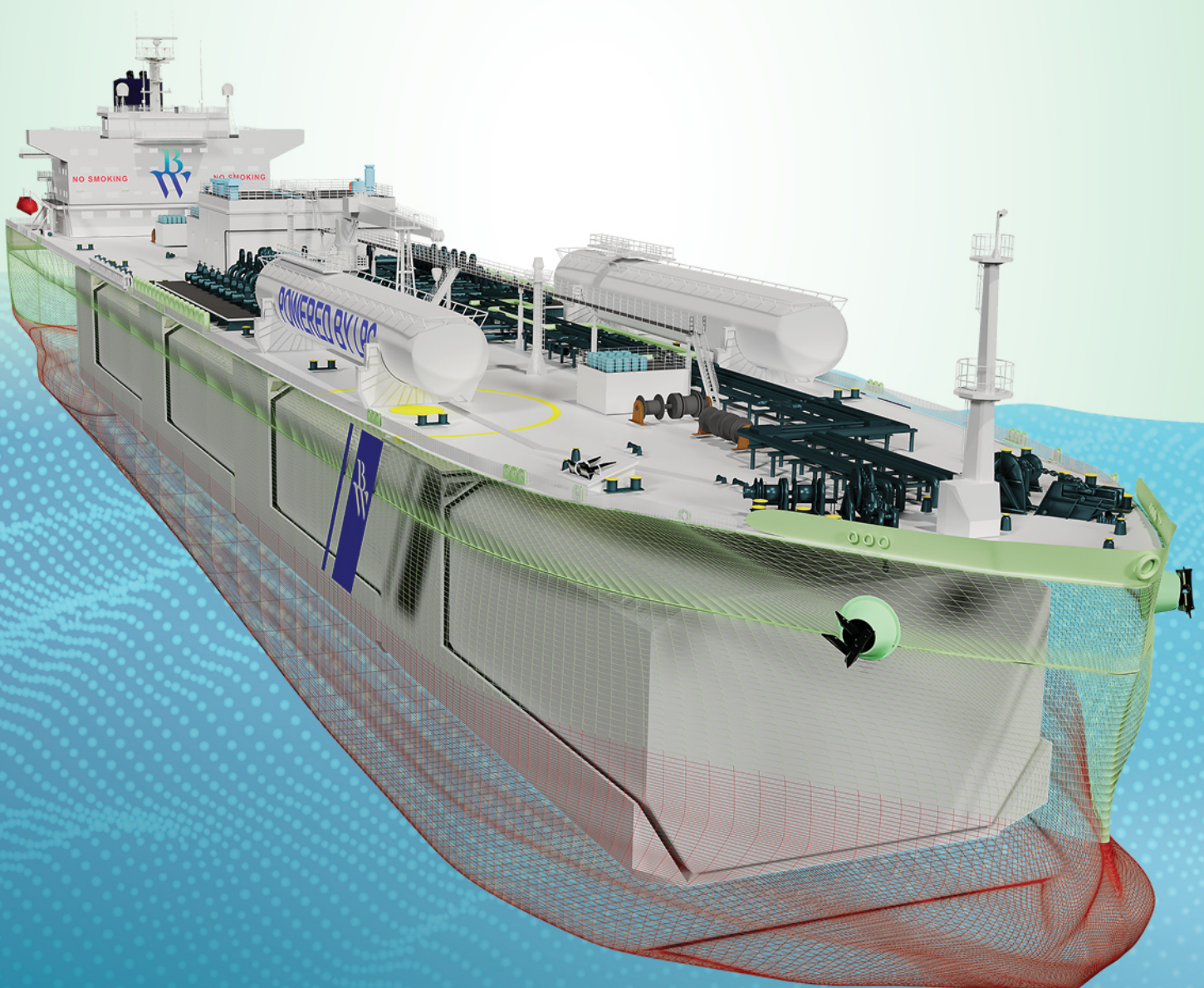


BW LPG Limited

Interim Financial Report
Q1 2021 (unaudited)



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SELECTED KEY FINANCIAL INFORMATION

Income Statement	Q1 2021 US\$ million	Q1 2020 US\$ million	Increase/ (Decrease) %
Net income from spot voyages	111.1	140.3	(21)
Net income from time charter voyages	39.0	21.7	80
TCE income	150.1	162.0	(7)
EBITDA	112.6	126.3	(11)
Profit after tax	71.2	80.6	(12)
(US\$ per share)			
Basic and diluted EPS ¹	0.51	0.58	(12)
Dividend per share	0.18	0.20	(10)
Balance Sheet	31 March 2021 US\$ million	31 December 2020 US\$ million	Increase/ (Decrease) %
Cash & cash equivalents	82.1	90.3	(9)
Total assets	2,413.4	2,416.6	-
Total liabilities	1,111.5	1,165.1	(5)
Total shareholders' equity	1,301.9	1,251.6	4
Cash flow	Q1 2021 US\$ million	Q1 2020 US\$ million	Increase/ (Decrease) %
Operating cash flow	156.4	150.1	4
Capital expenditure	60.0	15.4	N.M
Free cash flow	96.4	134.7	(28)
Financial Ratios	Q1 2021 %	Q1 2020 %	Increase/ (Decrease) %
ROE ² (annualised)	22.3	27.6	(19)
ROCE ² (annualised)	13.5	15.2	(11)
EBITDA margin ³	75.0	78.0	(4)
Gross leverage ratio ⁴	43.5	52.6	(17)
Net leverage ratio ⁵	41.8	48.9	(14)
Other Information	31 March 2021	31 December 2020	Increase/ (Decrease) %
Shares – end of period (shares)	141,938,998	141,938,998	-
Treasury shares – end of period (shares)	3,629,345	3,842,345	(6)
Share price (NOK)	58.6	59.0	(1)
Market cap (NOK million)	8,317.6	8,374.4	(1)
Market cap (USD million)	970.3	975.4	(1)

[1] Basic and diluted EPS (earnings per share) is computed based on Q1 2021: 138.8 million shares, the weighted average number of shares outstanding less treasury shares during the period/year.

[2] 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.

[3] EBITDA margin is computed as EBITDA over TCE income.

[4] Gross leverage ratio is computed as total debt over total debt plus equity.

[5] Net leverage ratio is computed as total debt less cash over total debt less cash plus equity.

HIGHLIGHTS – Q1 2021

- Achieved Q1 2021 VLGC freight rates of US\$43,300 per calendar day.
- Generated Q1 2021 Net Profit after Tax of US\$71.2 million or an earnings per share of US\$0.51 or NOK4.42.
- FY 2021 annualised return on equity of 22% with US\$96.4 million of free cash flow.
- Declared a Q1 2021 cash dividend of US\$0.18 per share amounting to US\$24.9 million. This translates to a payout ratio as a percentage of NPAT of 35% for the quarter. The shares will be traded ex-dividend on and after 26 May 2021. The dividend will be payable on or about 11 June 2021 to shareholders on record as at 27 May 2021.

PERFORMANCE REVIEW – Q1 2021

Time Charter Equivalent (“TCE”) income decreased to US\$150.1 million for Q1 2021 (Q1 2020: US\$162.0 million), mainly due to higher time charter coverage and lower fleet utilisation predominantly arising from the retrofitting of dual fuel propulsion engines. This also includes a net positive impact of US\$17.7 million related to the effects of IFRS 15 where spot voyages that straddle the quarter-end are now accounted for on a load to discharge basis.

EBITDA was US\$112.6 million for Q1 2021 (Q1 2020: US\$126.3 million), primarily due to lower TCE income.

Profit after tax was US\$71.2 million for Q1 2021 (Q1 2020: US\$80.6 million).

Net leverage ratio decreased to 41.8% in Q1 2021 (Q1 2020: 48.9%). This is mainly due to solid cash flows from operations, net of US\$173.9 million in total dividends paid in the period from FY 2020 to Q1 2021.

BALANCE SHEET

As at 31 March 2021, BW LPG has a fleet of 46 VLGCs, including five which are owned and operated by a joint venture. Total assets amounted to US\$2,413.4 million (31 December 2020: US\$2,416.6 million), of which US\$1,699.9 million (31 December 2020: US\$1,754.3 million) represented the carrying value of the vessels (including dry docking) and US\$138.8 million (31 December 2020: US\$147.3 million) represented the carrying value of the right-of-use assets (vessels).

Cash and cash equivalents amounted to US\$82.1 million as at 31 March 2021 (31 December 2020: US\$90.3 million). Cash flows from operating activities generated a net cash surplus of US\$156.4 million in Q1 2021 (Q1 2020: US\$150.1 million). The cash flows from operating activities were used for capital expenditure, to repay bank borrowings, and for interest and dividend payments.

Loan receivables from a joint venture have been classified as current at 31 March 2021 as the amounts are expected to be repaid in Q2 2021.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Q1 2021 US\$'000	Q1 2020 US\$'000
Revenue from spot voyages	166,422	228,678
Voyage expenses	(55,329)	(88,424)
Net income from spot voyages	111,093	140,254
Revenue from time charter voyages	38,993	21,703
TCE income[^]	150,086	161,957
Net (loss)/gain from commodity contracts	(2,421)	528
Fair value gains from equity financial asset	2,773	-
Vessel operating expenses	(22,818)	(26,421)
Time charter contracts (non-lease components)	(3,537)	(3,214)
General and administrative expenses	(9,487)	(6,172)
Charter hire expenses	(2,955)	(1,907)
Finance lease income	334	558
Other operating (expenses)/income - net	650	998
Operating profit before depreciation, amortisation and impairment (EBITDA)	112,625	126,327
Depreciation charge	(36,043)	(38,139)
Amortisation of intangible assets	(123)	(13)
	76,459	88,175
Gain on disposal of vessels	1,638	-
Gain on disposal of assets held-for-sale	-	5,273
Operating profit (EBIT)	78,097	93,448
Foreign currency exchange loss - net	(740)	(2,151)
Interest income	1,859	1,331
Interest expense	(9,073)	(12,201)
Derivative loss	-	18
Other finance expense	(635)	(732)
Finance expense – net	(8,589)	(13,735)
Share of profit of a joint venture	2,031	1,213
Profit before tax for the financial period	71,539	80,926
Income tax expense	(370)	(321)
Profit after tax for the financial period (NPAT)	71,169	80,605

[^] “TCE income” denotes “time charter equivalent income” which represents revenue from time charters and voyage charters less voyage expenses comprising primarily fuel oil, port charges and commission.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

	Q1 2021 US\$'000	Q1 2020 US\$'000
Other comprehensive income/(loss):		
Items that may be subsequently reclassified to profit or loss:		
Cash flow hedges		
-fair value gain/(loss)	22,602	(45,097)
-reclassification to profit or loss	2,868	2,134
Currency translation reserve	22	(211)
Other comprehensive income/(loss), net of tax	25,492	(43,174)
Total comprehensive income for the financial period	96,661	37,431
 Profit attributable to:		
Equity holders of the Company	71,169	80,605
	71,169	80,605
 Total comprehensive income attributable to:		
Equity holders of the Company	96,661	37,431
	96,661	37,431
 Earnings per share attributable to the equity holders of the Company: (expressed in US\$ per share)		
Basic/Diluted earnings per share	0.51	0.58

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CONSOLIDATED BALANCE SHEET

	31 March 2021 US\$'000	31 December 2020 US\$'000
Intangible assets	1,970	1,949
Loan receivables from a joint venture	-	115,150
Finance lease receivables	16,205	18,061
Investment in a joint venture	5,442	5,027
Total other non-current assets	21,647	138,238
Vessels and dry docking	1,699,865	1,754,338
Right-of-use assets (vessels)	138,771	147,266
Other property, plant and equipment	104	136
Property, plant and equipment	1,838,740	1,901,740
Total non-current assets	1,862,357	2,041,927
Inventories	20,036	15,057
Trade and other receivables	204,559	197,824
Equity financial assets, at fair value	21,311	28,259
Derivative financial instruments	3,148	7,969
Loan receivables from a joint venture	176,924	18,073
Finance lease receivables	13,415	17,266
Assets held-for-sale	29,509	-
Cash and cash equivalents	82,114	90,256
Total current assets	551,016	374,704
Total assets	2,413,373	2,416,631
Share capital	1,419	1,419
Share premium	289,812	289,812
Treasury shares	(15,958)	(16,895)
Contributed surplus	685,913	685,913
Other reserves	(60,768)	(86,207)
Retained earnings	401,437	377,528
Total shareholders' equity	1,301,855	1,251,570
Borrowings	703,403	730,732
Lease liabilities	133,919	143,428
Derivative financial instruments	21,803	32,958
Other provisions	1,240	1,165
Total non-current liabilities	860,365	908,283
Borrowings	121,566	126,791
Lease liabilities	41,670	45,018
Derivative financial instruments	13,684	42,805
Current income tax liabilities	1,192	995
Trade and other payables	73,041	41,169
Total current liabilities	251,153	256,778
Total liabilities	1,111,518	1,165,061
Total equity and liabilities	2,413,373	2,416,631

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company									
	Share capital	Share premium	Treasury shares	Contributed surplus	Capital reserve	Hedging reserve	Share-based payment reserve	Currency translation reserve	Retained earnings	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 January 2021	1,419	289,812	(16,895)	685,913	(36,259)	(50,314)	457	(91)	377,528	1,251,570
Profit for the financial period	-	-	-	-	-	-	-	-	71,169	71,169
Other comprehensive income for the financial period	-	-	-	-	-	25,470	-	22	-	25,492
Total comprehensive income for the financial period	-	-	-	-	-	25,470	-	22	71,169	96,661
Share-based payment reserve - Value of employee services	-	-	-	-	-	-	(53)	-	-	(53)
Disposal of treasury shares	-	-	937	-	-	-	-	-	-	937
Dividend paid	-	-	-	-	-	-	-	-	(47,260)	(47,260)
Total transactions with owners, recognised directly in equity	-	-	937	-	-	-	(53)	-	(47,260)	(46,376)
Balance at 31 March 2021	1,419	289,812	(15,958)	685,913	(36,259)	(24,844)	404	(69)	401,437	1,301,855

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	Attributable to equity holders of the Company									
	Share capital	Share premium	Treasury shares	Contributed surplus	Capital reserve	Hedging reserve	Share-based payment reserve	Currency translation reserve	Retained earnings	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 January 2020	1,419	289,812	(14,432)	685,913	(36,259)	(9,602)	230	(57)	260,289	1,177,313
Profit for the financial period	-	-	-	-	-	-	-	-	80,605	80,605
Other comprehensive loss for the financial period	-	-	-	-	-	(42,963)	-	(211)	-	(43,174)
Total comprehensive (loss)/income for the financial period	-	-	-	-	-	(42,963)	-	(211)	80,605	37,431
Share-based payment reserve - Value of employee services	-	-	-	-	-	-	23	-	-	23
Purchases of treasury shares	-	-	(1,812)	-	-	-	-	-	-	(1,812)
Dividend paid	-	-	-	-	-	-	-	-	(57,202)	(57,202)
Total transactions with owners, recognised directly in equity	-	-	(1,812)	-	-	-	23	-	(57,202)	(58,991)
Balance at 31 March 2020	1,419	289,812	(16,244)	685,913	(36,259)	(52,565)	253	(268)	283,692	1,155,753

CONSOLIDATED STATEMENT OF CASH FLOWS

	Q1 2021 US\$'000	Q1 2020 US\$'000
Cash flows from operating activities		
Profit before tax for the financial period/year	71,539	80,926
Adjustments for:		
- amortisation of intangible assets	123	13
- depreciation charge	36,043	38,139
- gain on disposal of assets held-for-sale	-	(5,273)
- gain on disposal of vessels	(1,638)	-
- interest income	(1,859)	(1,331)
- interest expense	9,073	12,201
- other finance expense	448	112
- share-based payments	(53)	23
- share of profit of a joint venture	(2,031)	(1,213)
- finance lease income	(334)	(558)
- fair value gain from equity financial asset	(2,773)	-
	108,538	123,039
Changes in working capital:		
- inventories	(4,979)	(47,273)
- trade and other receivables	8,813	26,916
- trade and other payables	31,956	38,511
- derivative financial instruments	(9,984)	(8,254)
- margin account held with broker	22,243	17,252
Total changes in working capital:	48,049	27,152
Taxes paid	(173)	(73)
Net cash provided by operating activities	156,414	150,118
Cash flows used in investing activities		
Additions in property, plant and equipment	(46,912)	(6,816)
Progress payments for vessel upgrades and dry docks ¹	(12,912)	(8,502)
Additions in intangible assets	(144)	(54)
Net proceeds from sales/(purchases) of equity financial assets, at FVPL	9,721	-
Proceeds from sale of assets held-for-sale	-	31,998
Repayment of loan receivables from a joint venture	1,900	3,100
Repayment of finance lease receivables	5,707	5,483
Interest received	1,592	1,898
Net cash (used in)/provided by investing activities	(41,048)	27,107

¹ This will be reclassified from "prepayments" to "property, plant and equipment" upon completion.

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CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

	Q1 2021 US\$'000	Q1 2020 US\$'000
Cash flows used in financing activities		
Proceeds from bank borrowings	30,000	150,000
Payment of financing fees	-	-
Repayments of bank borrowings	(53,005)	(126,267)
Payment of lease liabilities	(12,857)	(12,429)
Interest paid	(8,158)	(10,948)
Other finance expense paid	(458)	(92)
Sales/(Purchases) of treasury shares	937	(1,812)
Drawdown of trust receipts	23,994	13,532
Repayment of trust receipts	(34,458)	(46,836)
Dividend payment	(47,260)	(57,202)
Net cash used in financing activities	(101,265)	(92,054)
Net increase in cash and cash equivalents	14,101	85,171
Cash and cash equivalents at beginning of the financial period	56,356	93,525
Cash and cash equivalents at end of the financial period	70,457	178,696

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	31 March 2021 US\$'000	31 December 2020 US\$'000
Cash and cash equivalents per consolidated balance sheet	82,114	90,256
Less: Margin account held with broker	(11,657)	(33,900)
Cash and cash equivalents per consolidated statement of cash flows	70,457	56,356