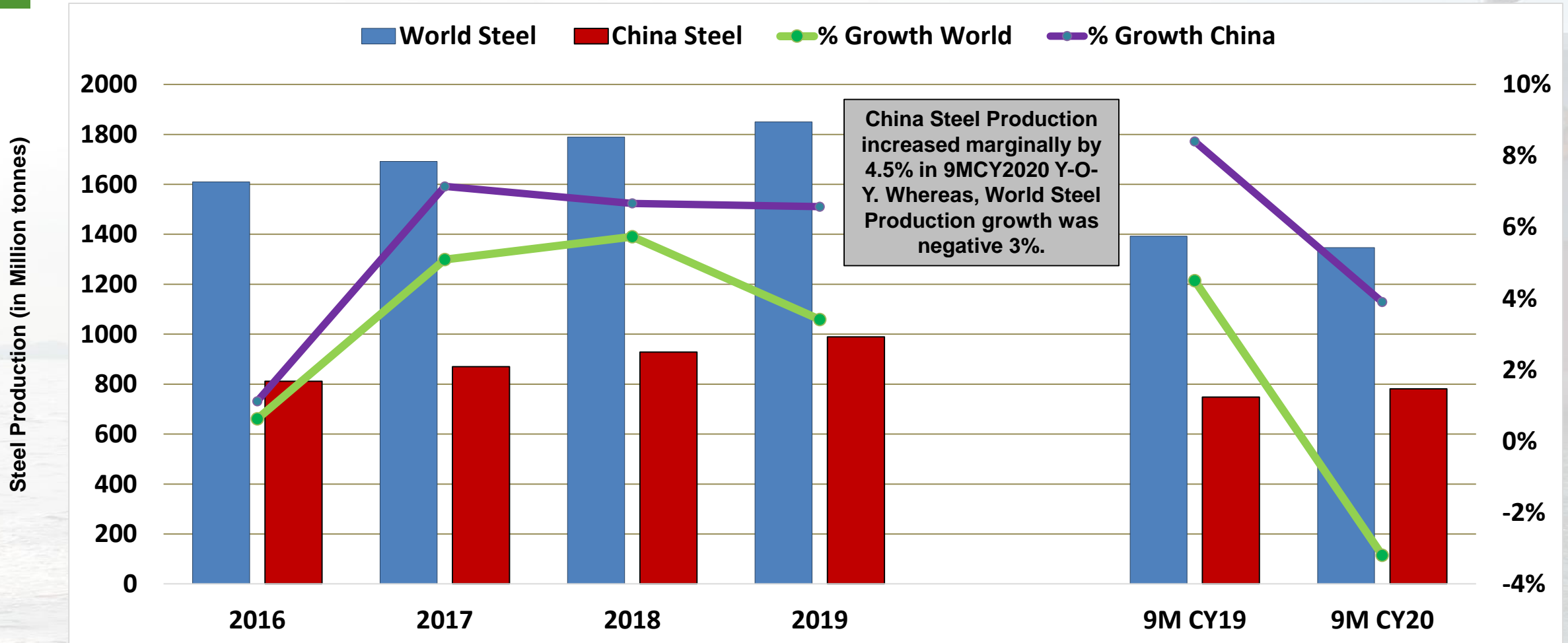


GLOBAL DRYBULK COMMODITY SEABORNE TRADE DATA

Global Commodity Trade Data - mt	Absolute Inc/Dec YoY (9MCY20-9MCY19)	% Inc/Dec YoY
Iron Ore	35	3.0%
Coal	-95	-9.8%
Grains	22	6.9%
Minor Bulk	-48	-4.3%
Total Growth	-87	-2.5%

China Iron Ore trade growth has been 10.6% for 9MCY20 Y-o-Y

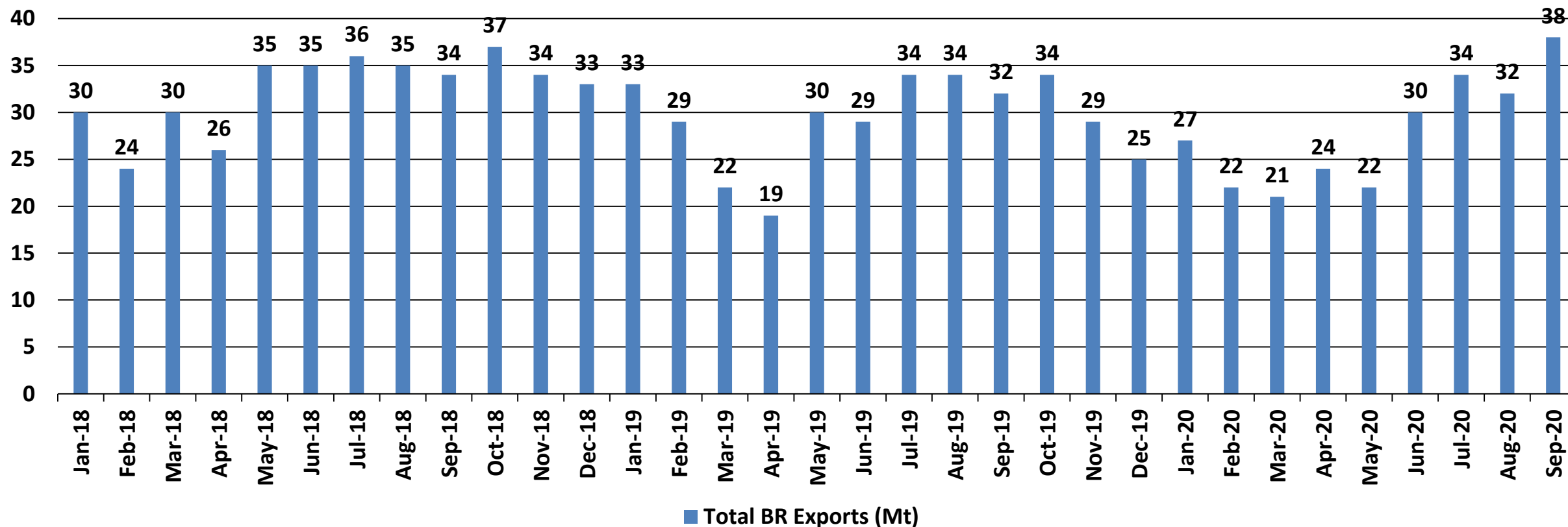
CHINA & WORLD STEEL PRODUCTION



BRAZIL IRON ORE EXPORTS



Total BR IO Exports



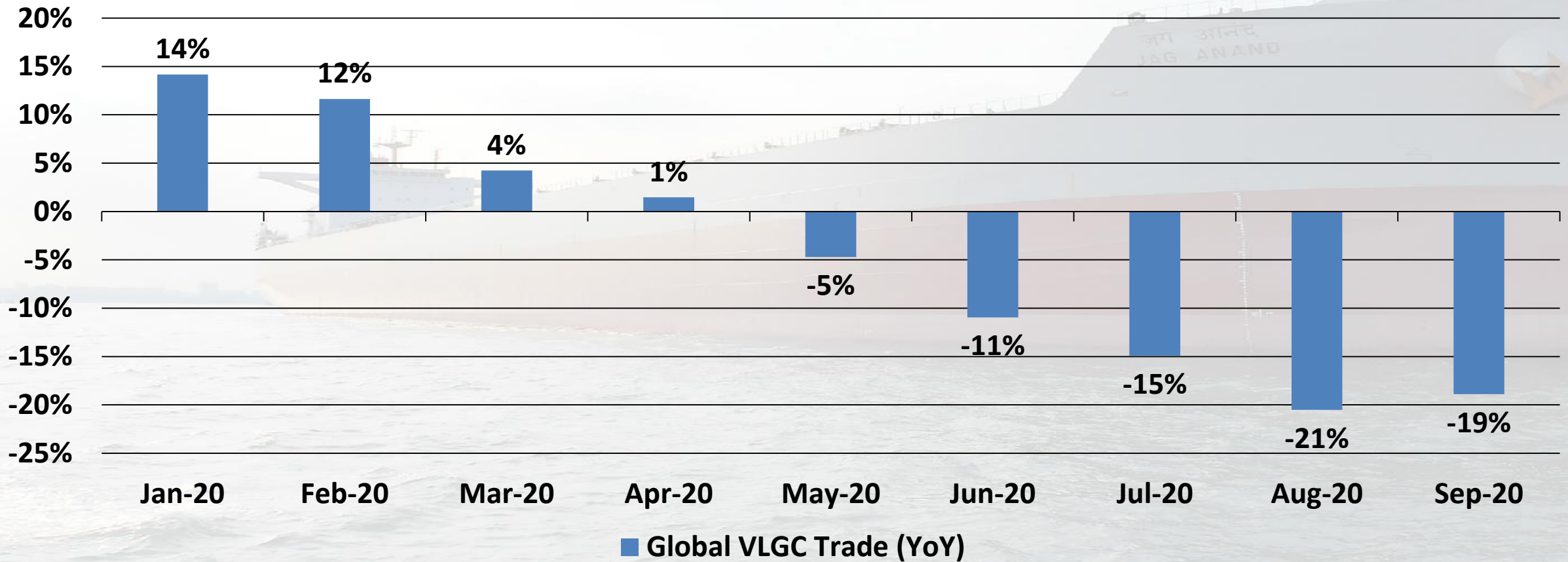
LPG (GAS) MARKET



LPG

SEABORNE TRADE DATA

Y-o-Y VLGC Trade



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



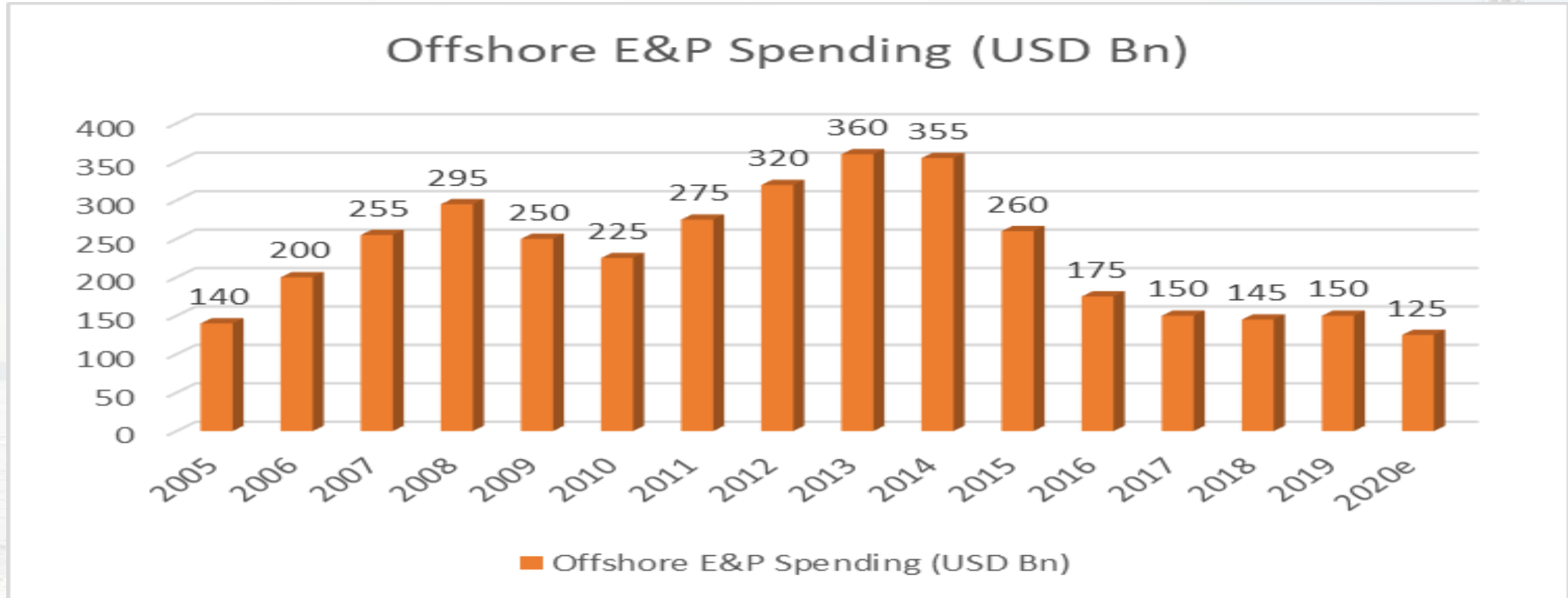
OFFSHORE BUSINESS FLEET PROFILE

Fleet Utilization

Current Owned Fleet Type	Fleet Count	Extent of coverage of fleet's operating days (FY21)
Jack Up Rigs (350ft)	4	90%
Anchor Handling Tug cum Supply Vessels (AHTSV)	8	64%
Multipurpose Platform Supply and Support Vessels (MPSSV)	2	56%
Platform Supply Vessels (PSV) / ROV Support Vessels (ROVSV)	9	93%

As on 30th September 2020

OFFSHORE E&P SPENDING



The E&P spending after increasing marginally in 2019 is expected to decline by about 15-20% in 2020.

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

KEY POINTS ON OFFSHORE

Q3CY2020

Day Rates

- The fall in oil price and Covid-19 impact on the world economy has stalled the recovery.
- Some regions have witnessed early terminations & renegotiations. As a result charter rates have again come under pressure.

Fleet Growth

- Rigs: Competitive fleet has reduced by about 4.5% over last 1 year and by about 7% over the last 4 years due to scrapping and cold stacking.
- OSV's: Competitive fleet has reduced by about 5% over last 1 year and by about 8-9% 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) (Decreased by about 6% since Sep19 and by about 2% since last quarter)
- Vessels: 40-50% (Term) (Utilization remained almost flattish during the last quarter and declined by about 8% from Sep19 levels)

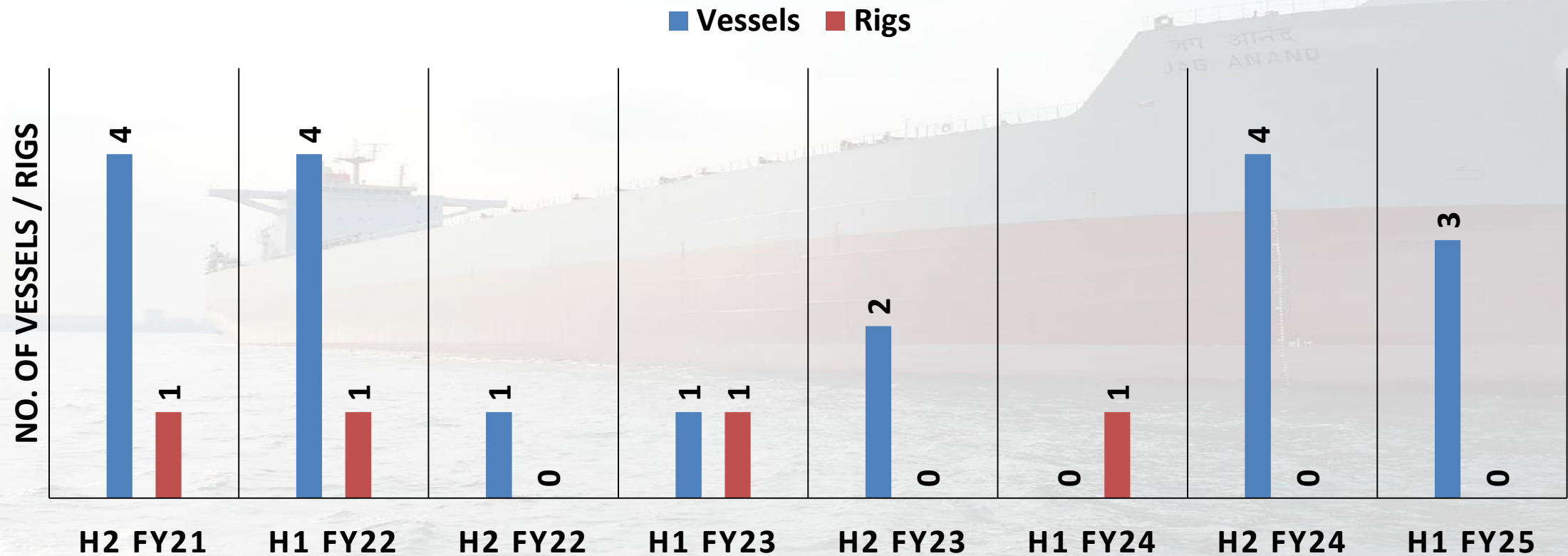
GLOBAL FLEET SUPPLY OFFSHORE

Fleet Profile

Number	Jackup Rigs	PSVs + AHTSVs
Current Fleet	524	3587
Orderbook	41	173
<i>O/B to current fleet</i>	7.8%	4.8%
<i>Total Scrapping since January 2016 (nos.)</i>	96	334
<i>No. of Vessels/Rigs more than 20/30 years old (as %age of fleet)</i>	38%	18%

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

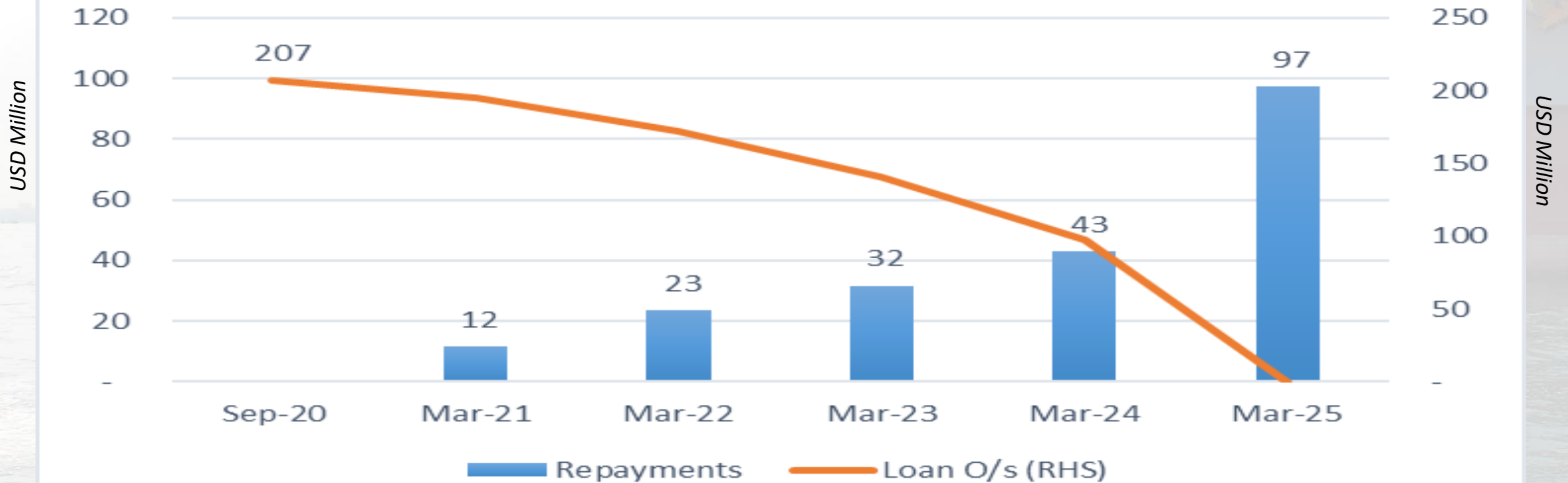
VESSELS / RIGS COMING UP FOR REPRICING OFFSHORE



GIL STANDALONE

DEBT REPAYMENT SCHEDULE (NEXT 5 YEARS)

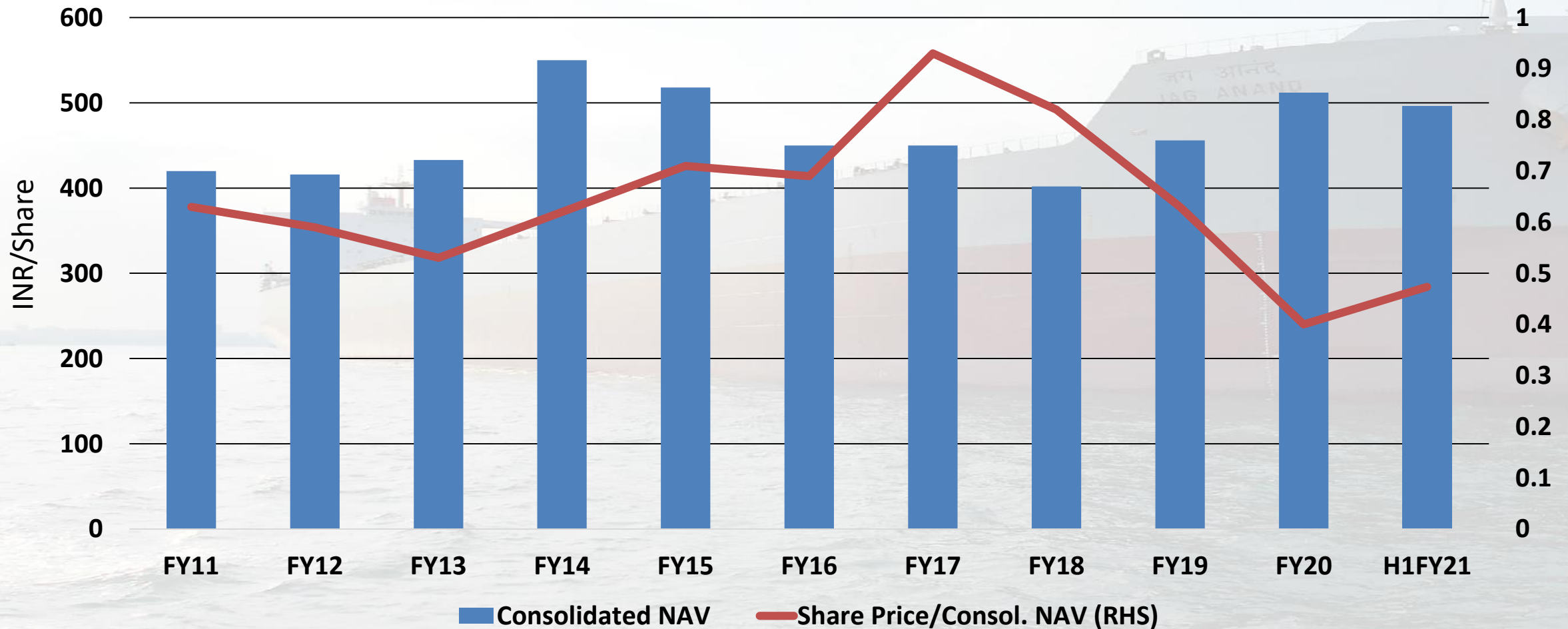
GIL (USD Mn)





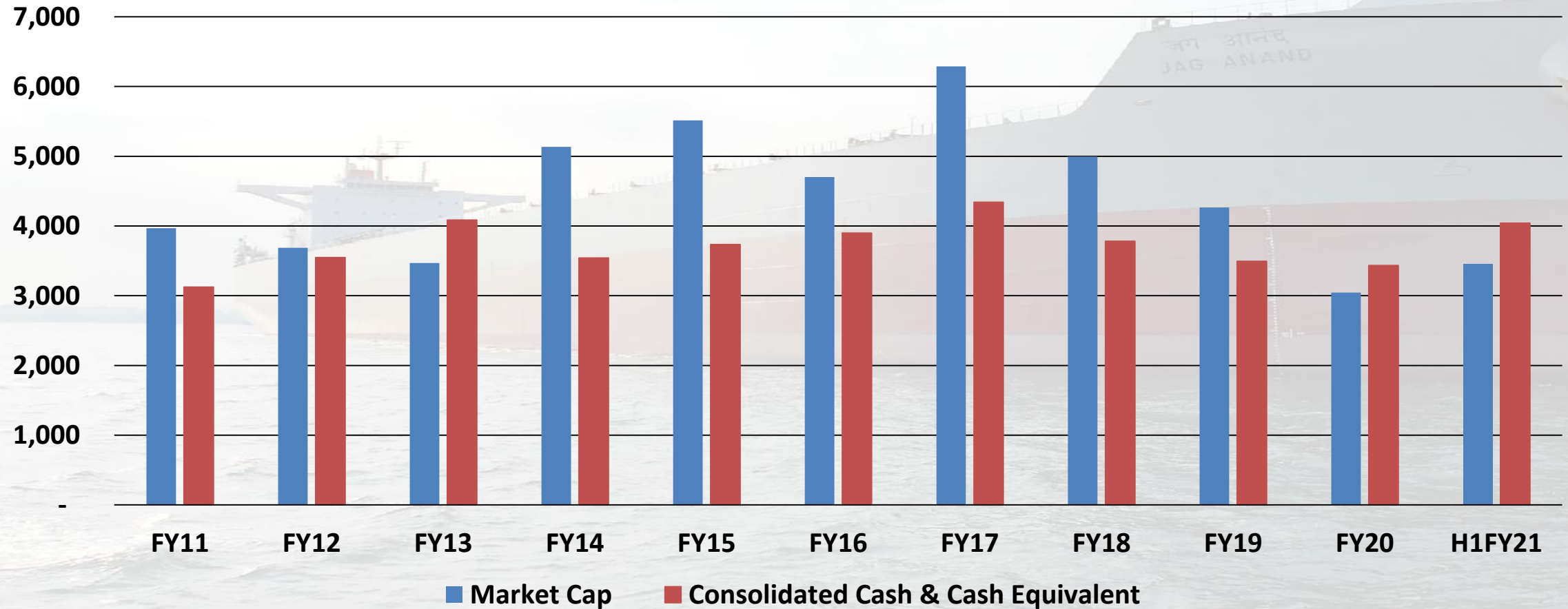
KEY VALUATION METRICS

SHARE PRICE TO CONSOLIDATED NET ASSET VALUE



MARKET CAPITALIZATION BELOW CASH

INR Crores



SUMMARY – SHIPPING & OFFSHORE

Market Positives (Shipping):

- Historically Low Orderbook
- 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