

BW LPG

Q1 2015 Results Presentation

19 May 2015



BW LPG



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First quarter 2015 highlights

- Q1 2015 saw another strong financial performance for BW LPG, in what has traditionally been a relatively soft time of year
 - EBITDA was USD 80.4 million
 - NPAT was USD 57.3 million
- The AGM has approved a 2nd half 2014 dividend of 100% NPAT: USD 1.15 per share, providing an annual yield of 25% (basis stock price 31 December 2014)¹
- Four VLGC newbuilds acquired during the quarter bringing the total fleet to 45 vessels²
- The newbuilding program is running on time with vessels delivered on budget and meeting expected technical performance levels:
 - BW Leo delivered most recently on 27th April
 - The next two VLGC newbuilds are due in August and September
- Leverage of 36% provides capacity for the existing investment program and more
- BW LPG is well positioned to continue to deliver solid returns in this particularly positive rate environment



First quarter 2015 financial highlights

- TCE earnings were USD 130.6 million – 30% above Q1 2014
- EBITDA was USD 80.4 million – 56% above Q1 2014
- EBIT was USD 61.8 million – 78% above Q1 2014
- Net profit of USD 57.3 million – 86% above Q1 2014
- Key metrics:

	Q1 2015	Rolling 12 Months
EPS ¹	\$ 0.43	\$ 2.08
Earnings yield ²		25.56%
ROE ³	5.05%	24.89%
ROCE ³	3.50%	16.79%
Leverage ratio ⁴	35.55%	35.55%



- Notes:
- 1) EPS is computed basis number of shares outstanding less treasury shares as at 31 March 2015
 - 2) Earnings yield on a rolling 12 months basis is computed as EPS divided by 31 March 2015 share price in USD terms
 - 3) ROE and ROCE on a rolling 12 months basis is computed basis equity and capital employed as at 31 March 2015
 - 4) Leverage ratio is computed as total debt over total debt and equity

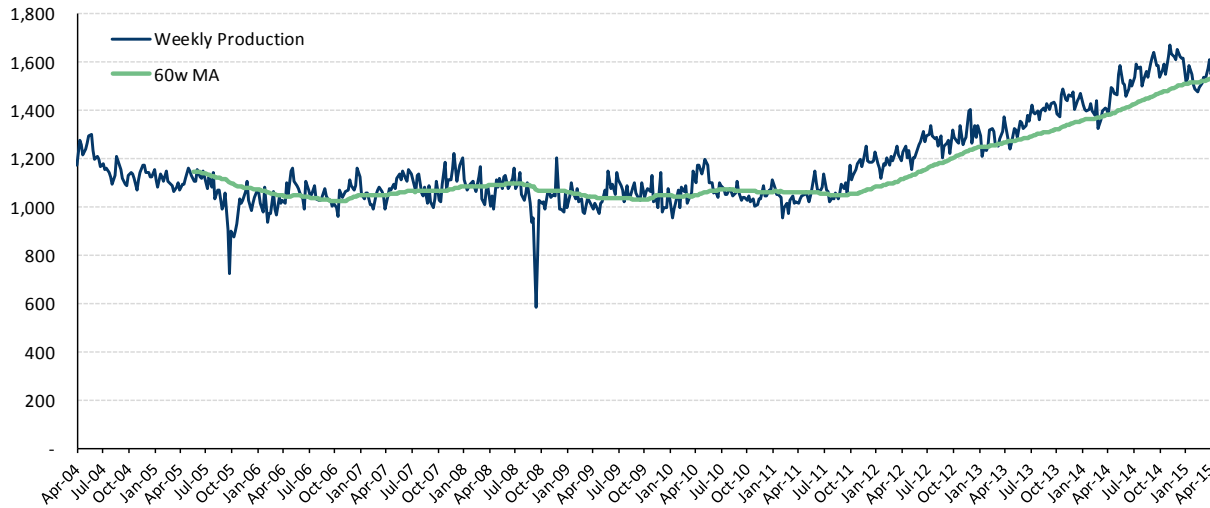
Subsequent events

- On 10 April 2015, the Group entered into ship building contracts with Daewoo Shipbuilding and Marine Engineering (DSME) for four VLGCs
 - The four VLGCs are expected to be delivered in the third and fourth quarters of 2016
 - The cost of these vessels, including interest and delivery costs, is approximately USD 72.5 million each
- A VLGC newbuild, BW Leo, was delivered on 27 April 2015
- On 28 April 2015, the Group announced the exercise of a purchase option on the VLGC, Berge Summit. The vessel was delivered on 11 May 2015.



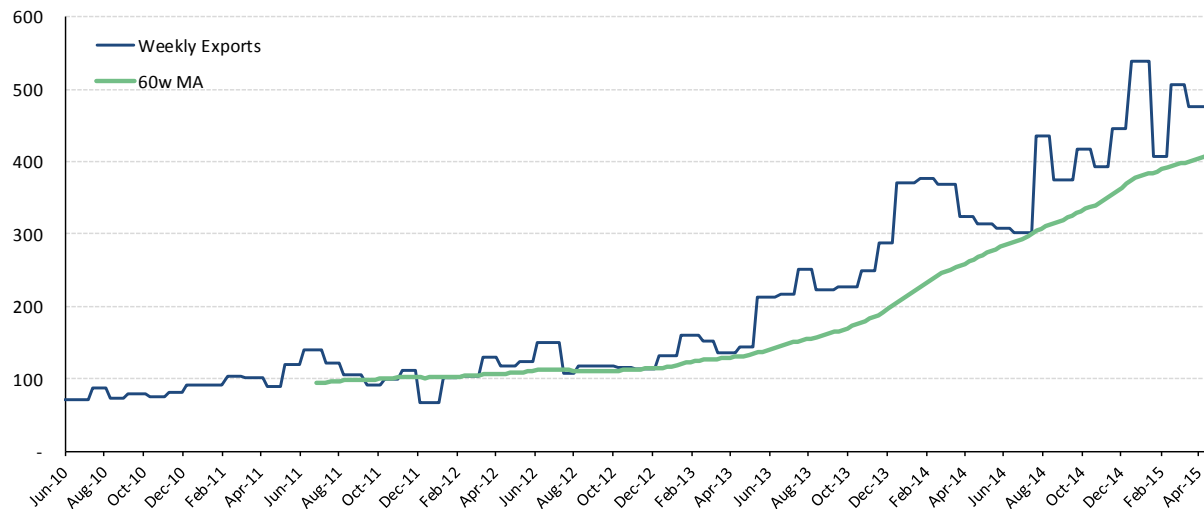
US LPG production & exports trending positively

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



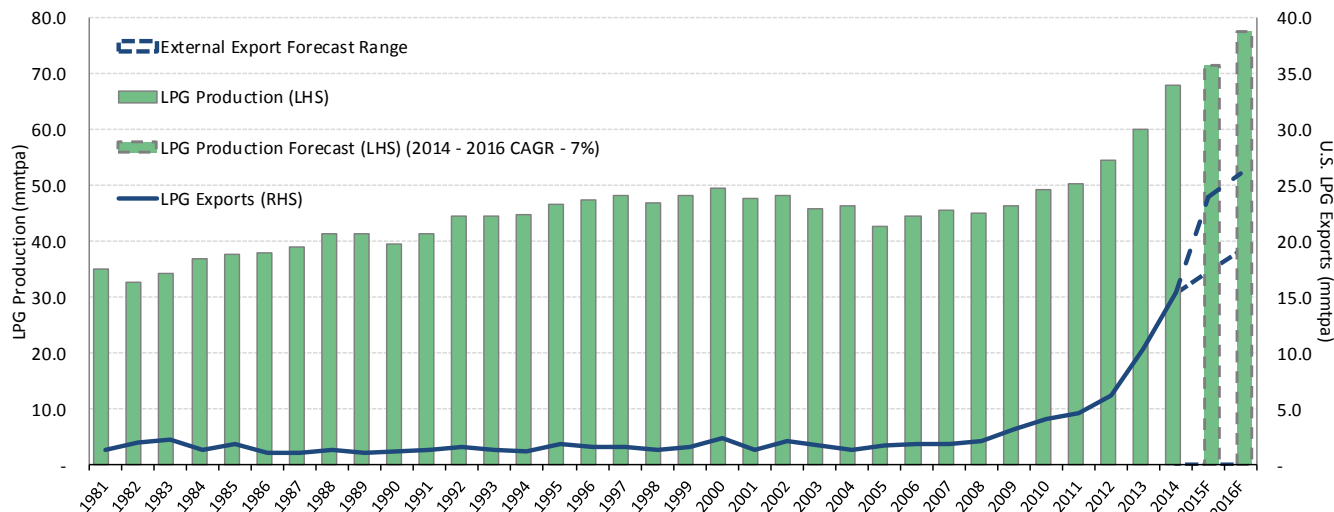
Export volume growth continues to outstrip production growth as surplus volumes move to international markets

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

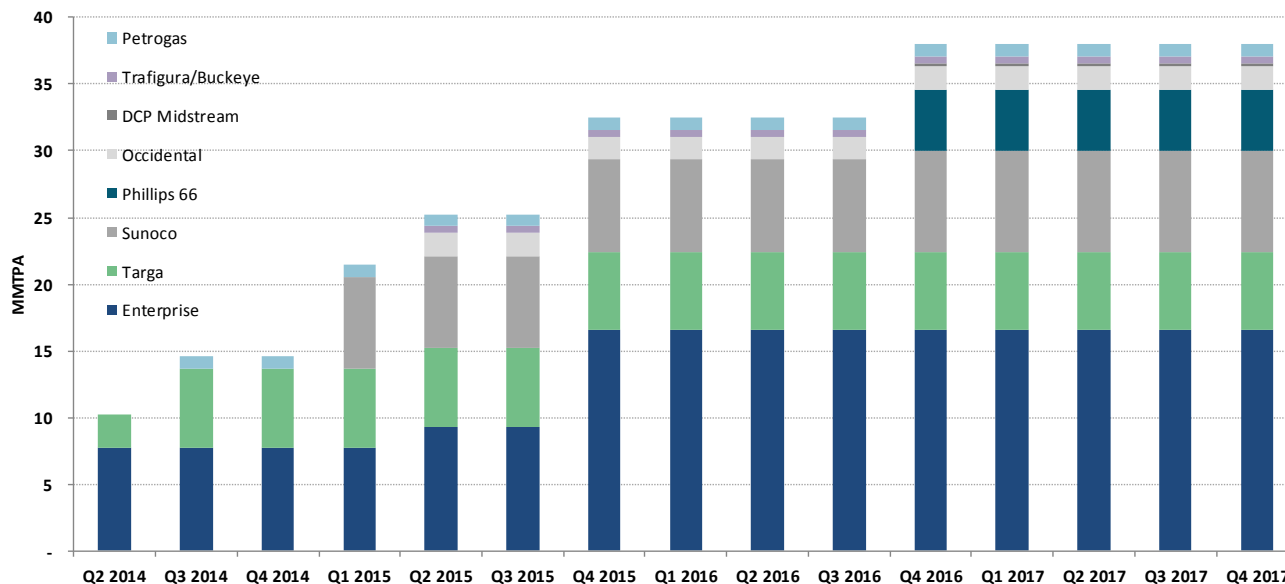


US export growth outlook remains positive

US LPG Production & Exports (mmtpa)



US LPG Export Terminal Capacity Expansions

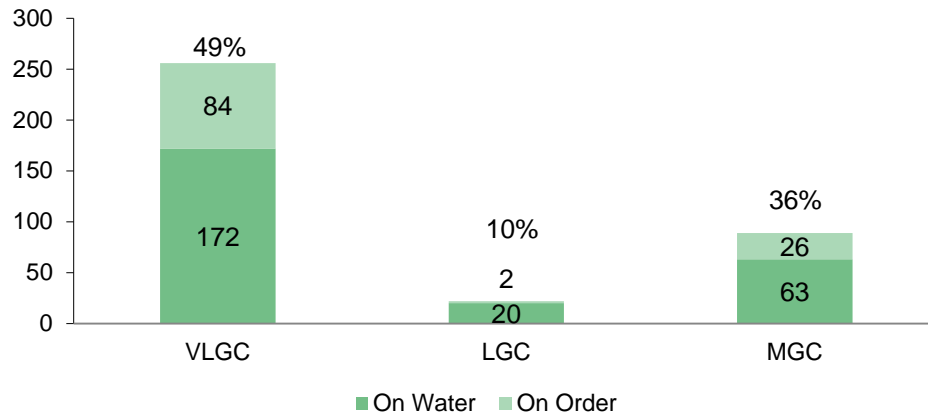


Demand development remains robust

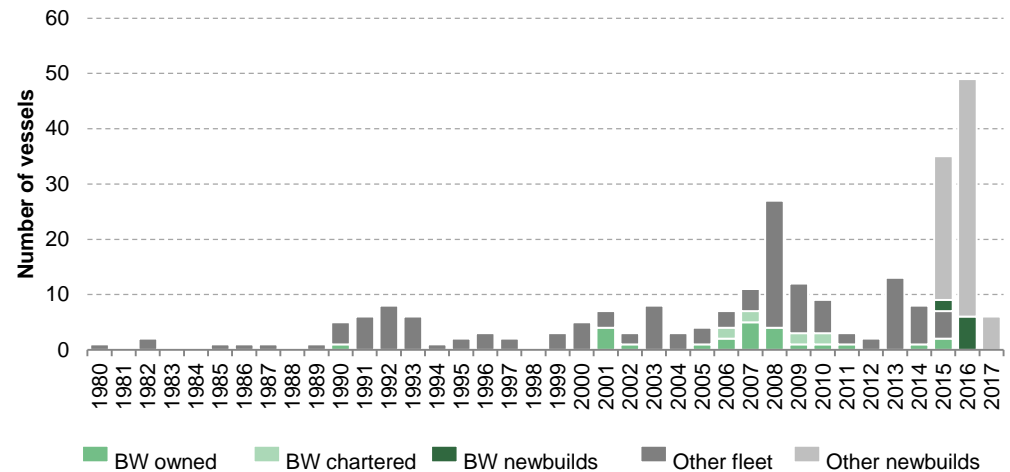
- Mature markets such as Japan and Korea continue to show growth 2014 – 2017, driven by residential usage, petrochemical industry, and power generation
- Rapidly developing markets see continued high growth:
 - China growth projected at 22% CAGR 2014 – 2017, with continued strong double digit growth through to 2020, driven in particular by petrochemical industry
 - Indonesia growing to the world's second largest consumer, and India to third largest driven by residential consumption and industry
 - Vietnam and Caribbean also growing strongly in particular driven by residential consumption and power generation
- The strength and diversity of demand growth has supported continued long-haul US export volumes in addition to Middle East supply, which is closer to Asian markets

VLGC newbuild orderbook is large, but with few recent additions

Global LPG Fleet Development (>20k CBM) and Newbuild (May 2015)



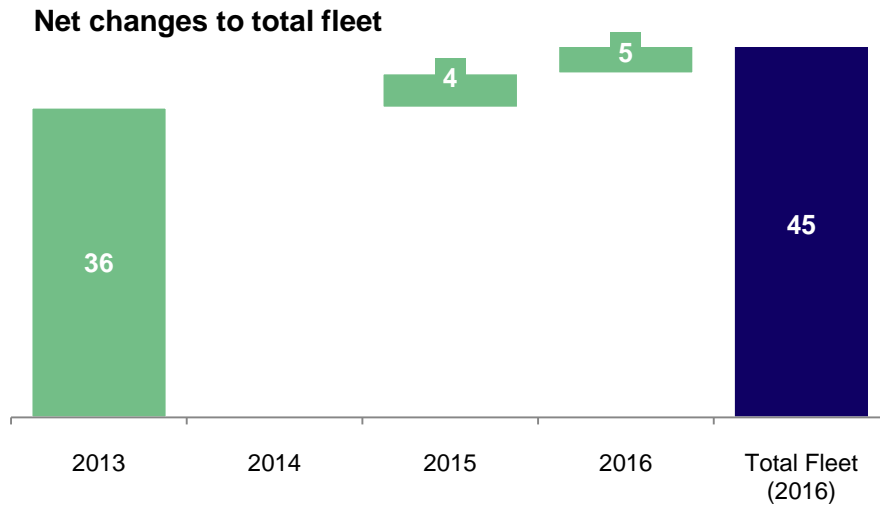
VLGC Fleet Profile¹



35 vessels above 20 years and 84 newbuilds on order with 172 on water (May 2015)

BW LPG projects a fleet of 45 vessels by end-2016

BW LPG fleet growing through 2014-2016¹



BW LPG Fleet Outlook

- BW Aries, BW Carina, BW Gemini, and BW Leo out of the 12 VLGC newbuild program have been delivered
- The remaining 8 VLGC newbuilds are scheduled to be delivered as follows:

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

Source: Internal

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

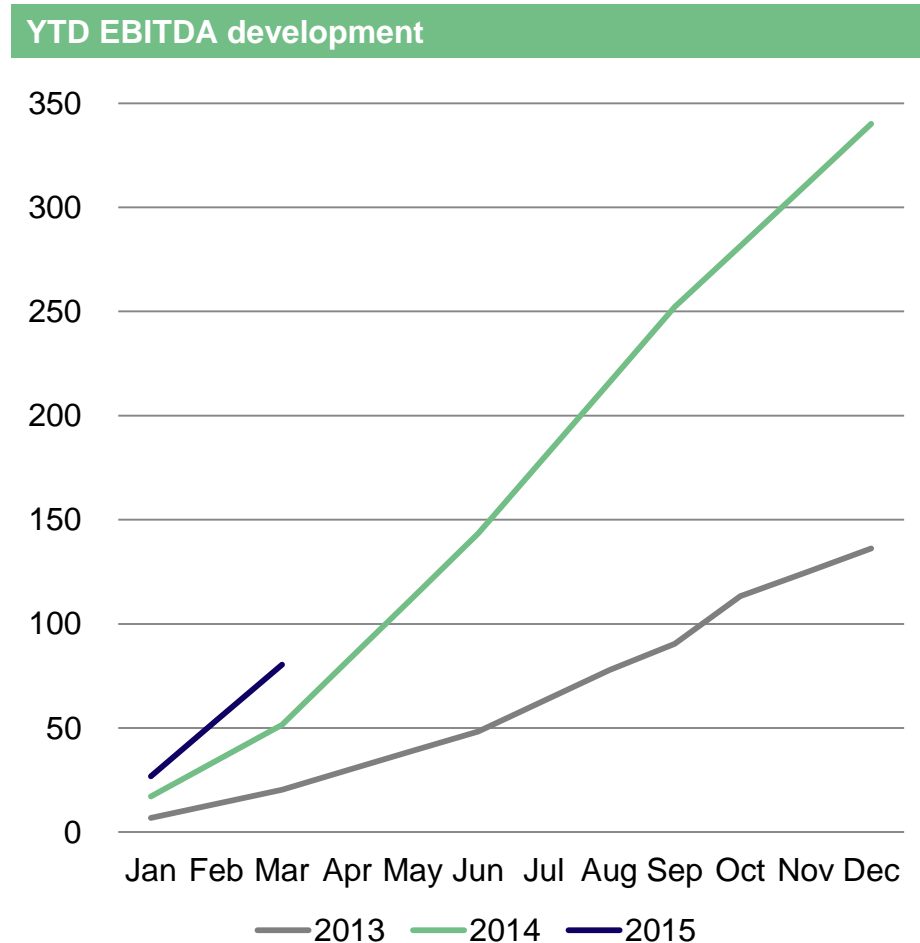
Q1 2015 income statement

Figures in USD thousands

	(Reviewed) Q1 2015	(Reviewed) Q1 2014
Revenue	167,996	150,760
Voyage expenses	(37,424)	(50,369)
TCE income	130,572	100,391
Other operating income	253	835
Charter hire expense	(23,879)	(24,249)
Other operating expenses	(26,522)	(25,452)
Operating profit before depreciation, amortisation and impairment	80,424	51,525
Amortisation charge	(1,228)	(1,228)
Depreciation charge	(17,383)	(15,675)
Operating profit	61,813	34,622
Finance expense—net	(4,345)	(3,846)
Profit before tax and other comprehensive income for the financial period/year	57,468	30,776
Income tax	(200)	(23)
Profit after tax for the financial period/year	57,268	30,753
Items that may be subsequently reclassified to income statement		
- Cash flow hedges	(3,802)	288
Total comprehensive income for the financial period/year	53,466	31,041

EBITDA cumulative trend

Reviewed figures in USD millions



- Comments**
- VLGC TCE income was in line with expectations with TCE per day at USD 41,300 for Q1
 - Strong deployment of vessels under COA contracts in the first quarter of 2015, including final liftings under existing CoAs as well as first liftings under the renewed CoAs
 - LGC TCE income was in line with expectations with TCE per day at USD 30,900 for Q1
 - EBITDA continues to trend positively
 - Continued strong utilisation

Q1 2015 balance sheet and cash flow

Figures in USD thousands

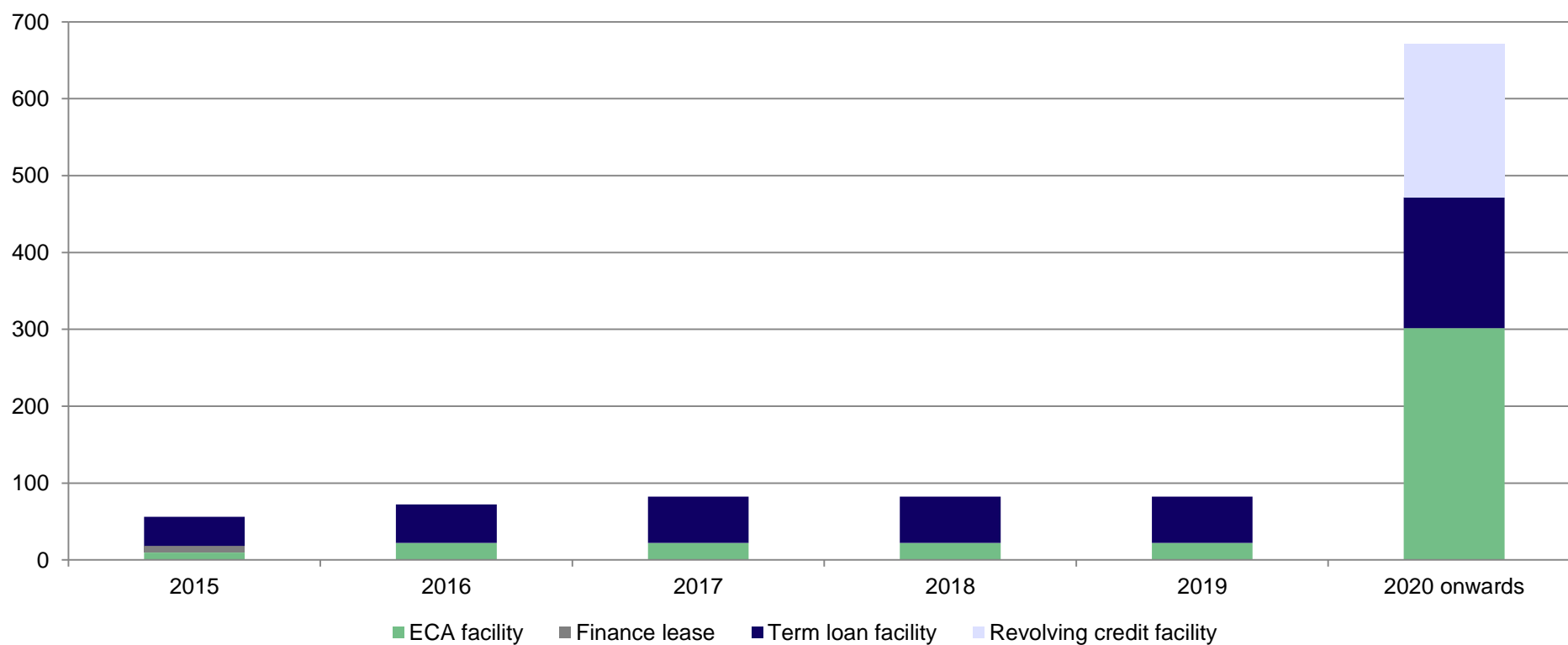
	(Reviewed) 31 Mar 2015	(Audited) 31 Dec 2014
Balance sheet		
Total non-current assets	1,647,892	1,490,994
Total current assets	154,824	173,070
Total assets	1,802,716	1,664,064
Total shareholders' equity	1,133,616	1,080,954
Total non-current liabilities	559,928	471,397
Total current liabilities	109,172	111,713
Total liabilities	669,100	583,110
Total equity and liabilities	1,802,716	1,664,064
	(Reviewed) Q1 2015	(Reviewed) Q1 2014
Cash flow		
Cash flows from operating activities		
Profit before tax for the financial period/year	57,468	30,776
Adjustments	22,045	19,962
Operating cash flow before working capital changes	79,522	50,738
Changes in working capital	(16,723)	18,260
Net cash provided by operating activities	62,799	68,998
Net cash used in investing activities	(175,651)	(39,800)
Net cash provided by/(used in) financing activities	91,692	(68,805)
Net (decrease)/increase in cash and cash equivalents	(21,160)	(39,607)
Cash and cash equivalents at beginning of the financial period/year	70,245	110,907
Cash and cash equivalents at end of the financial period/year	49,085	71,300

Financing

Figures in USD millions

Gross debt	625.2
Cash	(49.1)
Net debt	576.1

- Available liquidity of USD 239.1 million



Summary and outlook

- The LPG export market continued to grow in Q4 2014 and Q1 2015 notwithstanding the low oil price environment
- With strong continuing LPG production and midstream investment, and healthy LPG import demand development, the outlook remains positive for export growth
- Q1 2015 has been the strongest chartering market ever experienced at this time of year and Q2 has continued to deliver strong charter rates
- The VLGC orderbook remains high at 49% of the current fleet
- US LPG export growth remains strong and Asian demand continues to create long ton-mile transportation
- Recent additions to the BW LPG fleet have been made at favorable prices
- With ample debt capacity; 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 LPG export market growth

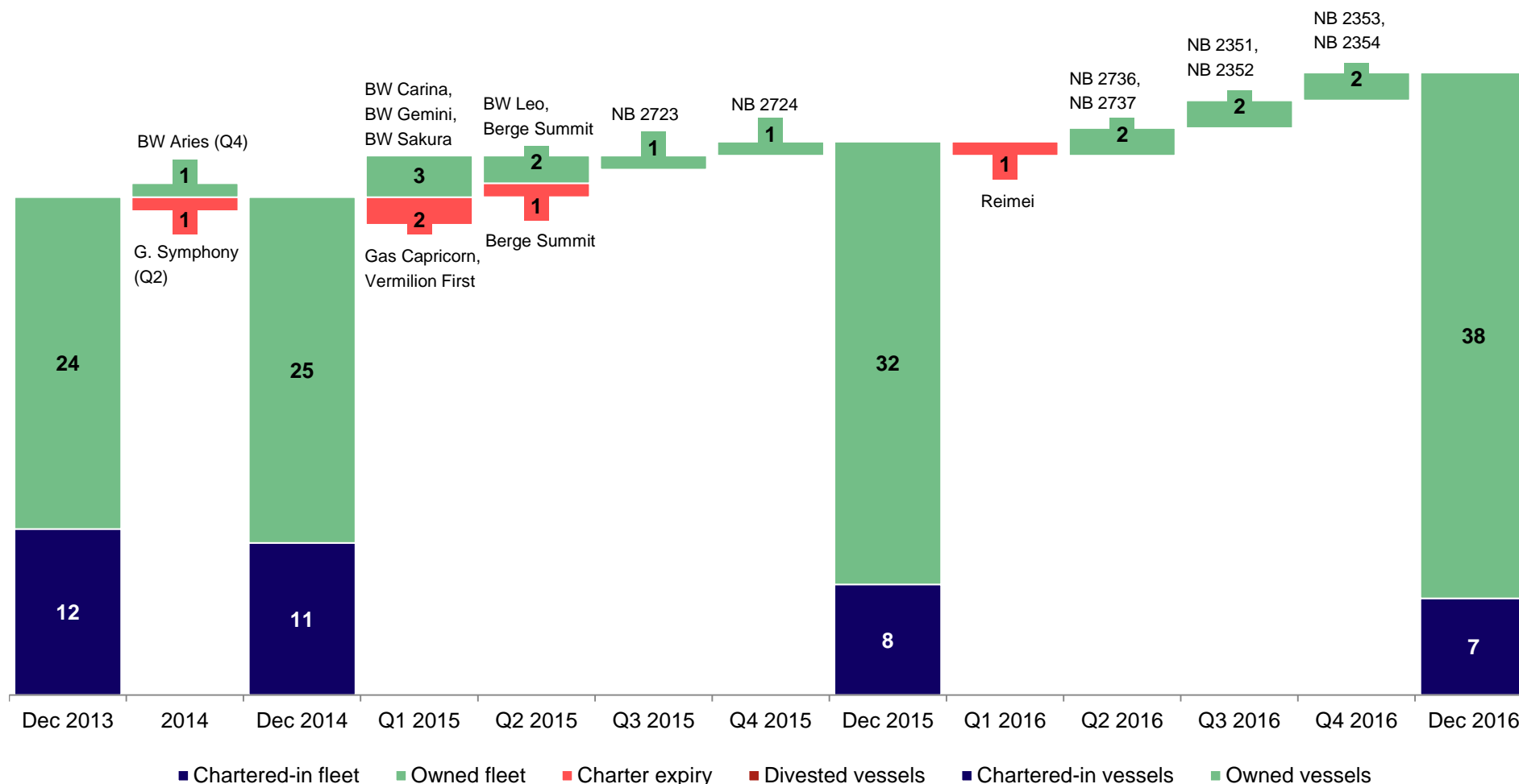


Q&A session

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. 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. Reimei charter-in contract has been renewed for a period of one-year on similar terms.

Long-term contract portfolio 2015 through 2018 (value)

Review of achieved TCE YTD Mar 2015 and fixed income outlook

VLGC	YTD Mar 2015	ROY 2015E	2016E	2017E	2018E
Voyage Charter	60,578				
COA-Spot	38,076				
COA-Fixed	40,154	36,684	35,821	35,987	
Time Charter-Out	37,477	36,376	34,790	34,069	30,850

LGC	YTD Mar 2015	ROY 2015E	2016E	2017E	2018E
Voyage Charter	17,437				
COA-Spot					
COA-Fixed					
Time Charter-Out	35,539	36,556	32,462		

VLGC

- Fixed income from Time Charter–Out for YTD Mar 2015 accounted for USD 30.4 million or 26% of total TCE income and COA–Fixed accounted for USD 52.8 million or 45%
- For the remainder of 2015 income for Time Charter–Out is expected to be USD 88.5 million and COA-Fixed is expected to be USD 81.3 million, based on certain assumptions* relating to voyages direction and duration during the period

LGC

- YTD Mar 2015 income for Time Charter–Out accounted for USD 12.5 million or 90% of total TCE income
- For the remainder of 2015 income for Time Charter–Out is expected to be USD 24.6 million

Long-term contract portfolio 2015 through 2018 (ship days)



VLGC	YTD Mar 2015	ROY 2015E	2016E	2017E	2018E
Available days		4,527	7,863	9,263	12,146
Voyage Charter	387				
COA-Spot	263				
COA-Fixed	1,316	2,216	2,731	2,660	
Time Charter-Out	810	2,434	2,460	2,160	1,200
Technical downtime	52	86	201	208	207
Total shipdays	2,827	9,262	13,255	14,291	13,553
Time Charter-Out % of Total	29%	26%	19%	15%	9%

VLGC

- Time charter income accounted for 29% of the available days for YTD Mar 2015
- For the remainder of 2015, time charter income is expected to account for 26% of available days

LGC	YTD Mar 2015	ROY 2015E	2016E	2017E	2018E
Available days		674	1,435	1,810	1,741
Voyage Charter	81				
COA-Spot					
COA-Fixed					
Time Charter-Out	352	673	346		
Technical downtime	17	28	49	15	84
Total shipdays	450	1,375	1,830	1,825	1,825
Time Charter-Out % of Total	78%	49%	19%	0%	0%

LGC

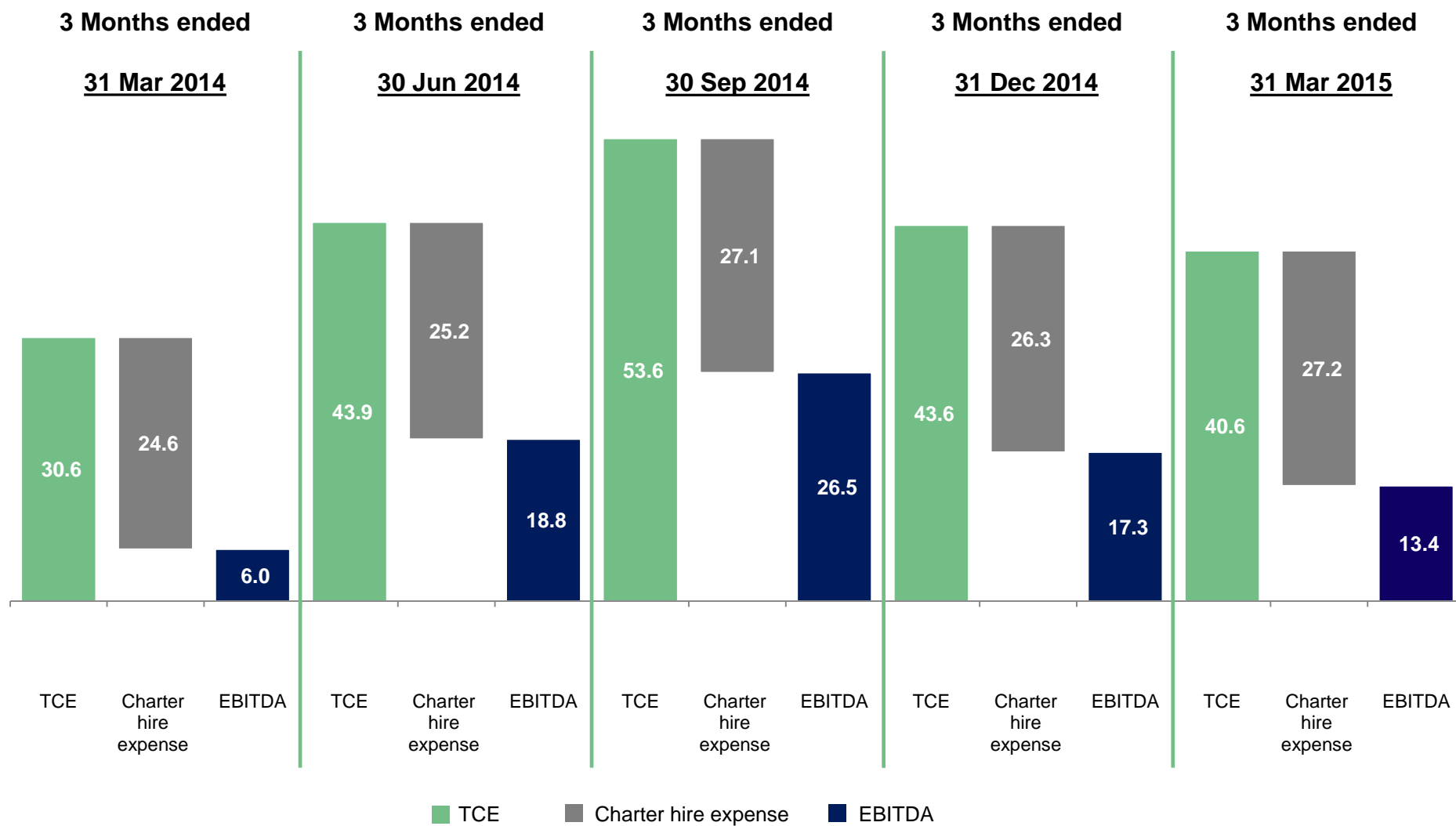
- Time charter income accounted for 78% of the available days for YTD Mar 2015
- For the remainder of 2015, time charter income is expected to account for 49% of available days

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) 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

Charter-in portfolio

Reviewed figures in USD thousands



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

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)



BW LPG