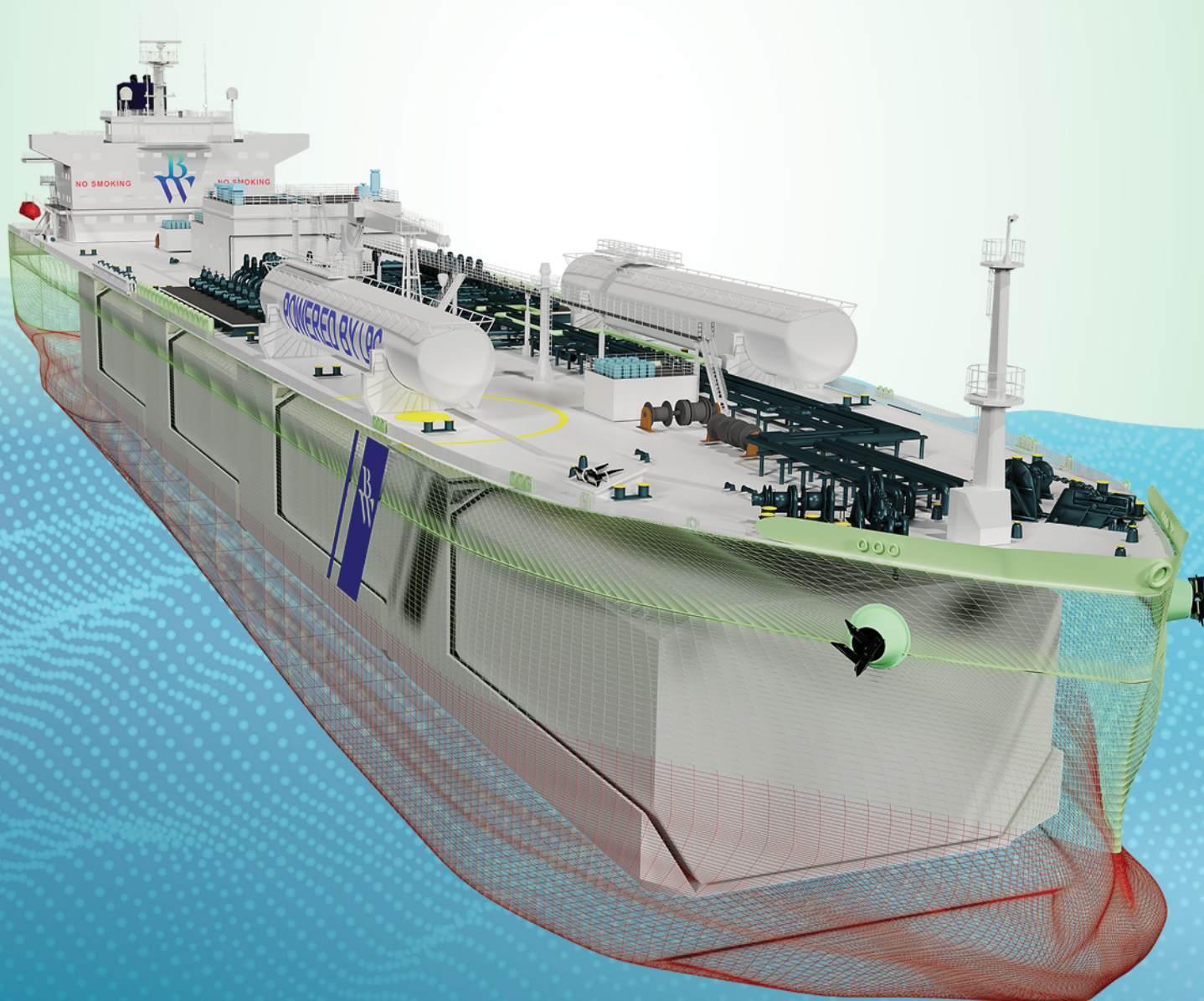


BW LPG Limited

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BW LPG



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SELECTED KEY FINANCIAL INFORMATION

	Q3 2021 US\$ million	Q3 2020 US\$ million	Increase/ (Decrease) %	YTD September 2021 US\$ million	YTD September 2020 US\$ million	Increase/ (Decrease) %
Income Statement						
Net revenue from spot voyages	55.7	64.7	(14)	215.0	321.2	(33)
Revenue from time charter voyages	49.1	36.8	33	133.9	91.7	46
Total TCE income	104.8	101.5	3	348.9	412.9	(16)
EBITDA	65.5	67.3	(3)	232.9	306.8	(24)
Profit after tax	29.3	24.6	19	123.5	167.3	(26)
(US\$ per share)						
Basic and diluted EPS ¹	0.20	0.18	11	0.88	1.21	(27)
Dividend per share	0.10	0.15	(33)	0.38	0.50	(24)
Balance Sheet						
				30 September 2021 US\$ million	31 December 2020 US\$ million	Increase/ (Decrease) %
Cash & cash equivalents				139.8	90.3	55
Total assets				2,353.6	2,416.6	(3)
Total liabilities				1,012.8	1,165.1	(13)
Total shareholders' equity				1,340.8	1,251.6	7
Cash flow						
	Q3 2021 US\$ million	Q3 2020 US\$ million	Increase/ (Decrease) %	YTD September 2021 US\$ million	YTD September 2020 US\$ million	Increase/ (Decrease) %
Operating cash flow	63.0	88.8	(29)	286.9	373.6	(23)
Capital expenditure ²	42.6	(1.7)	N.M	(4.1)	(7.0)	(41)
Free cash flow	105.6	87.1	21	282.8	366.6	(23)
Financial Ratios						
	Q3 2021 %	Q3 2020 %	Increase/ (Decrease) %	30 September 2021 %	30 September 2020 %	Increase/ (Decrease) %
ROE ³ (annualised)	8.8	8.2	7	12.7	18.8	(32)
ROCE ³ (annualised)	6.9	5.7	21	8.9	11.1	(20)
EBITDA margin ⁴	62.5	66.4	(6)	66.8	74.3	(10)
Gross leverage ratio ⁵	39.9	46.9	(15)	39.9	46.9	(15)
Net leverage ratio ⁶	36.3	44.4	(18)	36.3	44.4	(18)
Other Information						
				30 September 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)				48.0	59.0	(19)
Market cap (NOK million)				6,813.1	8,374.4	(19)
Market cap (USD million)				809.4	975.4	(17)

[1] Basic and diluted EPS (earnings per share) is computed based on Q3 2021: 138.3 million shares, the weighted average number of shares outstanding less treasury shares during the period/year.

[2] Capital expenditure is the additions to property, plant and equipment including proceeds from vessel sales.

[3] 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.

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

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

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

HIGHLIGHTS – Q3 2021

- Achieved Q3 2021 VLGC freight rates of US\$27,800 per calendar day (YTD September 2021: US\$31,500 per calendar day).
- Retrofitted a further two VLGCs with LPG dual-fuel propulsion engines during the quarter, bringing the current count to ten LPG-powered VLGCs on water.
- Fitted three more vessels with SMARTship technology, bringing the total to 20 vessels, enabling real time data monitoring.
- Concluded the sale and delivery of one vessel in July 2021 and two vessels in August 2021, generating approximately US\$80.7 million in liquidity and net book gains of US\$8.7 million.
- Exercised the purchase option on one time charter-in VLGC and took delivery in August 2021.
- Generated Q3 2021 Net Profit after Tax of US\$29.3 million (YTD September 2021: US\$123.5 million) or an earnings per share of US\$0.20 (YTD September 2021: US\$0.88) or NOK1.75 (YTD September 2021: NOK7.53).
- YTD September 2021 annualised return on equity of 13% with US\$282.9 million of free cash flow.
- Declared a Q3 2021 cash dividend of US\$0.10 per share amounting to US\$13.8 million. This translates to a payout ratio as a percentage of NPAT of 50% for the quarter. The shares will be traded ex-dividend on and after 19 November 2021. The dividend will be payable on or about 10 December 2021 to shareholders on record as at 22 November 2021.

PERFORMANCE REVIEW – Q3 2021

Time Charter Equivalent (“TCE”) income increased to US\$104.8 million for Q3 2021 (YTD September 2021: US\$348.9 million), mainly due to increase in LPG spot rates partially offset by lower fleet utilisation, the latter due to four VLGCs undergoing retrofitting with LPG dual-fuel propulsion engines during the quarter. There is also a net upward adjustment of US\$0.9 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\$65.5 million for Q3 2021 (Q3 2020: US\$67.3 million) and US\$232.9 million for YTD September 2021 (YTD September 2020: US\$306.8 million).

Profit after tax was US\$29.3 million for Q3 2021 (Q3 2020: US\$24.6 million) and US\$123.5 million for YTD September 2021 (YTD September 2020: US\$167.3 million).

Net leverage ratio decreased to 36.3% in Q3 2021 (Q3 2020: 44.4%). This is mainly due to solid cash flows from operations, net of US\$106.6 million in total dividends paid in the period from Q4 2020 to Q3 2021.

BALANCE SHEET

As at 30 September 2021, BW LPG has a fleet of 42 VLGCs, including four which are owned and operated by our subsidiary operating in India. Total assets amounted to US\$2,353.6 million (31 December 2020: US\$2,416.6 million), of which US\$1,839.0 million (31 December 2020: US\$1,754.3 million) represented the carrying value of the vessels (including dry docking) and US\$118.4 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\$139.8 million as at 30 September 2021 (31 December 2020: US\$90.3 million). Cash flows from operating activities generated a net cash surplus of US\$286.9 million in YTD September 2021 (YTD September 2020: US\$373.6 million). The cash flows from operating activities were used for capital expenditure, to repay bank borrowings, and for interest and dividend payments.

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Q3 2021 US\$'000	Q3 2020 US\$'000	YTD September 2021 US\$'000	YTD September 2020 US\$'000
Revenue from spot voyages	107,236	114,807	370,611	530,205
Voyage expenses	(51,586)	(50,154)	(155,597)	(209,054)
Net revenue from spot voyages	55,650	64,653	215,014	321,151
Revenue from time charter voyages	49,130	36,797	133,854	91,716
TCE income[^]	104,780	101,450	348,868	412,867
Net loss from commodity contracts	(673)	(261)	(4,573)	(730)
Fair value gain from equity financial asset	634	-	1,995	-
Vessel operating expenses	(26,500)	(24,818)	(76,108)	(73,377)
Time charter contracts (non-lease components)	(3,825)	(3,351)	(9,706)	(10,120)
General and administrative expenses	(6,829)	(5,849)	(22,991)	(16,570)
Charter hire expenses	(1,651)	(1,473)	(8,439)	(7,764)
Finance lease income	221	447	832	1,507
Other operating (expenses)/ income - net	(682)	1,187	3,001	941
Operating profit before depreciation, amortisation and impairment (EBITDA)	65,475	67,332	232,879	306,754
Depreciation charge	(37,337)	(38,525)	(112,441)	(114,776)
Amortisation of intangible assets	(141)	(67)	(399)	(132)
	27,997	28,740	120,039	191,846
Gain on disposal of vessels	-	-	1,638	-
Gain on derecognition of right-of-use assets (vessels)	2,536	-	2,536	-
Gain on disposal of assets held-for-sale	8,701	3,805	18,642	9,078
Impairment charge on right-of-use assets (vessels)	-	-	-	(4,200)
Remeasurement of equity interest in joint venture	-	-	9,835	-
Other expense	-	-	(1,145)	-
Operating profit (EBIT)	39,234	32,545	151,545	196,724
Foreign currency exchange gain/(loss) - net	454	(115)	(1,062)	(1,096)
Interest income	161	730	3,390	3,024
Interest expense	(9,544)	(10,186)	(29,454)	(33,484)
Derivative loss	-	741	-	760
Other finance expense	(852)	(733)	(2,191)	(2,190)
Finance expense – net	(9,781)	(9,563)	(29,317)	(32,986)
Share of profit of a joint venture	-	1,695	2,031	4,187
Profit before tax for the financial period	29,453	24,677	124,259	167,925
Income tax expense	(183)	(88)	(740)	(661)
Profit after tax for the financial period (NPAT)	29,270	24,589	123,519	167,264

[^] “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.

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

	Q3 2021 US\$'000	Q3 2020 US\$'000	YTD September 2021 US\$'000	YTD September 2020 US\$'000
Other comprehensive income/(loss):				
Items that may be subsequently reclassified to profit or loss:				
Cash flow hedges				
- fair value gain/(loss)	9,753	(6,785)	32,572	(58,057)
- reclassification to profit or loss	2,087	7,130	7,892	16,739
Currency translation reserve	(476)	185	(2,623)	(43)
Other comprehensive income/(loss), net of tax	11,364	530	37,841	(41,361)
Total comprehensive income for the financial period	40,634	25,119	161,360	125,903
Profit attributable to:				
Equity holders of the Company	28,497	24,589	122,384	167,264
Non-controlling interests	773	-	1,135	-
	29,270	24,589	123,519	167,264
Total comprehensive income attributable to:				
Equity holders of the Company	39,916	25,119	160,532	125,903
Non-controlling interests	718	-	828	-
	40,634	25,119	161,360	125,903
Earnings per share attributable to the equity holders of the Company:				
(expressed in US\$ per share)				
Basic/Diluted earnings per share	0.20	0.18	0.88	1.21

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CONDENSED CONSOLIDATED BALANCE SHEET

	30 September 2021 US\$'000	31 December 2020 US\$'000
Intangible assets	1,924	1,949
Loan receivables from a joint venture	-	115,150
Finance lease receivables	12,438	18,061
Investment in a joint venture	-	5,027
Total other non-current assets	12,438	138,238
Vessels and dry docking	1,838,990	1,754,338
Right-of-use assets (vessels)	118,355	147,266
Other property, plant and equipment	83	136
Property, plant and equipment	1,957,428	1,901,740
Total non-current assets	1,971,790	2,041,927
Inventories	61,632	15,057
Trade and other receivables	149,106	197,824
Equity financial assets, at fair value	3,250	28,259
Derivative financial instruments	20,561	7,969
Loan receivables from a joint venture	-	18,073
Finance lease receivables	7,460	17,266
Cash and cash equivalents	139,788	90,256
Total current assets	381,797	374,704
Total assets	2,353,587	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	(45,580)	(86,207)
Retained earnings	411,816	377,528
	1,327,422	1,251,570
Non-controlling interests	13,403	-
Total shareholders' equity	1,340,825	1,251,570
Borrowings	675,688	730,732
Lease liabilities	94,171	143,428
Derivative financial instruments	18,597	32,958
Other provisions	-	1,165
Total non-current liabilities	788,456	908,283
Borrowings	71,326	126,791
Lease liabilities	50,774	45,018
Derivative financial instruments	19,274	42,805
Current income tax liabilities	1,055	995
Trade and other payables	81,877	41,169
Total current liabilities	224,306	256,778
Total liabilities	1,012,762	1,165,061
Total equity and liabilities	2,353,587	2,416,631

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CONDENSED 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	Other reserves	Retained earnings	Total	Non-controlling interest	Total equity
	US\$'000	US\$'000	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	-	1,251,570
Profit for the financial period	-	-	-	-	-	-	-	-	-	122,384	122,384	1,135	123,519
Other comprehensive income/(loss) for the financial period	-	-	-	-	-	40,464	-	(2,316)	-	-	38,148	(307)	37,841
Total comprehensive income/(loss) for the financial period	-	-	-	-	-	40,464	-	(2,316)	-	122,384	160,532	828	161,360
Share-based payment reserve - Value of employee services	-	-	-	-	-	-	285	-	-	-	285	-	285
Disposal of treasury shares	-	-	937	-	-	-	-	-	-	-	937	-	937
Dividend paid	-	-	-	-	-	-	-	-	-	(85,902)	(85,902)	-	(85,902)
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-	12,575	12,575
Others	-	-	-	-	-	-	-	-	2,194	(2,194)	-	-	-
Total transactions with owners, recognised directly in equity	-	-	937	-	-	-	285	-	2,194	(88,096)	(84,680)	12,575	(72,105)
Balance at 30 September 2021	1,419	289,812	(15,958)	685,913	(36,259)	(9,850)	742	(2,407)	2,194	411,816	1,327,422	13,403	1,340,825

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	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	-	-	-	-	-	-	-	-	167,264	167,264
Other comprehensive loss for the financial period	-	-	-	-	-	(41,318)	-	(43)	-	(41,361)
Total comprehensive (loss)/income for the financial period	-	-	-	-	-	(41,318)	-	(43)	167,264	125,903
Share-based payment reserve - Value of employee services	-	-	-	-	-	-	153	-	-	153
Purchases of treasury shares	-	-	(2,463)	-	-	-	-	-	-	(2,463)
Dividend paid	-	-	-	-	-	-	-	-	(105,943)	(105,943)
Total transactions with owners, recognised directly in equity	-	-	(2,463)	-	-	-	153	-	(105,943)	(108,253)
Balance at 30 September 2020	1,419	289,812	(16,895)	685,913	(36,259)	(50,920)	383	(100)	321,610	1,194,963

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Q3 2021 US\$'000	Q3 2020 US\$'000	YTD September 2021 US\$'000	YTD September 2020 US\$'000
Cash flows from operating activities				
Profit before tax for the financial period	29,453	24,677	124,259	167,925
Adjustments for:				
- amortisation of intangible assets	141	67	399	132
- depreciation charge	37,337	38,525	112,441	114,776
- impairment charge on right-of-use assets (vessels)	-	-	-	4,200
- gain on disposal of assets held-for-sale	(8,701)	(3,805)	(18,642)	(9,078)
- gain on disposal of vessels	-	-	(1,638)	-
- gain on disposal of right-of-use assets (vessels)	(2,536)	-	(2,536)	-
- remeasurement of equity interest in joint venture	-	-	(9,835)	-
- interest income	(161)	(730)	(3,390)	(3,024)
- interest expense	9,544	10,186	29,454	33,484
- other finance expense	689	592	1,626	1,461
- share-based payments	164	72	285	153
- share of profit of a joint venture	-	(1,695)	(2,031)	(4,187)
- finance lease income	(221)	(447)	(832)	(1,507)
- fair value loss from equity financial asset	(634)	-	(1,995)	-
	65,075	67,442	227,565	304,335
Changes in working capital:				
- inventories	(16,560)	50,145	(46,144)	25,708
- trade and other receivables	6,032	20,915	56,030	53,322
- trade and other payables	5,262	(46,406)	38,521	3,544
- derivative financial instruments	7,516	(1,340)	(10,019)	(19,038)
- margin account held with broker	(4,262)	(1,794)	21,522	5,971
Total changes in working capital:	(2,012)	21,520	59,910	69,507
Taxes paid	(64)	(138)	(548)	(211)
Net cash provided by operating activities	62,999	88,824	286,927	373,631
Cash flows provided by investing activities				
Additions in property, plant and equipment	(71,604)	(1,933)	(148,103)	(9,308)
Progress payments for vessel upgrades and dry docks ¹	10,014	(8,487)	750	(38,387)
Additions in intangible assets	-	(257)	(374)	(310)
Net proceeds from sale of equity financial assets, at FVPL	2,728	-	27,004	-
Proceeds from sale of assets held-for-sale	104,163	9,001	143,604	40,999
Repayment of loan receivables from a joint venture	-	6,100	1,900	12,300
Repayment of finance lease receivables	3,958	5,593	15,429	16,615
Interest received	221	1,173	2,081	4,556
Acquisition of subsidiary, net of cash acquired	-	-	4,633	-
Net cash provided by investing activities	49,480	11,190	46,924	26,465

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

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

	Q3 2021 US\$'000	Q3 2020 US\$'000	YTD September 2021 US\$'000	YTD September 2020 US\$'000
Cash flows used in financing activities				
Proceeds from bank borrowings	-	-	134,990	150,000
Payment of financing fees	(173)	-	(887)	-
Repayments of bank borrowings	(84,675)	(26,266)	(213,406)	(328,687)
Payment of lease liabilities	(11,396)	(13,104)	(36,216)	(38,507)
Interest paid	(7,738)	(9,143)	(26,202)	(33,240)
Other finance expense paid	(732)	(592)	(1,653)	(1,391)
Sale/(purchase) of treasury shares	-	-	937	(2,463)
Drawdown of trust receipts	-	92,184	23,994	153,048
Repayment of trust receipts	-	(105,527)	(58,452)	(186,352)
Dividend payment	(13,963)	(20,621)	(85,902)	(105,943)
Net cash used in financing activities	(118,677)	(83,069)	(262,797)	(393,535)
Net (decrease)/increase in cash and cash equivalents	(6,198)	16,945	71,054	6,561
Cash and cash equivalents at beginning of the financial period	133,608	83,141	56,356	93,525
Cash and cash equivalents at end of the financial period	127,410	100,086	127,410	100,086

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

	30 September 2021 US\$'000	31 December 2020 US\$'000
Cash and cash equivalents per consolidated balance sheet	139,788	90,256
Less: Margin account held with broker	(12,378)	(33,900)
Cash and cash equivalents per consolidated statement of cash flows	127,410	56,356

Investment in subsidiary

Set out below are the summarised financial information for BW Global United LPG India Private Limited ("BW LPG India") for the period from the date of acquisition. These are presented before inter-company eliminations.

Summarised balance sheet:

	30 September 2021 US\$'000
Assets	
Current assets	38,313
Includes:	
- Cash and cash equivalents	23,885
Non-current assets	183,590
Liabilities	
Current liabilities	19,792
Includes:	
- Borrowings	14,297
Non-current liabilities (Borrowings)	86,565
Net assets	115,546

Summarised statement of comprehensive income:

	30 September 2021 US\$'000
Revenue	28,804
Gain on disposal of assets held-for-sale	2,637
Vessel operating expense	(7,790)
Depreciation and amortisation	(10,079)
Finance expense	(2,833)
Other expenses	(942)
Net profit after tax	9,797
Other comprehensive income (Currency translation effects)	(2,645)
Total comprehensive income	7,152
Total comprehensive income allocated to non-controlling interests	828