

COMPASS MARITIME SERVICES

VALUATION PRESENTATION

2024

GROUP 3

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WELCOME TO PRESENTATION

I go by Rain, and I'm excited to share my wonderful ideas with you.



OUR COMPANY

WHO WE ARE?

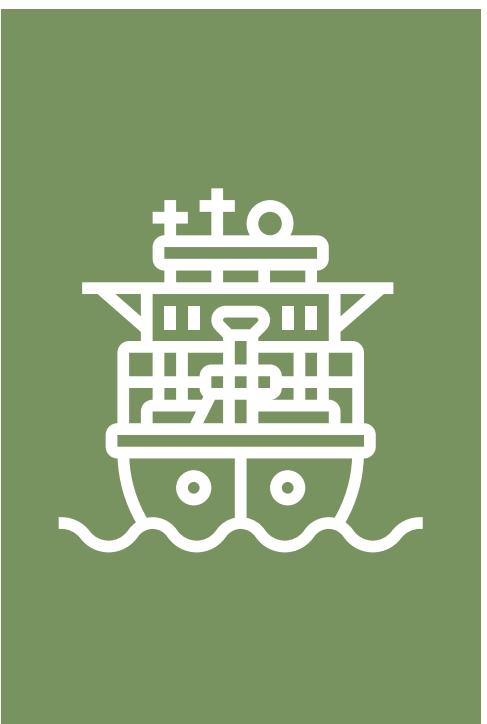
Assist the client in determining the appropriate valuation of Vessels and develop a negotiation strategy, New Jersey based LLC, expertized in trading of commercial as well as offshore ships.

WHAT WE DO?

- Ship Recycling and Demolition
- Comprehend valuation for vessels



BET PERFORMER'S FEATURES



- Built in 1997 in Japan by Nihon Kokon Kabushikikaisha
- Age of the ship: 11 years
- Dead Weight Ton: 172,000 tons
- Engine Classification: Burmeister and Wain (B&W) 6S70MC
- CapeX: 12,476, May 2008
- Last transaction was at \$70 M
- Previous owner: Mineral Porterne (2 years earlier)

SALE PRICE RELATIONSHIP WITH OTHER VARIABLES

Correlation between sales price and other variables

sale Price with year build:	0.810683322
sale Price with age at sale:	-0.790143874
sale Price with Dead-weight ton:	0.513247284
sale Price with CapeX:	0.349597696

Sales price analysis using Linear regression with other metrics

(Y = Sales Price)	Age at sale	DWT	CapeX
Intercept	133.12	-84.16	36.43
Standard Error (SE)	21.11	29.37	32.06
Coefficient	-4.21	0.988	0.0047
Multiple R	0.78	0.51	0.35
R Square	0.62	0.26	0.12
Adjusted R-Square	0.61	0.24	0.10
Sale price	86.75	85.87	96.06

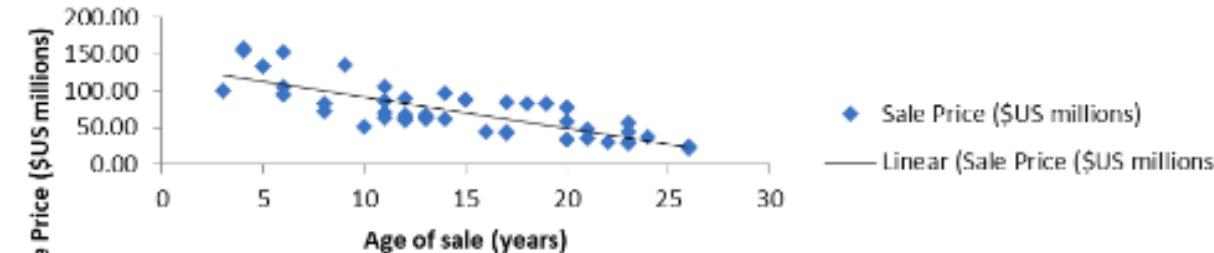


LINEAR REGRESSION

Trailling 1- year Average monthly baltic Dry Cape size Index Line Fit Plot

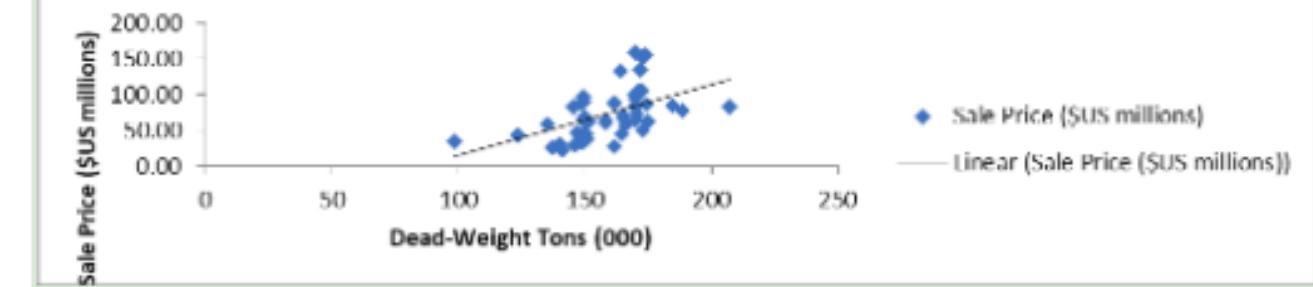


Age of sale (years) Line Fit Plot



	Age at sale	DWT	CapeX
Coefficient	-4.21	0.988	0.0047

Dead-Weight Tons (000) Line Fit Plot



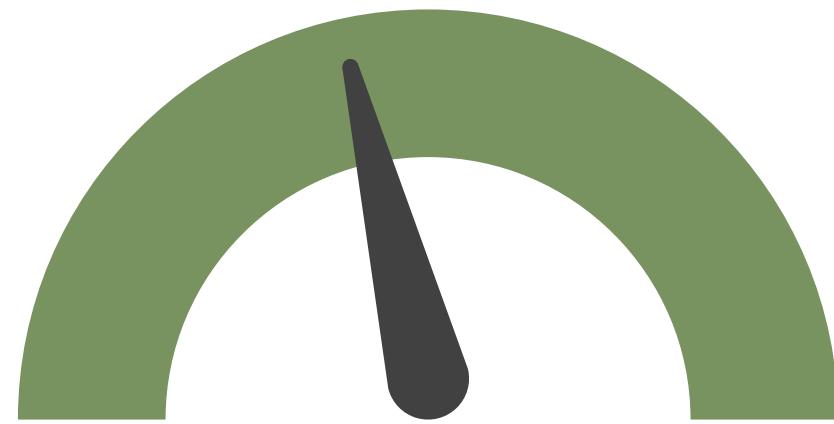
Due to coefficient:

Each year affects the price by \$4.21 million.

Each 1,000-ton change in DWT affects the price by \$0.988 million

Each point in the Capesize Index affects the price by \$0.0047 million.

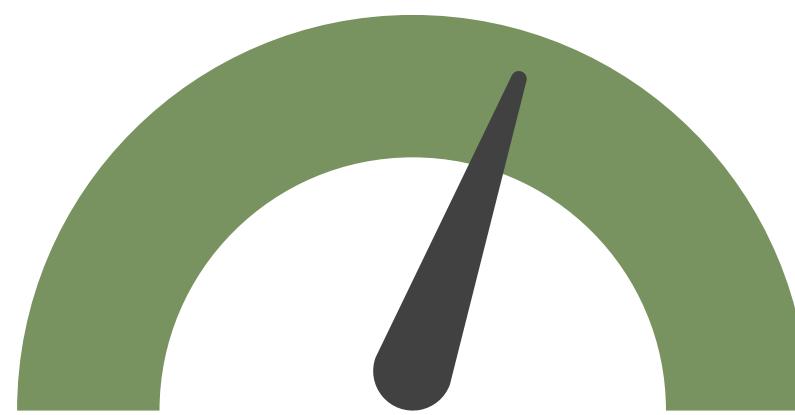
MULTIPLE LINEAR REGRESSION



AGE OF SALE

Coefficient: -4.54 suggests that for each additional year in age, the sale price **decreases** by approx \$4.54 Mn.

P-value: 2.53×10^{-21} indicates that the age of the ship is **highly significant** in predicting sale price



DEAD-WEIGHT TONS

Coefficient: 0.24 suggests that for each additional 1000 tons in dead weight, the sale price **increases** by approx. \$0.24 Mn.

P-value: 0.0113 indicates that the DWT is **statistically significant** in predicting sale price



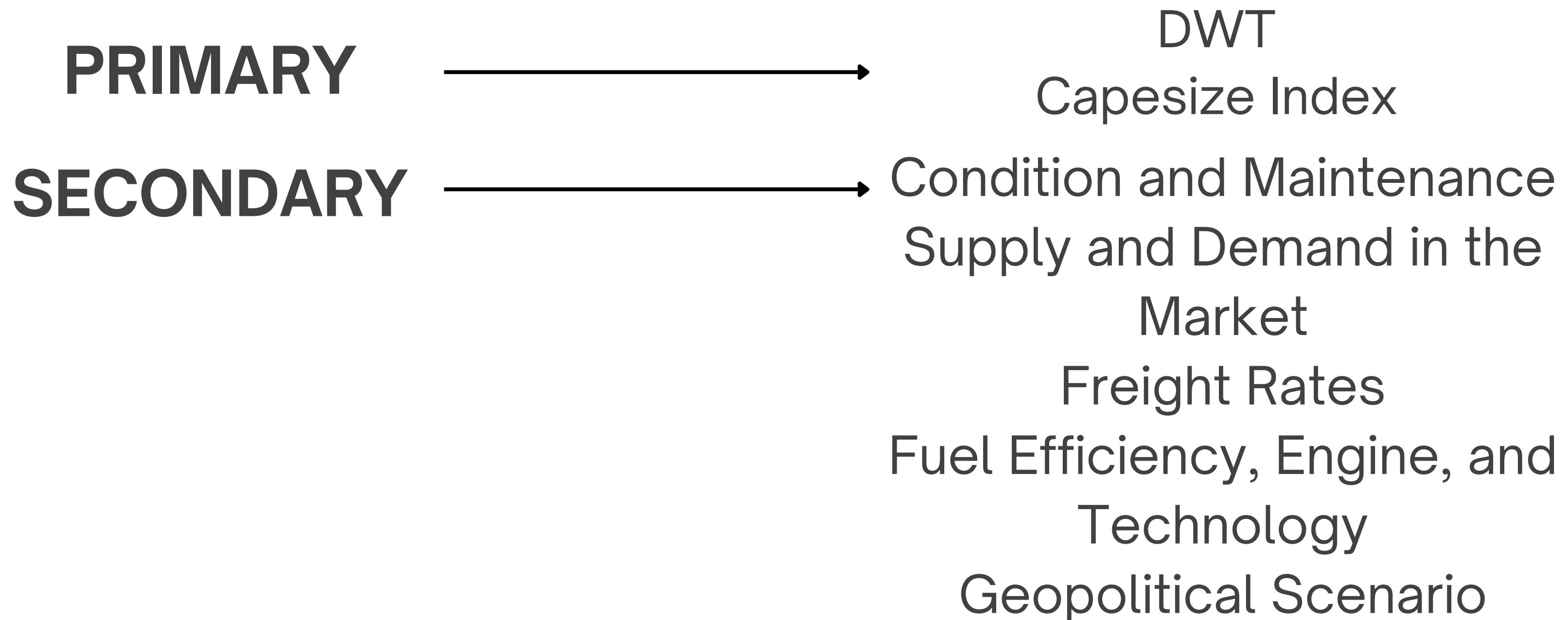
CAPEX

Coefficient: 0.0072 suggests that for each point **increase** in the index, the sale price increases by approx. \$0.0072 Mn.

P-value: 1.57×10^{-15} indicates that the Baltic Dry Index is **highly significant** in predicting sale price

FACTORS THAT MIGHT AFFECT THE VESSEL'S VALUATION

Age of Sale is the feature most strongly correlated with Sale price



CLOSEST COMPARABLE SHIPS

Cape Sun

Sale date: March 2008
Sale Price: \$135 M
Year build: 1999
Age of sale: 9
DWT: 171.1
CapeX: 11,193

Ingenious

Sale date: May 2007
Sale Price: \$64 M
Year build: 1996
Age of sale: 11
DWT: 170.0
CapeX: 6201

Sumihou

Sale date: November 2007
Sale Price: \$106 M
Year build: 1996
Age of sale: 11
DWT: 171.1
CapeX: 9,663

PRICE RECOMMENDATION



So, based on the analysis, using only mean, std dev, correlation, Empirical rule, and comparable transaction, we can compute the price of Bet Performer to be closer to.



\$135 million

CONDITIONAL PRICE RECOMMENDATION

	Age at sale	DWT	CapeX
Coefficient	-4.21	0.988	0.0047

Due to coefficient:

Each year younger adds \$4.21 million, so 5 years younger brings the price to
\$156.05 million.

A 20,000-ton reduction in DWT lowers it to
\$115.24 million.

A 30% decrease in the Capesize Index reduces the price to
\$120.9 million.

PREVISION MANEUVER AND RECOMMENDATION

Apart from the above concerns, clients must focus on the Scrap metal value. Ships are still getting sold in the market once they stop working or they extend shelf life. The reason is that the materials such as metal that are used in the vessel. The owner must use the scrap metal market as an exit strategy for the bet performer.

