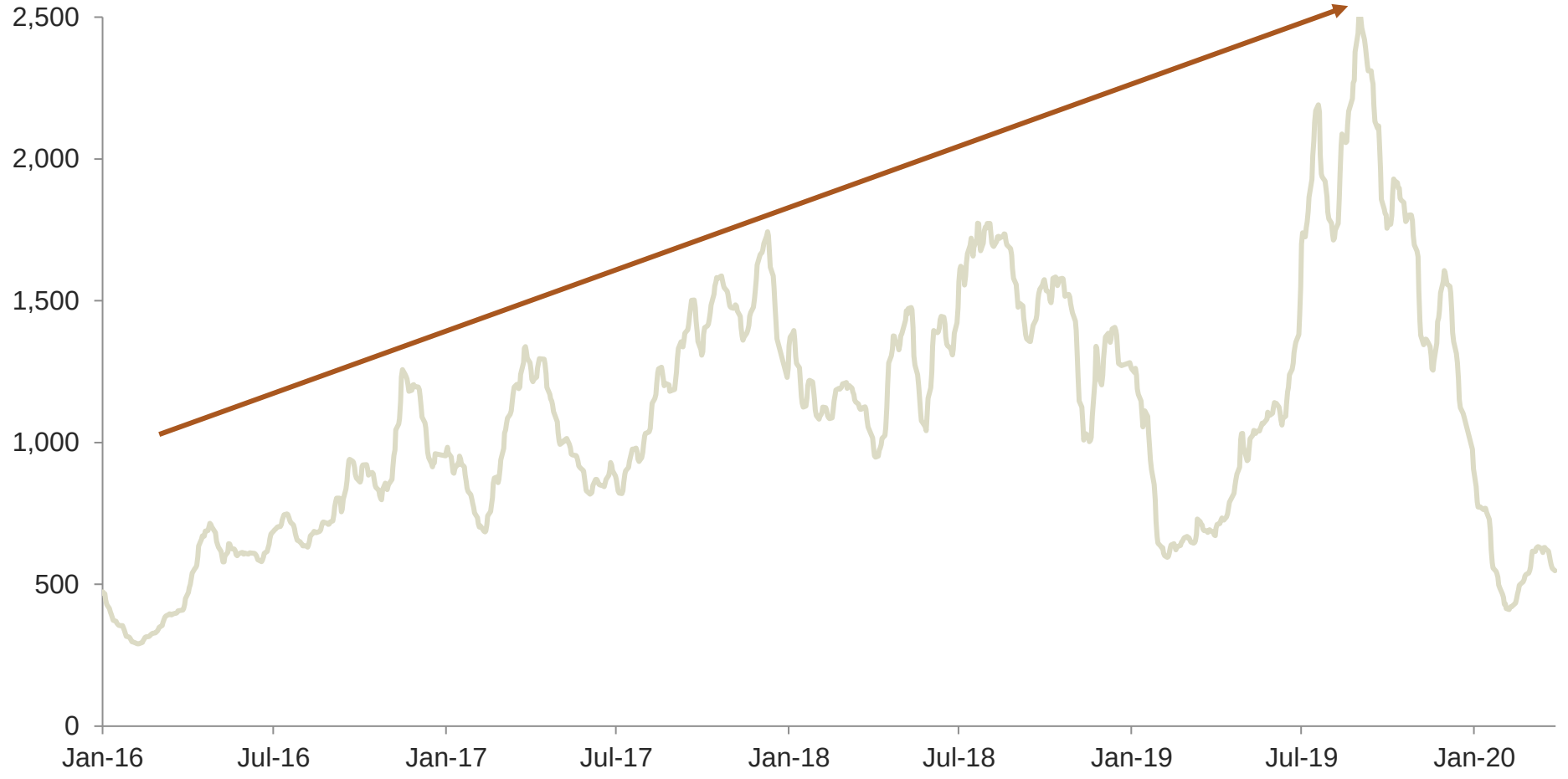
Precious Shipping Public Company Limited

SET Opportunity Day

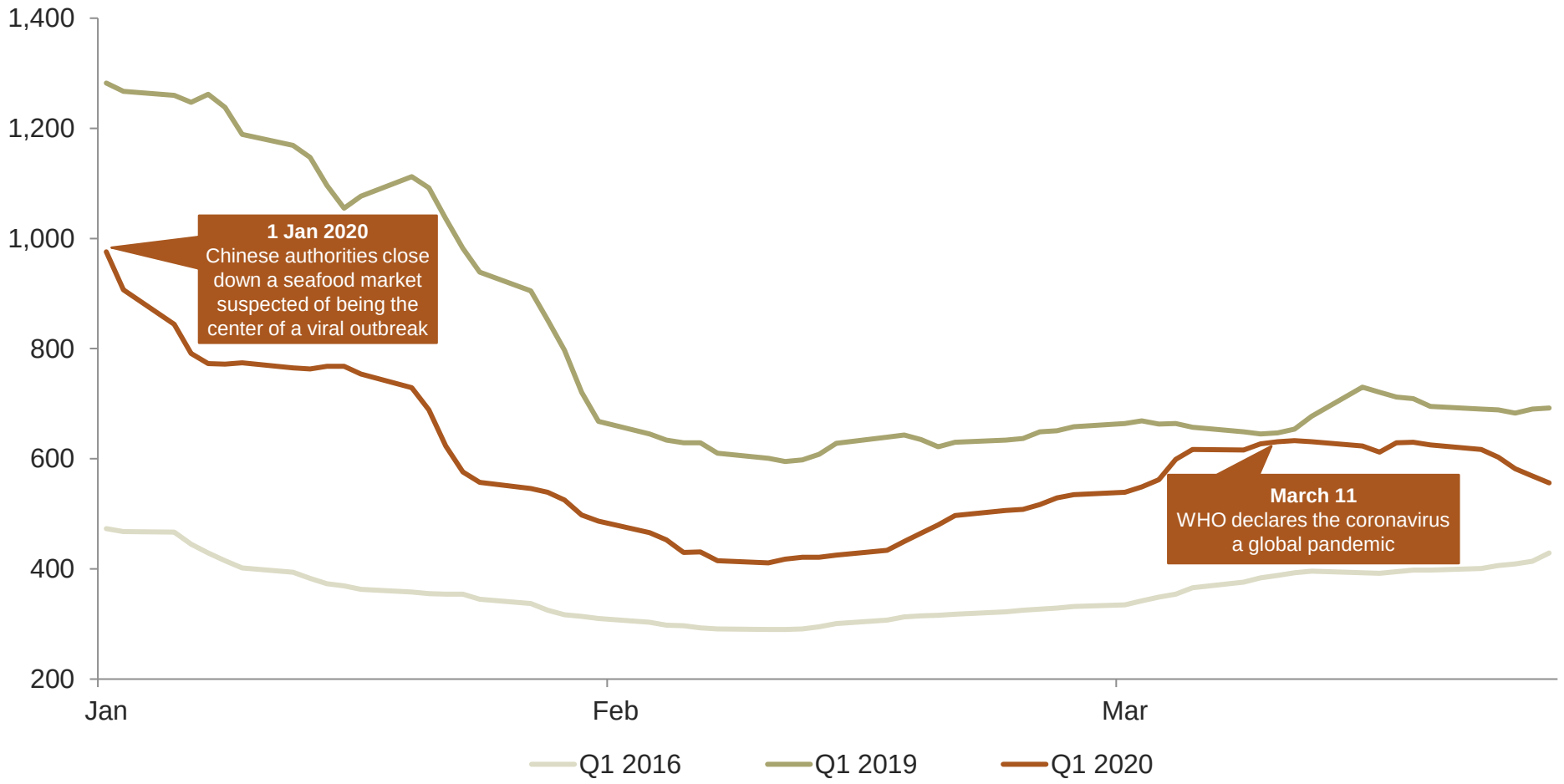
Date
8th June 2020

Evolution Of The Baltic Dry Index Since 2016



Source: Clarksons, 30 March 2020

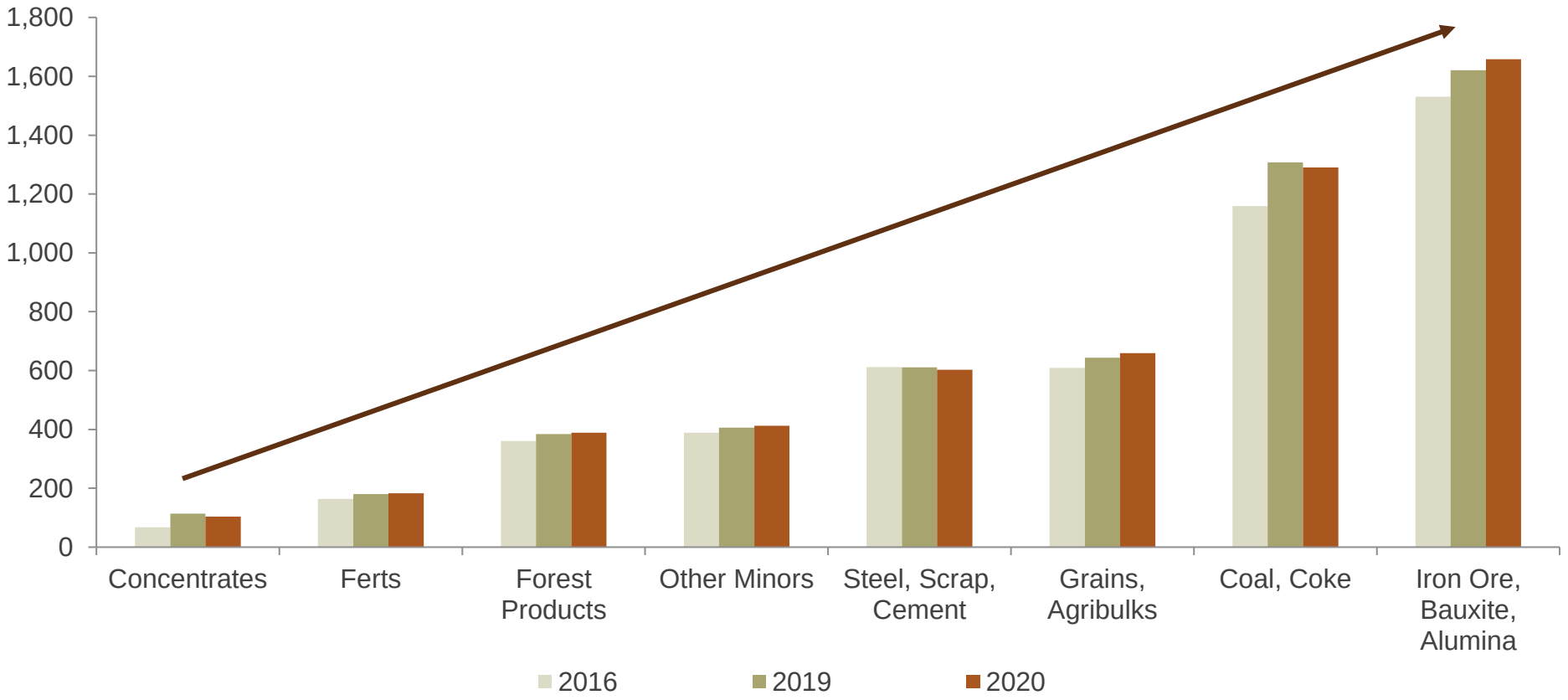
Q-O-Q Analysis Of The Baltic Dry Index



Source: Clarksons, 30 March 2020

Global Seaborne Drybulk Trade Volumes (MT): 2016, 2019, 2020F

Seaborne Drybulk trade volumes have been increasing despite COVID and the trade war

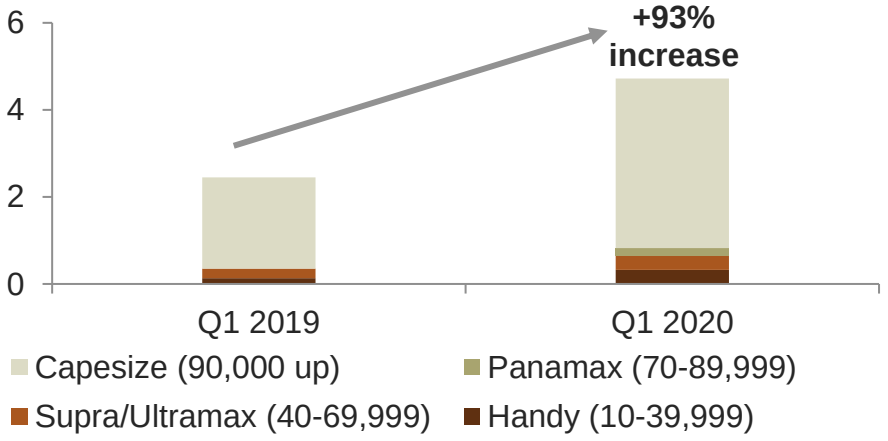


Source: Clarksons, 30 March 2020

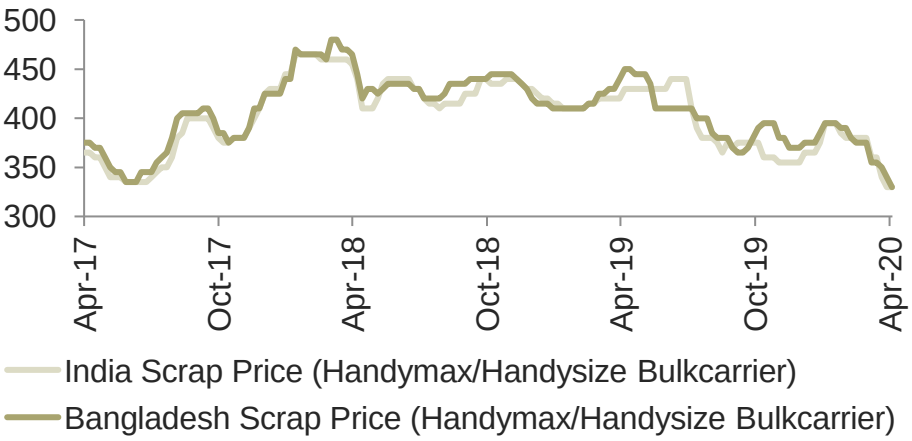
Drybulk Supply Side Improvements

- In response to the COVID-19 outbreak, drybulk scrapping has picked up significantly on a Y-O-Y basis.
- Most of the scrapping in 2020 has occurred in the Capesize sector.
- In response to robust scrapping in Q1 2020, scrap prices in the Indian subcontinent have begun to trend downward.
- Scrapping activities in the subcontinent are likely to restart after 2nd June 2020 subject to onset of monsoons and migratory labourers return to the recycling yards.
- Newbuild deliveries have been delayed significantly due to lockdowns and travel restrictions.
- PSL estimates that the drybulk fleet will grow by 3.14% in 2020.
- Clarksons projects net fleet growth of 2.70% for FY 2020.

Y-o-Y Scrapping: Q1 2019 and Q1 2020 - MDWT



Scrap Prices – USD/Ton



Source: Clarksons

Is China's Import Growth Sustainable?

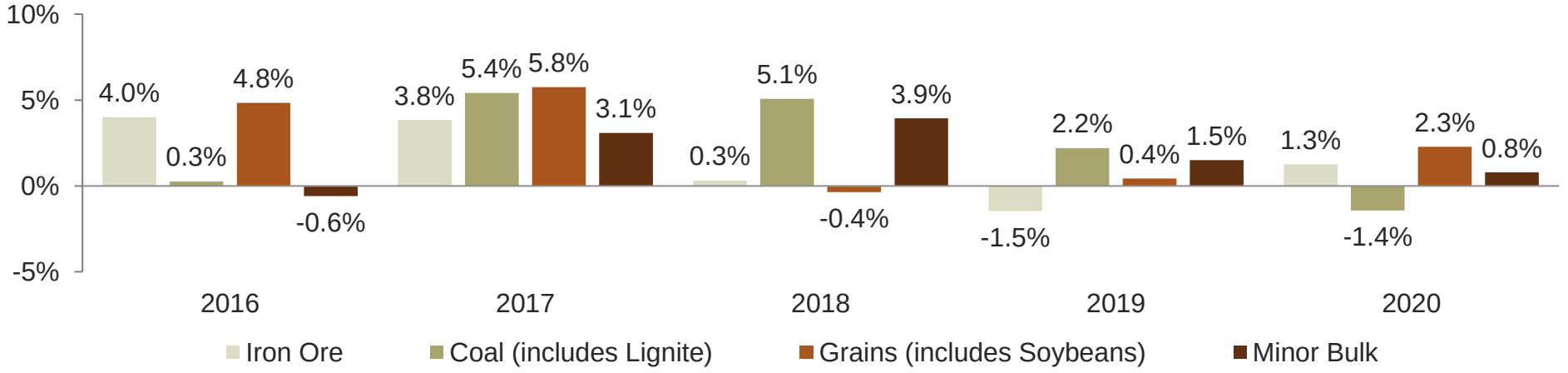
Latest available Data points on China for FY 2019 & Q1 2020:

- China's Iron Ore imports for 2019 was 1069 MMT, a 0.47% increase over 208. And in Q1'2020 grew by 1.3% to 262.7 MMT. (Reuter https://www.reuters.com/article/us-china-economy-trade-ironore/china-march-iron-ore-imports-dip-sees-firm-demand-on-economic-restorations-idUSKCN21W08A)
- China's total imports of coal increased by 6.3% to 299.7 MMT in 2019. In Q1'2020, increased by 28.4% year on to 95.8 MMT. (http://www.xinhuanet.com/english/2020-04/19/c_138989450.htm)
- Steel production for 2019 was up 8.3% to 996.3 MMT. Production in Q1'2020 increased 1.2% to 234.45 MMT. (http://www.stats.gov.cn/english/PressRelease/202004/t20200417_1739339.html)
- Monthly average Steel inventory in 2019 was 11.9 MMT and for 2020 till Q1, it is 21.3 MMT. (http://www.96369.net/indices/117)
- Steel exports for 2019 down 7.3% to 64.3 MMT. In Q1'2020, exports totalled 14.3 MMT, down by 16%. (https://www.mysteel.net/article/5015034-05030101/Chinas-Mar-steel--raw-materials-importsexports-statistics.html)
- China consumed more Steel in 2019 up by 8.5% to 945.3 MMT than last year likely due to development of One Belt, One Road project. Up to Q1'2020 was 223.3 MMT (893.2 MMT).

Historical Growth In Seaborne Drybulk Trade – Million Tonnes

Seaborne Drybulk Trade					
All Units In Million Tonnes	**2016**	**2017**	**2018**	**2019**	**2020 F**
Iron Ore	1,418	1,473	1,477	1,455	1,474
Coal (includes Lignite)	1,141	1,202	1,263	1,291	1,273
Grains (includes Soybeans)	450	476	475	477	488
Minor Bulk	1,881	1,939	2,015	2,045	2,061
Total	**4,890**	**5,090**	**5,230**	**5,269**	**5,295**
Total % Change In Trade	**1.4%**	**3.9%**	**2.7%**	**0.7%**	**0.5%**

% age increase over the previous year

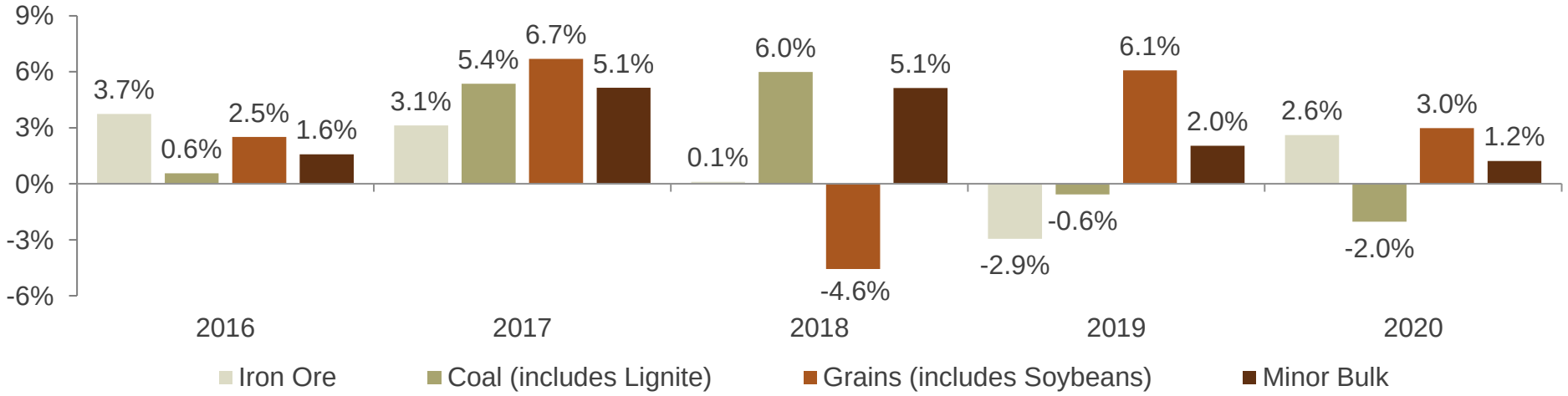


Source: Clarksons, as on 30 March 2020

Historical Growth In Seaborne Drybulk Trade – Billion Tonne-Miles

Seaborne Drybulk Trade					
All Units In Billion Tonne-Miles	**2016**	**2017**	**2018**	**2019**	**2020 F**
Iron Ore	7,933	8,180	8,188	7,947	8,154
Coal (includes Lignite)	4,982	5,250	5,564	5,532	5,420
Grains (includes Soybeans)	3,209	3,423	3,267	3,466	3,569
Minor Bulk	11,057	11,625	12,222	12,472	12,624
Total	**27,181.0**	**28,478.9**	**29,242.1**	**29,416.9**	**29,766.2**
Total % Change In Trade	**2.1%**	**4.8%**	**2.7%**	**0.6%**	**1.2%**

% age increase over the previous year

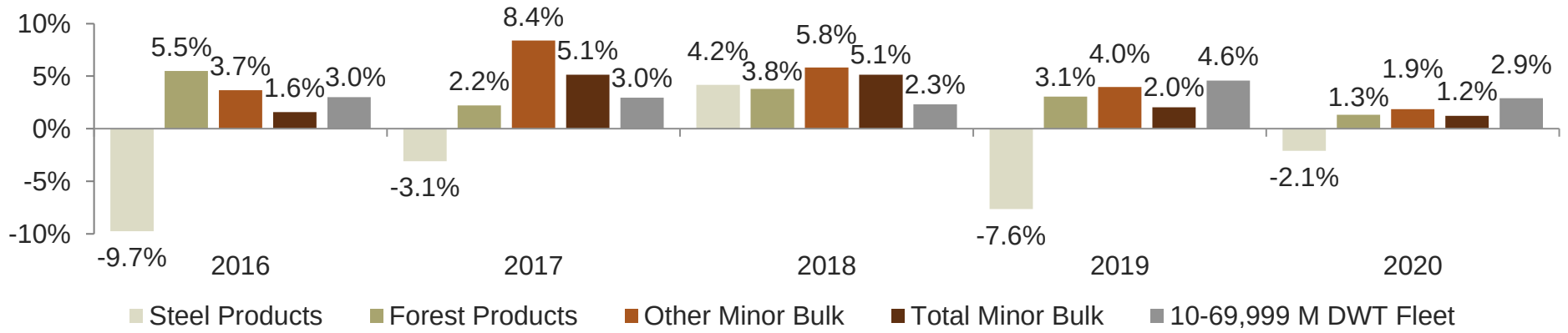


Source: Clarksons, as on 30 March 2020

Historical Growth In Seaborne Minor Bulk Trade – Billion Tonne-Miles

Seaborne Minor Bulk Trade					
All Units In Billion Tonne-Miles	**2016**	**2017**	**2018**	**2019**	**2020 F**
Steel Products	1,812	1,756	1,829	1,690	1,654
Forest Products	2,439	2,492	2,587	2,666	2,701
Other Minor Bulk	6,807	7,377	7,807	8,117	8,268
Total Minor Bulk	11,057	11,625	12,222	12,472	12,624
% Change In Minor Bulk	**1.58%**	**5.14%**	**5.13%**	**2.04%**	**1.21%**
Ships 10-69,999 (MDWT)	**284.5**	**292.9**	**299.7**	**313.4**	**322.5**
% Change In 10-69,999 (MDWT)	**3.0%**	**3.0%**	**2.3%**	**4.6%**	**2.9%**

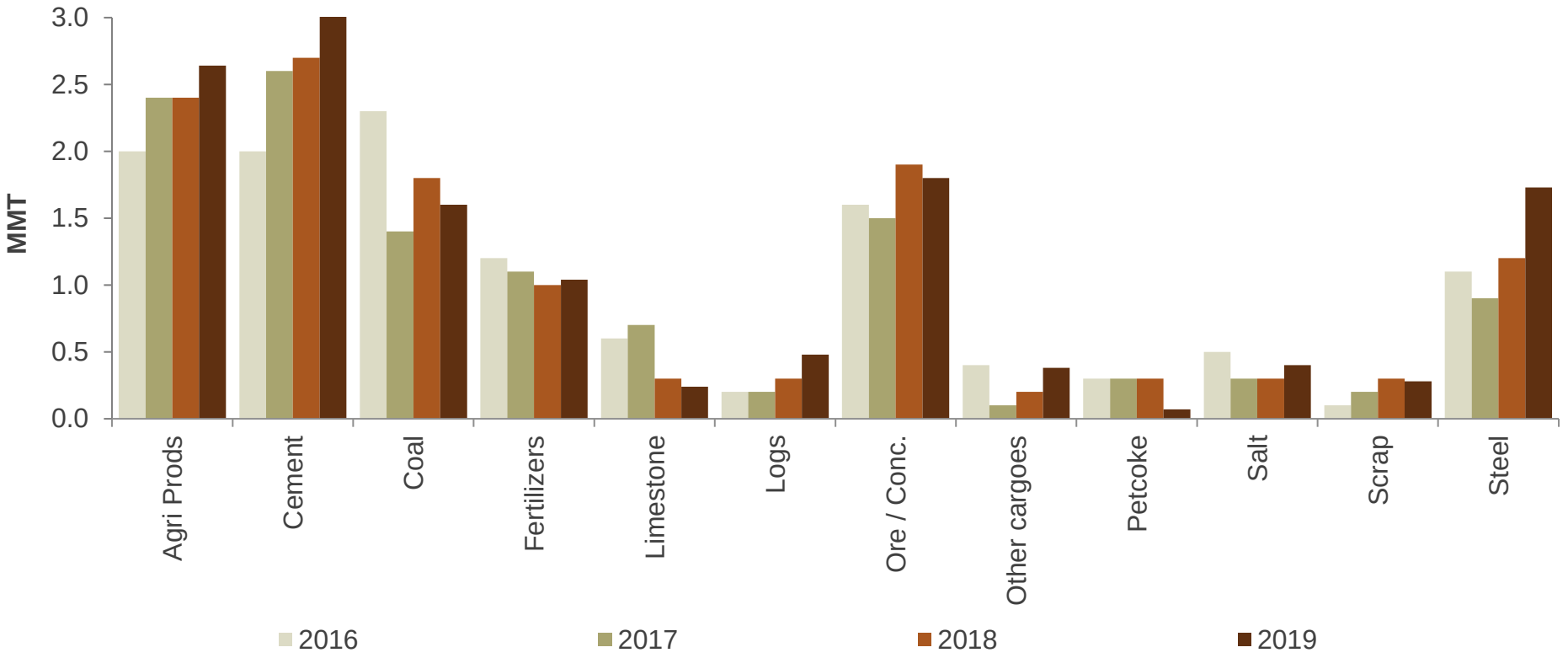
% age increase over the previous year



Source: Clarksons, as on 30 March 2020

PSL Cargo Exposure: 2016 – FY 2019

Bulk cargo in the aggregate amount of 12.3 MMT, 11.7 MMT, 12.7 MMT, 13.72 MMT was carried on PSL ships in 2016, 2017, 2018 and FY 2019 respectively



Source: PSL

Drybulk Fleet As Of 31 March 2020

Fleet Overview

Ship Type	DWT Range (MT)	Ships	Av Age (yrs)	Total DWT (m MT)	Av DWT (MT)	% of DWT
Handysize	10,000 – 39,999	3,994	11.96	108.53	27,173	12.30%
Supra/Ultramax	40,000 – 69,999	3,702	9.96	207.30	55,997	23.50%
Panamax	70,000 – 89,999	2,354	9.91	186.53	79,239	21.14%
Capesize	90,000+	2,098	8.77	379.84	181,050	43.06%
Total / Average		**12,148**	**10.40**	**882.20**	**72,621**	**100.00%**

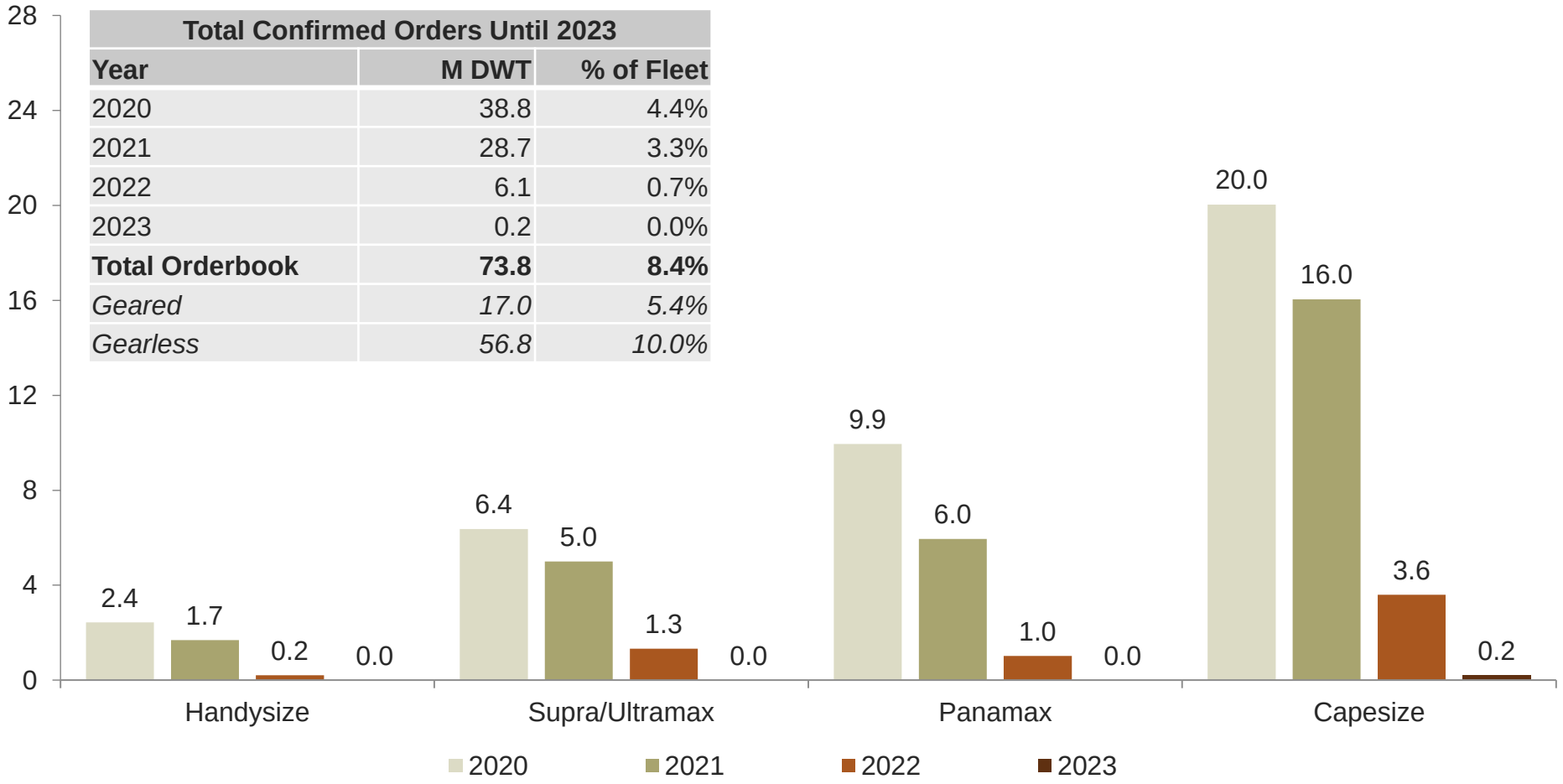
Changes in 2020

Ship Type	DWT Range (MT)	Ships No (%age)	DWT m MT (%age)
Handysize	10,000 – 39,999	+5 (+0.13%)	+0.19 (+0.17%)
Supra/Ultramax	40,000 – 69,999	+34 (+0.93%)	+2.22 (+1.08%)
Panamax	70,000 – 89,999	+38 (+1.64%)	+3.10 (+1.69%)
Capesize	90,000+	+13 (+0.62%)	+3.26 (+0.87%)
Total / Average		**+90 (+0.75%)**	**+8.77 (+1.00%)**

Source: Clarksons

Confirmed Orders As Of 30 March 2020 (M DWT) – 31 Dec 2023

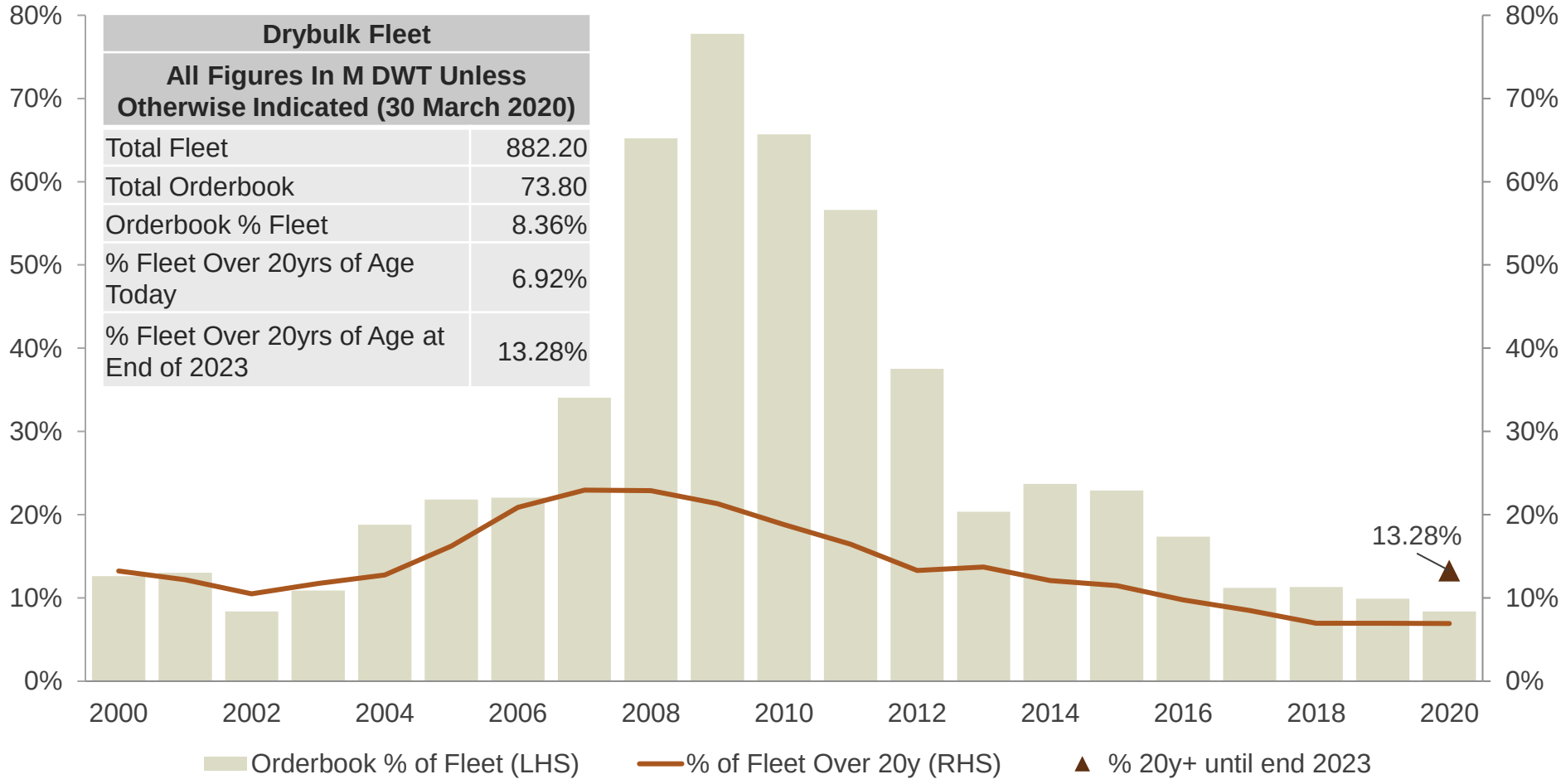
Total Confirmed Orders Until 2023		
Year	**M DWT**	**% of Fleet**
2020	38.8	4.4%
2021	28.7	3.3%
2022	6.1	0.7%
2023	0.2	0.0%
Total Orderbook	**73.8**	**8.4%**
Geared	*17.0*	*5.4%*
Gearless	*56.8*	*10.0%*



Source: Clarksons as on 30 March 2020

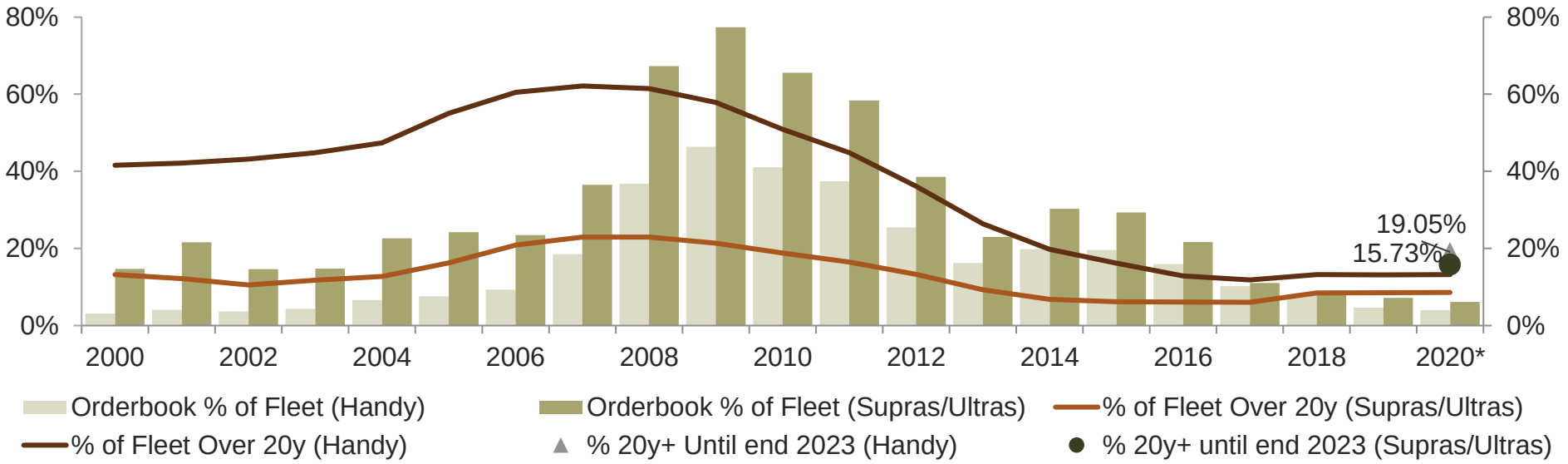
Putting Orderbook Figures In Context – The Overall Drybulk Fleet

Drybulk Fleet All Figures In M DWT Unless Otherwise Indicated (30 March 2020)	
Total Fleet	882.20
Total Orderbook	73.80
Orderbook % Fleet	8.36%
% Fleet Over 20yrs of Age Today	6.92%
% Fleet Over 20yrs of Age at End of 2023	13.28%



Source: Clarksons, as on 30 March 2020

Putting Orderbook Figures In Context – Geared Vessels Only



Handysize Fleet	
All Figures In M DWT Unless Otherwise Indicated (30 March 2020)	
Total Fleet	108.53
Total Orderbook	4.32
Orderbook % Fleet	3.98%
% Fleet Over 20yrs of Age Today	13.16%
% Fleet Over 20yrs of Age at End of 2023	19.05%

Supramax/Ultramax	
All Figures In M DWT Unless Otherwise Indicated (30 March 2020)	
Total Fleet	207.30
Total Orderbook	12.69
Orderbook % Fleet	6.12%
% Fleet Over 20yrs of Age Today	8.54%
% Fleet Over 20yrs of Age at End of 2023	15.73%

Source: Clarksons, as on 30 March 2020

Regulatory Changes – BWM Systems & IMO 2020

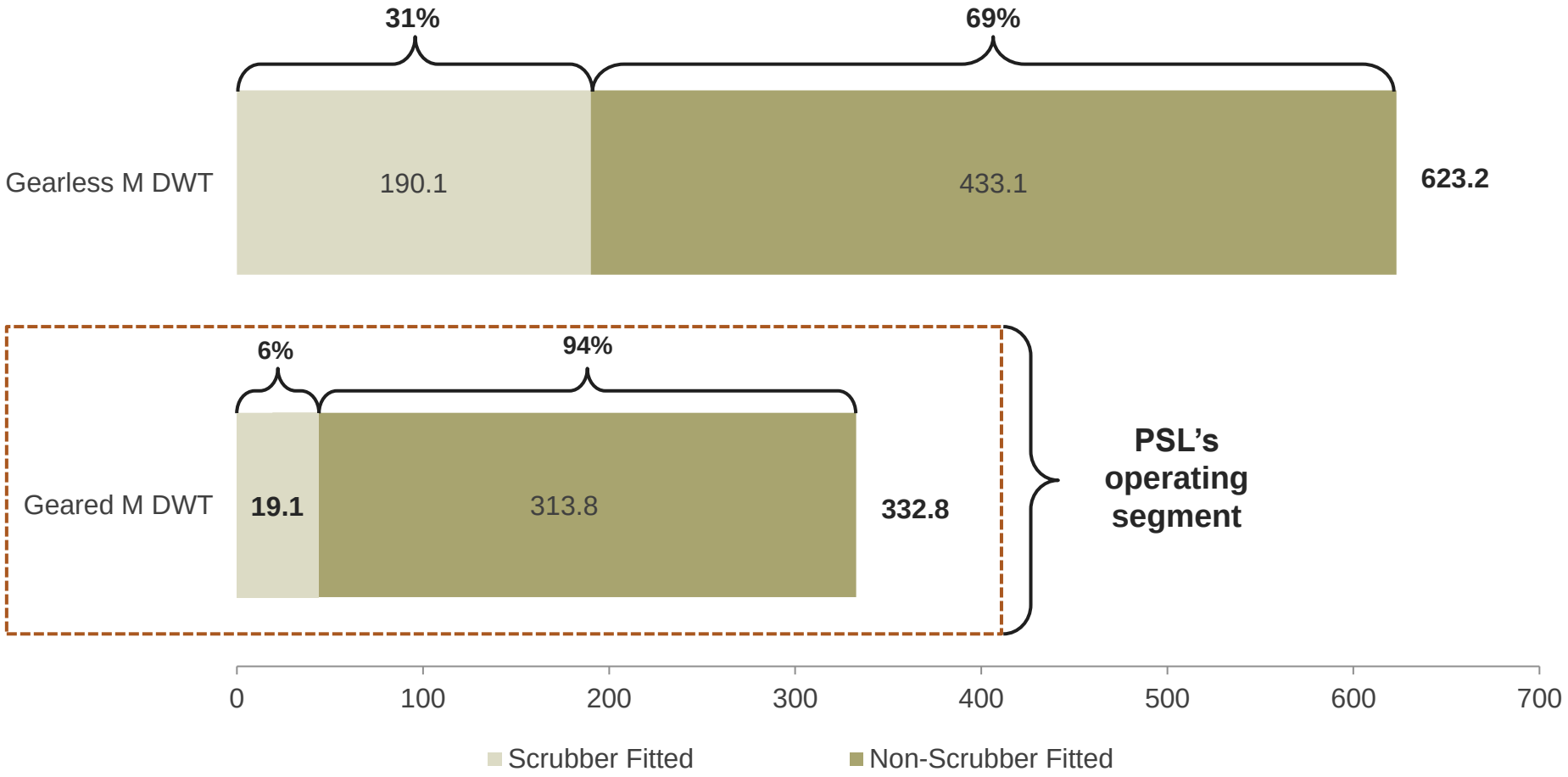
Ballast Water Management Plant

Cost: about USD 0.5 Million
Downtime: about 10 days in drydock

Scrubber Plant

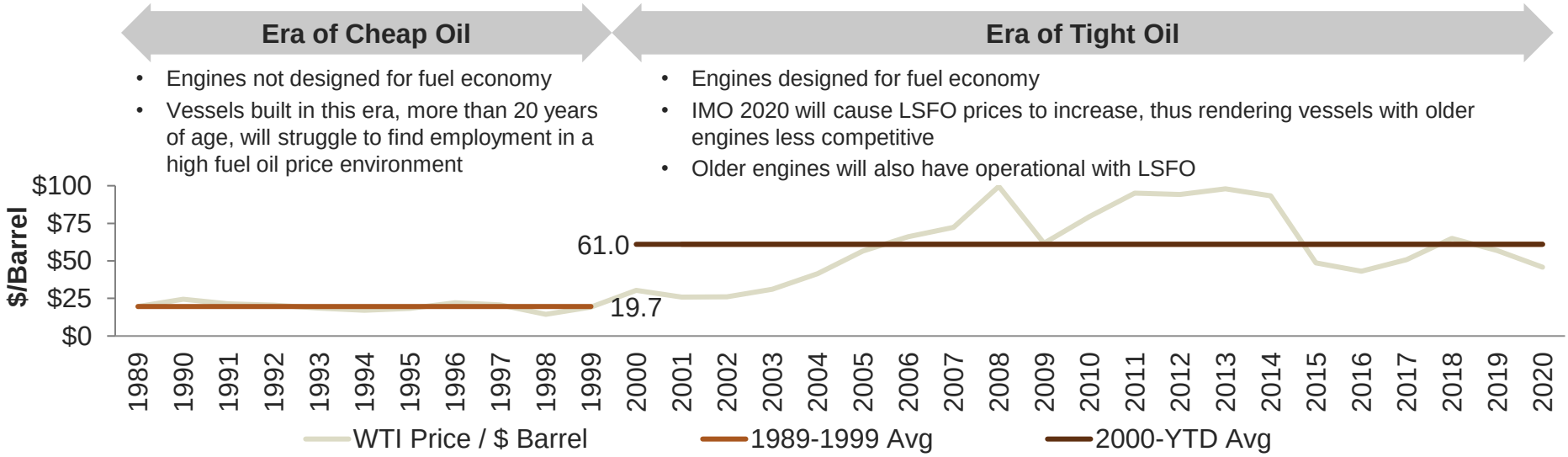
Cost: about USD 3 - 6 Million
Downtime: about 6-8 weeks in drydock

Scrubbers Uptake In Drybulk



Note: Includes all vessels current fitted and "to be fitted" (current feet and orderbook included). Scrubber data is only updated at the end of every month
Source: Clarksons as on 30 March 2020, Data basis 5 April 2020

Impact of IMO 2020 on the Geared Segment



Impact of Scrubbers On The Geared Segment	
All Units In Million DWT	**Q1 2020**
Total Geared Fleet Capacity	315.8
% Of Geared Capacity 20-30 Years Of Age	10.1%
Geared Capacity	**315.8**
Potential Impact Of 0.5 Knots Slow Steaming - Basis 200 Sailing Days	4.2%
Net Adjusted Geared Capacity	**302.7**
Total Capacity Over 20 Years Of Age	32.0
% Of Fleet Over 20 Years Of Age	10.1%

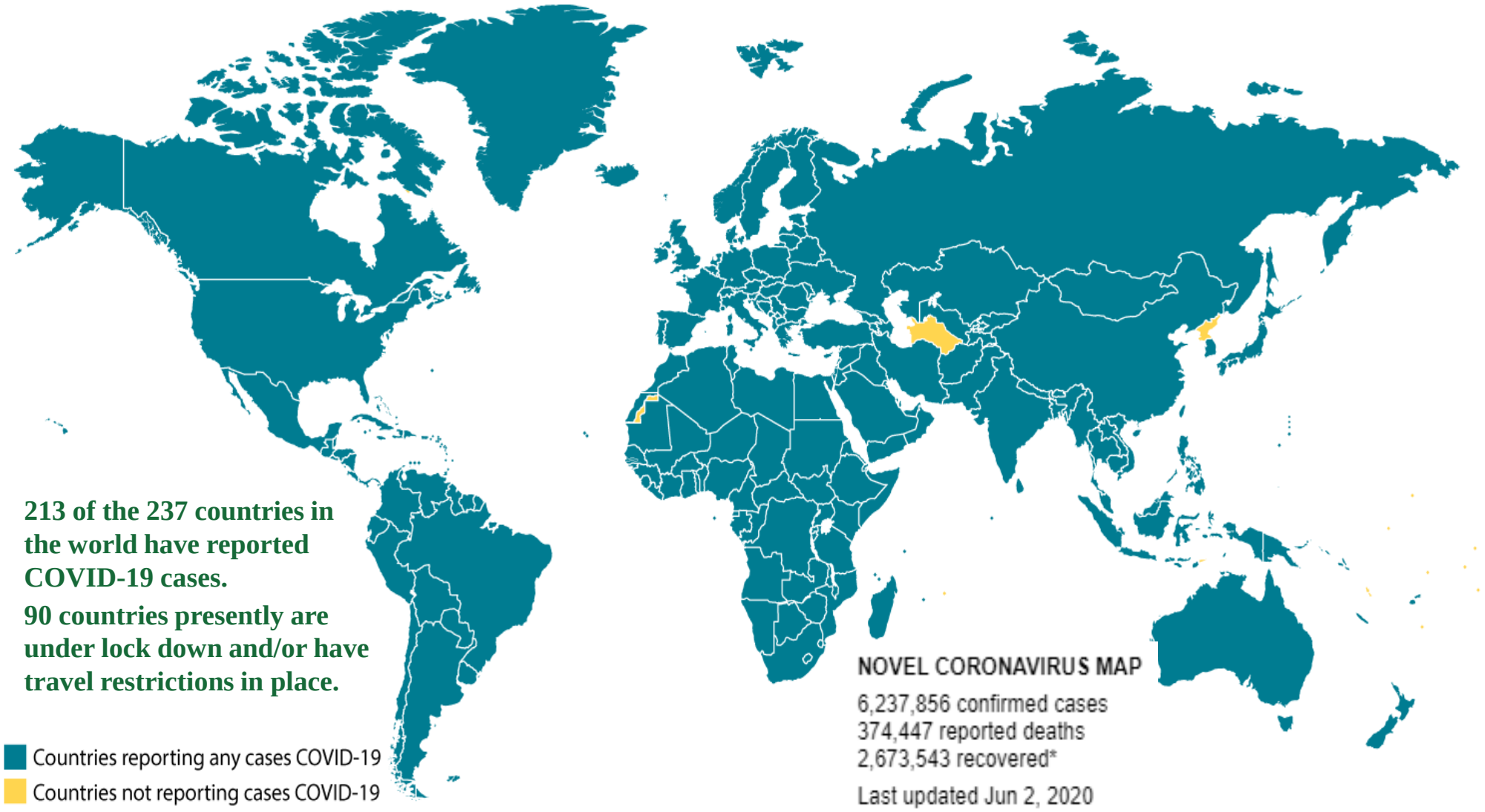
Source: Internal Estimates, Clarksons, St Louis Federal Reserve, 30 March 2020

Key Takeaways

- The outbreak is having a major impact on global economic activity.
- China is ahead of the curve; all high-frequency data suggests that activity is picking up, but not yet back up to the pre-outbreak levels - recovery in ROW is disappointing at best.
- The rest of the world is out of synch with China; the demand recovery in China is being offset by demand destruction elsewhere.
- Chinese state governments issued CNY 1.22 trillion of Special Bonds in Jan-Apr, up 51% year on year.
- China has proposed a USD 667b steel intensive fiscal stimulus plan. In response to the GFC China had come with a USD 578b steel intensive plan that pushed the BDI from 666 points on 6th December 2008 to a high of 4,661 points in 2009.
- Given the time lag from the moment of announcement and the time it generates demand, the earliest we can expect a material improvement in dry bulk demand and rates is late Q3/early Q4 and during 2021.
- Until then, the market will remain under pressure.

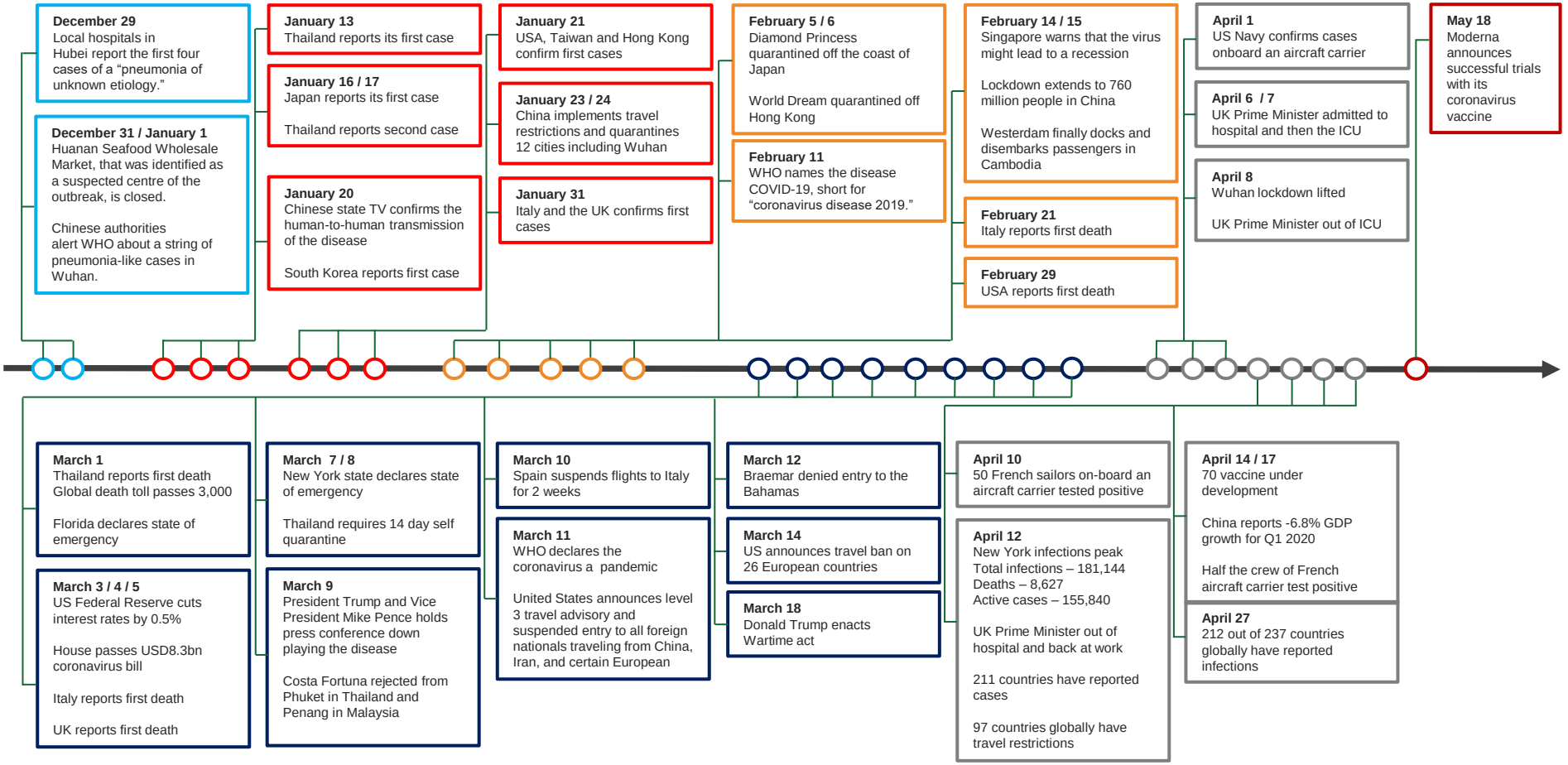
COVID-19's Impact

Locations with Confirmed COVID-19 Cases, by WHO Region



Source: https://www.cdc.gov/ & cna.asia/covid19

Timeline



Source: https://www.thinkglobalhealth.org/article/updated-timeline-coronavirus
TradeWinds

COVID-19 and It's Overall Impact

Economic

- The virus has caused a "sudden stop" to capital flows, travel and non-essential consumption leading to an aggregate demand shock
  - Consumers are delaying non-essential consumption, travel and other consumption related activities
  - Key question is how long can firms survive with little or no demand?
- This will have severe implications for global supply chains going forward: regionalization of supply chains and less reliance on China
- When the virus hit China, it caused a supply shock to the economy – goods could not move. This equates to a demand shock for commodity exporting nations that rely on China as an export market
- In the long term this could cause a shift in household consumption patterns – changing eating habits, more "do it yourself" consumption

Social

- Migrant workers who form large portions of the labour force in many developing countries have been forced to fend for themselves
  - In India migrant workers have to walk upwards of 100's of kilometers home because there is no transportation available
  - Migrant workers do not have access to adequate healthcare, making them acutely at risk of the virus
- Economies are now reliant on workers who cannot work from home, for whatever reason, and thus have to risk their own safety to stay financially afloat
- Technological developments have made working remotely a more viable path for employers going forward

Source: Harvad Business School

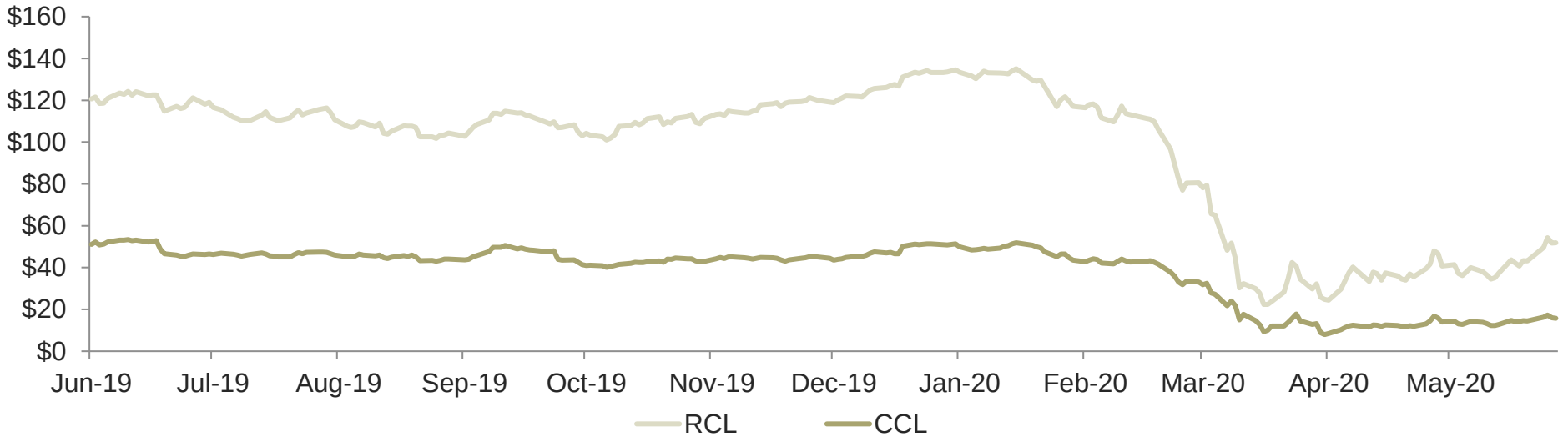
COVID-19 and It's Overall Impact

Political	▪ Relations between the USA and China were deteriorating before the pandemic, and now the deterioration is rapidly accelerating ▪ The pandemic and China's response to it have emboldened China hawks in the Trump administration to push for a more aggressive stance ▪ The pandemic will play a pivotal role in the American 2020 Presidential Election ▪ Other countries greatly impacted by the virus such as the EU, are growing increasingly skeptical of China ▪ Domestic backlash against globalization and a push for regionalization – Will be more relevant for key industries such as medical equipment manufacturing and pharmaceuticals
Policy Response	▪ Globally, central banks have enacted policies in a matter of days what took months to enact during the Great Financial Crisis of 2008/2009 – Cutting interest rates, QE, signaling a more accommodative stance, and making liquidity more available to a range of firms ▪ Issues remain with the secondary market liquidity ▪ Banks are seeing companies drawdown credit lines to shore up balance sheets ▪ Fiscal stimulus response is forthcoming ▪ Flattening of the curve (lowering the rate of new infections) through social distancing, lockdowns and other counter measures

Source: Harvad Business School

Impact On Shipping – Cruise Lines

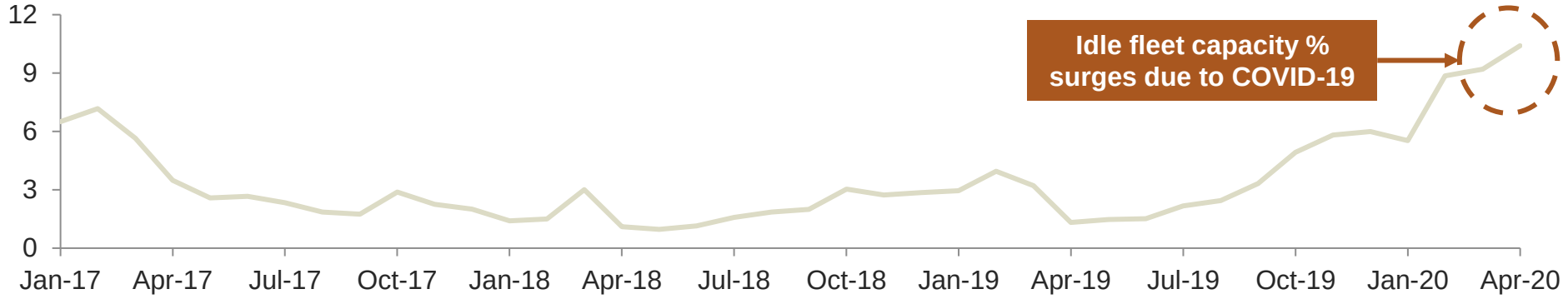
- Passengers and vessels have been refused permission to disembark or dock in multiple countries. Major cruise liners have suspended ongoing operations.
- Norwegian Cruise Line Holdings, owner of 28 vessels, reported a $1.9bn loss for the first quarter.
- Royal Caribbean Cruises, owner of 62 ships, estimates a monthly cash burn of $250m to $275m.
- Carnival Corp estimates spending $1bn per month on keeping its 104 ships laid up.
- Smaller cruise operators have filed for bankruptcy.



Source: Yahoo Finance, Various news sources

Impact On Shipping – Container Line

- Liner companies initially expected trade volumes to fall 2.4% in 2020 but are now estimating a 10% decline.
- The fall in containerized trade during Q1 2020 is worse than the fall in trade during the GFC.
- Container lines have responded to the situation by idling capacity and making other adjustments to scheduled services.
- Liner bankruptcy potential (USD24.3 billion) spreads in step with the coronavirus. (Splash247.com, 15 April 2020)
- Since the virus outbreak started in January, we have seen 6 of the world's largest carriers asking for state-aid: CMA-CGM, COSCO, HMM, Evergreen, Yang Ming, PIL. These 6 carriers account for 43% of the capacity of the top-10 carriers. (Splash247.com – 27 May 2020)

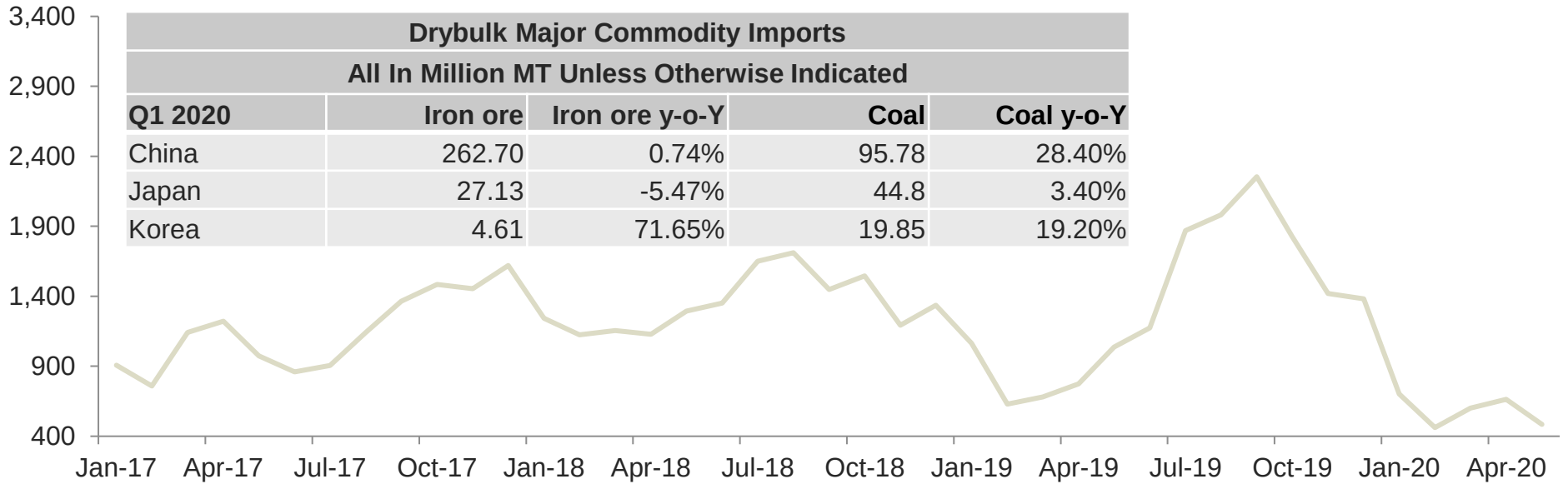


Source: Bloomberg, DNB Markets, Maritime Executive, Reuters, TradeWinds, Yahoo Finance, Clarksons.

Impact On Shipping – Drybulk

- Drybulk was adversely affected in Q1 2020 due to the coronavirus striking between Western and Lunar New Years.
- China's sudden stop caused a shock to drybulk demand in Jan-Feb 2020. Rates collapsed.
- As China stabilized from Covid-19, the freight market improved in March.
- Since the start of April, as the ROW went into lockdown, freight markets came down.
- Freight rates have started to move upwards as the ROW opened from the last week of May.

Drybulk Major Commodity Imports				
All In Million MT Unless Otherwise Indicated				
Q1 2020	**Iron ore**	**Iron ore y-o-Y**	**Coal**	**Coal y-o-Y**
China	262.70	0.74%	95.78	28.40%
Japan	27.13	-5.47%	44.8	3.40%
Korea	4.61	71.65%	19.85	19.20%

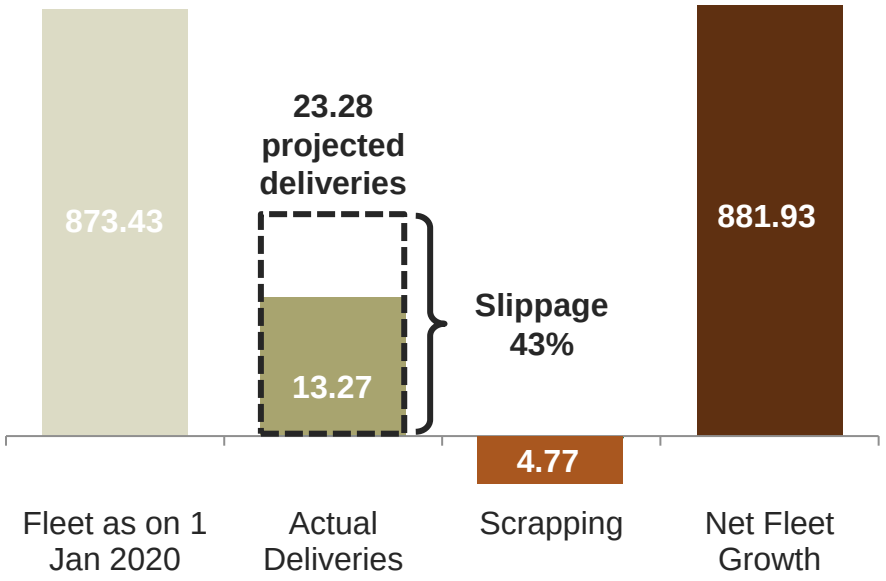


Source: Bloomberg, DNB Markets, Maritime Executive, Reuters, TradeWinds, Yahoo Finance, Clarksons.

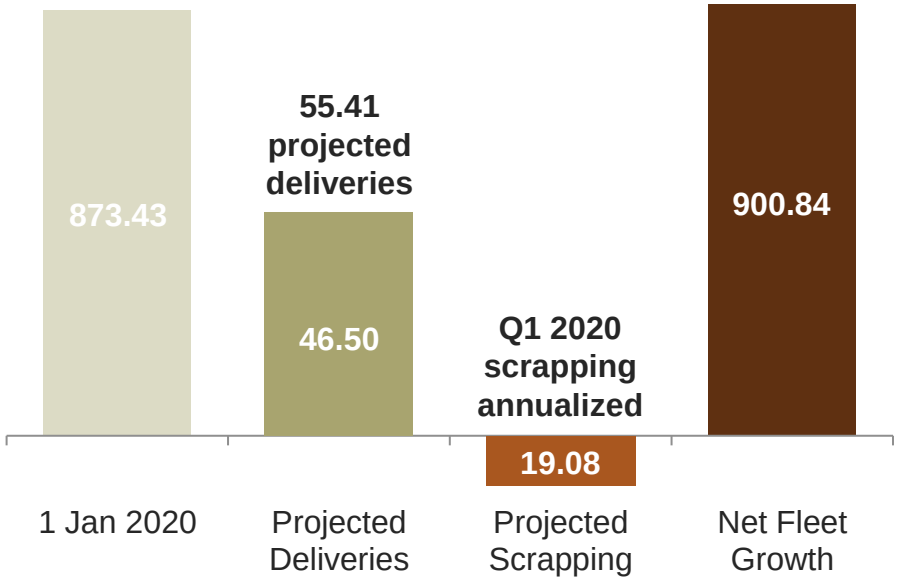
Drybulk Supply Side Improvements

- China's shipbuilding output in Q1 was 7M DWT, a decline of 27.3% year-on-year. Seatrade, 20 Apr 2020.
- Based on Q1 2020 data (annualized), PSL projects net fleet growth for 2020 at 3.14%.

Q1 2020 Net Fleet Growth – M DWT



FY 2020 Net Fleet Growth – M DWT

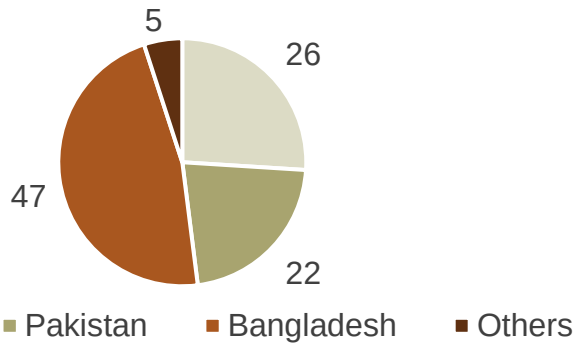


Source: Clarksons

Scrapping On Hold Due to Lockdowns in The Indian Subcontinent

- 90% of all scrapping takes place in the India, Pakistan, Bangladesh, China and Turkey
- Lockdowns across the subcontinent have stopped scrapping (lockdown start dates below)
  - Bangladesh – 22 March
  - India - 24 March
  - Pakistan – 2 April
- Migrant workers, who make up the bulk of the work force at scrap yards, have been forced to return to their homes
- Crews of vessels that were sold for scrap prior to the lockdown are unable to disembark

Share of Global Scrapping - % Total



Source: UNCTAD, NDTV

Migrant Worker, Whose Pic Went Viral, To Walk Home Despite Fracture

Bhanwarlal injured his three toes and ankle while working as a daily wage labourer in Madhya Pradesh's Pipariya town.

All India | Written by Anurag Dwary | Updated: March 31, 2020 05:49 pm IST

Sponsored
ตามพุ่นเด่น พุ่นร้อน จะ Short หรือ Long ก็ได้ ไม่ยากอย่างที่คิด
(IC Markets)
Sponsored Links by Taboola
ประกันสุขภาพแบบเหมาจ่าย ไม่จำกัดวงเงิน เพียงยื่นบัตรนี้ สมัครเลย
(Generali Thailand)

HIGHLIGHTS

- On Madhya Pradesh highway, man cut through plaster on leg with scissors
- He plans to walk the remaining 240 kilometres to his village in Rajasthan
- After lockdown was announced, thousands of migrants started walking home

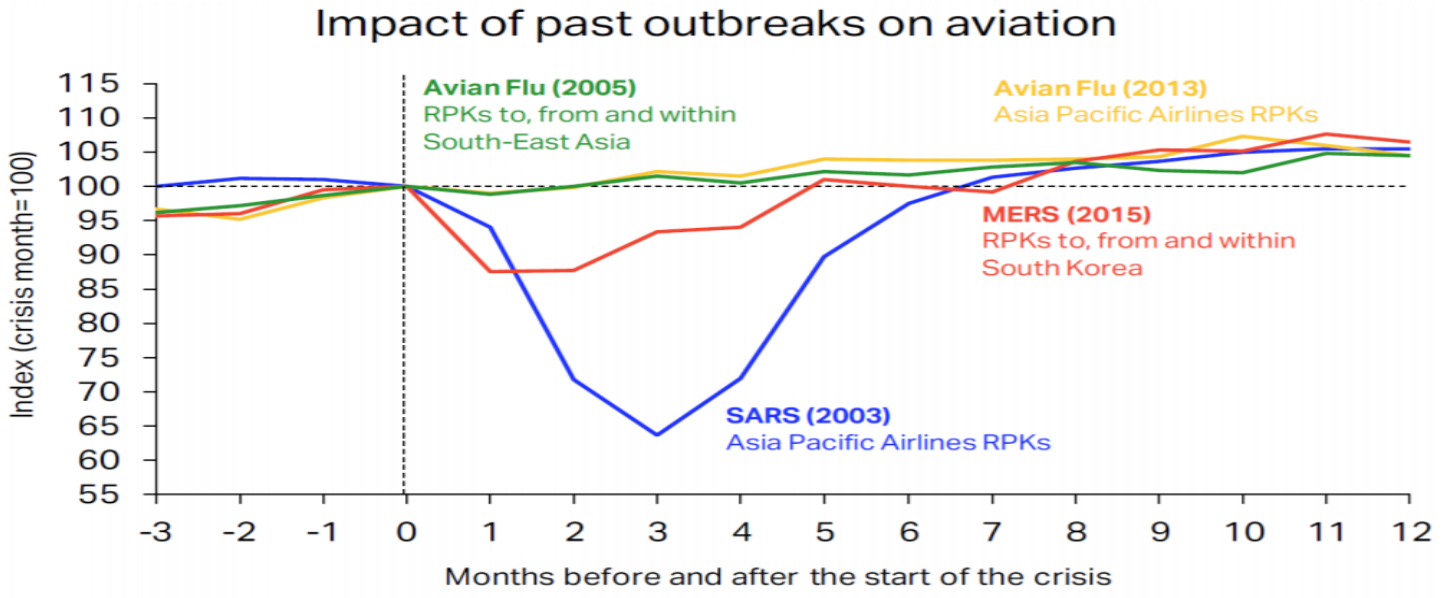
TRENDING

1 2 More Weeks Of COVID-19 Lockdown, PM Modi And States Agree

Coronavirus India Lockdown: Bhanwarlal became a national screenshot of the exodus of migrant workers.

The Recovery – V, U, W, L Shaped?

- Using the aviation industry as a proxy, it can be seen from previous pandemics that the economic recovery is usually V-shaped.
- It took between 3-4 months after the SARS outbreak before normal economic activity resumed, or in the case of aviation, resumption of normal air traffic.
- The V-shaped recovery is further substantiated by Wall Street consensus and academic institutions such as Harvard Business School.



Source: IATA Economics

History shows that SARS has the most serious impact on traffic. At the height of the outbreak (May 2003), monthly RPKs of Asia-Pacific airlines were 35% lower than their pre-crisis levels. Overall in 2003, Asia-Pacific airlines lost **8% of annual RPKs and $6 billion of revenues**.

The Recovery – Amazing Policy Response By Governments

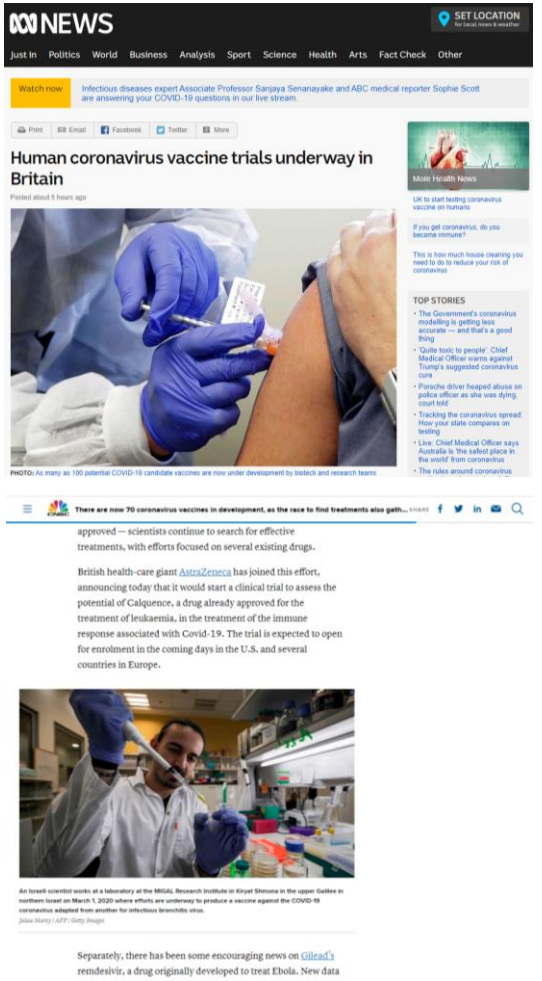
- Countries across the globe have engaged in a combination of monetary and fiscal stimulus.
- Policies are aimed at protecting household consumption and ensuring businesses can continue to pay staff.
- Nearly 40m Americans have lost their jobs since the shutdowns in mid-March. (Boston Globe – 21 May 2020)
- The US economy is showing signs of recovering from the shock of the coronavirus, though the pain is far from over and is intensifying in some areas as some states ease restrictions. (Bloomberg – 26 May 2020)
- Japan has proposed a new $1.1 trillion stimulus package (bringing the bailout tab to nearly $2.2 trillion), sending the Nikkei higher. (Bloomberg - 27 May 2020)
- St. Louis Fed sees US unemployment down to 10% by the end of Q3. (Bloomberg – 27 May 2020)

Global Stimulus	
All Figures In USDbn	
Countries	**Stimulus Amount**
US	5,684
ECB	1,199
Germany	818
France	376
Italy	487
Spain	361
UK	471
Canada	174
Japan	2,178
China	667
India	282
South Korea	83
Australia	201
Brazil	280
New Zealand	30
South Africa	0
Total	**13,291**
2018 World GDP	**89,930**
Share of Stimulus	**14.78%**

Source: Reuters, Various news articles

The Recovery Shape – Vaccines, Tests, Cures

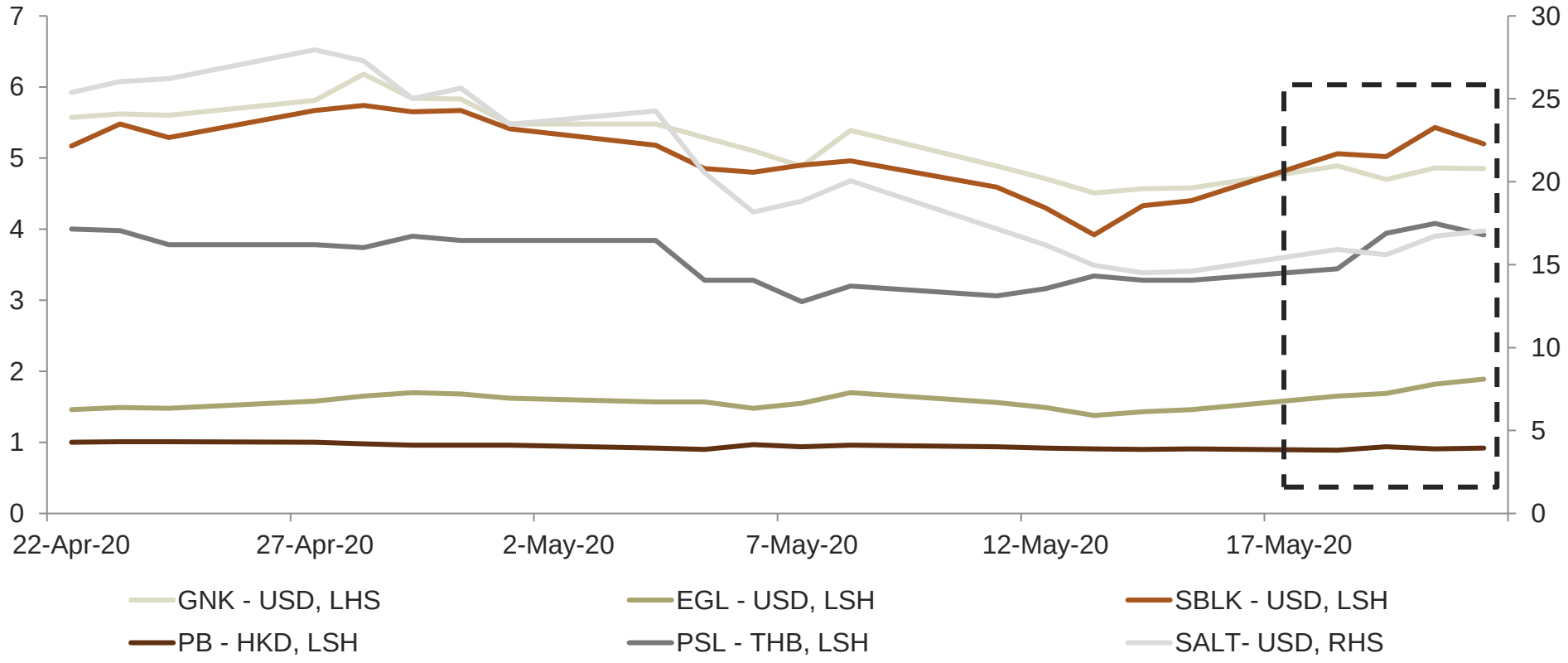
- So far, existing medications have shown to be of little use in treating the virus.
- Currently, there are between 70-100 vaccines under development globally.
- As of 14 April 2020, there were 6 vaccines in human trials.
- Duke-NUS Medical School has produced a Covid-19 test kit that takes just an hour, instead of the usual several days, to detect if someone has been infected before. (Strait Times – 15 May 2020)
- On 18th May 2020, Moderna announced that its vaccine showed promising results.
- Oxford University and AstraZeneca plan to recruit 10,000 adults and children in Britain for second stage trials of an experimental coronavirus vaccine. (Reuters – 22 May 2020)
- President Xi has promised to share any successful vaccine globally. In total, five vaccines developed by Chinese companies are being tested on humans, the most in any country. (Bloomberg – 26 May 2020)
- Novavax Inc. is testing its coronavirus vaccine candidate, in the first part of the study, on 130 healthy adult volunteers at two sites in Australia. (Fortune – 26 May 2020)



Source: Various news sources

Share Prices React Positively To Vaccine Announcement

After Moderna's announcement of positive human trials on the 18th May 2020, share prices of most shipping companies rallied strongly

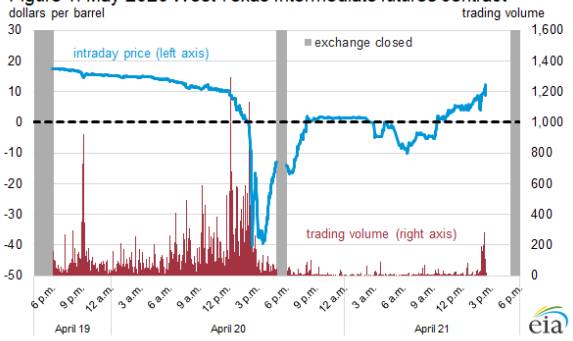


Source: Yahoo Finance

Oil Prices

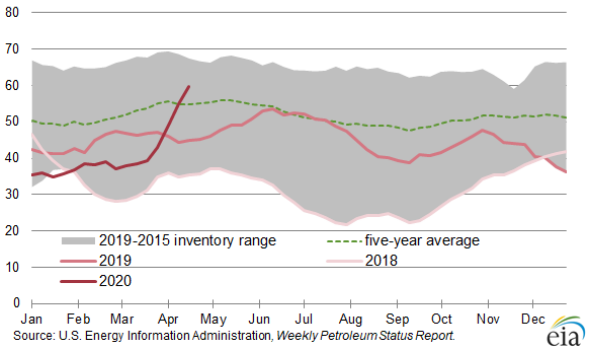
- Price of oil has been falling dramatically as demand has dried up due to the coronavirus.
- Increase in oil production from Saudi Arabia and Russia have also contributed to the oil price decline.
- May 20th Oil futures contract prices went negative as on the last trading day it was reported that there was limited storage at Cushing.

Figure 1. May 2020 West Texas Intermediate futures contract



Source: U.S. Energy Information Administration based on data from CME Group and Bloomberg, L.P.

Figure 2. Cushing, Oklahoma commercial crude oil inventories



Source: U.S. Energy Information Administration, *Weekly Petroleum Status Report*.

Major Oil Producers						
Million Barrels Per Day	**2015**	**2016**	**2017**	**2018**	**2019**	**2020F**
Saudi	12.4	12.6	12.1	12.4	11.8	12.1
Russia	11.1	11.3	11.3	11.5	11.6	11.7
USA	12.8	12.3	13.1	15.3	17.1	18.0
Iran	3.4	4.4	4.7	4.5	3.1	2.9
UAE	3.1	3.2	3.2	3.2	3.3	3.4
Kuwait	2.8	2.9	2.7	2.8	2.7	2.7
Iraq	4.1	4.5	4.5	4.6	4.8	4.8
Canada	3.7	3.7	4.0	4.3	4.4	4.4
Mexico	2.6	2.5	2.2	2.1	1.9	1.9
Venezuela	2.6	2.3	2.1	1.5	1.0	0.8
Brazil	2.5	2.6	2.7	2.7	2.9	3.2
Nigeria	2.2	1.8	1.9	2.0	2.1	2.1
Lybia	0.5	0.5	0.9	1.1	1.2	0.7
Algeria	1.4	1.3	1.3	1.3	1.2	1.2
Angola	1.8	1.8	1.7	1.7	1.6	1.5
Norway	1.6	1.6	1.6	1.5	1.4	1.7
UK	0.9	1.0	1.0	1.1	1.1	1.1
RoW	27.5	27.0	26.8	26.8	27.3	27.6
Total	**97.0**	**97.3**	**97.8**	**100.4**	**100.5**	**101.8**

Source: Clarksons, EIA

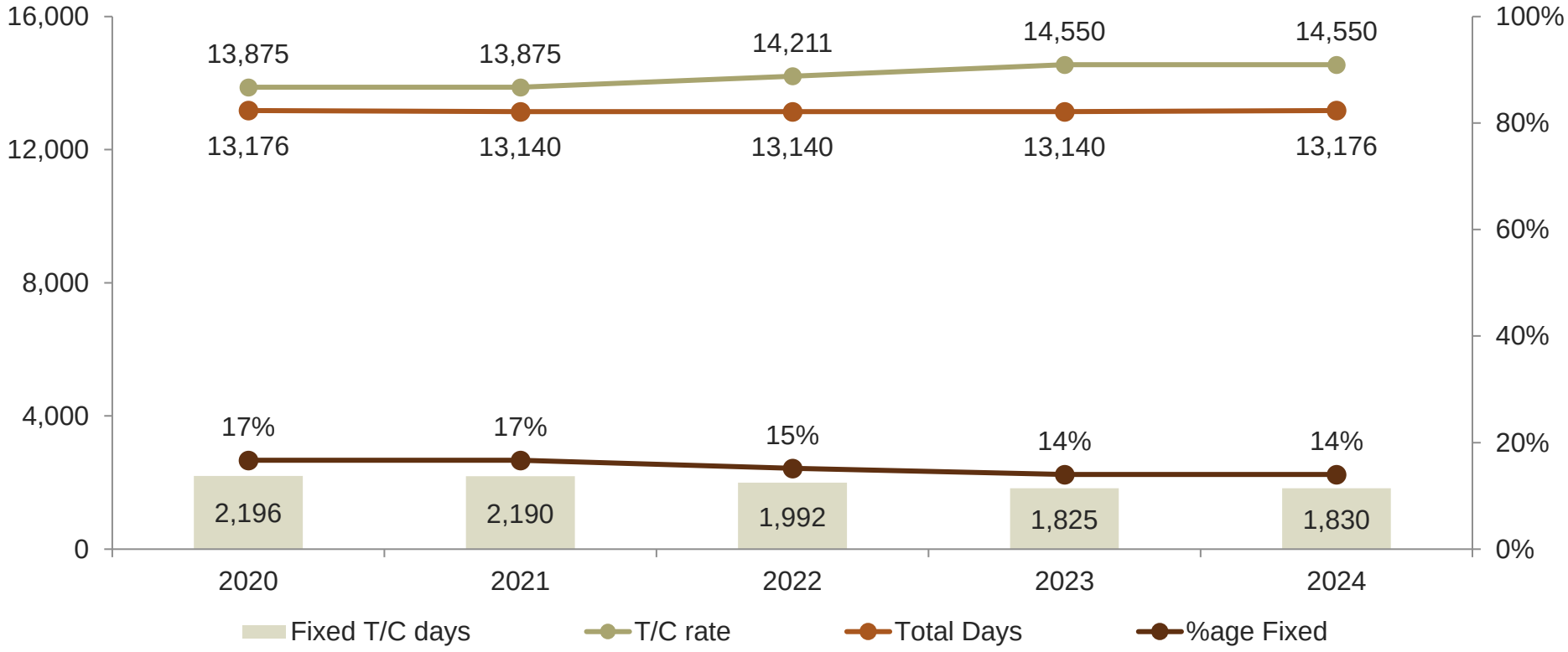
PSL's Strategy

PSL Fleet

As of	31st Dec 2016	31st Dec 2017	31st Dec 2018	31st Dec 2019	31st Mar 2020
Number of Vessels	36	36	36	36	36
Average Age (Simple Avg)	5.8 years	6.3 years	7.3 years	8.3 years	8.5 years
Insured Value (US$ million)	695.10	673.00	700.30	650.00	650.00
Book Value (US$ million)	715.55	717.19	689.37	664.89	656.88
Total DWT	1,541,244	1,585,805	1,585,805	1,585,805	1,585,805
Total LDT	343,372	350,989	350,989	350,989	350,989
Average DWT per Vessel	42,812	44,050	44,050	44,050	44,050

Current and Rolling 4 Year Forward Book (1st Apr 2020)

Contract value	USD 30.47 m	USD 30.39 m	USD 28.30 m	USD 26.55 m	USD 26.63 m



Only vessels fixed on T/C for a period of more than one year are considered for this analysis.

Market Segmentation Q1’2020

Index	Q1 2020 Average Index	Market Av. TC Rate	PSL Av. TC Rate	Performance vs Benchmark
BHSI (Handysize)	362	USD 6,513	USD 7,934	21.82%
BSI (Supramax)	596	USD 6,557	USD 7,614	16.12%
Ultramax	-	USD 6,557*	USD 10,384	58.37%

** As there is no special index for the Ultras we have compared them with the BSI*

Financials

Financial Highlights - Income Statement

Particulars	Q1-2020	Q4-2019*	Q1-2019
Total Revenues - US$ Million	34.08	38.28	30.44
Gross Profit - US$ Million	14.22	20.88	15.86
Net Profit (loss) - US$ Million	(3.68)	0.87	(2.67)
Net Profit (loss) excluding exchange gain (loss) - US$ Million	(4.46)	0.94	(2.63)
EBITDA - US$ Million (Average per Ship)	8.71 (0.24)	13.30 (0.37)	10.64 (0.30)
Average TC Income per Ship per day (US$)	8,398	10,628	9,273
Average Ship Running Cost per Ship per day (US$)	4,602	4,788	4,816
Operating days (Average Number of Ships)	3,276 (36.00)	3,312 (36.00)	3,240 (36.00)
Earnings (loss) per share excluding exchange gain (loss) (Baht)	(0.09)	0.02	(0.05)
Earnings (loss) per share (Baht)	(0.08)	0.02	(0.05)
Gross Profit Margin (%)	42.91	54.85	52.68
Net Profit Margin (%)	(10.80)	2.26	(8.77)

** Derived figures*

Financial Highlights - Financial Position

Particulars	31-Mar-2020	31-Dec-2019
Cash & Cash Equivalents - US$ Million	38.82	39.17
Total Current Assets - US$ Million	66.59	55.73
Advances to Sainty - US$ Million *	64.12	64.12
Ships Net - US$ Million	656.88	664.89
Fixed Assets Net - US$ Million	658.51	666.50
Total Assets - US$ Million	803.86	831.09
Total Current Liabilities - US$ Million **	11.10	20.81
Total Long-Term Loans - US$ Million	238.52	237.09
Debentures - US$ Million ^	168.94	182.82
Total Liabilities - US$ Million	429.72	447.76
Total Shareholders' Equity - US$ Million	374.14	383.33
Book Value per share (US$)	0.24	0.25
Book Value per share (Baht)	7.84	7.41
Return on Equity ^^ (%)	-4.71%	-1.82%
Return on Total Assets ^^ (%)	-2.18%	-0.84%
Total Liabilities / Equity Ratio	1.15	1.17
Number of Ships	36	36

** For 9 Shipbuilding Contracts which are under the arbitration process*

^ Net Debentures after the currency swap is US$ 154.62 million

*** Excluding current portion of long-term loans and debentures*

^^ Excluding exchange gain (loss)

Extension of June 9th Bond - PSL206A

On 19 May 2020, PSL206A bondholder's meeting approved the following terms;

- Extension of the maturity date for 1.5 years from 9 Jun 2020 to 9 Dec 2021.
- 20% prepayment of Baht 1,960 million on 9 Jun 2020.
- Amend the Interest rate by increasing of 1.5% p.a. from 5.00% p.a. to 6.5% p.a. starting from 9 Jun 2020.
- The right to repay in part or in full at any time before the maturity date.

Operating Expenses

- These are the fixed costs required to run a ship and are evenly spread over 365 days.
- Our operating costs per ship per day for 2019 and Q1'2020 were USD 4,778 and 4,602 respectively.

  Breakdown of costs:

Particulars	2019		Q1-2020	
	USD	%	USD	%
Crew costs	2,326	48.68%	2,313	50.26%
Manning Expenses	177	3.71%	94	2.04%
Victualing	156	3.27%	159	3.46%
Lube oils	187	3.91%	175	3.80%
Insurance	329	6.89%	332	7.21%
Repairs/Maintenance	127	2.66%	105	2.28%
Stores/Spares	402	8.41%	345	7.50%
Dry-dock/Special Surveys	597	12.49%	611	13.28%
Management Expenses	371	7.76%	361	7.84%
Misc. expenses	106	2.22%	107	2.33%
Total	**4,778**	**100.00%**	**4,602**	**100.00%**

OPEX Target For 2020: USD 4,650 per day per ship

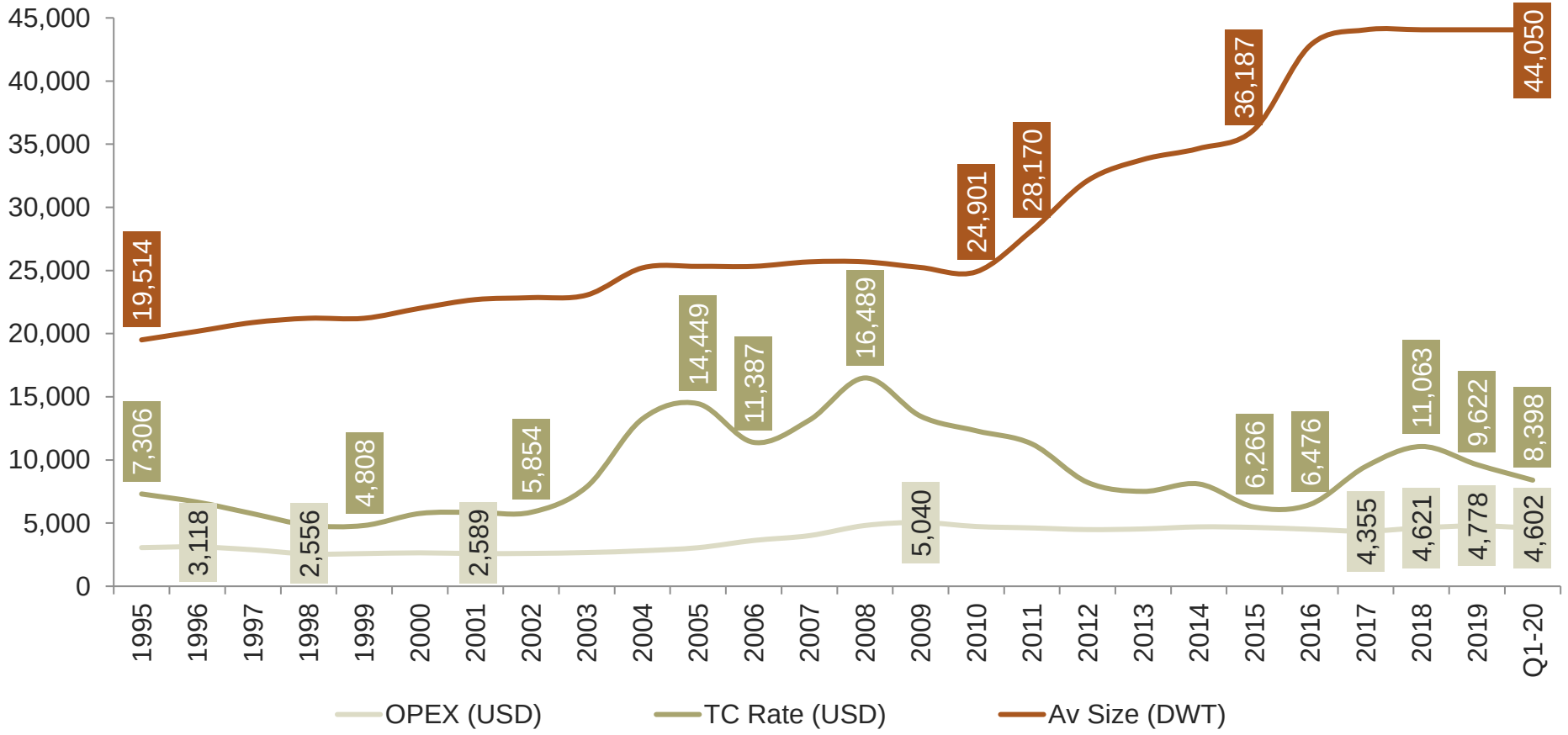
Operating Expenses Comparison

- OPEX Comparison with Industry compiled by BDO LLP
- OPEX excluding dry dock and special survey cost
- Industry OPEX for 2019 will be published in October 2020

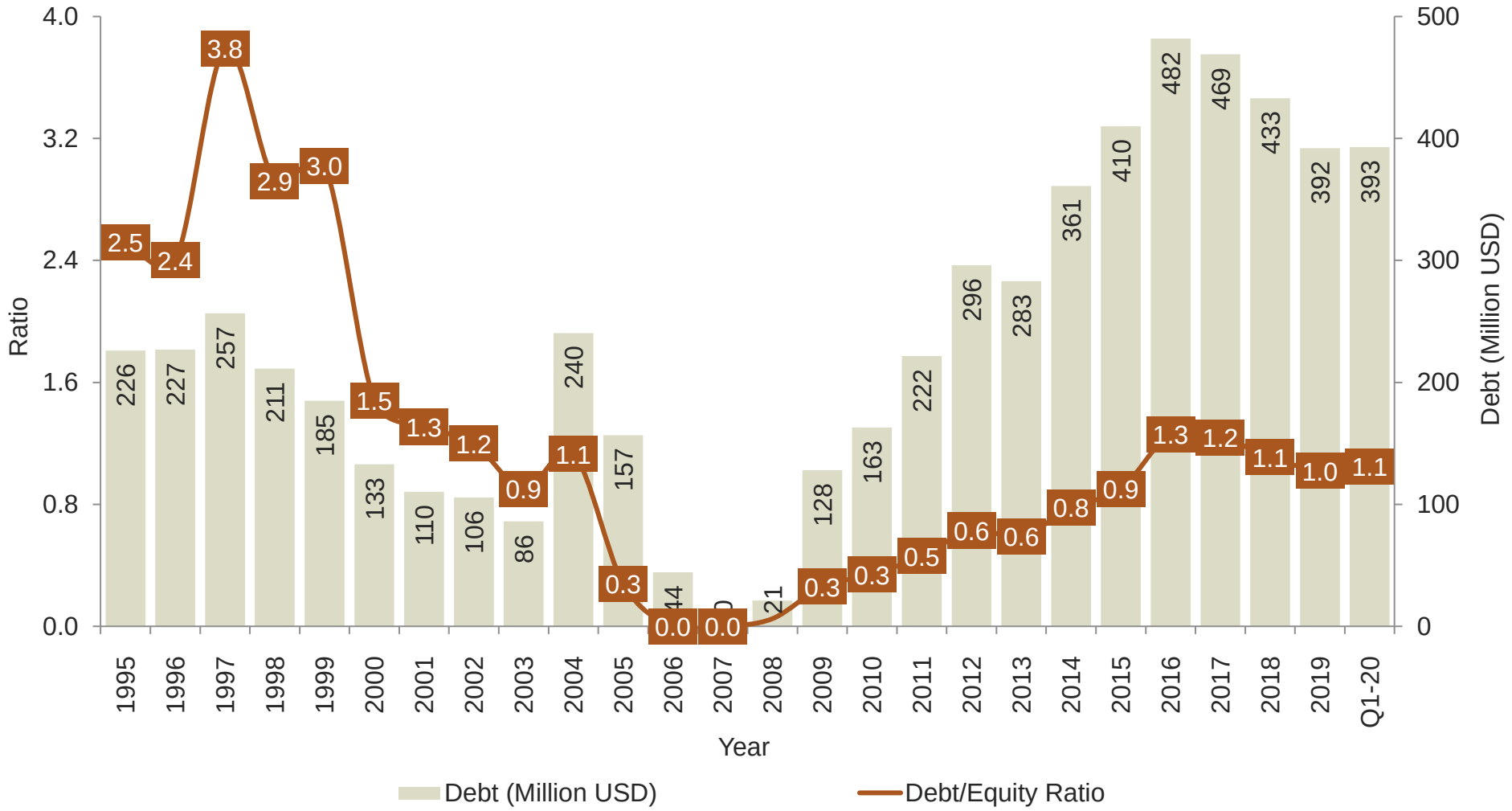
For Years	2014		2015		2016		2017		2018		2019
Particulars US$ (Per Day)	**Industry**	**PSL**	**Industry**	**PSL**	**Industry**	**PSL**	**Industry**	**PSL**	**Industry**	**PSL**	**PSL**
Crew Cost	2,581	2,648	2,641	2,769	2,621	2,728	2,639	2,646	2,637	2,660	2,659
Stores	587	459	548	400	521	370	506	375	483	379	376
Repairs & Maintenance	748	388	702	259	683	328	659	326	661	360	340
Insurance	458	359	432	378	411	302	391	298	357	295	329
Administration	817	371	785	342	759	358	734	391	703	448	477
Total Operating Costs	**5,191**	**4,225**	**5,108**	**4,148**	**4,995**	**4,086**	**4,929**	**4,036**	**4,841**	**4,142**	**4,181**

Average OPEX / TC Rates (1995 – Q1'2020)

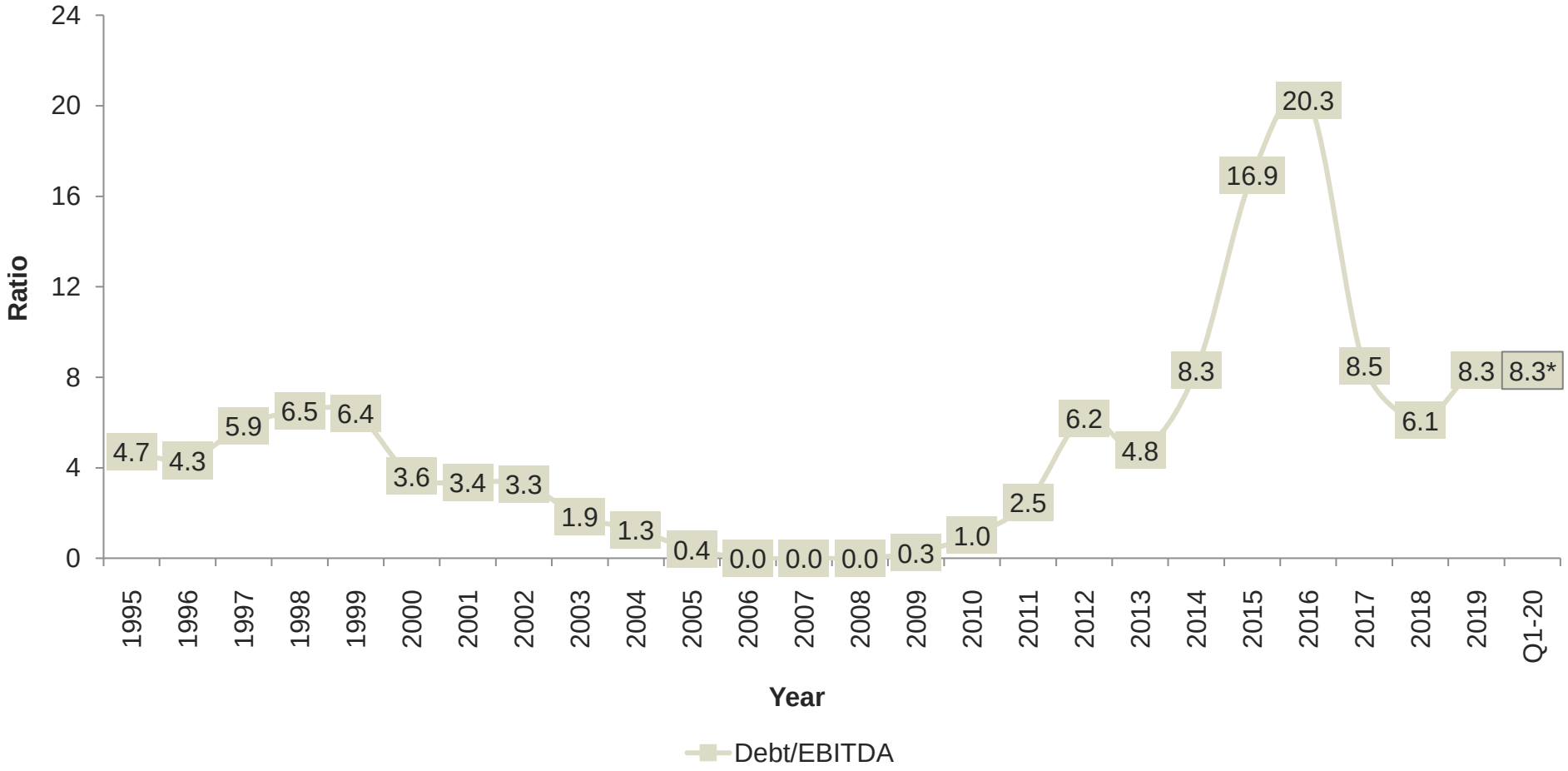
Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Q1-20
Avg Age	16.0	16.2	14.2	14.6	15.6	15.6	15.7	15.8	16.6	17.4	19.0	20.0	19.6	20.6	17.1	15.4	14.2	11.4	11.4	10.5	9.8	5.8	6.3	7.3	8.3	8.5



Debt & Debt / Equity Ratio (upto Mar 2020)

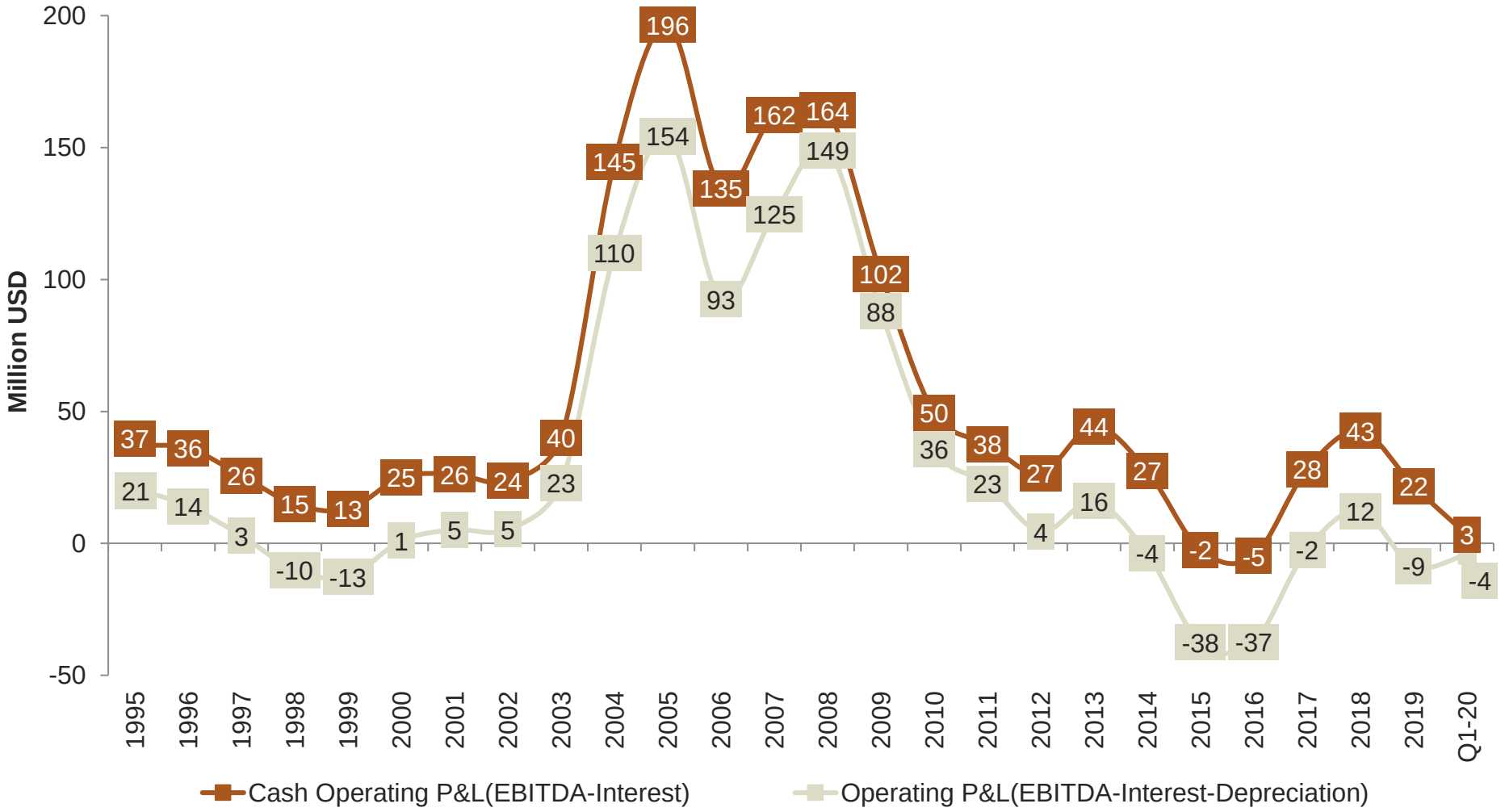


Debt / EBITDA (upto Mar 2020)

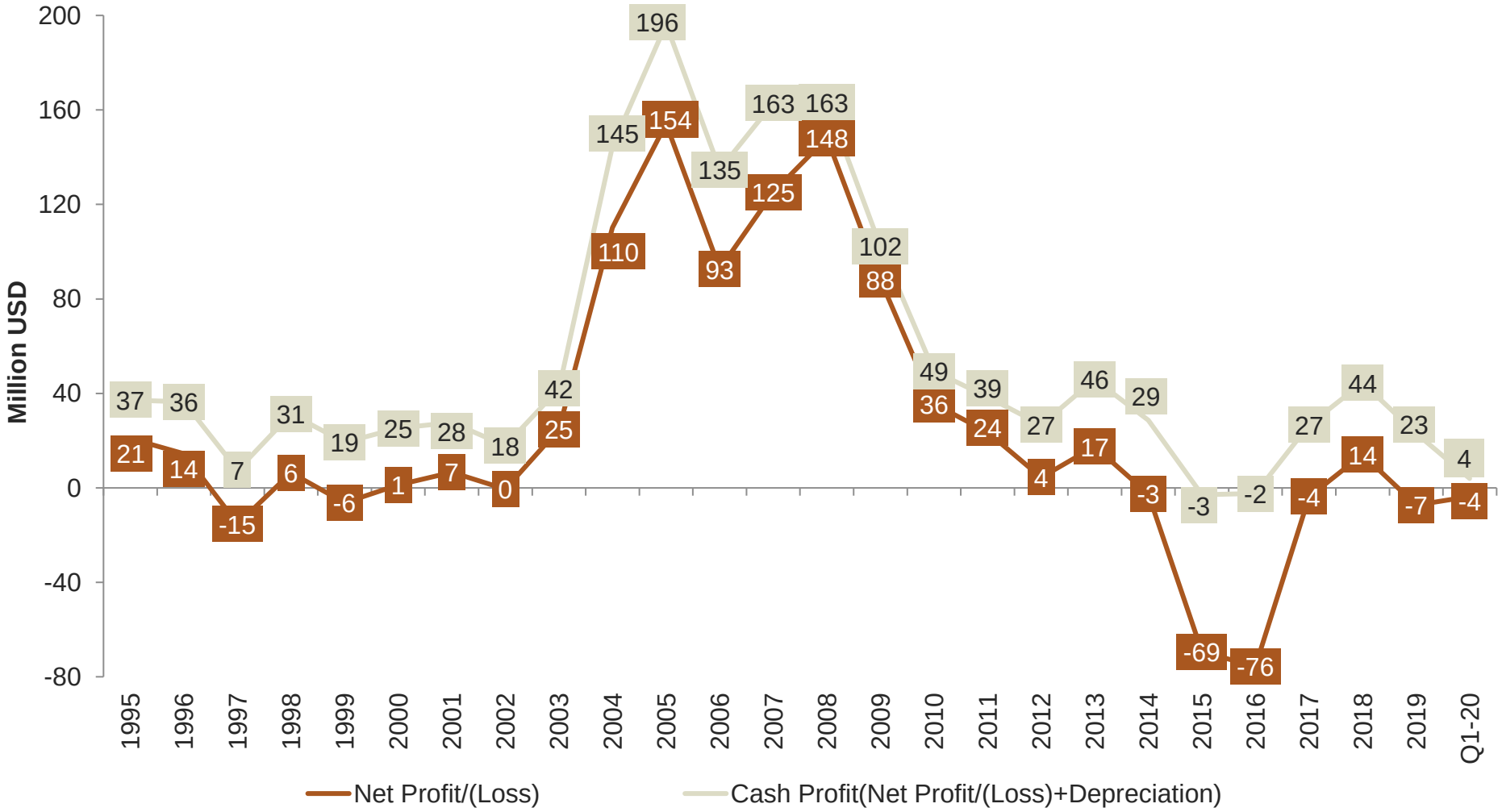


** Calculated per Debt Facility Agreements*

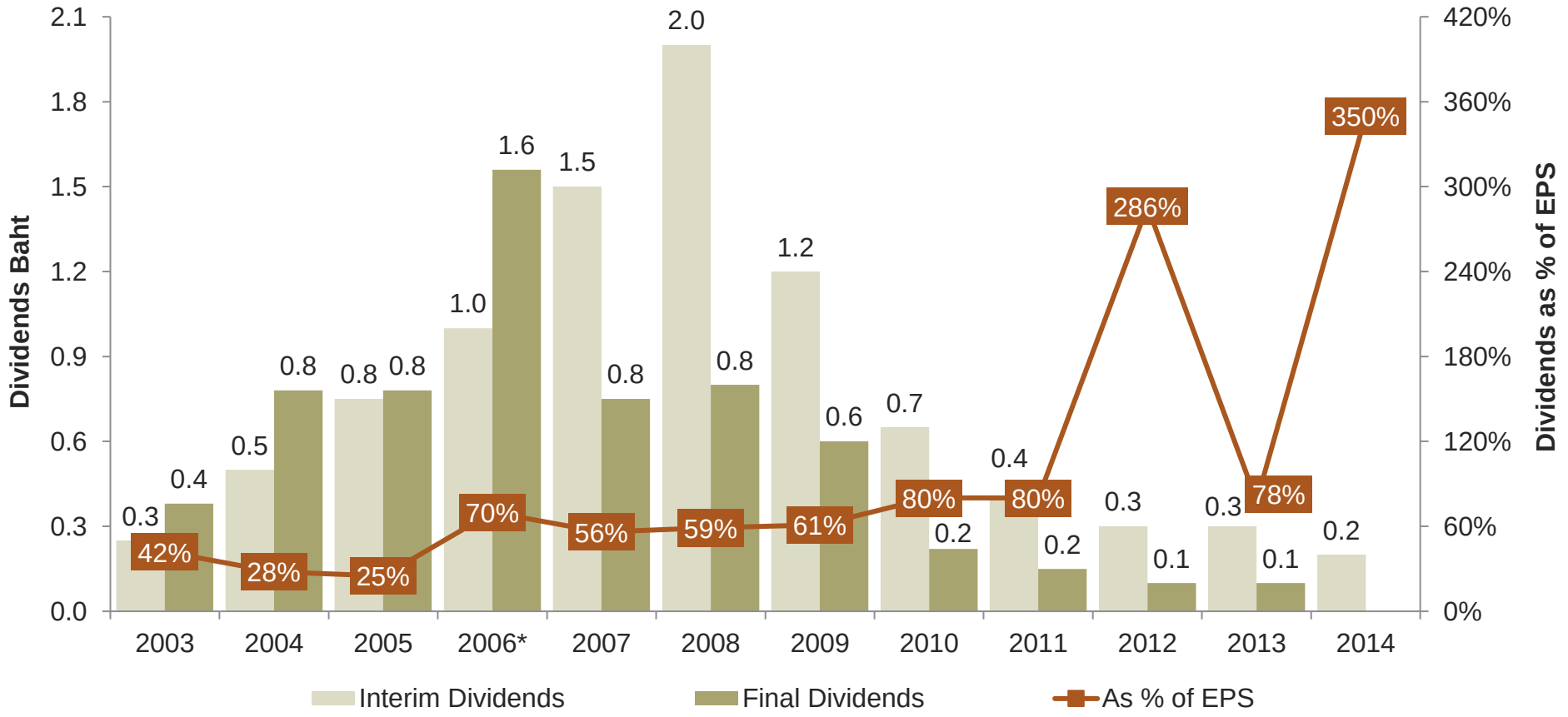
Cash Operating Profit / Operating Profit (upto Mar 2020)



Net Profit / Cash Profit



Dividends



Dividend Policy

Not less than 25% of net profit

** 2006 Final Dividend includes 1:1 bonus share at par*
All dividends shown adjusted for 1:1 bonus shares at par
No Final Dividends for 2014 and No Dividends for 2015 – Q1'2020

Financial Profile

	Q1-2020	2019	2018	2017	2016	2015	2014
Cash & Cash Equivalents	$38.8m	$39.2m	$56.8m	$56.7m	$74.7m	$12.6m	$16.2m
Total Assets	$803.9m	$831.1m	$857.9m	$882.3m	$901.9m	$899.4m	$846.7m
Gross Debt	$393.1m	$391.7m	$432.8m	$469.4m	$482.1m	$410.4m	$361.4m
Net Debt	$354.3m	$352.5m	$376.0m	$412.6m	$407.4m	$397.8m	$345.2m
Equity	$374.1m	$383.3m	$391.2m	$377.5m	$381.2m	$456.8m	$463.7m
Gross Debt/Equity	1.05	1.02	1.11	1.24	1.26	0.90	0.78
Net Debt/Equity	0.95	0.92	0.96	1.09	1.07	0.87	0.74
No. of Vessels	36	36	36	36	36	45	44
EBITDA	$8.7m	$44.5m	$68.2m	$53.2m	$17.9m	$14.0m	$42.9m
Debt/EBITDA	8.3*	8.3*	6.1*	8.5*	20.3*	16.9*	8.3
Daily Earnings	$8,398	$9,622	$11,063	$9,486	$6,476	$6,266	$8,096
Daily Opex	$4,602	$4,778	$4,621	$4,355	$4,503	$4,652	$4,695
Net Profit (Loss)	($3.7)m	($7.2)m	$14.1m	($3.8)m	($75.6)m	($69.4)m	($2.5)m
Total Revenues	$34.1m	$135.3m	$153.6m	$130.2m	$107.5m	$123.6m	$143.3m

** Calculated per Debt Facility Agreements*

Awards and Achievements

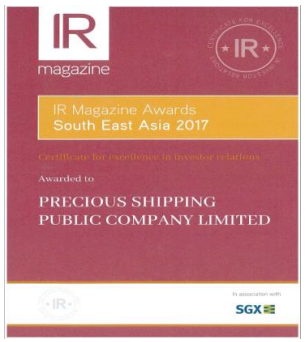
Industry Awards and Honours

- PSL was adjudged as a Finalist for Ship Owner/Operator Award in the 11th Seatrade Maritime Awards Asia 2018.
- GCSA (PSL's wholly owned subsidiary) was adjudged as a Finalist for Ship Manager Award in the 11th Seatrade Maritime Awards Asia 2018.
- PSL was a Finalist of ClassNK Dry Bulk Operator of the Year Award in the Lloyd's List Asia Pacific Awards 2018.
- GCSA (PSL's wholly owned subsidiary) was a Finalist of Ship Manager of the Year Award in the Lloyd's List Asia Pacific Awards 2018.
- PSL was a Finalist of Bulk Ship Operator of the Year Award in the International Bulk Journal's IBJ Awards 2018.
- Apinya Naree, our cement carrier was a Finalist of Bulk Ship of the Year Award in the International Bulk Journal's IBJ Awards 2018.
- PSL was adjudged as the Third Best in "Industrials Sector" category for Investor Relations Awards at the IR Magazine Awards South East Asia 2017.
- PSL won the Public Debt Deal of the Year for 2016 from Marine Money.

Industry Awards and Honours

- The PSL Board was among 10 finalists for the Board of the Year award instituted by the Thai Institute of Directors & the Stock Exchange of Thailand, in the category for companies with a market capitalization below Baht 30,000 million.
- PSL was one of the recipients of the Thailand Sustainability Investment Awards at the SET Sustainability Awards 2015 on 16 October 2015.

Industry Awards and Honours



Corporate Governance

- Certified as a member of the Private Sector Collective Action Against Corruption (CAC) since August 2019.
- Classified as one of the listed companies with “Excellent” Corporate Governance conducted by IOD & National CG Committee for ten consecutive years from 2010 to 2019.
- Also, for the years 2012 - 2019, PSL has consistently been ranked among the “Top Quartile” of listed companies in terms of Corporate Governance in PSL’s respective market cap categories over this period.
- PSL received a full score on the evaluation of the quality of annual general meetings of shareholders for 6 years: 2012, 2013, 2014, 2015, 2018 and 2019 by the Thai Investors Association.
- Classified as one of the top 50 publicly listed Companies in Thailand from ASEAN Corporate Governance Scorecard guidelines for 2013/2014 and 2015.
- Conferred the “Thailand Sustainability Investment” Award in 2015 at the SET Sustainability Awards 2015.
- Precious Shipping PCL awarded with trophy at IRMA South East Asia 2015 award ceremony for "Best in Sector: Industrials" category in Investor Relations.

Marine Money International Rankings 2013-2018

Particulars	1st Rank 2018	PSL Rank 2018	1st Rank 2017	PSL Rank 2017	1st Rank 2016	PSL Rank 2016	1st Rank 2015	PSL Rank 2015	1st Rank 2014	PSL Rank 2014	1st Rank 2013	PSL Rank 2013
	SITC	16	SITC	32	Golar LNG Partners	62	Matson	74	Golar LNG Partners	55	Safe Bulkers	52
Total Return to Shareholders (TRS)	14	37	8	28	4	10	18	55	26	66	5	36
Total Assets Turnover Rate	8	63	8	74	42	79	1	68	39	49	49	58
Profit Margin	67	22	63	27	5	50	62	59	5	33	10	36
Return on Equity (ROE)	3	36	3	57	2	79	6	79	1	58	8	37
Return on Assets (ROA)	1	23	2	40	2	76	6	80	2	55	4	57
Price / Book Value	1	16	2	14	4	25	1	61	3	46	16	58

PSL Rank in 2018:

- ***16th of 97 Rank in Overall Performance***
- ***22nd of 97 Rank in Profit Margin***

Source: Marine Money

Ranking 2016-2018 – Dry Bulk Sector

Particulars	1st Rank result in Dry Bulk Sector 2018	Pangaea ranking in Dry Bulk Sector 2018	PSL Rank in Dry Bulk Sector 2018	PSL result 2018	1stRank in Dry Bulk Sector 2017	PSL Rank in Dry Bulk Sector 2017	1st Rank in Dry Bulk Sector 2016	PSL Rank in Dry Bulk Sector 2016
	Pangaea Logistics Solutions		2		Pangaea Logistics Solutions	3	Pangaea Logistics Solutions	6
Total Return to Shareholders (TRS)	-17.66%	9	8	-17.62%	12	10	5	3
Total Assets Turnover Rate	0.85	1	17	0.17	1	13	1	11
Profit Margin	14.61%	18	4	49.33%	17	4	10	6
Return on Equity (ROE)	10.81%	1	9	3.65%	1	8	1	13
Return on Assets (ROA)	8.42%	1	7	4.40%	1	3	1	11
Price / Book Value	0.57	9	2	1.06	7	2	4	2

- ***PSL was ranked 2nd of 19 Listed Dry Bulk Companies in Marine Money International Rankings for 2018***
- ***19 Dry Bulk Companies in Marine Money International Rankings for 2018 and 2016***
- ***18 Dry Bulk Companies in Marine Money International Rankings for 2017***

Source: Marine Money

Top 10 Ranked Companies During 2005 - 2012

According to Marine Money June/July 2013, PSL was ranked in Top 10 Companies based on performance since year 2005.

CHAMPAGNE TOAST!

Quote from Marine Money

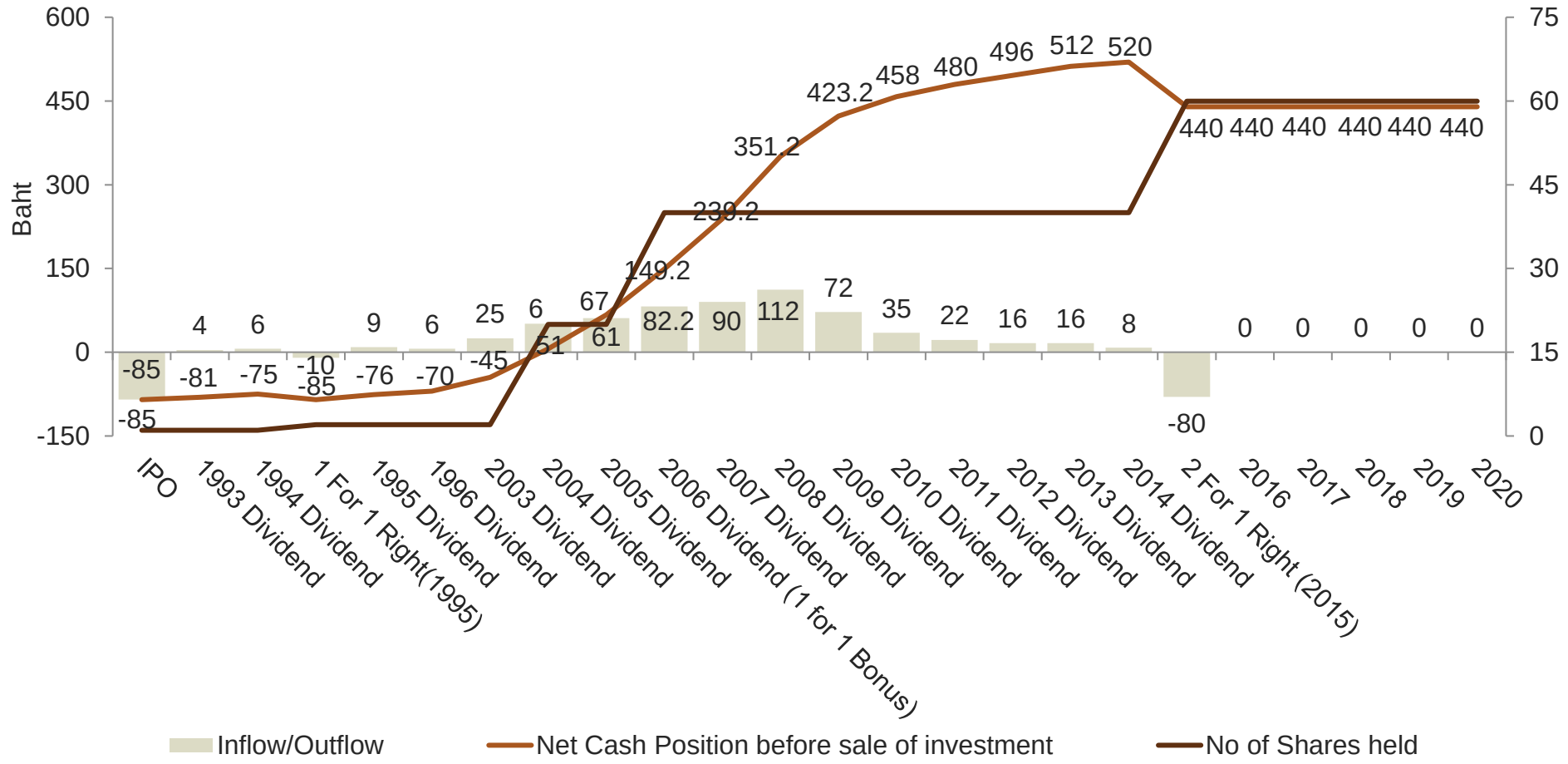
“ Let’s celebrate for a minute the top performers from Marine Money’s Top Ranked companies over the past eight years. It is, in fact, an eclectic group, proving that management, strategic focus, financial structure and a little bit of sectoral good fortune is critical.

The following ranked the highest based on their annual placement: Norden, Frontline Ltd, SFI, CMB, Precious Shipping, U-Ming, Grindrod, Safe Bulkers, Kirby Corp, and Navios Maritime.

The rankings weigh Total Return to Shareholders, Turnover, Profit, RoE, RoA and Price/Book for a final Ranking and so, are a broad based spectrum of results. That some seemingly pure commodity companies are at the top over time is a testament to management’s skills through a cycle and worthy of note.”

Shareholder's returns

Total Return to Shareholders: 1993 to 2020



1 IPO share value after 27 years @ 2.54 Baht / share (as of 31st March 2020) adjusted for rights, splits and bonus = 152.40 Baht Total net cash position = 592.40 Baht
Returns = 6.97 times

Value of Investment to Shareholders

Investment (Beginning of Year)	1993(IPO)	1995	2000	2005	2010	2015	2020
Cost of Investment (THB)	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Share price (THB)	85.00	302.00	10.00	39.75	18.60	13.60	7.60
Shares Obtained (Nos.)	11.76	3.31	100.00	25.16	53.76	73.53	131.58
Dividends Received (THB)	7,235.29	2,003.31	29,500.00	646.54	130.11	-	-
Paid for Rights (THB)	-1,058.83	-298.01	-4,000.00	-100.62	-107.52	-147.06	-
No. of Shares as at 31.03.2020	705.89	198.68	3,000.00	75.47	80.64	110.29	131.58
Value as at 31.03.2020 (THB)	7,969	2,210	33,120	738	227	133	334

Thank You !

Precious Shipping Public Company Limited

***Website*:** www.preciousshipping.com | **E-mail:** psl@preciousshipping.com, ir@preciousshipping.com

Precious Shipping Public Company Limited

SET Opportunity Day Q1/2020 held on 8th June 2020

Questions & Answers

1. **Since the proposed new Independent Director has no shipping experience, how will she add value to the Company?**

   Answer: The Company does not need only people with shipping background on its Board of Directors since we already have several shipping experts in place in the Company. The Company needs different people with different experience, such as financial background or commercial background in order to add value to the Board.

2. **What is the Company's plan for the Long-Term Loans of THB 7,604 million which are due this year? Will the Company be able to repay these Loans?**

   Answer: We presume the question pertains to the bank loan facilities maturing this year. The Company plans to refinance these bank Loans.

3. **Will the Q2/2020 financial results be better than those of Q1/2020 and what is the reason for that?**

   Answer: While the Company cannot give any forward-looking statements, the Company suggests that investors look at the daily TC rates of our two dry bulk sectors, i.e. Handysize Sector and Supramax Sector. Please keep in mind that most of the time, the Company outperforms these rates, but sometimes, the Company underperforms them.

4. **How does the COVID-19 outbreak affect the Company's performance either directly or indirectly?**

   Answer: The only real impact the Company has had is that our officers and crew members are unable to leave the ships after the end of their contracts. Every officer and crew member has a service contract, and at the end of these contracts' term, the Company is required to repatriate them to Thailand. With the current lockdown

situation, the Company is not able to do that, and therefore, the officers and crew members must remain on board the ships longer than originally contracted.

5. **What would be the industry outlook for the second half of this year?**

Answer: We believe that the second half of this year will improve for the simple reason that there will be a number of fiscal stimulus plans implemented by various governments around the world which are about 23% of World GDP in 2018. The Company feels that this factor will make a big impact in a positive direction to the shipping industry.

6. **Will the Company adjust its revenue target for 2020 considering the current situation? (In 2019, the Company had total revenue of THB 4,202.88 million and incurred a net loss of THB 228.49 million)**

Answer: The Company does not set any revenue targets. Our target is to outperform the relevant indexes' ships.

7. **Will the Company be able to become profitable this year from the position of net loss of THB 228.49 million in 2019? If so, where will such profit come from?**

Answer: The Company cannot give any forward-looking statements.

8. **If the shipping industry does not improve, is the Company concerned about its cash flows? Is there a possibility that the Company must increase its share capital?**

Answer: Every company in the world, not only in the shipping industry, is now facing cash flow problems because of the COVID-19 situation. Since most countries are under lockdown, it has created a demand shock and hence, a revenue shock. Every company is facing such a situation and therefore, has to adjust its strategy in order to overcome the issue. Right now, there is no plan to increase the Company's share capital.

Precious Shipping Public Company Limited

SET Opportunity Day Q1/2020 held on 8th June 2020

9. **What is the outlook of freight rate in first half of this year and what is the outlook for average TC for this year? Will those number increase or decrease compared to last year?**

Answer: As per our presentation, the outlook of the freight rate will be weak in the first half due to COVID-19 impact. The first three months of COVID-19 destroyed demand from China. When China came back after the third month, the rest of the world (ROW) went into lockdown and this destroyed demand in ROW. Roughly 40% of demand comes from China and that demand was not available in January and February. It was available in March, but that is when the ROW went in to lockdown. These conditions have made the first half very weak. However, the balance of the year should be much stronger.

10. **How many ships does PSL have in its fleet? What type of ships are they?**

Answer: As of 31 December 2019, PSL operates 36 dry bulk ships.

11. **Will the Company order any new ships?**

Answer: No, we do not have any capital expenditure plans.

12. **For 2020, will the Company buy ships or sell ships? How many ships? How much it cost?**

Answer: No, we do not have any capital expenditure plans. And no plans to sell ships at the moment.

13. **Currently, is the cashflow in each quarter positive or negative? How much?**

Answer: The Company cannot give any forward-looking statements.

Precious Shipping Public Company Limited

SET Opportunity Day Q1/2020 held on 8th June 2020

14. Is there any trend that dry bulk shipping companies are going bankrupt?

Answer: Generally speaking, it is going to be a very difficult time in the first half of this year, and therefore, many companies which are not public and are not able to access funding are likely to go bankrupt.

15. Does the drop in oil prices benefit PSL?

Answer: There is no real impact on PSL from the decrease in oil price because it is a pass-through charge. However, the only impact is that the spread between HSFO and LSFO has come down to below USD 50 per ton, which makes the playing field very level between the scrubber fitted ships and the non-scrubber fitted ships. PSL does not have any scrubber fitted ships.

16. Does the new loan amount of USD 10.10 mil increase interest expenses? Including the loan from BNP Paribas, how will the Company manage its cashflows? At present, how much cash will be flowing into the Company?

Answer: We have already reported on the Company's cashflow as of 31 March 2020. Taking the new loan will obviously increase the interest expenses.

17. **Currently, how many Bonds are due now? Is the Company able to redeem those bonds?**

Answer: The Company is going to make the payment of about USD 10 million to the PSL206A bondholders in June 2020. For the bond that will be due in January 2021 (PSL211A), subject to the Board's approval, the Company potentially plans to make a similar proposal for the extension of the maturity date. With these upfront payments, it would bring down the outstanding bonds by about USD 30 million in total for both the bonds.

Precious Shipping Public Company Limited

SET Opportunity Day Q1/2020 held on 8th June 2020

18. In Q2/2020, will the Company's financial results remain at loss? Why?

Answer: The Company cannot give any forward-looking statements.

19. How is the Company's outlook for Q2/2020?

Answer: The Company cannot give any forward-looking statements.

20. What would likely be the BDI this year?

Answer: We would think that by the end of this year, the rate would be double of that of the current BDI.

21. What is the worst case / base case / best case of TC rate for this year in 2020 or within 2020 to 2021?

Answer: For 2020, the first half has been very bad. We expect that in Q3 and Q4, the situation will become better because of the various stimulus plans from various governments. Overall, 2020 will be the weakest year compared to the past two years.

22. How soon will the Operating Cashflows become positive?

Answer: The Company cannot give any forward-looking statements.

Precious Shipping Public Company Limited

SET Opportunity Day Q1/2020 held on 8th June 2020

23. How was the Time Charter rate of the Company in April and May 2020? What is the outlook for this year?

Answer: The Company cannot give any forward-looking statements. However, you can look up the Baltic Handysize Index and Baltic Supramax Index to see the rates for April and May.

24. Is the Company's performance in the second half of 2020 likely to be better than the first half, after many countries begin to unlock?

Answer: Obviously, the first half has been very bad and poor, but the second half will be better.