

BW LPG

Q3 2014 Results Presentation

20 November 2014



BW LPG



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Third quarter 2014 highlights

- Earnings and results reflect the continuing firm market
- Fleet utilisation continued to be strong at 96% and contributed positively to earnings
- TCE earnings of USD 159.2 million in the quarter compares to USD 75.9 million in Q3 2013
- EBITDA continues to trend positively with Q3 2014 EBITDA of USD 108.8 million compared to USD 42.0 million in Q3 2013
- Net profit of USD 87.8 million compares to USD 68.9 million in Q3 2013
 - Improved EBITDA by USD 66.8 million (159%) compared to Q3 2013
 - No fleet write back of impairment booked in Q3 2014 (Q3 2013: USD 42.9 million)

■ Key Metrics

	Q3	YTD	Rolling 12 Months
EPS ¹	\$ 0.64	\$ 1.39	\$ 1.66
ROE ²	8.4%	18.3%	21.8%
ROCE ²	5.7%	12.6%	15.0%
Leverage ratio ³	34.5%	34.5%	34.5%



Subsequent event

- BW Aries, the first of eight new building vessels, was delivered on 17 November 2014

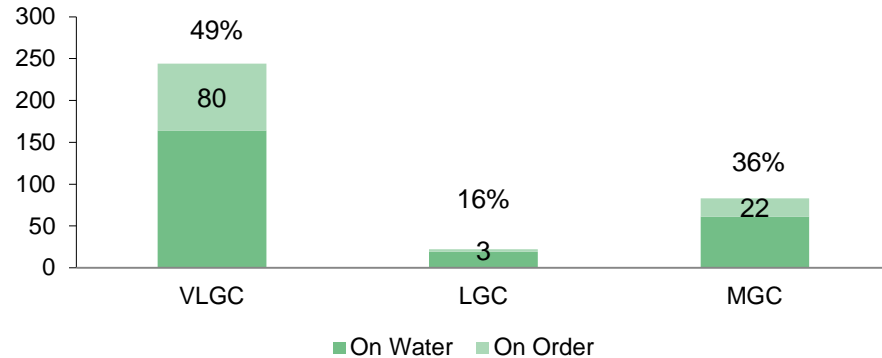
Note:1) EPS is computed basis number of shares outstanding as of 30 September 2014

2) ROE and ROCE on a rolling 12 months basis is computed basis equity and capital employed as at 30 September 2014

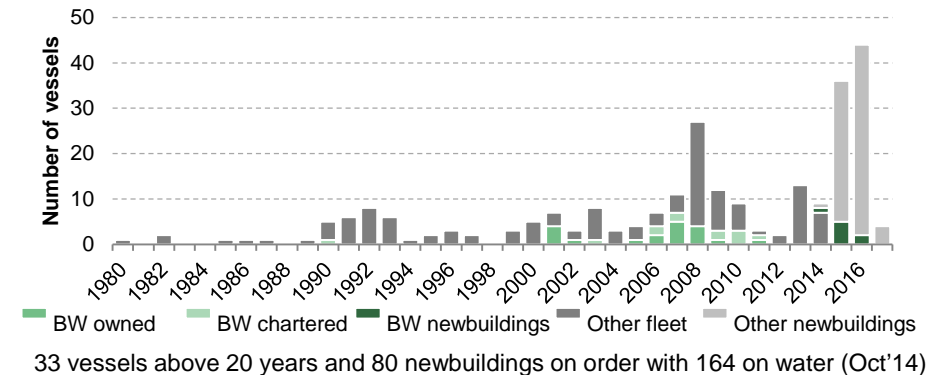
3) Leverage ratio is computed as total debt over total debt and equity

Fleet and new build orderbook

Global LPG Fleet Size and New Build (Oct'14)

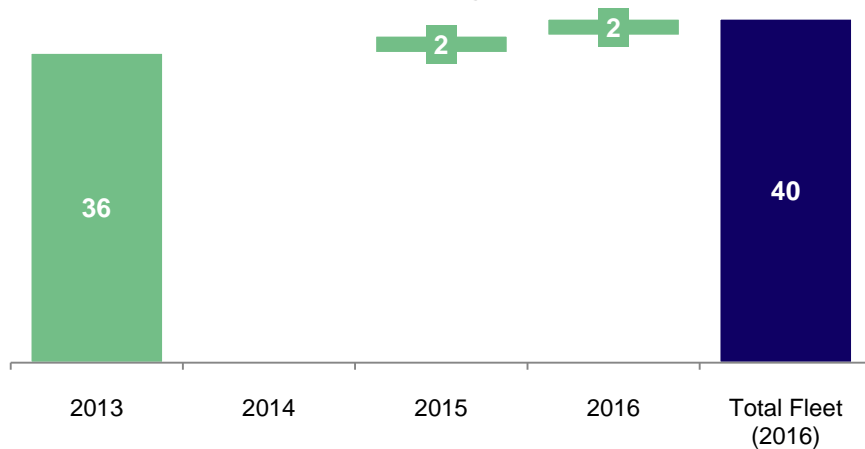


VLGC Fleet Profile¹



BW LPG fleet growing through 2014-2016

Net changes to total fleet



BW LPG Fleet Outlook

- BW Aries, the first HHI newbuilding, was delivered on 17 November 2014
- The remaining 7 HHI newbuildings are scheduled to be delivered as follows:

Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q2 2016
2	1	1	1	2

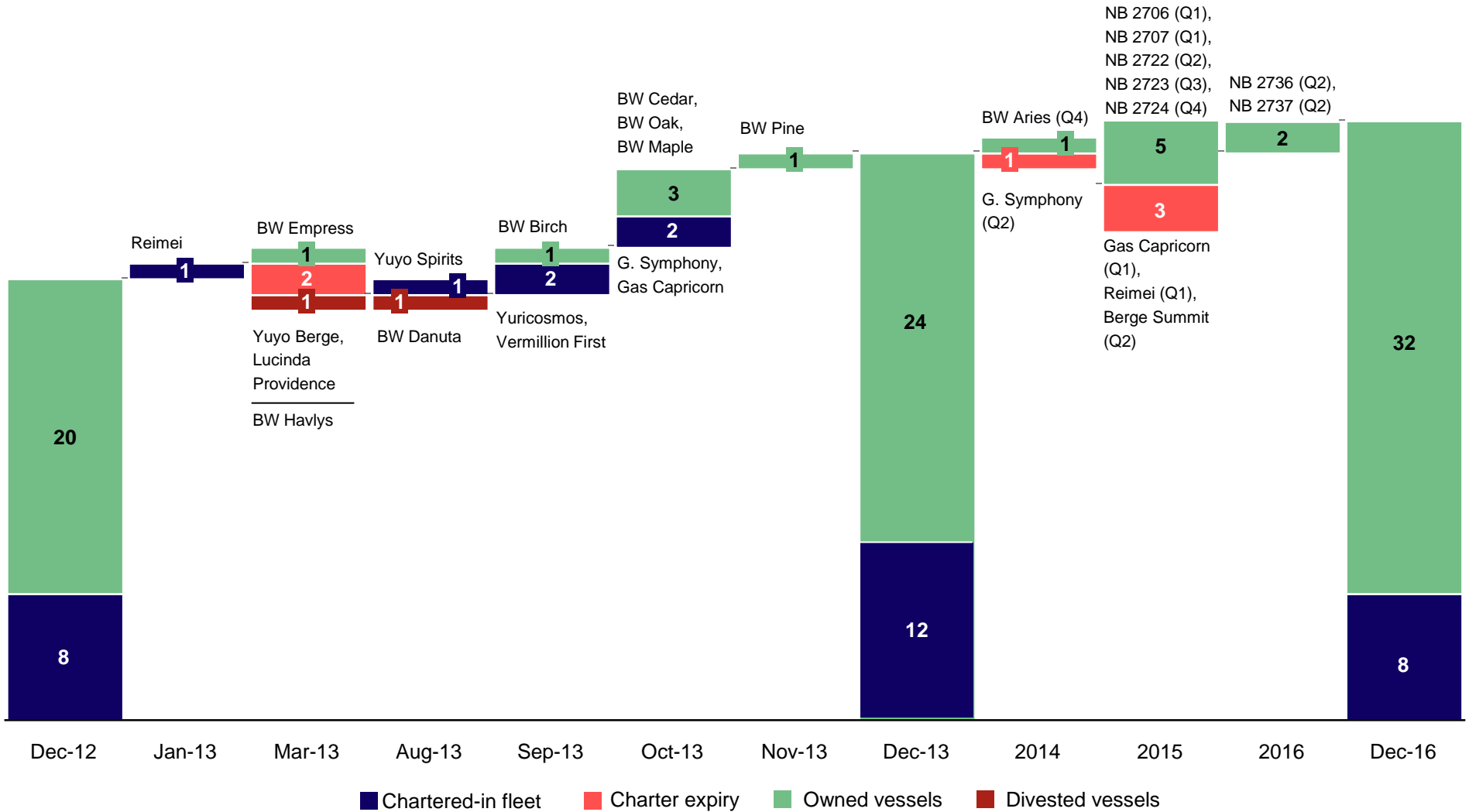
Source: Internal

1) Fleet profile and orderbook showing sailing fleet and confirmed orders as of 31st October 2014

2) The BW LPG fleet timeline assumes that vessels on time charter-in will be redelivered at charter expiry.

BW LPG fleet timeline

Timeline based on current contracts



Note: The fleet timeline assumes that vessels on time charter-in will be redelivered at charter expiry. However, most of these time charter-in contracts have purchase options attached to them. With the conclusion of commercial arrangements with regards to BW Tokyo and BW Kyoto, BW LPG now derives full economic benefit from BW Kyoto whereas BW Tokyo is chartered-out on a back to back arrangement.

Q3 2014 income statement

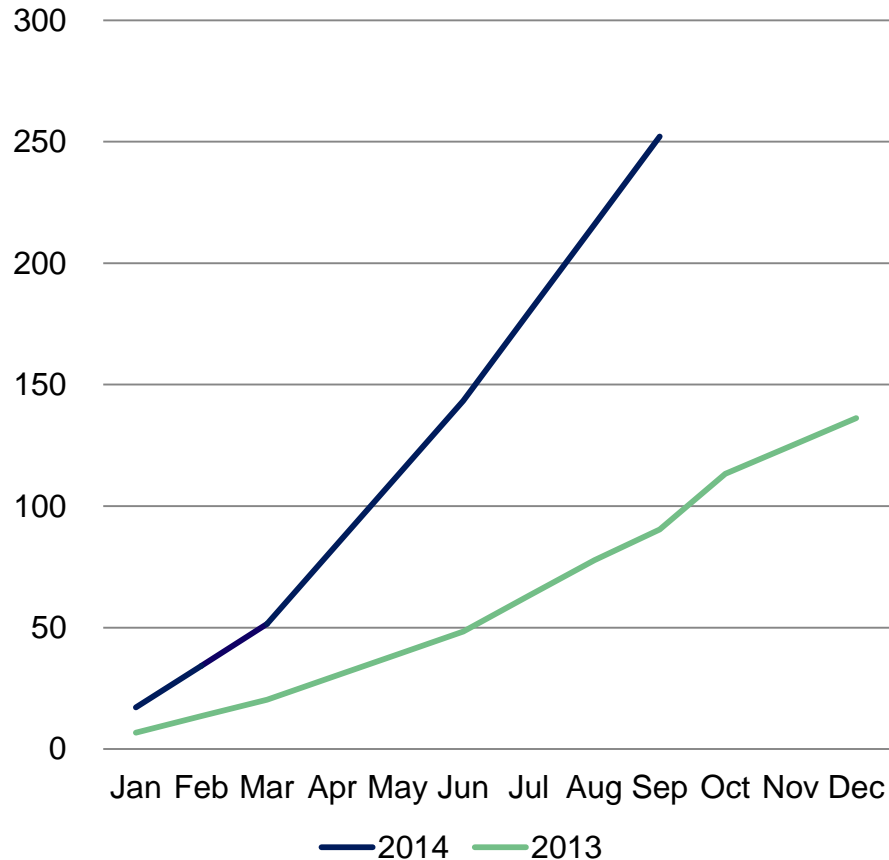
Unaudited figures in USD thousands

	Q3 2014	Q3 2013	YTD 2014	YTD 2013
Revenue	211,365	112,375	565,084	295,543
Voyage expenses	(52,116)	(36,471)	(164,628)	(108,585)
TCE income	159,249	75,904	400,456	186,958
Other operating income	497	124	1,372	372
Charter hire expense	(24,961)	(14,537)	(73,910)	(38,124)
Other operating expenses	(26,019)	(19,442)	(75,776)	(58,786)
Operating profit before depreciation, amortisation and impairment	108,766	42,049	252,142	90,420
Loss on disposal of property, plant and equipment	-	2	-	(880)
Loss on disposal of subsidiaries	-	(1,025)	-	(1,025)
	108,766	41,026	252,142	88,515
Amortisation charge	(1,228)	(1,580)	(3,683)	(5,108)
Depreciation charge	(16,664)	(12,055)	(47,965)	(37,613)
Write-back of impairment charge/(impairment charge) - net	-	42,900	-	47,347
Operating profit/(loss)	90,874	70,291	200,494	93,141
Finance expense – net	(3,206)	(1,365)	(9,404)	(3,333)
Profit/(loss) before tax and other comprehensive income for the financial period	87,668	68,926	191,090	89,808
Income tax	(199)	-	(422)	-
Profit/(loss) after tax for the financial period	87,469	68,926	190,668	89,808
Items that may be subsequently reclassified to income statement				
- Cash flow hedges	316	-	(93)	-
Total comprehensive income/(loss) for the financial period	87,785	68,926	190,575	89,808

EBITDA cumulative trend

Unaudited figures in USD millions

YTD EBITDA development



Comments

- VLGC TCE Income was in line with expectations with TCE per day at USD 53,600 for Q3 and USD 43,800 for YTD
 - Continued strong participation in the Atlantic market, often at a strong premium to Baltic

- LGC TCE Income was in line with expectations with TCE per day at USD 24,800 for Q3 and USD 25,300 for YTD

- EBITDA continues to trend positively
 - Continued strong utilisation and an historically firm rate environment during Q3
 - Effective cost management

Q3 2014 balance sheet and cash flow

Unaudited figures in USD thousands

Balance sheet			30 Sep 2014	(Audited) 31 Dec 2013
Total non-current assets			1,433,473	1,377,574
Total current assets			204,547	253,839
Total assets			1,638,020	1,631,413
Total shareholders' equity			1,041,041	974,729
Total non-current liabilities			487,959	504,603
Total current liabilities			109,020	152,081
Total liabilities			596,979	656,684
Total equity and liabilities			1,638,020	1,631,413
Cash flow	Q3 2014	Q3 2013	YTD 2014	YTD 2013
<u>Cash flows from operating activities</u>				
Profit/(loss) for the financial period	87,668	68,926	191,090	89,808
Adjustments	20,719	(27,015)	59,771	198
Operating cash flow before working capital changes	108,387	41,911	250,861	90,006
Changes in working capital	16,992	(36,866)	(193)	(65,268)
Cash generated from operations	125,379	5,045	250,668	24,738
Taxes paid	-	-	(22)	(108)
Net cash provided by operating activities	125,379	5,045	250,646	24,630
Net cash used in investing activities	(32,925)	(92,764)	(106,421)	(134,106)
Net cash used by financing activities	(90,086)	80,411	(194,613)	98,370
Net (decrease)/increase in cash and cash equivalents	2,368	(7,308)	(50,388)	(11,106)
Cash and cash equivalents at beginning of the financial period	58,151	18,423	110,907	22,221
Cash and cash equivalents at end of the financial period	60,519	11,115	60,519	11,115

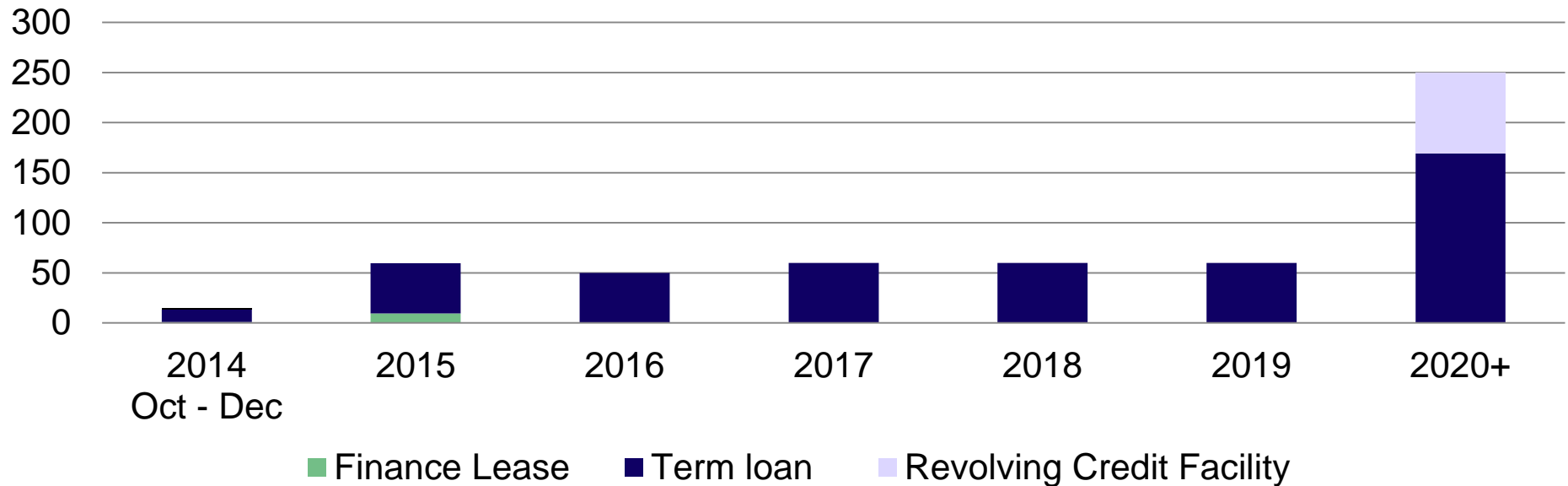
Financing

Unaudited figures in USD millions

Gross debt	547.4
Cash	(60.5)
Net debt	486.9

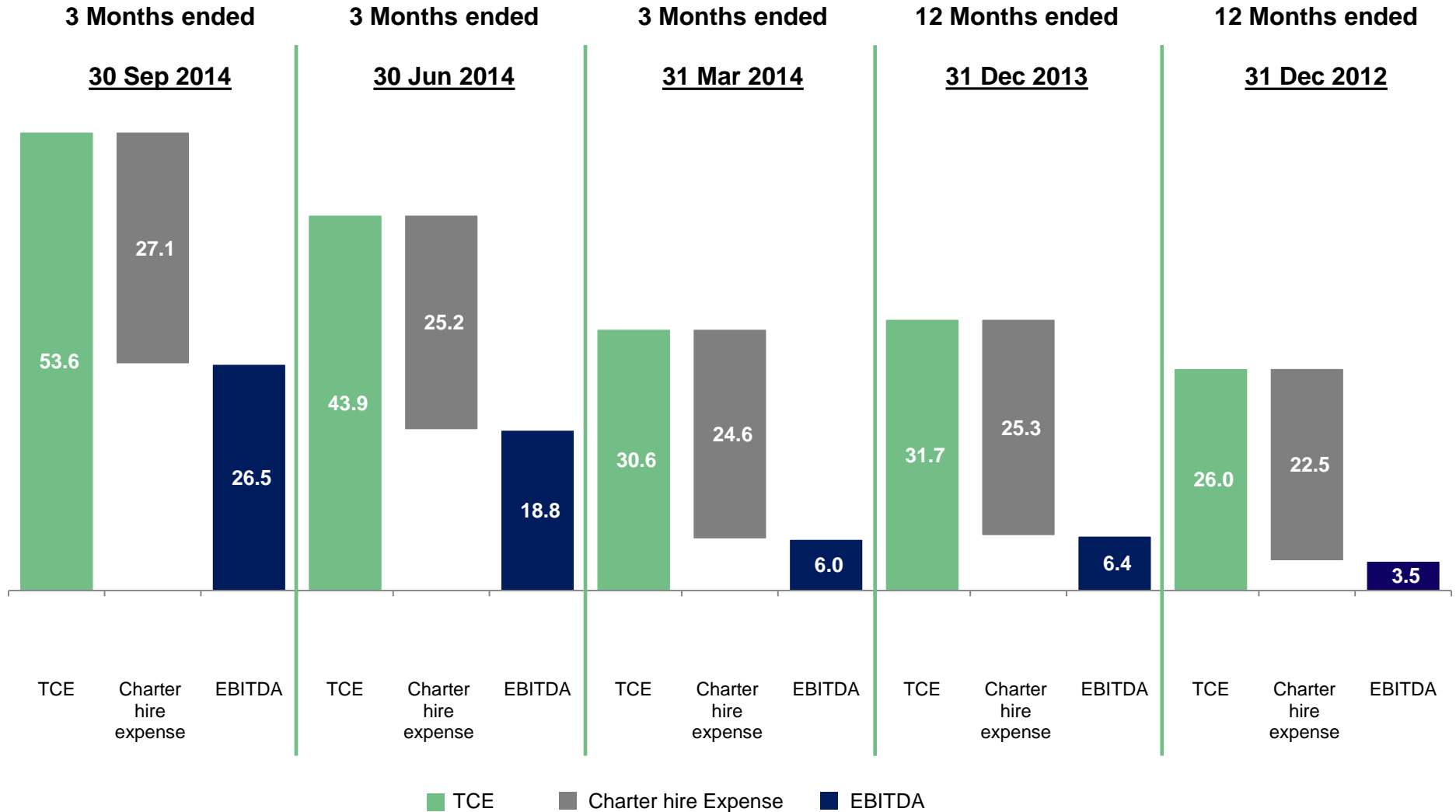
- Available liquidity of USD 180.5 million

Loan repayments



Charter-in vessels per ship day

Unaudited figures in USD thousands



Note:
BW Broker is a bareboat-in vessel and included in the figures above.

BW LPG – summary and outlook

- BW LPG remains positive on the market outlook for the LPG transportation sector, in particular day rates for VLGCs in 2014 – 2015
- In recent weeks the market has been somewhat less strong as demand has softened and the tightness in ship availability is less than has been the case through the year
- Newbuildings delivering within the next two years add to the orderbook, resulting in some expectation of market rebalancing and rate reductions in particular through 2016
- Continued growth in US NGL production and fractioning / terminal capacity suggests potential for continued export growth to absorb incremental new tonnage over time
- BW LPG remains intent on maintaining a market leadership position in fleet scale over time, however this will be built on well-timed value-accretive transactions which suggests that acquisitions in historically high markets are unlikely to be attractive
- With BW LPG's strong balance sheet and strategic balance between fixed income against spot, we are well positioned for stability through volatile markets, and as a platform for growth



Q&A session

Appendix

VLGC and LGC TCE per Revenue Day

Review of achieved TCE YTD Sep 2014 and fixed income outlook

VLGC	YTD 2014	Q4 2014	2015	2016	2017
Voyage Charter	55,603				
COA - Spot	43,455				
COA - Fixed	39,823	35,700	31,775	31,908	31,908
Time Charter - Out	36,232	38,484	35,101	32,045	30,864

LGC	YTD 2014	Q4 2014	2015	2016	2017
Voyage Charter	23,453				
COA - Spot	-				
COA - Fixed	35,898				
Time Charter - Out	24,377	35,763	33,660	32,462	

VLGC

- Fixed income from Time Charter – Out for YTD Sep 2014 accounted for USD 55.0 million or 15% of total TCE income and COA – Fixed accounted for USD 84.3 million or 23%
- Q4 2014 income for Time Charter – Out is expected to be USD 29.0 million and COA-Fixed is expected to be USD 8.1 million, based on certain assumptions* relating to voyages direction and duration during the period

LGC

- YTD Sep 2014 income for Time Charter – Out accounted for USD 16.4 million or 47% of total TCE income and COA – Fixed accounted for USD 3.2 million or 9%, in the LGC segment

Note:

* COA-Fixed is based on certain assumptions for example with regards to routes and days of employment

Time Charter - Out and COAs are based only on contracted duration. It is likely that the Company renews some or all of its Time Charter - Out and COAs in the years ahead

VLGC and LGC Days

VLGC	YTD 2014	Q4 2014	2015	2016	2017
Available Days	-	1,720	6,896	8,519	8,685
Voyage Charter Days	2,410	-	-	-	-
COA - Spot Days	2,129	-	-	-	-
COA - Fixed Days	2,117	228	1,881	2,140	2,140
Time Charter - Out Days	1,519	754	2,810	2,097	1,810
Technical downtime	178	103	120	196	196
Ship days	8,353	2,805	11,707	12,951	12,831
Time Charter - Out % of Total	18%	27%	24%	16%	14%

LGC	YTD 2014	Q4 2014	2015	2016	2017
Available Days	-	89	1,136	1,418	1,810
Voyage Charter Days	589	-	-	-	-
COA - Spot Days	-	-	-	-	-
COA - Fixed Days	81	-	-	-	-
Time Charter - Out Days	617	367	674	363	-
Technical downtime	78	4	15	49	15
Ship days	1,365	460	1,825	1,830	1,825
Time Charter - Out % of Total	45%	80%	37%	20%	0%

VLGC

- Time charter income accounted for 18% of the available days for YTD Sep 2014
- In Q4 2014, time charter income is expected to account for 27% of available days

LGC

- Time charter income accounted for 45% of the available days for YTD Sep 2014
- In Q4 2014, fixed time charter income is likely to occupy the Company's LGC fleet for 80% of the available days

Notes:

- Available days is calculated as total ship days (365 days per available vessel) less planned maintenance (including dry docking days) and less expected Time Charter - Out days and COA-Fixed days
- COA-Fixed (COA days at fixed day rates) is determined applying certain assumptions, for example with regards to routes and days of employment
- Time Charter - Out and COAs are calculated based on contracted duration. It is likely that the Company renews some or all of its Time Charter - Out and COAs in the future, at rates reflecting the fixed income market outlook at time of renewal

Glossary of terms

<u>Terms</u>	<u>Explanation</u>
Time Charter - Out	: charter hires with a fixed hire rate for a fixed duration (term of charter)
Voyage Charter	: charter hires negotiated on spot/market rates
COA - Spot	: contracts of affreightment with variable element(s) in the hire rates for a specified range of duration (term of charter) and frequency (number of cargoes lifted). These contracts are typically determined with reference to the Baltic rate for VLGCs
COA - Fixed	: contracts of affreightment with fixed day rates applicable for a specified duration (term of charter) and frequency (number of cargoes lifted)

Leading international board of directors

Strong board of directors



Andreas Sohmen-Pao - *Chairman of the Board*

- CEO of BW Group
- Non-executive director of BW Offshore
- Board member of The Esplanade Co Ltd (Singapore) and the National Parks Board (Singapore)



John B. Harrison – *Vice Chairman*

- Independent Non-executive Director at BW Group, AIA Group Limited and Hong Kong Stock Exchanges and Clearing Limited
- Former Deputy Chairman of public accounting firm KPMG International
- Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Hong Kong Institute of Certified Public Accountants



Dato' Jude P Benny - *Member of the Board*

- Managing Partner of Joseph Tan Jude Benny, which he founded in 1988
- Named as the Maritime Lawyer of the Year, 2012, for Singapore by Best Lawyers
- Director of the Maritime and Port Authority of Singapore



Andreas Beroutsos - *Member of the Board*

- Executive Vice President of Caisse the Depot et Placement du Quebec
- Former Managing Partner of One Point Capital Management and Navigos Capital Management
- Former Senior Managing Director at Eton Park Capital Management
- Former Director (senior partner) with McKinsey & Company in New York
- Former Member of the General Council of the Hellenic Financial Stability Fund



Anne Grethe Dalane - *Member of the Board*

- Business Process Owner, Sales at Yara International, has been with Yara since 2003
- Former executive positions at Norsk Hydro in Human Resources, Corporate Strategy and Finance
- Board experience includes Hafslund, EDB Business Partners and Prosafe



Anders Onarheim - *Member of the Board*

- Board member of Solstad Offshore, North Energy, Reach Subsea and other investment firms
- Former Managing Director in companies within the investment bank Carnegie Group
- Previously worked with Goldman Sachs and Merrill Lynch

Experienced management team



Nicholas Murray Gleeson - *Chief Executive Officer*

- Joined BW LPG from his position as Group CFO of BW Group, having previously also held the role of CFO, BW Gas Ltd
 - More than 20 years of business experience as CFO and in other senior finance roles
 - Australian Chartered Accountant and holds a Bachelor of Commerce in Accounting from the Australian National University and an MBA from INSEAD
-



Vijay Kamath - *Chief Financial Officer*

- Joined BW LPG from FSL Asset Management where he was SVP and CCO
 - More than 20 years of experience in banking, financial management, sales and other functions
 - Master of Management Studies and Bachelor of Science from Goa University, India
-



Andrew Hoare - *Chief Commercial Officer*

- Joined BW LPG from his position as VP Commercial and Operations at BW Maritime which he joined in 2003
 - More than 20 years of experience in the shipping industry
 - Masters in Arts (Honours) in Management with International Relations from the University of St. Andrews, Scotland and an MBA from Ashridge Management College, London
-



Sugato Roy – *Head of fleet supervision*

- Joined BW LPG from his position as Head of Technical Operations at Navig8 Ship Management where he played an integral role in setting up their Ship Management division in Singapore
- More than 27 years of experience in the shipping industry, having built up extensive sailing experience at sea and ship management experience on shore



BW LPG