



Interim Financial Report

Q4 2022 and FY 2022



BW LPG Limited
Interim Financial Report
Q4 2022 and FY 2022

SELECTED KEY FINANCIAL INFORMATION

Income Statement	Q4 2022 US\$ million	Q4 2021 US\$ million	Increase/ (Decrease) %	FY 2022 US\$ million	FY 2021 US\$ million	Increase/ (Decrease) %
Net income from spot voyages ¹	155.9	70.4	121	433.4	286.5	51
Net income from time charter Voyages ¹	30.1	45.0	(33)	134.3	178.9	(25)
TCE income - Shipping ¹	186.0	115.4	61	567.7	465.4	22
Gross profit/(loss) - Product Services ¹	0.9	2.2	(59)	(0.1)	(3.4)	(97)
EBITDA	139.0	78.8	76	407.7	311.7	31
Profit after tax	95.1	62.9	51	238.6	186.4	28
(US\$ per share)						
Basic and diluted EPS ²	0.69	0.45	53	1.68	1.33	26
Dividend per share	0.52	0.18	189	1.28	0.56	129
Balance Sheet				31 December 2022 US\$ million	31 December 2021 US\$ million	Increase/ (Decrease) %
Cash & cash equivalents				236.2	132.7	78
Total assets				2,540.5	2,364.3	7
Total liabilities				981.4	978.4	-
Total shareholders' equity				1,559.1	1,385.9	12
Cash flow	Q4 2022 US\$ million	Q4 2021 US\$ million	Increase/ (Decrease) %	31 December 2022 US\$ million	31 December 2021 US\$ million	Increase/ (Decrease) %
Operating cash flow	289.8	20.4	N.M	501.4	307.3	63
Capital expenditure	36.6	26.8	37	153.0	22.6	N.M
Free cash flow ³	326.4	47.1	N.M	654.4	329.9	98
Financial Ratios	Q4 2022 %	Q4 2021 %	Increase/ (Decrease) %	31 December 2022 %	31 December 2021 %	Increase/ (Decrease) %
ROE ⁴ (annualised)	24.9	18.5	35	16.2	14.1	15
ROCE ⁴ (annualised)	18.3	12.9	42	11.9	9.8	21
Gross leverage ratio ⁵	31.6	38.7	(18)	31.6	38.7	(18)
Net leverage ratio ⁶	23.7	35.0	(32)	23.7	35.0	(32)
Other Information				31 December 2022	31 December 2021	Increase/ (Decrease) %
Shares – end of period (shares)				141,938,998	141,938,998	-
Treasury shares – end of period (shares)				8,557,623	5,000,537	71
Share price (NOK)				75.8	50.1	51
Market cap (NOK million)				10,759.0	7,104.0	51
Market cap (USD million)				1,086.0	805.0	35

[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 Q4 2022: 135.6 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 – Q4 2022

- Achieved Q4 2022 VLGC freight rates of US\$53,300 per calendar day (FY 2022: US\$40,400 per calendar day).
- Generated Q4 2022 Net Profit after Tax of US\$95.1 million (FY 2022: US\$238.6 million) or an earnings per share of US\$0.69 (FY 2022: US\$1.68) or NOK 6.07 (FY 2022: NOK 16.14).
- Concluded the sale and delivery of BW Prince in October 2022, generating US\$44.3 million in liquidity and a net book gain of US\$2.5 million.
- Completed the acquisition of Vilma Oil (“Vilma”)’s LPG trading operations in November 2022.
- Exercised the purchase option for BW Kyoto with an estimated delivery in Q4 2023.
- Declared a Q4 2022 cash dividend of US\$0.52 per share amounting to US\$69.4 million. This translates to a payout ratio as a percentage of NPAT of 75% for the quarter.
- The Board has further enhanced our dividend policy to target a quarterly payout ratio of 100% NPAT when the net leverage ratio is below 20%.

PERFORMANCE REVIEW – Q4 2022 and FY 2022

Time Charter Equivalent (“TCE”) income for the Shipping segment increased to US\$186.0 million for Q4 2022 (FY 2022: US\$567.7 million), mainly due to higher LPG spot rates and higher fleet utilisation with the completion of the dual fuel propulsion engine retrofitting program in Q2 2022. This also includes a net downward impact of US\$17.4 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. In addition, our India subsidiary continues to contribute stable TCE income of US\$28.3 million for Q4 2022 (FY 2022: US\$92.6 million) mainly from fixed rate time charters.

Gross loss for Product Services amounted to US\$2.6 million for Q4 2022 (FY 2022: gross loss of US\$3.5 million) primarily due to the changes in fair value of the trading portfolio in December 2022. This includes the trading results of our newly acquired LPG trading operations from 30 November 2022.

EBITDA increased to US\$139.0 million for Q4 2022 and US\$407.7 million for FY 2022, primarily due to higher TCE income from the Shipping operating segment.

Profit after tax was US\$95.1 million for Q4 2022 and US\$238.6 million for FY 2022.

Net leverage ratio decreased to 23.7% in Q4 2022. This is mainly due to solid cash flows from operations and investing activities, net of US\$126.7 million in total dividends paid in the period from Q1 2022 to Q4 2022.

BALANCE SHEET

As at 31 December 2022, BW LPG has a fleet of 43 VLGCs, including eight which are owned and operated by our subsidiary operating in India. Total assets amounted to US\$2,540.5 million (31 December 2021: US\$2,364.3 million), of which US\$1,484.5 million (31 December 2021: US\$1,791.7 million) represented the carrying value of the vessels (including dry docking) and US\$264.7 million (31 December 2021: US\$107.7 million) represented the carrying value of the right-of-use assets (vessels).

Cash and cash equivalents amounted to US\$236.1 million as at 31 December 2022 (31 December 2021: US\$132.7 million). Cash flows from operating activities generated a net cash surplus of US\$501.4 million in FY 2022 (FY 2021: US\$307.3 million). The cash flows from operating activities were used for capital expenditure, to repay bank borrowings, and for interest and dividend payments. Investing activities generated positive cash flows of US\$112.0 million in FY 2022 (FY 2021: US\$75.7 million) mainly due to proceeds from sale of four vessels during the year, offset by US\$49.2 million of net cash outflow due to our acquisition of Vilma's LPG trading operations in Q4 2022. BW LPG also received US\$80.0 million in capital investment into BW LPG India in Q1 and Q2 2022 relating to the sale of approximately 40% of its ownership in BW LPG India. The positive cash flows were used to repay bank borrowings, interests and dividend payments and to fund the share buy-back programme which commenced in December 2021. At the end of 31 December 2022, BW LPG has bought back 5.9 million shares amounting to approximately US\$35.0 million.

BW LPG Limited
Interim Financial Report
Q4 2022 and FY 2022

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME *

	Q4 2022 US\$'000	Q4 2021 US\$'000	FY 2022 US\$'000	FY 2021 US\$'000
Revenue - Shipping spot voyages #	233,735	117,920	699,028	451,329
Revenue - Shipping time charter voyages	30,103	45,002	134,304	178,856
Revenue - Product Services	339,515	222,825	730,231	611,170
Cost of goods sold – Product Services #	(314,702)	(201,467)	(645,993)	(557,183)
Voyage expenses – Shipping	(101,767)	(66,623)	(350,016)	(222,220)
	186,884	117,657	567,554	461,952
Vessel operating expenses	(23,197)	(24,039)	(93,428)	(100,147)
Time charter contracts (non-lease components)	(5,306)	(4,721)	(19,506)	(14,427)
General and administrative expenses	(9,483)	(9,591)	(31,916)	(32,582)
Charter hire expenses	(11,289)	(970)	(16,427)	(9,409)
Fair value gain from equity financial asset	-	-	-	1,995
Finance lease income	118	193	585	1,025
Other operating income – net	1,299	295	815	3,296
Operating profit before depreciation, amortisation and impairment (EBITDA)	139,026	78,824	407,677	311,703
Depreciation charge	(41,943)	(41,212)	(158,815)	(153,653)
Amortisation of intangible assets	(157)	(147)	(610)	(546)
	96,926	37,465	248,252	157,504
Gain on disposal of vessels	-	2,652	6,895	4,290
Gain on derecognition of right-of-use assets (vessels)	-	-	-	2,536
Gain on disposal of assets held-for-sale	2,516	-	14,215	18,642
Write-back of impairment charge on vessels	-	31,901	-	31,901
Write-back of impairment charge on right-of-use assets (vessels)	1,470	-	1,470	-
Remeasurement of equity interest in joint venture	-	-	-	9,835
Other expenses	-	-	-	(1,146)
Operating profit (EBIT)	100,912	72,018	270,832	223,562
Foreign currency exchange gain/(loss) - net	882	270	(814)	(792)
Interest income	895	45	1,941	3,435
Interest expense	(6,339)	(9,099)	(29,773)	(38,552)
Other finance expenses	(400)	(552)	(2,538)	(2,743)
Finance expenses – net	(4,962)	(9,336)	(31,184)	(38,652)
Share of profit of a joint venture	-	-	-	2,031
Profit before tax for the financial period	95,950	62,682	239,648	186,941
Income tax (expense)/credit	(888)	218	(1,071)	(521)
Profit after tax for the financial period (NPAT)	95,062	62,900	238,577	186,420

* 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 Q4 2022: US\$26.9 million (FY 2022: US\$87.3 million) of internal freight revenue/expense that has been eliminated on consolidation.

BW LPG Limited
Interim Financial Report
Q4 2022 and FY 2022

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME * (continued)

	Q4 2022 US\$'000	Q4 2021 US\$'000	FY 2022 US\$'000	FY 2021 US\$'000
Other comprehensive (loss)/income:				
Items that may be reclassified subsequently to profit or loss:				
Cash flow hedges				
- fair value gain	1,908	2,210	34,694	34,782
- reclassification to profit or loss	(2,848)	972	(3,248)	8,863
Currency translation reserve	(1,787)	(247)	(35,402)	(2,870)
Other comprehensive (loss)/income, net of tax	(2,727)	2,935	(3,956)	40,775
Total comprehensive income for the financial period	92,335	65,835	234,621	227,195
Profit attributable to:				
Equity holders of the Company	91,868	62,438	227,396	184,821
Non-controlling interests	3,194	462	11,181	1,599
	95,062	62,900	238,577	186,420
Total comprehensive income attributable to:				
Equity holders of the Company	89,633	65,401	239,928	225,933
Non-controlling interests	2,702	434	(5,307)	1,262
	92,335	65,835	234,621	227,195
Earnings per share attributable to the equity holders of the Company: (expressed in US\$ per share)				
Basic/Diluted earnings per share	0.69	0.45	1.68	1.33

BW LPG Limited
Interim Financial Report
Q4 2022 and FY 2022

CONDENSED CONSOLIDATED BALANCE SHEET

	31 December 2022 US\$'000	31 December 2021 US\$'000
Intangible assets	1,370	1,878
Derivative financial instruments	23,806	-
Finance lease receivables	2,684	10,526
Other receivables	15,869	-
Deferred tax assets	6,720	-
Total other non-current assets	49,079	10,526
Vessels and dry docking	1,484,489	1,791,685
Right-of-use assets (vessels)	264,666	107,736
Other property, plant and equipment	307	77
Property, plant and equipment	1,749,462	1,899,498
Total non-current assets	1,799,911	1,911,902
Inventories	113,945	54,584
Trade and other receivables	203,179	191,630
Equity financial assets, at fair value	3,271	3,250
Derivative financial instruments	89,346	23,682
Finance lease receivables	7,842	7,535
Assets held-for-sale	86,869	39,027
Cash and cash equivalents	236,151	132,673
Total current assets	740,603	452,381
Total assets	2,540,514	2,364,283
Share capital	1,419	1,419
Share premium	289,812	289,812
Treasury shares	(47,631)	(23,294)
Contributed surplus	685,913	685,913
Other reserves	(30,554)	(42,436)
Retained earnings	556,996	460,648
	1,455,955	1,372,062
Non-controlling interests	103,167	13,837
Total shareholders' equity	1,559,122	1,385,899
Borrowings	362,220	659,781
Lease liabilities	106,281	86,140
Derivative financial instruments	929	12,962
Total non-current liabilities	469,430	758,883
Borrowings	116,153	82,508
Lease liabilities	136,391	46,400
Derivative financial instruments	33,006	11,983
Current income tax liabilities	2,489	1,231
Trade and other payables	223,923	77,379
Total current liabilities	511,962	219,501
Total liabilities	981,392	978,384
Total equity and liabilities	2,540,514	2,364,283

BW LPG Limited
Interim Financial Report
Q4 2022 and FY 2022

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company												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	Non-controlling interests 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	-	-	-	-	-	-	-	-	-	227,396	227,396	11,181	238,577
Other comprehensive income/(loss) for the financial period	-	-	-	-	-	31,446	-	(18,914)	-	-	12,532	(16,488)	(3,956)
Total comprehensive income/(loss) for the financial period	-	-	-	-	-	31,446	-	(18,914)	-	227,396	239,928	(5,307)	234,621
Share-based payment reserve - Value of employee services	-	-	-	-	-	-	1,372	-	-	-	1,372	-	1,372
Purchases of treasury shares	-	-	(27,661)	-	-	-	-	-	-	-	(27,661)	-	(27,661)
Share options exercised	-	-	3,324	-	-	-	(153)	-	(1,833)	-	1,338	-	1,338
Dividend paid	-	-	-	-	-	-	-	-	-	(126,705)	(126,705)	-	(126,705)
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-	10,327	10,327
Changes in non-controlling interests arising from changes of interests in subsidiary	-	-	-	-	-	-	-	-	-	(4,343)	(4,343)	84,343	80,000
Others	-	-	-	-	-	-	-	-	(36)	-	(36)	(33)	(69)
Total transactions with owners, recognised directly in equity	-	-	(24,337)	-	-	-	1,219	-	(1,869)	(131,048)	(156,035)	94,637	(61,398)
Balance at 31 December 2022	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

BW LPG Limited
Interim Financial Report
Q4 2022 and FY 2022

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Attributable to equity holders of the Company												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	Non-controlling interests 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	-	-	-	-	-	-	-	-	-	184,821	184,821	1,599	186,420
Other comprehensive income/(loss) for the financial period	-	-	-	-	-	43,645	-	(2,533)	-	-	41,112	(337)	40,775
Total comprehensive income/(loss) for the financial period	-	-	-	-	-	43,645	-	(2,533)	-	184,821	225,933	1,262	227,195
Share-based payment reserve - Value of employee services	-	-	-	-	-	-	465	-	-	-	465	-	465
Purchases of treasury shares	-	-	(7,336)	-	-	-	-	-	-	-	(7,336)	-	(7,336)
Transfer of treasury shares	-	-	937	-	-	-	-	-	-	-	937	-	937
Dividend paid	-	-	-	-	-	-	-	-	-	(99,507)	(99,507)	-	(99,507)
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-	12,575	12,575
Others	-	-	-	-	-	-	-	-	2,194	(2,194)	-	-	-
Total transactions with owners, recognised directly in equity	-	-	(6,399)	-	-	-	465	-	2,194	(101,701)	(105,441)	12,575	(92,866)
Balance at 31 December 2021	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

BW LPG Limited
Interim Financial Report
Q4 2022 and FY 2022

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Q4 2022 US\$'000	Q4 2021 US\$'000	FY 2022 US\$'000	FY 2021 US\$'000
Cash flows provided by operating activities				
Profit before tax for the financial period	95,950	62,682	239,648	186,941
Adjustments for:				
- amortisation of intangible assets	157	147	610	546
- depreciation charge	41,943	41,212	158,815	153,653
- write-back of impairment charge on vessels	-	(31,901)	-	(31,901)
- write-back of impairment charge on right-of-use assets (vessels)	(1,470)	-	(1,470)	-
- gain on disposal of assets held-for-sale	(2,516)	-	(14,215)	(18,642)
- gain on disposal of vessels	-	(2,652)	(6,895)	(4,290)
- gain on disposal of right-of-use assets (vessels)	-	-	-	(2,536)
- remeasurement of equity interest in joint venture	-	-	-	(9,835)
- interest income	(895)	(45)	(1,941)	(3,435)
- interest expenses	6,339	9,099	29,773	38,552
- other finance expenses	438	622	2,040	2,249
- share-based payments	341	181	1,372	465
- share of profit of a joint venture	-	-	-	(2,031)
- finance lease income	(118)	(193)	(585)	(1,025)
- fair value gain from equity financial asset	-	-	-	(1,995)
	140,169	79,152	407,152	306,716
Changes in working capital:				
- inventories	(36,255)	7,048	(29,223)	(39,096)
- trade and other receivables	139,641	(57,346)	106,400	(1,316)
- trade and other payables	31,521	(5,366)	4,049	33,158
- derivative financial instruments	19,337	(12,866)	25,956	(22,885)
- margin account held with broker	(3,661)	9,352	(12,210)	30,874
Total changes in working capital:	150,583	(59,178)	94,972	735
Taxes refunded/(paid)	(936)	400	(730)	(148)
Net cash provided by operating activities	289,816	20,374	501,394	307,303
Cash flows (used in)/provided by investing activities				
Additions in property, plant and equipment	(9,378)	(39,233)	(46,192)	(187,336)
Progress payments for vessel upgrades and dry docks ¹	1,291	15,217	16,035	15,967
Additions in intangible assets	-	(101)	(103)	(475)
Net proceeds from sale of equity financial assets, at FVPL	-	-	(21)	27,004
Proceeds from sale of assets held-for-sale	44,689	-	95,415	143,605
Proceeds from sale of vessels	-	50,884	87,883	50,884
Repayment of loan receivables from a joint venture	-	-	-	1,900
Repayment of finance lease receivables	1,912	1,837	7,535	17,266
Interest received	118	193	585	2,270
Acquisition of subsidiary, net of cash acquired	(49,163)	-	(49,163)	4,633
Net cash (used in)/provided by investing activities	(10,531)	28,797	111,974	75,718

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

BW LPG Limited
Interim Financial Report
Q4 2022 and FY 2022

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

	Q4 2022 US\$'000	Q4 2021 US\$'000	FY 2022 US\$'000	FY 2021 US\$'000
Cash flows used in financing activities				
Proceeds from bank borrowings	-	83,680	67,243	218,670
Payment of financing fees	-	(1,212)	(109)	(2,099)
Repayments of bank borrowings	(15,000)	(87,917)	(389,103)	(301,323)
Payment of lease liabilities	(16,271)	(12,405)	(54,181)	(48,621)
Interest paid	(4,697)	(8,376)	(24,857)	(34,577)
Other finance expense paid	-	(622)	(1,586)	(2,275)
Purchase of treasury shares	(124)	(6,477)	(26,323)	(5,540)
Drawdown of trust receipts	44,814	-	260,377	23,994
Repayment of trust receipts	(154,870)	-	(306,856)	(58,452)
Dividend payment	(33,923)	(13,605)	(126,705)	(99,507)
Contributions from non-controlling interests	-	-	80,000	-
Net cash used in financing activities	(180,071)	(46,934)	(522,100)	(309,730)
Net increase in cash and cash equivalents	99,214	2,237	91,268	73,291
Cash and cash equivalents at beginning of the financial period	121,701	127,410	129,647	56,356
Cash and cash equivalents at end of the financial period	220,915	129,647	220,915	129,647

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

	31 December 2022 US\$'000	31 December 2021 US\$'000
Cash and cash equivalents per consolidated balance sheet	236,151	132,673
Less: Margin account held with broker	(15,236)	(3,026)
Cash and cash equivalents per consolidated statement of cash flows	220,915	129,647

BW LPG Limited
Interim Financial Report
Q4 2022 and FY 2022

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
Q4 2022				
Revenue from spot voyages	233,735	-	-	233,735
Inter-segment revenue	26,945	-	(26,945)	-
Voyage expenses	(101,767)	-	-	(101,767)
Inter-segment expense	(2,983)	-	2,983	-
Net income from spot voyages	155,930	-	(23,962)	131,968
Revenue from time charter voyages	30,103	-	-	30,103
TCE income – Shipping [^]	186,033	-	(23,962)	162,071
Revenue from Product Services	-	339,515	-	339,515
Inter-segment revenue	-	2,983	(2,983)	-
Cost of goods sold	-	(314,702)	-	(314,702)
Inter-segment expense	-	(26,945)	26,945	-
Gross profit - Product Services [@]	-	851	23,962	24,813
Gross profit – Total	186,033	851	-	186,884
Depreciation	(38,529)	(3,414)	-	(41,943)
Amortisation	(157)	-	-	(157)
Write-back of impairment	1,470	-	-	1,470
Gain on disposal of assets	2,516	-	-	2,516

[^] "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.

BW LPG Limited
Interim Financial Report
Q4 2022 and FY 2022

Segment information (continued)

	Shipping US\$'000	Product Services US\$'000	Inter- segment elimination US\$'000	Total US\$'000
FY 2022				
Revenue from spot voyages	699,028	-	-	699,028
Inter-segment revenue	87,328	-	(87,328)	-
Voyage expenses	(350,016)	-	-	(350,016)
Inter-segment expense	(2,983)	-	2,983	-
Net income from spot voyages	433,357	-	(84,345)	349,012
Revenue from time charter voyages	134,304	-	-	134,304
TCE income – Shipping ^	567,661	-	(84,345)	483,316
Revenue from Product Services	-	730,231	-	730,231
Inter-segment revenue	-	2,983	(2,983)	-
Cost of goods sold	-	(645,993)	-	(645,993)
Inter-segment expense	-	(87,328)	87,328	-
Gross profit - Product Services @	-	(107)	84,345	84,238
Gross profit – Total	567,661	(107)	-	567,554
Depreciation	(155,401)	(3,414)	-	(158,815)
Amortisation	(610)	-	-	(610)
Write-back of impairment	1,470	-	-	1,470
Gain on disposal of assets	21,110	-	-	21,110

^ "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.

BW LPG Limited
Interim Financial Report
Q4 2022 and FY 2022

Segment information (continued)

	Shipping US\$'000	Product Services US\$'000	Inter- segment elimination US\$'000	Total US\$'000
Q4 2021				
Revenue from spot voyages	117,920	-	-	117,920
Inter-segment revenue	19,114	-	(19,114)	-
Voyage expenses	(66,623)	-	-	(66,623)
Net income from spot voyages	70,411	-	(19,114)	51,297
Revenue from time charter voyages	45,002	-	-	45,002
TCE income – Shipping ^	115,413	-	(19,114)	96,299
Revenue from Product Services	-	222,825	-	222,825
Cost of goods sold	-	(201,467)	-	(201,467)
Inter-segment cost	-	(19,114)	19,114	-
Gross profit - Product Services @	-	2,244	19,114	21,358
Gross profit – Total	115,413	2,244	-	117,657
Depreciation	(41,212)	-	-	(41,212)
Amortisation	(147)	-	-	(147)
Write-back of impairment	31,901	-	-	31,901
Gain on disposal of assets	2,652	-	-	2,652

^ "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.

BW LPG Limited
Interim Financial Report
Q4 2022 and FY 2022

Segment information (continued)

	Shipping US\$'000	Product Services US\$'000	Inter- segment elimination US\$'000	Total US\$'000
FY 2021				
Revenue from spot voyages	451,329	-	-	451,329
Inter-segment revenue	57,345	-	(57,345)	-
Voyage expenses	(222,220)	-	-	(222,220)
Net income from spot voyages	286,454	-	(57,345)	229,109
Revenue from time charter voyages	178,856	-	-	178,856
TCE income – Shipping ^	465,310	-	(57,345)	407,965
Revenue from Product Services	-	611,170	-	611,170
Cost of goods sold	-	(557,183)	-	(557,183)
Inter-segment cost	-	(57,345)	57,345	-
Gross (loss)/profit - Product Services @	-	(3,358)	57,345	53,987
Gross profit – Total	465,310	(3,358)	-	461,952
Depreciation	(153,653)	-	-	(153,653)
Amortisation	(546)	-	-	(546)
Write-back of impairment	31,901	-	-	31,901
Gain on disposal of assets	25,468	-	-	25,468

^ "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.

Business combination

The Group acquired 85.0% equity interest in Vilma's LPG trading operations resulting in the Group obtaining control of the LPG trading operations. From 30 November 2022, the Group accounted for Vilma's LPG trading operations as its subsidiary.

The principal activity of Vilma's LPG trading operations is that of LPG trading operations. As a result of the acquisition, the Group is expected to increase its market presence in the LPG trading market.

Details of the consideration paid, the assets acquired and liabilities assumed on a provisional basis, the non-controlling interest recognised and the effects on the cash flows of the Group, at the acquisition date, were as follows. The Group has one year from the date of acquisition to finalise the measurement of the assets acquired and liabilities assumed.

(a) Details of the acquisition

	US\$'000
Purchase consideration	53,438
Non-controlling interest ¹	10,327
Less: Fair value of identifiable net assets acquired (provisional)	(63,765)
Goodwill	-

¹ Non-controlling interest was measured based on their proportionate share of interest in the fair value of identifiable net assets acquired

(b) Effect on cash flows of the Group

	US\$'000
Cash paid ²	51,138
Less: cash and cash equivalents in subsidiary acquired	(1,975)
Cash outflow on acquisition	49,163

² Final payment of US\$2.3 million to be settled (provisional)

Identifiable assets acquired and liabilities assumed (provisional)

Cash and cash equivalents	1,975
Right-of-use assets (vessels)	123,336
Derivative financial instruments	81,878
Derivative financial instruments (commodity contracts)	15,435
Inventories	30,138
Trade and other receivables	150,812
Deferred tax assets	5,919
Other assets	962
Total assets	410,455
Trade and other payables	(134,218)
Borrowings	(99,618)
Lease liabilities	(90,463)
Derivative financial instruments	(22,325)
Current income tax	(66)
Total liabilities	(346,690)
Total identifiable net assets	63,765
Less: Non-controlling interest at fair value	(10,327)
	53,438

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 December 2022	31 December 2021	31 December 2022
	US\$'000	US\$'000	US\$'000
Assets			
Current assets	36,874	25,673	329,485
Includes			
Cash and cash equivalents	12,216	1,350	77,829
Non-current assets	337,868	323,173	120,085
Liabilities			
Current liabilities	33,861	81,275	326,246
Includes			
Borrowings	27,957	78,903	110,260
Non-current liabilities (Borrowings)	139,007	148,286	62,231
Net assets	201,874	119,285	61,093

Summarised statement of comprehensive income:

	BW India		BW Product Services
	Q4 2022	Q4 2021	Q4 2022
	US\$'000	US\$'000	US\$'000
TCE income - Shipping	28,345	43,612	-
Gross profit - Product services	-	-	851
Vessel operating expenses	(7,009)	(11,946)	-
Depreciation and amortisation	(8,185)	(16,176)	(3,414)
Finance expense	(2,841)	(3,820)	(934)
Other (loss)/income - net	(815)	2,176	659
Net profit/(loss) after tax	9,495	13,846	(2,838)
Other comprehensive loss (currency translation effects)	(892)	(247)	(895)
Total comprehensive income/(loss)	8,603	13,599	(3,733)
Total comprehensive income/(loss) allocated to non-controlling interests	4,019	434	(1,317)

BW LPG Limited
Interim Financial Report
Q4 2022 and FY 2022

Investment in subsidiaries (continued)

	BW India		BW Product Services
	FY 2022	FY 2021	FY 2022
	US\$'000	US\$'000	US\$'000
TCE income - Shipping	92,561	43,612	-
Gross loss - Product Services	-	-	(107)
Gain on disposal of assets held-for-sale	-	2,637	-
Vessel operating expenses	(22,885)	(11,132)	-
Depreciation and amortisation	(32,154)	(16,175)	(3,414)
Finance expense	(7,453)	(3,914)	(1,755)
Other expenses	(2,004)	(1,245)	3,139
Net profit/(loss) after tax	28,065	13,783	(2,137)
Other comprehensive loss (currency translation effects)	(34,507)	(2,892)	(895)
Total comprehensive (loss)/income	(6,442)	10,891	(3,032)
Total comprehensive (loss)/income allocated to non-controlling interests	(3,990)	1,262	(1,317)