



BW LPG



**THIRD QUARTER 2018
EARNINGS PRESENTATION**

21 Nov 2018

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BW LPG

Agenda

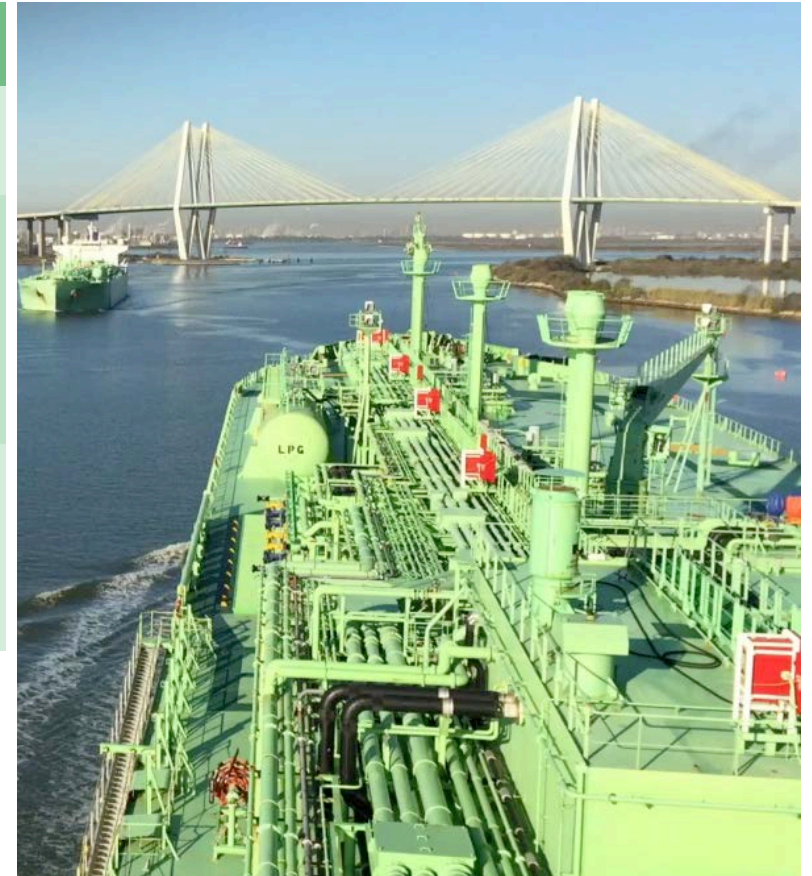
- Highlights
- Market Dynamics
- Financial Update
- Summary & Outlook
- Q&A



Highlights

	Q3 2018	Q3 2017	YTD September 2018	YTD September 2017
VLGC Daily TCE ¹	\$20,200	\$15,200	\$17,500	\$18,800
LGC Daily TCE ¹	\$6,600	\$13,600	\$10,300	\$12,100
Net Revenue (in USD million)	82	70	216	256
EBITDA (in USD million)	35	18	68	100
Loss after tax (in USD million)	(3)	(27)	(38)	(26)
EPS ²	(0.02)	(0.19)	(0.27)	(0.16)
Earnings Yield ³ (Annualised)			(12.2%)	(4.7%)
ROE ⁴ (Annualised)			(4.8%)	(3.1%)
ROCE ⁴ (Annualised)			(0.1%)	0.6%
Leverage ratio ⁵			54.7%	54.9%

- Q3 2018 contract coverage of 18%
- On 30 August 2018, BW LPG entered into contracts to retrofit dual-fuel LPG propulsion engines on four VLGCs, including future options. With the world's first LPG-fuelled engines, BW LPG continues its emphasis on reducing global emissions and promoting a fuel-efficient alternative for the shipping industry
- On 8 October 2018, BW LPG withdrew the proposal to combine with Dorian LPG and also withdrew the candidates who were intended to stand for election to the Dorian LPG board



[1] TCE rates per day presented above are inclusive of both commercial waiting and technical offhire days (i.e. 100% of calendar days)

[2] EPS (earnings per share) is computed based on the weighted average number of shares outstanding less treasury shares during the period

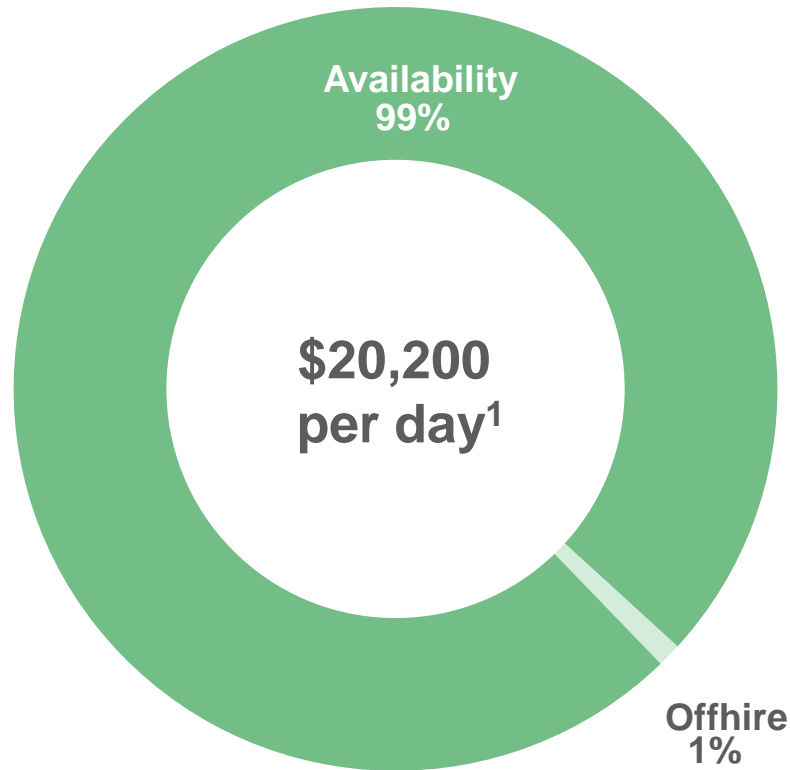
[3] Earnings yield is computed as EPS divided by 28 September 2018 share price in USD terms

[4] ROE (return on equity) and ROCE (return on capital employed) is computed based on the average equity and capital employed at the end and beginning of the period

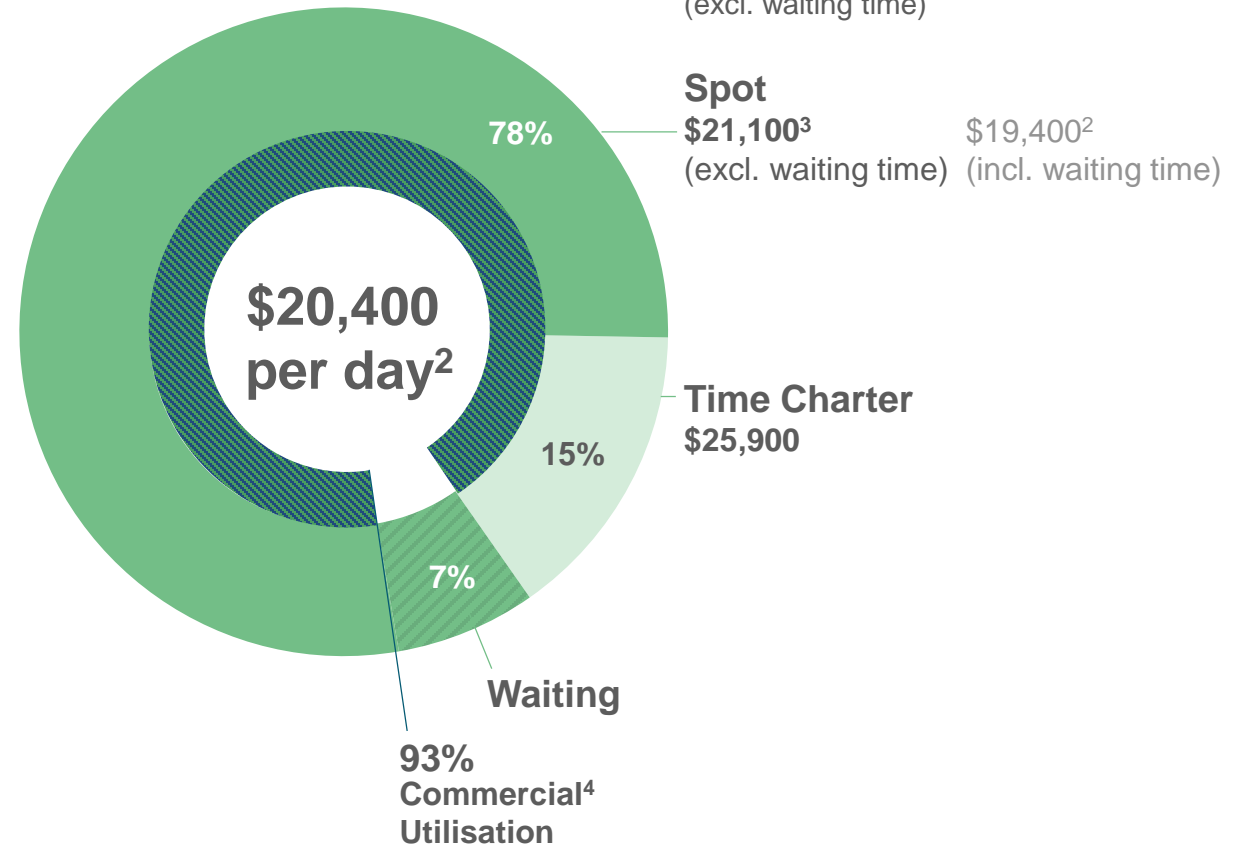
[5] Leverage ratio is computed as total debt over total debt plus equity

Commercial Performance Q3 2018 VLGC Fleet

Calendar Days



Available Days



Spot Market Index
Q3 2018 – Baltic VLGC
\$19,000
(excl. waiting time)

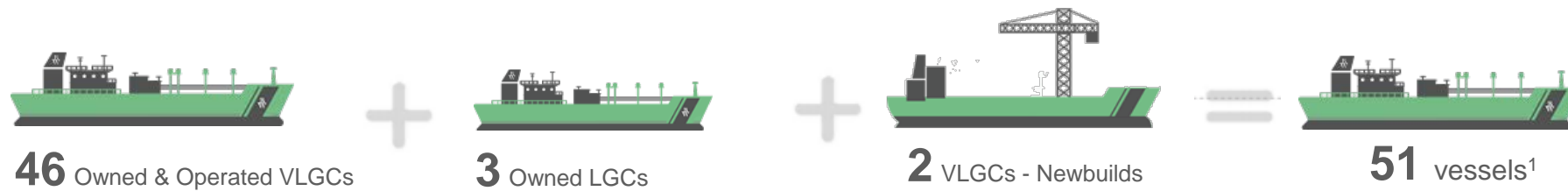
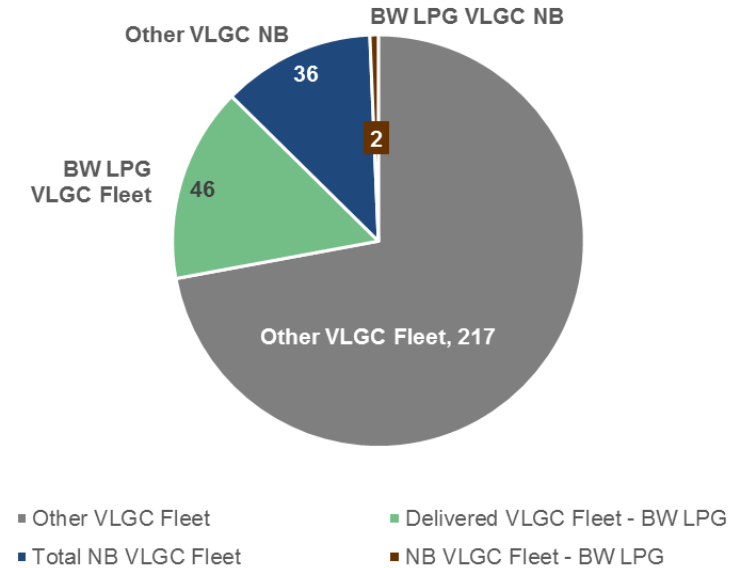
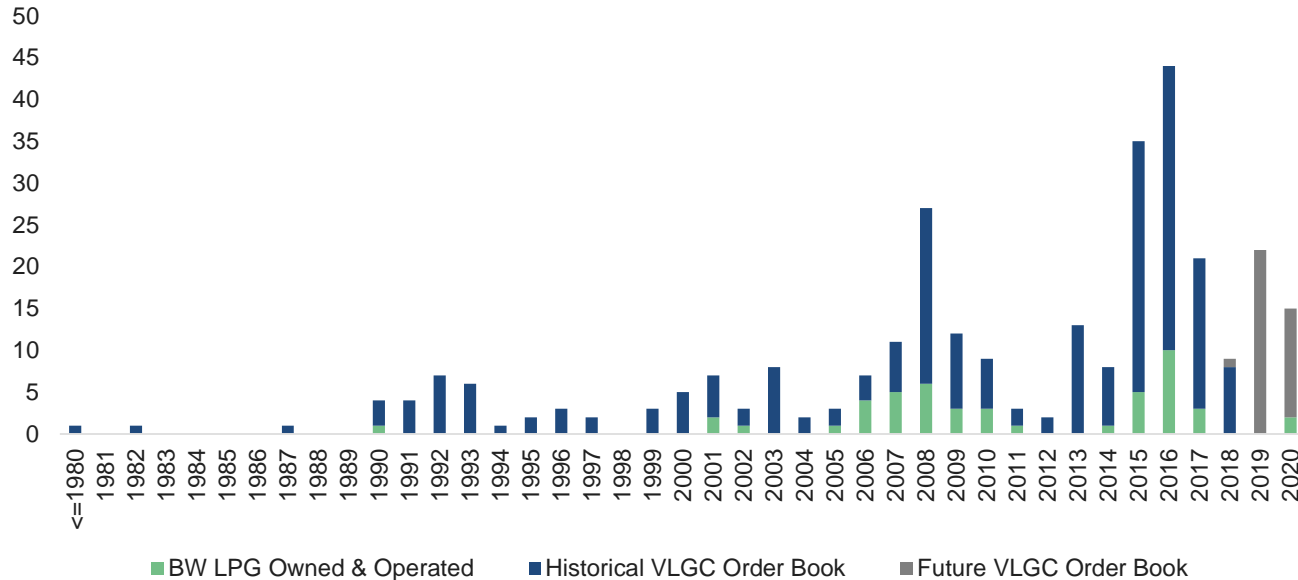
[1] TCE rates per day are inclusive of both commercial waiting and technical offhire days (i.e. 100% of calendar days)
 [2] TCE rates per day are inclusive of commercial waiting days and exclusive of technical offhire days (i.e. 100% of available days)
 [3] TCE rates per day are exclusive of both commercial waiting and technical offhire days
 [4] Commercial Utilisation is calculated with available days. Using calendar days (i.e. including technical offhire days), utilisation was 92%

Global VLGC & BW LPG Fleet Profile

263 ships on water with 8 ships delivered as of 31 October 2018. Orderbook stands at 38 with expected deliveries from 2018 to 2020

Global VLGC Fleet Profile¹ — Average Age: 9.4 years

BW LPG VLGC Market Share² of 16%



Source: BW LPG analysis, Clarksons

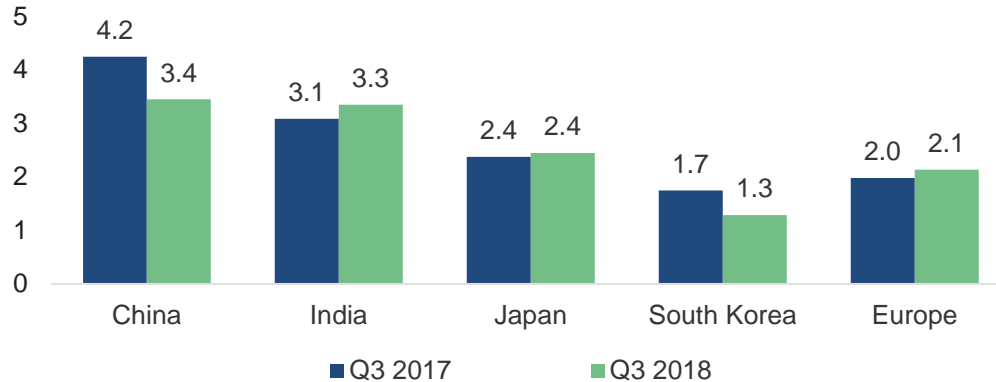
[1] As of 31 October 2018

[2] Owned and Operated VLGCs including newbuildings

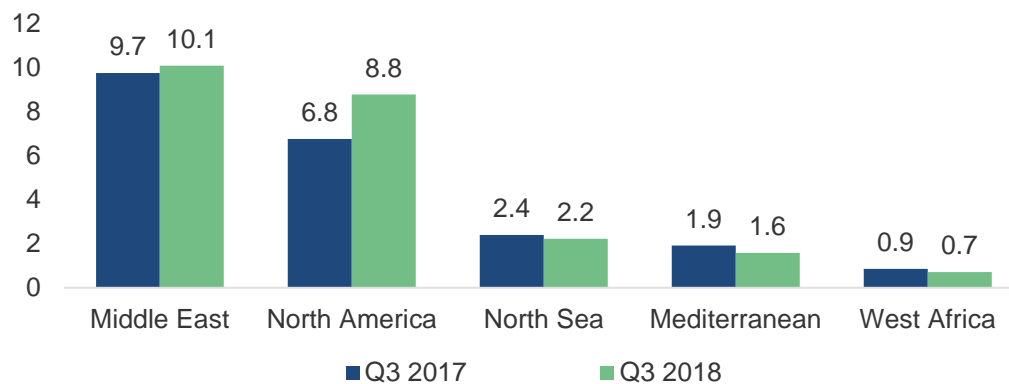
Third Quarter 2018 Seaborne LPG Trade Overview

Total seaborne LPG trade up 5% year over year due to stronger demand from India and Europe and supported by the growth in Middle Eastern and North American exports

Quarterly Seaborne LPG Imports by Country/Region (MT)



Quarterly Seaborne LPG Exports by Country/Region (MT)



Comments

Imports

- Chinese imports down 19% year over year due to trade tariff sentiments and the outages of several PDH plants; volumes from North America declined by 89% year over year
- Indian imports up 9% year over year driven by an increase in retail demand due to government initiatives which promote the use of LPG
- Japanese imports up 3% year over year while South Korean imports down 26% year over year. Both countries observed a decline in volumes from Middle East and an increase in volumes from North America
- Europe imports up 8% year over year due to an increase in imports to Netherlands and Sweden

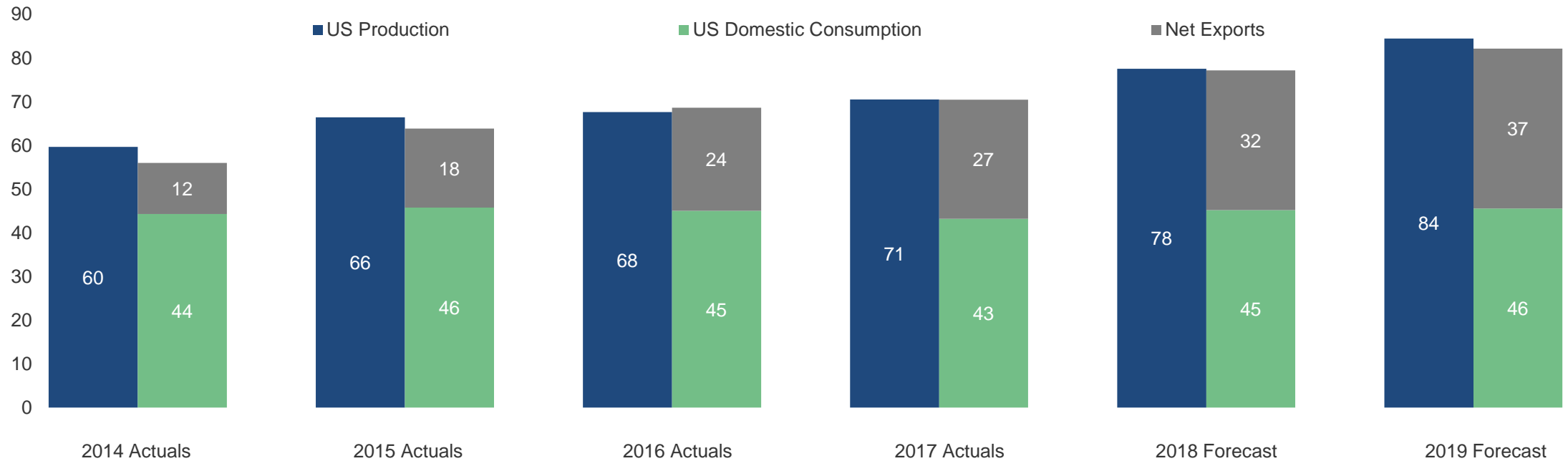
Exports

- Middle Eastern exports up 3% year over year driven by an increase in exports from Iran and Saudi Arabia; India, China and Southeast Asia remain primary destinations
- North American exports up 30% year over year driven by stronger regional trade as well as an increase in volumes to Europe, Japan and South Korea
- North Sea exports down by 7% year over year due to a decline in Russian exports
- Mediterranean exports down 17% year over year driven by a decline in Algerian exports, with regional trade accounting for approximately 90% of total export volumes
- West African exports down 18% year over year due to a decline in Nigerian exports; Far East remains the primary destination

US LPG Supply – Demand Outlook

BW LPG expects 2018 US LPG net exports to grow by 17% to 32 mt on the back of EIA revising their net export growth forecasts for 2018

US LPG Snapshot (MT)



Item / Year	2018E	2019E
US LPG Production Growth	10.0%	9.0%
US LPG Domestic Demand	4.5%	0.8%
US LPG Net Export Growth	17.4%	14.5%





Third Quarter 2018 Income Statement

Income Statement (Figures in USD Thousands)	Q3 2018	Q3 2017	YTD September 2018	YTD September 2017
Revenue	142,671	101,143	367,499	369,797
Voyage expenses	(60,843)	(31,065)	(151,227)	(113,670)
TCE income	81,828	70,078	216,272	256,127
Other operating income	118	194	3,039	5,607
Charter hire expenses	(16,716)	(15,400)	(50,097)	(53,315)
Other operating expenses	(30,243)	(36,768)	(100,785)	(108,833)
Operating profit before depreciation, amortisation and impairment (EBITDA)	34,987	18,104	68,429	99,586
Amortisation charge	(608)	(1,228)	(2,650)	(3,684)
Depreciation charge	(24,731)	(31,497)	(73,418)	(92,746)
Gain on disposal of vessels	-	2,510	-	9,826
Gain on disposal of assets held-for-sale	-	(44)	5,727	16
Impairment charge on a vessel that was reclassified to asset held-for-sale	-	(2,607)	-	(2,607)
Operating profit/(loss) (EBIT)	9,648	(14,762)	(1,912)	10,391
Finance expense – net	(12,295)	(11,891)	(35,232)	(35,996)
Share of profit/(loss) of a joint venture	-	-	(864)	-
Loss before tax for the financial period	(2,647)	(26,653)	(38,008)	(25,605)
Income tax expense	(157)	(58)	(252)	(175)
Loss after tax for the financial period (NPAT)	(2,804)	(26,711)	(38,260)	(25,780)
Other comprehensive income/(loss), net of tax	3,515	844	14,157	(924)
Total comprehensive loss for the financial period	711	(25,867)	(24,103)	(26,704)



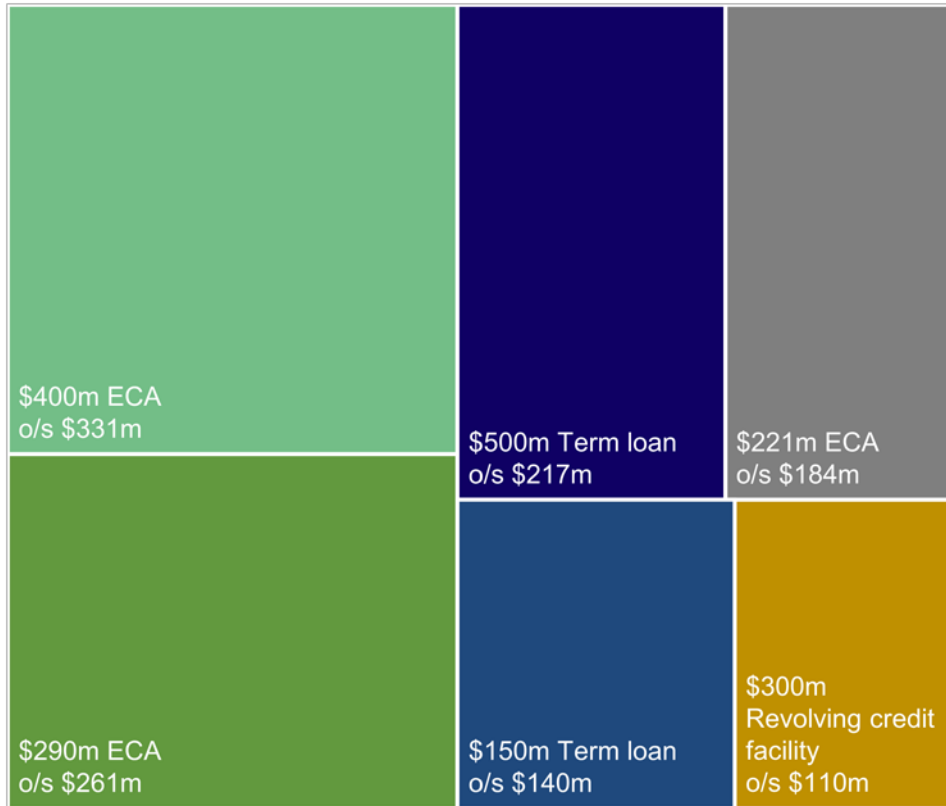
Third Quarter 2018 Balance Sheet & Cash Flows

Balance Sheet (Figures in USD Thousands)	30 September 2018	31 December 2017
Total non-current assets	2,147,005	2,179,294
Total current assets	172,388	276,012
Total assets	2,319,393	2,455,306
Total shareholders' equity	1,028,838	1,073,548
Total non-current liabilities	1,113,262	1,076,329
Total current liabilities	177,293	305,429
Total liabilities	1,290,555	1,381,758
Total equity and liabilities	2,319,393	2,455,306

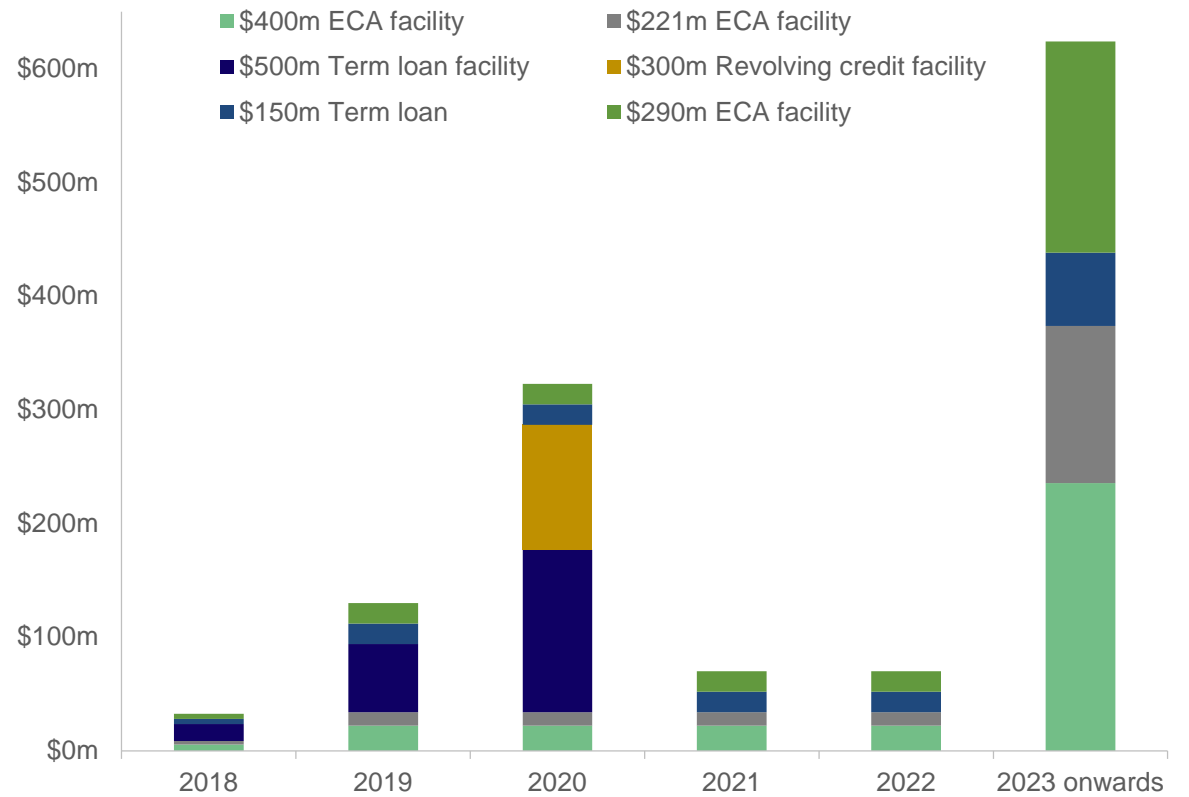
Cash Flows (Figures in USD Thousands)	Q3 2018	Q3 2017	YTD September 2018	YTD September 2017
Cash flows from operating activities				
Loss before tax for the financial period	(2,647)	(26,653)	(38,008)	(25,605)
Adjustments and changes in working capital	29,122	55,171	101,906	91,080
 Net cash provided by operating activities	26,475	28,518	63,898	65,475
 Net cash (used in)/provided by investing activities	(1,716)	27,992	75,521	34,768
 Net cash used in financing activities	(19,033)	(59,652)	(149,901)	(125,066)
 Net increase/(decrease) in cash and cash equivalents	5,726	(3,142)	(10,482)	(24,823)
Cash and cash equivalents at beginning of the financial period	40,340	58,882	56,548	80,563
Cash and cash equivalents at end of the financial period	46,066	55,740	46,066	55,740

Financing

Gross Debt¹



Repayment Profile



Figures in USD Million (as of 30 September 2018)

Gross debt ¹	1,242.8	Undrawn amounts under revolving credit facility	190.0
Cash	46.1	Cash	46.1
Net debt	1,196.7	Available liquidity	236.1

[1] Includes capitalised fees and interest payable

Summary and Outlook

Summary

- Q3 2018 Net Revenue of USD 82 million, EBITDA of USD 35 million and Loss after tax of USD 3 million, resulting in a Loss per share of \$0.02
- On 30 August 2018, BW LPG entered into contracts to retrofit dual-fuel LPG propulsion engines on four VLGCs, including future options. With the world's first LPG-fuelled engines, BW LPG continues its emphasis on reducing global emissions and promoting a fuel-efficient alternative for the shipping industry

Events occurring after 30 September 2018

- On 8 October 2018, BW LPG withdrew the proposal to combine with Dorian LPG and also withdrew the candidates who were intended to stand for election to the Dorian LPG board

Outlook

- Contract coverage is 15% for Q4 2018 and 8% for 2019
- Looking into 2019 we expect front end loaded newbuild deliveries to coincide with the normal seasonal weakness, which may impose pressure on the geographical LPG price spreads
- We remain cautiously optimistic for the full year 2019 due to sustained U.S. LPG production growth and incremental export volumes being added from other key loading areas such as Australia and U.S. East Coast
- We have a neutral view on Middle East exports as incremental regional growth is expected to compensate for the effects from the re-imposed sanctions on Iran



Q & A

Appendix

Charter Portfolio 2018 – 2019

VLGC Segment	YTD 2018		Q4 2018E		2019E	
	Days	% of Total	Days	% of Total	Days	% of Total
Total Days (Net of Offhire)	11,718	100%	3,912	100%	15,123	100%
Time charter	1,712	15%	548	14%	1,345	9%
Spot	10,006	85%	3,364	86%	13,778	91%
TCE Rates						
Time charter	YTD 2018		Q4 2018E		2019E	
	\$28,560		\$28,654		\$27,629	
Spot	\$15,790		-		-	

VLGC Segment	Q3 2018	
	Days	% of Total
Total Days (Net of Offhire)	3,915	100%
Time charter	600	15%
Spot	3,315	85%
TCE Rates		
Time charter	Q3 2018	
	\$25,910	
Spot	\$19,450	
VLGC TCE Rate (Net of Offhire)	\$20,440	

LGC Segment	YTD 2018		Q4 2018E		2019E	
	Days	% of Total	Days	% of Total	Days	% of Total
Total Days (Net of Offhire)	852	100%	251	100%	1,089	100%
Time charter	623	73%	70	28%	-	-
Spot	229	27%	181	72%	1,089	100%
TCE Rates						
Time charter	YTD 2018		Q4 2018E		2019E	
	\$14,470		\$13,311		-	
Spot	\$1,500		-		-	

LGC Segment	Q3 2018	
	Days	% of Total
Total Days (Net of Offhire)	247	100%
Time charter	160	65%
Spot	87	35%
TCE Rates		
Time charter	Q3 2018	
	\$14,320	
Spot	n.a.	
LGC TCE Rate (Net of Offhire)	\$7,360	

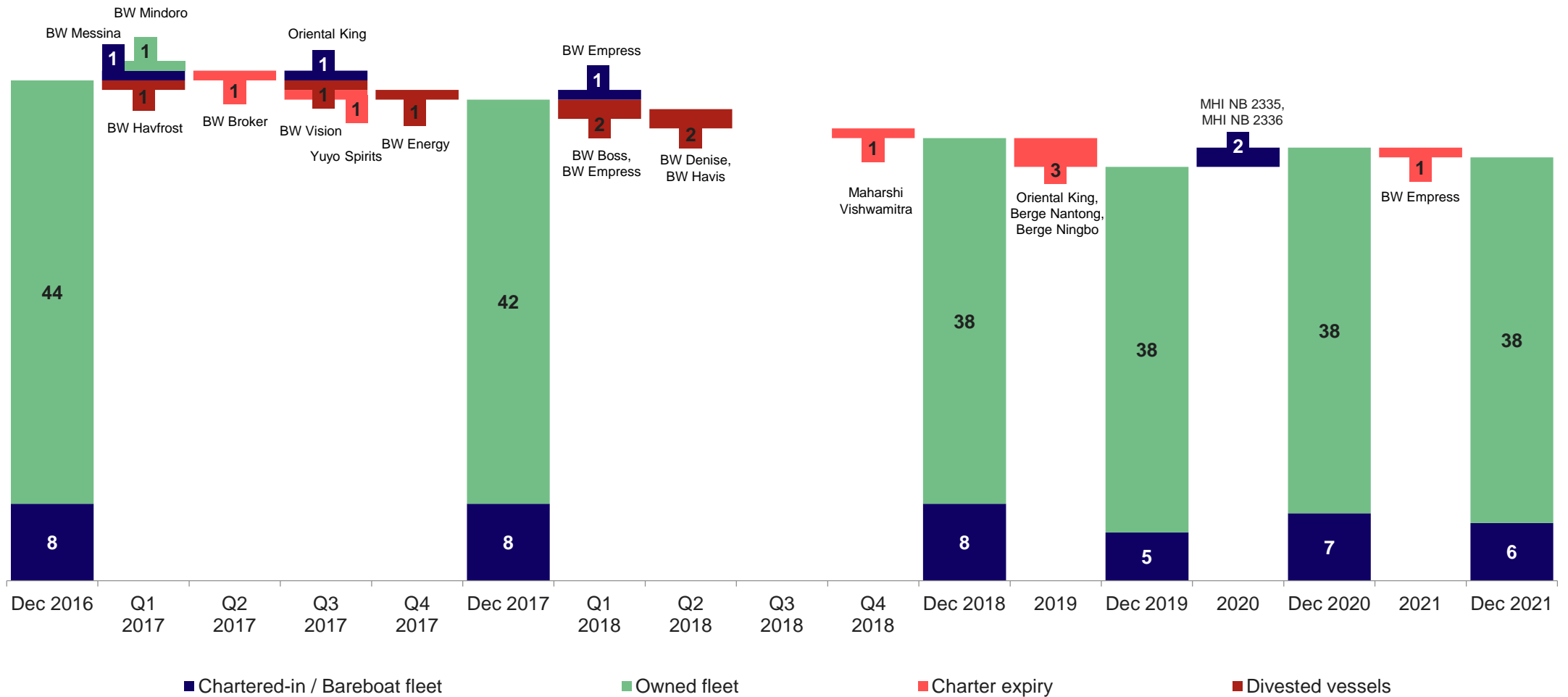
Total Contract Coverage	YTD 2018	Q4 2018E	2019E
VLGC + LGC Fleet	19%	15%	8%

Total Contract Coverage	Q3 2018
VLGC + LGC Fleet	18%

- Spot days are calculated as total ship days (365 days per available vessel) less planned maintenance (including dry docking days) and less expected time charter days.
- Time charters are calculated based on contracted duration. It is likely that the Company renews some or all of its time charters in the future, at rates reflecting the fixed income market outlook at time of renewal.

BW LPG Fleet Development (Detailed)

Timeline Based on Current Contracts



Note: The fleet timeline assumes that vessels on time charter-in will be redelivered at charter expiry.

Fleet List

Modern fleet of 51 vessels built at leading shipyards (as of 30 September 2018)

Owned VLGCs (100% Ownership)

Name	Year	Shipyard	Name	Year	Shipyard
BW Aries	2014	Hyundai H.I.	BW Malacca	2016	DSME
BW Austria	2009	DSME	BW Mindoro	2017	DSME
BW Balder	2016	Hyundai H.I.	BW Njord	2016	Hyundai H.I.
BW Birch	2007	Hyundai H.I.	BW Oak	2008	Hyundai H.I.
BW Brage	2016	Hyundai H.I.	BW Odin	2009	Hyundai H.I.
BW Carina	2015	Hyundai H.I.	BW Orion	2015	Hyundai H.I.
BW Cedar	2007	Hyundai H.I.	BW Pine	2011	Kawasaki S.C.
BW Confidence	2006	Mitsubishi H.I.	BW Prince	2007	Hyundai H.I.
BW Elm	2007	Hyundai H.I.	BW Princess	2008	Hyundai H.I.
BW Freyja	2016	Hyundai H.I.	BW Sakura	2010	Mitsubishi H.I.
BW Frigg	2016	Hyundai H.I.	BW Thor	2008	Hyundai H.I.
BW Gemini	2015	Hyundai H.I.	BW Trader	2006	DSME
BW Leo	2015	Hyundai H.I.	BW Tucana	2016	Hyundai H.I.
BW Liberty	2007	DSME	BW Tyr	2008	Hyundai H.I.
BW Libra	2015	Hyundai H.I.	BW Var	2016	Hyundai H.I.
BW Lord	2008	DSME	BW Volans	2016	Hyundai H.I.
BW Loyalty	2008	DSME	Berge Summit	1990	Mitsubishi H.I.
BW Magellan	2016	DSME			

Total 35 vessels (2,907,074 CBM and Average Age - 7 years)

Chartered / Bareboat VLGCs

Name	Year	Shipyard	Charter type
Berge Nantong	2006	Hyundai H.I.	Time charter
Berge Ningbo	2006	Hyundai H.I.	Time charter
BW Empress	2005	Mitsubishi H.I.	Bareboat
BW Kyoto	2010	Mitsubishi H.I.	Time charter
BW Messina	2017	DSME	Time charter
BW Tokyo	2009	Mitsubishi H.I.	Time charter
Maharshi Vishwamitra	2001	Kawasaki H.I.	Time charter
Oriental King	2017	Hyundai H.I.	Time charter
Yuricosmos	2010	Mitsubishi H.I.	Time charter

Total 9 vessels (741,281 CBM and Average Age - 9 years)

Owned LGCs

Name	Year	Shipyard	Ownership (%)
BW Helios	1992	Kvaerner-Govan	100%
BW Nantes	2003	Kawasaki S.C.	100%
BW Nice	2003	Kawasaki S.C.	100%

Total 3 vessels (174,933 CBM and Average Age - 19 years)

VLGCs in BW Global United LPG India Private Limited

Name	Year	Shipyard	Ownership (%)
BW Boss	2001	Kawasaki H.I.	50%
BW Energy	2002	Kawasaki H.I.	50%

Total 2 vessels (166,852 CBM and Average Age - 16 years)

Newbuild VLGCs

Name	Delivery	Shipyard	Ownership
Hull No. 2335	2020	Mitsubishi H.I.	Time charter
Hull No. 2336	2020	Mitsubishi H.I.	Time charter

Total 2 vessels (168,000 CBM)

Glossary of Terms

Terms	Explanation
Time Charter	Charter hires with a fixed hire rate for a fixed duration (term of charter)
Spot	Charter hires negotiated on spot/market rates
Available Days	Calendar days less planned and unplanned technical offhire days
Commercial Utilisation Rate	Available days less commercial waiting days, divided by available days
Fleet Utilisation Rate	Available days less commercial waiting days, divided by calendar days



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