



Interim Financial Report

Q1 2023 (unaudited)



SELECTED KEY FINANCIAL INFORMATION

	Q1 2023 US\$ million	Q1 2022 US\$ million	Increase/ (Decrease) %
Income Statement			
Net income from spot voyages ¹	159.5	92.8	72
Net income from time charter voyages ¹	40.9	37.9	8
TCE income - Shipping ¹	200.3	130.7	53
Profit after tax – Product Services	3.1	(0.9)	N.M
Profit after tax – Consolidated	130.7	58.5	123
(US\$ per share)			
Basic and diluted EPS ²	0.95	0.41	132
Dividend per share	0.95	0.31	206
Balance Sheet			
	31 March 2023 US\$ million	31 December 2022 US\$ million	Increase/ (Decrease) %
Cash & cash equivalents	328.8	236.2	39
Total assets	2,603.9	2,540.5	2
Total liabilities	988.1	981.4	1
Total shareholders' equity	1,615.9	1,559.1	4
Cash flow			
	Q1 2023 US\$ million	Q1 2022 US\$ million	Increase/ (Decrease) %
Operating cash flow	125.2	164.4	(24)
Capital expenditure	46.1	84.7	(46)
Free cash flow ³	171.3	249.1	(31)
Financial Ratios			
	Q1 2023 %	Q1 2022 %	Increase/ (Decrease) %
ROE ⁴ (annualised)	32.9	16.4	101
ROCE ⁴ (annualised)	23.7	11.7	103
Gross leverage ratio ⁵	30.7	36.5	(16)
Net leverage ratio ⁶	20.8	25.0	(17)
Other Information			
	31 March 2023	31 December 2022	Increase/ (Decrease) %
Shares – end of period (shares)	141,938,998	141,938,998	-
Treasury shares – end of period (shares)	9,555,239	6,987,502	37
Share price (NOK)	81.0	60.5	34
Market cap (NOK million)	11,498.2	8,580.2	62
Market cap (USD million)	1,100.2	993.2	37

[1] TCE and Gross profit/(loss) reflects the Shipping and Product Services' segment performance respectively

[2] Basic and diluted EPS (earnings per share) is computed based on Q1 2023: 133.6 million shares, the weighted average number of shares outstanding less treasury shares during the period/year.

[3] Free cash flow is computed based on Operating cash flow less of Capital expenditure which comprise additions to property, plant and equipment and proceeds from vessel sales.

[4] 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.

[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 AND SUBSEQUENT EVENTS – Q1 2023

- Achieved Q1 2023 VLGC freight rates of US\$58,700 per calendar day.
- Generated Q1 2023 Net Profit after Tax of US\$130.7 million or an earnings per share of US\$0.95 or NOK 9.75.
- Concluded the sale and delivery of BW Thor in March 2023, generating US\$54.3 million in liquidity and a net book gain of US\$16.6 million.
- Concluded the sale and delivery of BW Odin and BW Austria in April 2023 and May 2023 respectively, generating US\$112.8 million in liquidity and an estimated combined net book gain of US\$26.0 million.
- BW Messina was delivered to BW LPG in May 2023, following the declaration of purchase option under the time charter agreement in February 2023.
- Declared a Q1 2023 cash dividend of US\$0.95 which translates to a payout ratio as a percentage of NPAT of 100% for the quarter.
- New US\$50.0 million share buy-back program resolved by the Board; to be executed as open market purchases or a tender offer with details to follow.

PERFORMANCE REVIEW – Q1 2023

Time Charter Equivalent (“TCE”) income for the Shipping segment increased to US\$200.3 million for Q1 2023 (Q1 2022: US\$130.7 million), mainly due to higher LPG spot rates and higher fleet utilisation. Our India subsidiary continues to contribute stable TCE income of US\$24.0 million for Q1 2023 mainly from fixed rate time charters.

Gross profit for Product Services amounted to US\$24.9 million for Q1 2023. This excludes the depreciation of Product Services’ time charter in vessels which amounted to US\$17.7 million for Q1 2023.

EBITDA increased to US\$176.1 million for Q1 2023 primarily due to higher TCE income from the Shipping operating segment.

Profit after tax was US\$130.7 million for Q1 2023, of which US\$3.1 million relates to the Product Services segment’s results.

Net leverage ratio decreased to 20.8% in Q1 2023. This is mainly due to solid cash flows from operations and investing activities, net of US\$68.7 million in total dividends paid in Q1 2023.

BALANCE SHEET

As at 31 March 2023, BW LPG controls a fleet of 47 VLGCs, including eight which are owned and operated by our subsidiary operating in India. Total assets amounted to US\$2,603.9 million (31 December 2022: US\$2,540.5 million), of which US\$1,432.9 million (31 December 2022: US\$1,484.5 million) represented the carrying value of the vessels (including dry docking) and US\$249.9 million (31 December 2022: US\$264.7 million) represented the carrying value of 13 right-of-use assets (vessels).

Cash and cash equivalents amounted to US\$328.8 million as at 31 March 2023 (31 December 2022: US\$236.2 million). Cash flows from operating activities generated a net cash surplus of US\$147.5 million as at 31 March 2023. The cash flows from operating activities were used for scheduled maintenance capital expenditure, to repay bank borrowings, and for interest and dividend payments. Investing activities generated positive cash flows of US\$29.4 million as at 31 March 2023 (FY 2022: US\$86.7 million) mainly due to proceeds from sale of one vessel in Q1 2023. At the end of 31 March 2023, BW LPG has bought back a total of 7.1 million shares amounting to approximately US\$44.1 million in accordance with the share buy-back programme announced on 8 December 2021.

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME *

	Q1 2023 US\$'000	Q1 2022 US\$'000
Revenue - Shipping spot voyages #	247,329	150,716
Revenue - Shipping time charter voyages	40,874	37,892
Revenue - Product Services	604,917	102,648
Voyage expenses - Shipping	(112,629)	(72,377)
Cost of goods sold - Product Services #	(555,227)	(88,218)
	225,264	130,661
Vessel operating expenses	(22,233)	(23,829)
Time charter contracts (non-lease components)	(5,804)	(4,757)
General and administrative expenses	(11,047)	(7,831)
Charter hire expenses	(8,917)	(697)
Finance lease income	99	174
Other operating loss - net	(1,256)	(475)
Operating profit before depreciation, amortisation and impairment (EBITDA)	176,106	93,246
Depreciation charge	(54,672)	(40,376)
Amortisation of intangible assets	(162)	(147)
	121,272	52,723
Gain on disposal of vessels	-	2,061
Gain on disposal of assets held-for-sale	16,589	11,699
Operating profit (EBIT)	137,861	66,483
Foreign currency exchange (loss)/gain - net	(851)	258
Interest income	1,460	72
Interest expense	(6,261)	(7,949)
Other finance expenses	(405)	(815)
Finance expenses - net	(6,057)	(8,434)
Profit before tax for the financial period	131,804	58,049
Income tax (expense)/credit	(1,124)	433
Profit after tax for the financial period (NPAT)	130,680	58,482

* Condensed consolidated statement of comprehensive income has been re-presented to better reflect the financial performance of the Group's operating activities after the acquisition of Vilma's LPG trading operations.

Exclude Q1 2023: US\$24.8 million (Q1 2022: US\$14.5 million) of net internal freight revenue/expense that has been eliminated on consolidation.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME * (continued)

	Q1 2023 US\$'000	Q1 2022 US\$'000
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Cash flow hedges		
- fair value (loss)/gain	(8,990)	14,058
- reclassification to profit or loss	3,741	1,494
Currency translation reserve	7,906	(5,693)
Other comprehensive income, net of tax	2,657	9,859
Total comprehensive income for the financial period	133,337	68,341
Profit attributable to:		
Equity holders of the Company	127,222	56,318
Non-controlling interests	3,458	2,164
	130,680	58,482
Total comprehensive income attributable to:		
Equity holders of the Company	126,608	68,436
Non-controlling interests	6,729	(95)
	133,337	68,341
Earnings per share attributable to the equity holders of the Company:		
(expressed in US\$ per share)		
Basic/Diluted earnings per share	0.95	0.41

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CONDENSED CONSOLIDATED BALANCE SHEET

	31 March 2023 US\$'000	31 December 2022 US\$'000
Intangible assets	1,302	1,370
Derivative financial instruments	20,063	23,806
Finance lease receivables	674	2,684
Other receivables	15,983	15,869
Deferred tax assets	6,782	6,720
Total other non-current assets	43,502	49,079
Vessels and dry docking	1,432,877	1,484,489
Right-of-use assets (vessels)	249,857	264,666
Other property, plant and equipment	367	307
Property, plant and equipment	1,683,101	1,749,462
Total non-current assets	1,727,905	1,799,911
Inventories	94,294	113,945
Trade and other receivables	339,590	203,179
Equity financial assets, at fair value	3,271	3,271
Derivative financial instruments	15,282	89,346
Finance lease receivables	7,920	7,842
Assets held-for-sale	86,869	86,869
Cash and cash equivalents	328,793	236,151
Total current assets	876,019	740,603
Total assets	2,603,924	2,540,514
Share capital	1,419	1,419
Share premium	289,812	289,812
Treasury shares	(56,270)	(47,631)
Contributed surplus	685,913	685,913
Other reserves	(30,401)	(30,554)
Retained earnings	615,487	556,996
	1,505,960	1,455,955
Non-controlling interests	109,896	103,167
Total shareholders' equity	1,615,856	1,559,122
Borrowings	347,501	362,220
Lease liabilities	100,027	106,281
Derivative financial instruments	-	929
Total non-current liabilities	447,528	469,430
Borrowings	133,374	116,153
Lease liabilities	135,197	136,391
Derivative financial instruments	3,846	33,006
Current income tax liabilities	3,534	2,489
Trade and other payables	264,589	223,923
Total current liabilities	540,540	511,962
Total liabilities	988,068	981,392
Total equity and liabilities	2,603,924	2,540,514

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company											Non-controlling interests US\$'000	Total equity US\$'000
	Share capital US\$'000	Share premium US\$'000	Treasury shares US\$'000	Contributed surplus US\$'000	Capital reserve US\$'000	Hedging reserve US\$'000	Share-based payment reserve US\$'000	Currency translation reserve US\$'000	Other reserves US\$'000	Retained earnings US\$'000	Total US\$'000		
Balance at 1 January 2023	1,419	289,812	(47,631)	685,913	(36,259)	24,777	2,141	(21,538)	325	556,996	1,455,955	103,167	1,559,122
Profit for the financial period	-	-	-	-	-	-	-	-	-	127,222	127,222	3,458	130,680
Other comprehensive (loss)/income for the financial period	-	-	-	-	-	(5,249)	-	4,635	-	-	(614)	3,271	2,657
Total comprehensive (loss)/income for the financial period	-	-	-	-	-	(5,249)	-	4,635	-	127,222	126,608	6,729	133,337
Share-based payment reserve - Value of employee services	-	-	-	-	-	-	283	-	-	-	283	-	283
Purchases of treasury shares	-	-	(9,008)	-	-	-	-	-	-	-	(9,008)	-	(9,008)
Share options exercised	-	-	369	-	-	-	475	-	-	-	844	-	844
Dividend paid	-	-	-	-	-	-	-	-	-	(68,731)	(68,731)	-	(68,731)
Others	-	-	-	-	-	-	-	-	9	-	9	-	9
Total transactions with owners, recognised directly in equity	-	-	(8,639)	-	-	-	758	-	9	(68,731)	(76,603)	-	(76,603)
Balance at 31 March 2023	1,419	289,812	(56,270)	685,913	(36,259)	19,528	2,899	(16,903)	334	615,487	1,505,960	109,896	1,615,856

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Attributable to equity holders of the Company											Non-controlling interests US\$'000	Total equity US\$'000
	Share capital US\$'000	Share premium US\$'000	Treasury shares US\$'000	Contributed surplus US\$'000	Capital reserve US\$'000	Hedging reserve US\$'000	Share-based payment reserve US\$'000	Currency translation reserve US\$'000	Other reserves US\$'000	Retained earnings US\$'000	Total US\$'000		
Balance at 1 January 2022	1,419	289,812	(23,294)	685,913	(36,259)	(6,669)	922	(2,624)	2,194	460,648	1,372,062	13,837	1,385,899
Profit for the financial period	-	-	-	-	-	-	-	-	-	56,318	56,318	2,164	58,482
Other comprehensive income/(loss) for the financial period	-	-	-	-	-	15,552	-	(3,434)	-	-	12,118	(2,259)	9,859
Total comprehensive income/(loss) for the financial period	-	-	-	-	-	15,552	-	(3,434)	-	56,318	68,436	(95)	68,341
Share-based payment reserve - Value of employee services	-	-	-	-	-	-	262	-	-	-	262	-	262
Purchases of treasury shares	-	-	(13,755)	-	-	-	-	-	-	-	(13,755)	-	(13,755)
Transfer of treasury shares	-	-	1,375	-	-	-	-	-	(855)	-	520	-	520
Dividend paid	-	-	-	-	-	-	-	-	-	(24,182)	(24,182)	-	(24,182)
Changes in non-controlling interests arising from changes of interests in subsidiary	-	-	-	-	-	-	-	-	-	(3,498)	(3,498)	53,498	50,000
Total transactions with owners, recognised directly in equity	-	-	(12,380)	-	-	-	262	-	(855)	(27,680)	(40,653)	53,498	12,845
Balance at 31 March 2022	1,419	289,812	(35,674)	685,913	(36,259)	8,883	1,184	(6,058)	1,339	489,286	1,399,845	67,240	1,467,085

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Q1 2023 US\$'000	Q1 2022 US\$'000
Cash flows provided by operating activities		
Profit before tax for the financial period	131,804	58,049
Adjustments for:		
- amortisation of intangible assets	162	147
- depreciation charge	54,673	40,376
- gain on disposal of assets held-for-sale	(16,589)	(11,699)
- gain on disposal of vessels	-	(2,061)
- interest income	(1,460)	(72)
- interest expenses	7,022	7,949
- other finance expenses	405	612
- share-based payments	283	262
- finance lease income	(99)	(174)
	176,201	93,389
Changes in working capital:		
- inventories	19,651	24,126
- trade and other receivables	(128,619)	82,670
- trade and other payables	37,053	(40,421)
- derivative financial instruments	43,398	4,561
- margin account held with broker	(22,341)	139
Total changes in working capital:	(50,858)	71,075
Taxes paid	(169)	(43)
Net cash provided by operating activities	125,174	164,421
Cash flows (used in)/provided by investing activities		
Additions in property, plant and equipment	(8,123)	(11,309)
Progress payments for vessel upgrades and dry docks ¹	-	1,971
Additions in intangible assets	(94)	(29)
Proceeds from sale of assets held-for-sale	54,266	50,726
Proceeds from sale of vessels	-	43,325
Repayment of finance lease receivables	1,932	1,856
Interest received	1,559	175
Net cash provided by investing activities	49,540	86,715

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)

	Q1 2023 US\$'000	Q1 2022 US\$'000
Cash flows used in financing activities		
Payment of financing fees	-	(265)
Repayments of bank borrowings	(15,010)	(20,519)
Payment of lease liabilities	(23,543)	(12,530)
Interest paid	(7,050)	(6,843)
Other finance expense paid	(1,586)	(613)
Purchase of treasury shares	(6,032)	(13,235)
Drawdown of trust receipts	406,950	-
Repayment of trust receipts	(389,411)	-
Dividend payment	(68,731)	(24,182)
Contributions from non-controlling interests	-	50,000
Net cash used in financing activities	(104,413)	(28,187)
Net increase in cash and cash equivalents	70,301	222,949
Cash and cash equivalents at beginning of the financial period	220,915	129,647
Cash and cash equivalents at end of the financial period	291,216	352,596

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

	31 March 2023 US\$'000	31 March 2022 US\$'000
Cash and cash equivalents per consolidated balance sheet	328,793	355,483
Less: Margin account held with broker	(37,577)	(2,887)
Cash and cash equivalents per consolidated statement of cash flows	291,216	352,596

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Segment information

The Group identifies segments on the basis of those components of the Group that are regularly reviewed by Management. Management considers the business from each individual business segment perspective which comprise the Shipping and Product Services segments.

The reported measure of segment performance is gross profit. For the Shipping segment, gross profit is reflected as TCE income. Operating segment disclosures are consistent with the information reviewed by Management.

Segment performance is presented below:

	Shipping US\$'000	Product Services US\$'000	Inter- segment elimination US\$'000	Total US\$'000
Q1 2023				
Revenue from spot voyages	247,329	-	-	247,329
Inter-segment revenue	42,648	-	(42,648)	-
Voyage expenses	(112,629)	-	-	(112,629)
Inter-segment expense	(17,887)	-	17,887	-
Net income from spot voyages	159,461	-	(24,761)	134,700
Revenue from time charter voyages	40,874	-	-	40,874
TCE income – Shipping ^	200,335	-	(24,761)	175,574
Revenue from Product Services	-	604,917	-	604,917
Inter-segment revenue	-	17,887	(17,887)	-
Cost of goods sold	-	(555,227)	-	(555,227)
Inter-segment expense	-	(42,648)	42,648	-
Gross profit - Product Services @	-	24,929	24,761	49,690
Gross profit – Total	200,335	24,929	-	225,264
Depreciation	(36,948)	(17,724)	-	(54,672)
Amortisation	(162)	-	-	(162)
Gain on disposal of assets held for sale	16,589	-	-	16,589
Net profit after tax	127,576	3,104	-	130,680

^ "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.

@ Gross profit from Product Services represents the net trading results which comprise revenue and cost of LPG cargo, derivative gains and losses, and other trading attributable costs.

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Segment information (continued)

	Shipping US\$'000	Product Services US\$'000	Inter- segment elimination US\$'000	Total US\$'000
Q1 2022				
Revenue from spot voyages	150,716	-	-	150,716
Inter-segment revenue	14,482	-	(14,482)	-
Voyage expenses	(72,377)	-	-	(72,377)
Net income from spot voyages	92,821	-	(14,482)	(78,339)
Revenue from time charter voyages	37,892	-	-	37,892
TCE income - Shipping ^	130,713	-	(14,482)	116,231
Revenue from Product Services	-	102,648	-	102,648
Cost of goods sold	-	(88,218)	-	(88,218)
Inter-segment expense	-	(14,482)	14,482	-
Gross profit - Product Services @	-	(52)	14,482	14,430
Gross profit - Total	130,713	(52)	-	130,661
Depreciation	(40,376)	-	-	(40,376)
Amortisation	(147)	-	-	(147)
Gain on disposal of assets	13,760	-	-	13,760
Net profit/(loss) after tax	59,404	(922)	-	58,482

^ "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.

@ Gross profit from Product Services represents the net trading results which comprise revenue and cost of LPG cargo, derivative gains and losses, and other trading attributable costs.

Investment in subsidiaries

The Group's subsidiary BW LPG Product Services Pte. Ltd. ("BW Product Services") completed the acquisition of Vilma's LPG trading operations in November 2022. From 30 November 2022, the Group accounted for Vilma's LPG trading operations as its subsidiary.

Set out below are the summarised financial information for BW LPG India Pte. Ltd. ("BW India") and BW LPG Product Services Pte. Ltd ("BW Product Services"), that has non-controlling interest that are material to the Group. These are presented before inter-company eliminations.

Summarised balance sheet:

	BW India		BW Product Services	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	US\$'000	US\$'000	US\$'000	US\$'000
Assets				
Current assets	40,556	36,874	369,938	357,831
Includes				
Cash and cash equivalents	19,744	12,216	66,236	72,829
Non-current assets	339,611	337,868	125,291	126,805
Liabilities				
Current liabilities	33,983	33,861	369,986	363,196
Includes				
Borrowings	27,957	27,957	135,604	111,040
Non-current liabilities	132,458	139,007	62,119	61,376
Net assets	213,726	201,874	63,124	60,064

Summarised statement of comprehensive income:

	BW India		Product Services
	Q1 2023	Q1 2022	Q1 2023
	US\$'000	US\$'000	US\$'000
TCE income - Shipping	24,044	20,218	-
Gross profit/(loss) - Product services	-	-	24,889
Vessel operating expenses	(5,808)	(4,539)	-
Depreciation and amortisation	(7,547)	(7,808)	(17,724)
Finance expense	(2,692)	(1,707)	(569)
Other expenses - net	(1,710)	(727)	(3,492)
Net profit after tax	6,287	5,437	3,104
Other comprehensive loss (currency translation effects)	6,885	(5,693)	(44)
Total comprehensive income/(loss)	13,172	(256)	3,060
Total comprehensive income/(loss) allocated to non-controlling interests	6,270	(102)	459