

BW LPG

Q2 2015 Results Presentation

28 August 2015



BW LPG



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Agenda

- Highlights
- Market Dynamics
- Financials
- Summary & Outlook
- Q&A

Highlights

- Q2 2015 saw yet another strong financial performance for BW LPG
 - EBITDA was USD 105.8 million – 15% above Q2 2014 and 32% above Q1 2015
 - EBIT was USD 84.9 million – 13% above Q2 2014 and 37% above Q1 2015
- The newbuilding program is on time and on budget, with all vessels delivering by end 2016:
 - BW Leo was delivered on 27 April 2015
 - The next two VLGC newbuildings are due in August and October
- The Group took over four distressed VLGC ship building contracts with Daewoo Shipbuilding (DSME) at competitive prices:
 - The four VLGCs are expected to be delivered in second half of 2016 at a delivered cost of approximately USD 72.7 million each
- The Group had exercised a purchase option on the VLGC, Berge Summit. The vessel has been delivered on 11 May 2015.
- The Board has recommended an interim cash dividend of USD 0.78 per share for H1 2015, equating to a pay-out ratio of 75% of net profit after tax
- On 27 August 2015, the Company elected not to exercise the option to purchase a total of six million shares of Dorian LPG at a price of USD 15.34 per share



Second Quarter 2015 Financial Highlights

- TCE earnings were USD 154.7 million – 10% above Q2 2014
- EBITDA was USD 105.8 million – 15% above Q2 2014
- Net profit was USD 80.7 million – 12% above Q2 2014
- Key metrics:

	Q2 2015	Rolling 12 Months
EPS ¹	\$ 0.61	\$ 2.15
Earnings yield ²	n.a.	25.3%
ROE ³	7.6%	27.3%
ROCE ³	4.5%	16.1%
Leverage ratio ⁴	43.9%	43.9%

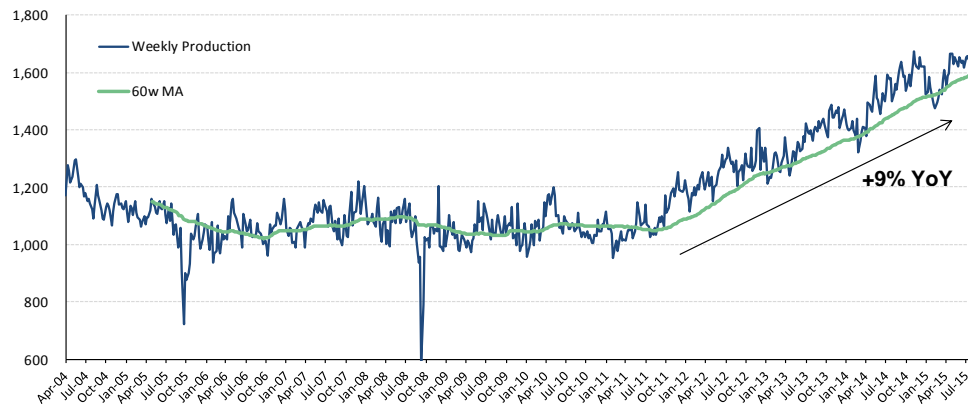


Notes: 1) EPS (earnings per share) is computed basis number of shares outstanding less treasury shares as at 30 June 2015
 2) Earnings yield on a rolling 12 months basis is computed as EPS divided by 30 June 2015 share price in USD terms
 3) ROE (returns on equity) and ROCE (returns on capital employed) on a rolling 12 months basis is computed basis equity and capital employed as at 30 June 2015
 4) Leverage ratio is computed as total debt over total debt and equity

U.S. LPG Snapshot

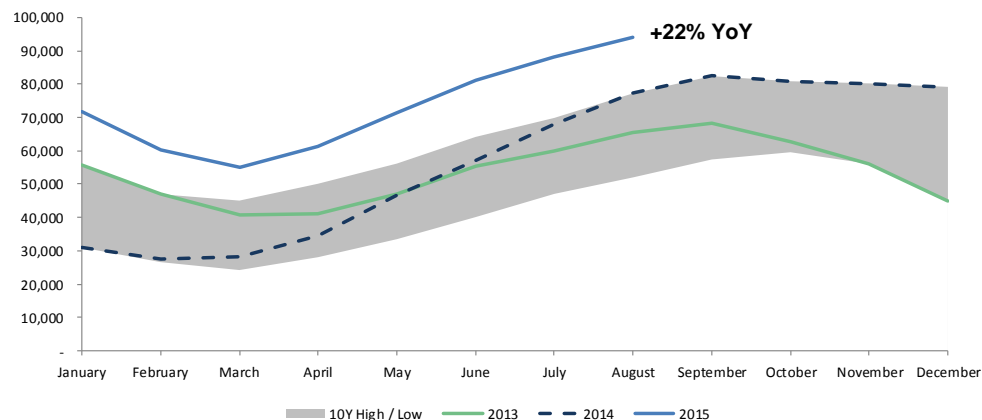
U.S. production of propane growing...

Weekly U.S. Propane Production (Thousand Barrels per Day)



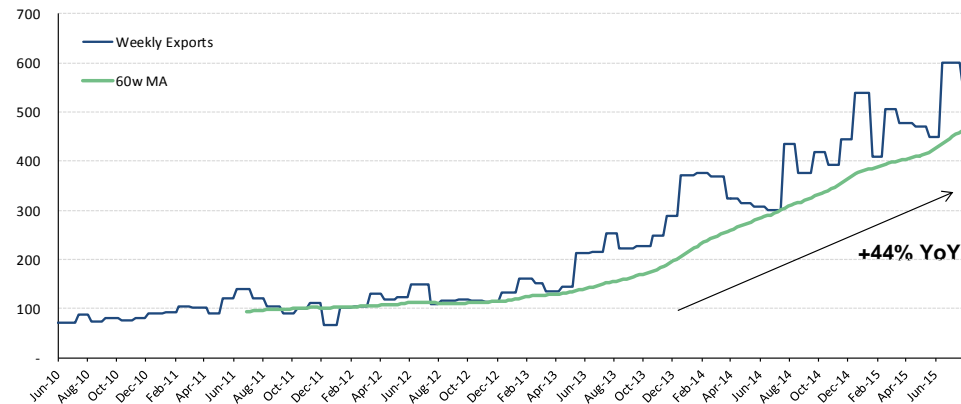
...as well as a build-up of record high inventories

Trailing Ten Year Monthly Propane Inventories (MMBbls)



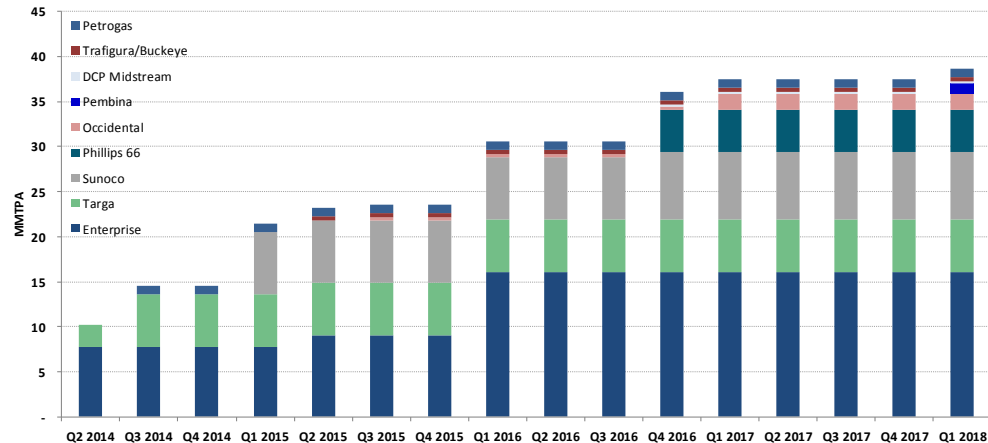
...leading to export volume growth that is outpacing production growth

Weekly U.S. Propane Exports (Thousand Barrels per Day)



Exports to no longer be constrained by terminal capacity

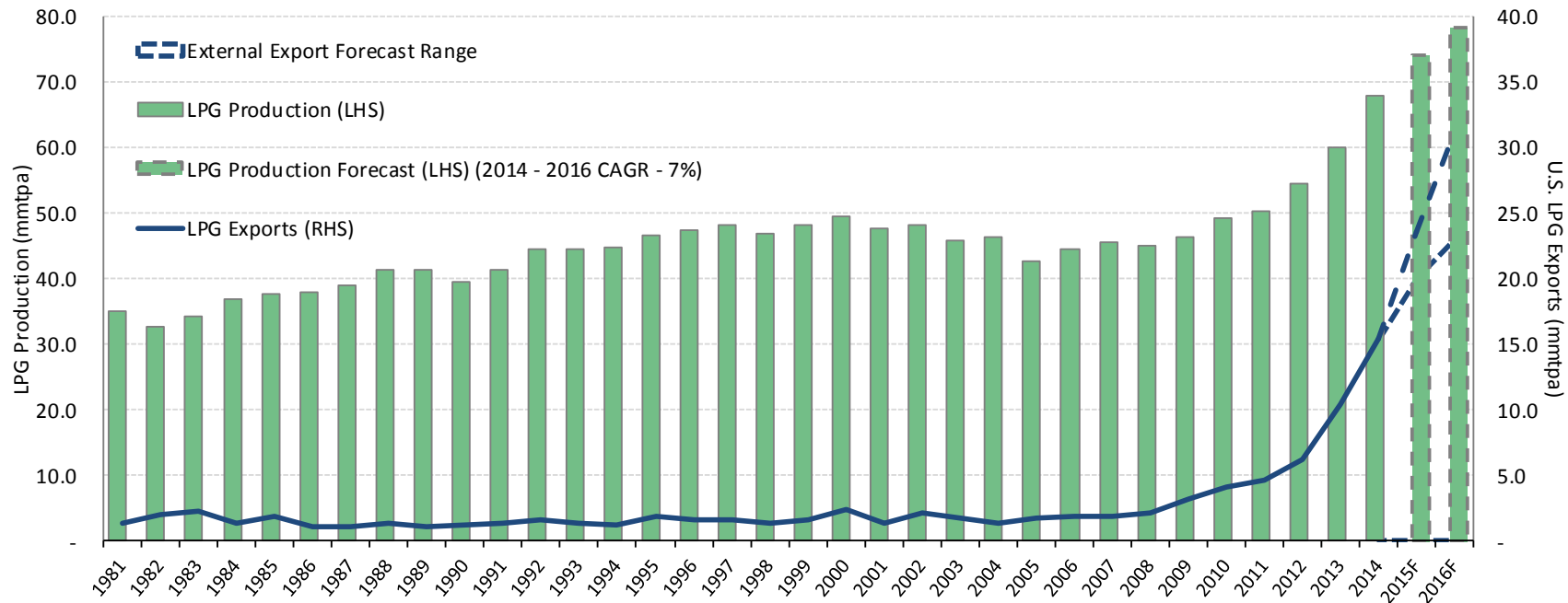
US LPG Export Terminal Capacity Expansions



U.S. LPG Production & Export Forecast

Consensus production CAGR of 7% over next two years, export growth ranges between 22% - 43%

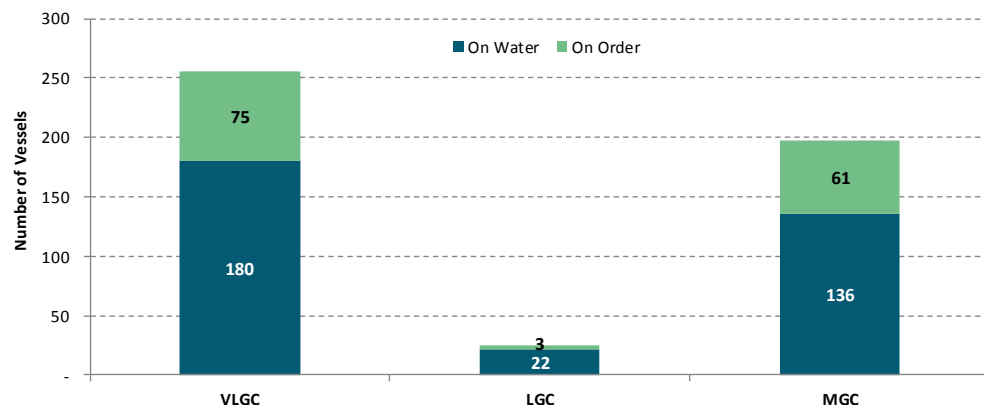
US LPG Production & Exports (mmtpa)



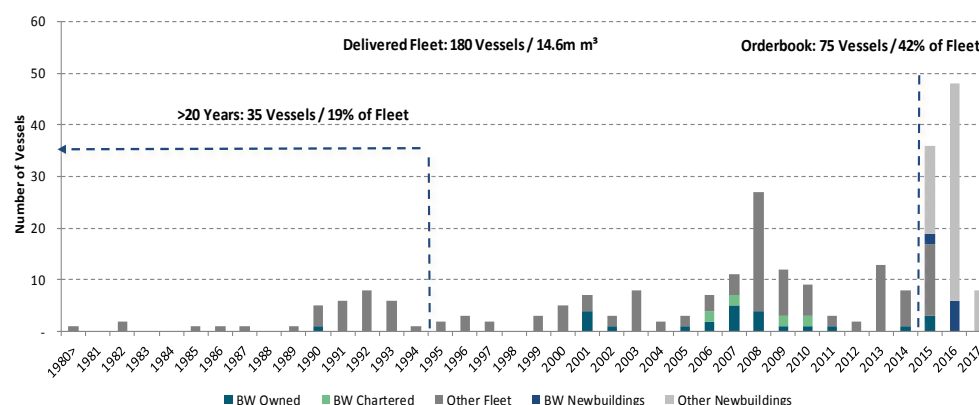
- Consensus U.S. LPG production forecast growth of 7%, rising from 68 million tons in 2014 to 78 million tons in 2016; domestic consumption of LPG will grow moderately
- External U.S. LPG export growth forecasts are more variable, ranging between 22% - 43%
- Annualized 2015 U.S. LPG exports of 19.7mt, equating to ~40% YoY growth

Global LPG & BW LPG Fleet Profile

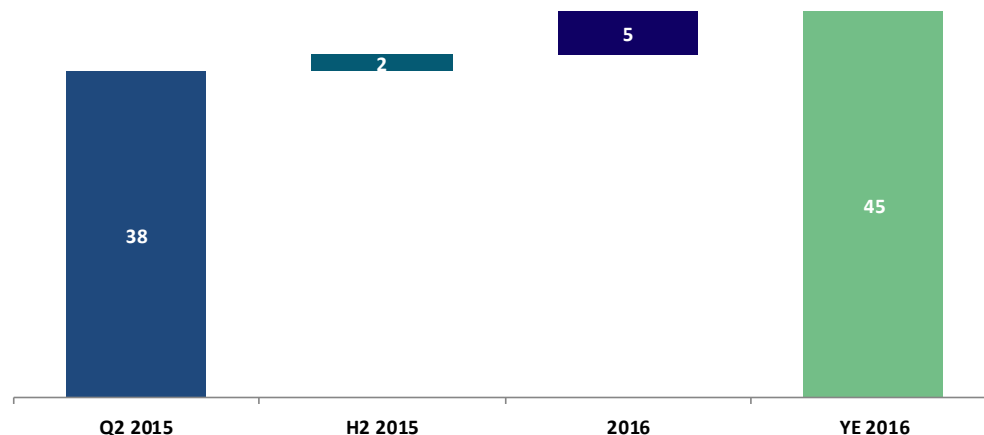
Global LPG Fleet & Orderbook (>20k CBM) [1]



VLGC Fleet Profile [1] - Average Age: 10.5 Years



BW LPG Net Fleet Development [2]



BW LPG VLGC NB Delivery Schedule

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

- VLGC orderbook remains formidable at 43% of delivered fleet¹
- One third of BW LPG's VLGC NB order book has delivered
- BW LPG's fleet will grow by 18% by end of 2016, maintaining VLGC market leadership position

Source: Clarksons, BW LPG analysis

[1] As of August 27 2015

[2] Fleet timeline assumes that in-chartered vessels will be redelivered at charter expiry

Q2 2015 Income Statement

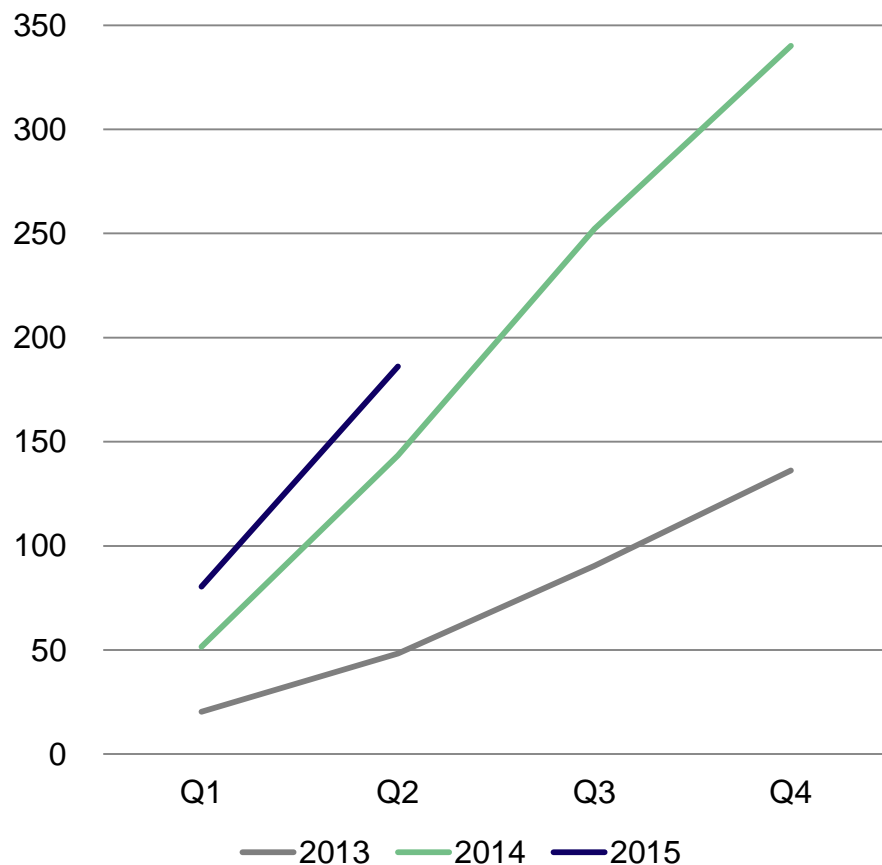
Figures in USD thousands

	(Reviewed) Q2 2015	(Reviewed) Q2 2014	(Reviewed) H1 2015	(Reviewed) H1 2014
Revenue	189,644	202,959	357,640	353,719
Voyage expenses	(34,931)	(62,143)	(72,355)	(112,512)
TCE income	154,713	140,816	285,285	241,207
Other operating income	701	40	954	875
Charter hire expense	(18,772)	(24,700)	(42,651)	(48,949)
Other operating expenses	(30,865)	(24,305)	(57,388)	(49,757)
Operating profit before depreciation, amortisation and impairment (EBITDA)	105,777	91,851	186,200	143,376
Amortisation charge	(1,227)	(1,227)	(2,455)	(2,455)
Depreciation charge	(19,644)	(15,626)	(37,027)	(31,301)
Operating profit (EBIT)	84,906	74,998	146,718	109,620
Finance expense – net	(4,101)	(2,352)	(8,446)	(6,198)
Profit before tax and other comprehensive income for the financial period	80,805	72,646	138,272	103,422
Income tax expense	(116)	(200)	(316)	(223)
Profit after tax for the financial period (NPAT)	80,689	72,446	137,956	103,199
Items that may be subsequently reclassified to income statement				
– Fair value gains/(losses)	270	(697)	(3,819)	(409)
– Reclassification to profit or loss	757	–	1,044	–
Total comprehensive income for the financial period	81,716	71,749	135,181	102,790

EBITDA Cumulative Trend

Reviewed figures in USD millions

YTD EBITDA Development



Comments

- VLGC TCE income was in line with expectations with TCE per day at USD 46,600 for Q2 and USD 44,000 for H1
- LGC TCE income was in line with expectations with TCE per day at USD 34,900 for Q2 and USD 32,900 for H1
- EBITDA continues to trend positively



Q2 2015 Balance Sheet and Cash Flows

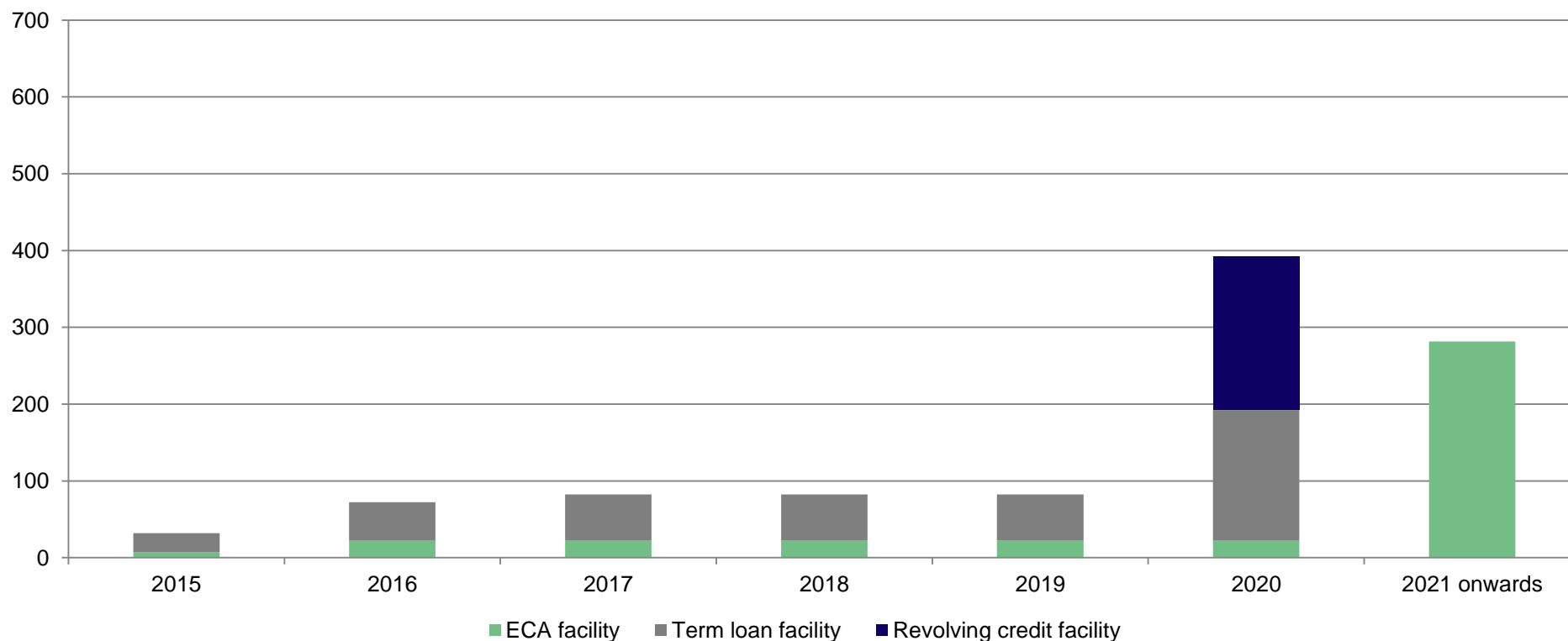
Figures in USD thousands

			(Reviewed) 30 Jun 2015	(Audited) 31 Dec 2014
Balance sheet				
Total non-current assets			1,756,196	1,490,994
Total current assets			186,995	173,070
Total assets			1,943,191	1,664,064
Total shareholders' equity			1,062,522	1,080,954
Total non-current liabilities			768,614	471,397
Total current liabilities			112,055	111,713
Total liabilities			880,669	583,110
Total equity and liabilities			1,943,191	1,664,064
Cash flows				
	(Reviewed) Q2 2015	(Reviewed) Q2 2014	(Reviewed) H1 2015	(Reviewed) H1 2014
Cash flows from operating activities				
Profit before tax for the financial period	80,805	72,646	138,272	103,422
Adjustments	24,916	19,091	46,970	39,053
Operating cash flow before working capital changes	105,721	91,737	185,242	142,475
Changes in working capital	(5,034)	(35,468)	(21,758)	(17,208)
Net cash provided by operating activities	100,687	56,269	163,484	125,267
Net cash used in investing activities	(128,284)	(33,696)	(303,933)	(73,496)
Net cash provided by/(used in) financing activities	47,262	(35,722)	138,954	(104,527)
Net increase /(decrease) in cash and cash equivalents	19,665	(13,149)	(1,495)	(52,756)
Cash and cash equivalents at beginning of the financial period	49,085	71,300	70,245	110,907
Cash and cash equivalents at end of the financial period	68,750	58,151	68,750	58,151

Financing - Repayment Profile

Figures in USD millions

Gross debt	830.3	Undrawn facility	20.0
Cash	(68.8)	Cash	68.8
Net debt	761.5	Available liquidity	88.8



Note: Table includes repayments of future drawdowns under the ECA facility and undrawn debt under the revolving credit facility

Summary and Outlook

- The LPG export market continued to grow in Q2 2015 led by U.S. volumes; China and India have been the main drivers of import demand growth
- Tonne-mile demand has grown strongly as an increasing proportion of cargoes are travelling long-haul to Asia
- The VLGC orderbook remains high at 42% of the delivered fleet
- Dividend payout of USD 0.78 per share or 75% of net profit after tax for H1 2015
- Elected not to exercise the option to purchase a total of six million shares of Dorian LPG at a price of USD 15.34 per share
- The long-term outlook remains positive with continuing market growth – albeit with potential for near-term seasonal softening of rates
- With a strong balance sheet; market-leading costs of finance; excellent long-standing customer relationships; and a high-quality asset platform; BW LPG remains well positioned to continue to benefit from the ongoing rapid growth of the global LPG export market

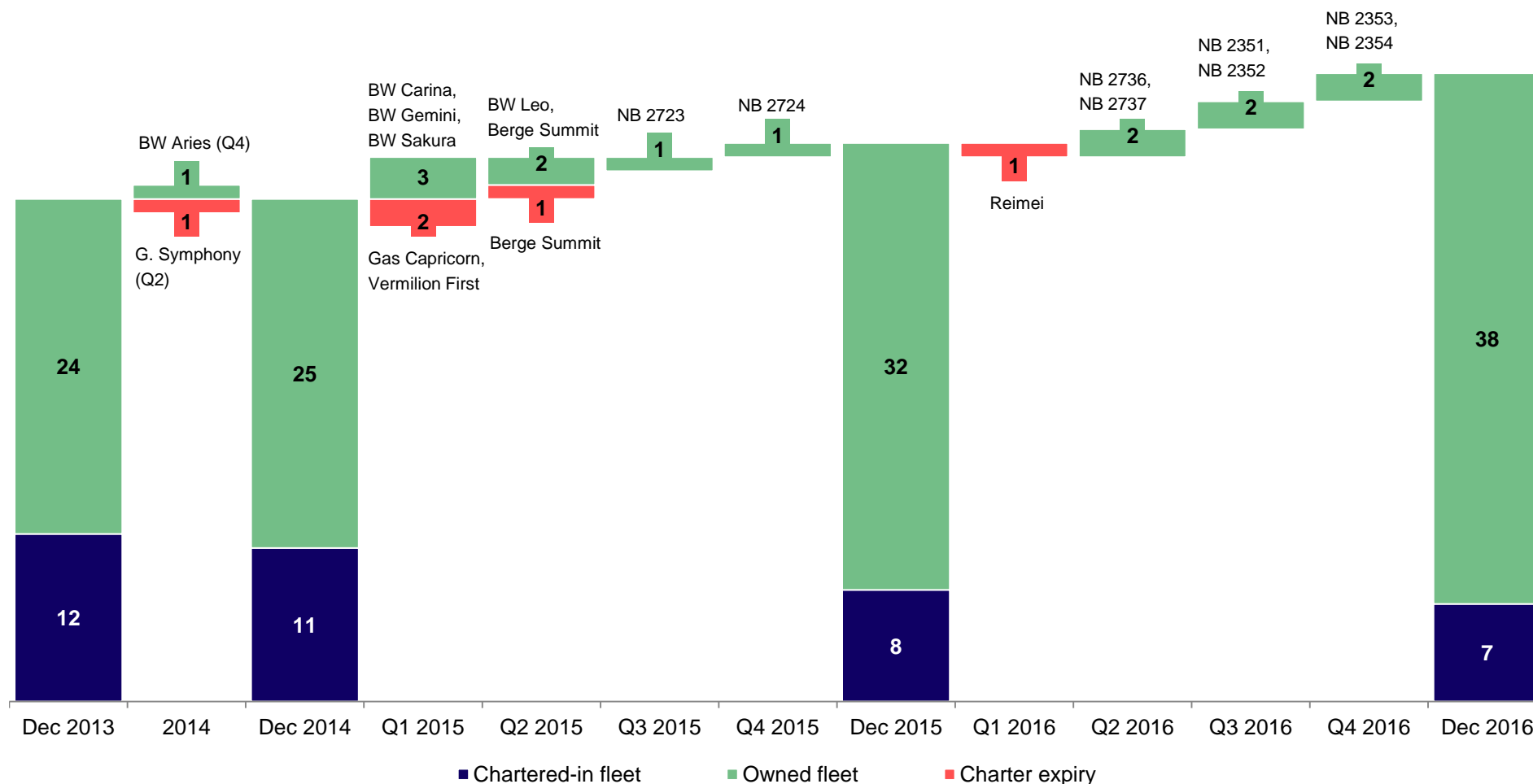


Q&A Session

Appendix

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. However, most of these time charter-in contracts have purchase options attached to them

Long-term Contract Portfolio 2015 Through 2018 (Value)

Review of achieved TCE YTD Jun 2015 and fixed income outlook

VLGC	YTD Jun 2015	ROY 2015E	2016E	2017E	2018E
Voyage Charter	59,704				
COA-Spot	48,533				
COA-Fixed	42,857	37,341	37,520	35,786	
Time Charter-Out	38,505	35,547	34,786	34,069	30,850

LGC	YTD Jun 2015	ROY 2015E	2016E	2017E	2018E
Voyage Charter	33,907				
COA-Spot					
COA-Fixed					
Time Charter-Out	34,454	35,684	32,462		

VLGC

- Fixed income from Time Charter-Out for YTD Jun 2015 accounted for USD 62.2 million or 24% of total TCE income and COA-Fixed accounted for USD 118.3 million or 46%
- For ROY 2015E income for Time Charter-Out is expected to be USD 60.5 million and COA-Fixed is expected to be USD 110.4 million, based on certain assumptions relating to voyage direction and duration during the period

LGC

- YTD Jun 2015 income for Time Charter-Out accounted for USD 24.1 million or 81% of total TCE income
- For ROY 2015E income for Time Charter-Out is expected to be USD 14.4 million

Long-term Contract Portfolio 2015 Through 2018 (Ship Days)



VLGC	YTD Jun 2015	ROY 2015E	2016E	2017E	2018E
Available days		1,245	6,479	8,279	12,146
Voyage Charter	1,038				
COA-Spot	269	325	514	486	
COA-Fixed	2,760	2,958	3,575	3,146	
Time Charter-Out	1,615	1,703	2,462	2,160	1,200
Technical downtime	122	52	201	220	207
Total shipdays	5,804	6,283	13,231	14,291	13,553
Time Charter-Out % of Total	28%	27%	19%	15%	9%

VLGC

- Time charter income accounted for 28% of the available days for YTD Jun 2015
- For ROY 2015E, time charter income is expected to account for 27% of available days

LGC	YTD Jun 2015	ROY 2015E	2016E	2017E	2018E
Available days		492	1,435	1,810	1,741
Voyage Charter	168				
COA-Spot					
COA-Fixed					
Time Charter-Out	700	403	346		
Technical downtime	37	25	49	15	84
Total shipdays	905	920	1,830	1,825	1,825
Time Charter-Out % of Total	77%	44%	19%	0%	0%

LGC

- Time charter income accounted for 77% of the available days for YTD Jun 2015
- For ROY 2015E, time charter income is expected to account for 44% of 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) was determined applying certain assumptions, for example with regards to routes and days of employment. The days are subject to change based on market conditions, charterer's appointments, and other uncontrollable factors
- 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)



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