
Pareto Energy Conference

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About BW LPG

World's leading owner and operator of VLGC vessels, listed on the Oslo Stock Exchange since 2013

12%

VLGC market share

Owns and operates 44 VLGCs. The largest in the world

26%

Annual returns to investors

Returns-focused company with a proven track record through the cycles, since IPO in 2013

~5m tons

Physical LPG traded

Established in 2019, our in-house LPG trading division purchases LPG for clients globally

31%

Dual-fuel VLGC market share

Own 16 LPG dual-fuel vessels
Ships LPG to end-users with the lowest CO₂ emissions



Source: Annual returns to investors extracted from Bloomberg based on NOK/share assuming dividends are reinvested at spot price

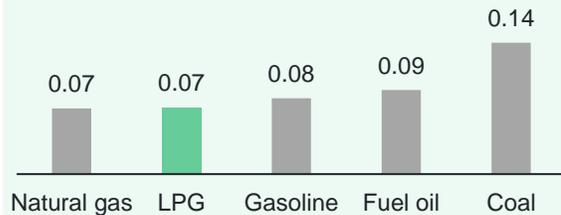
Why does LPG matter?

Increasing relevance of LPG in the global energy mix

Efficient

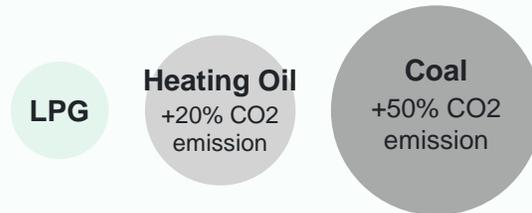
- Portable with low infrastructure requirement
- Can be transported over long distances without any loss of energy
- Produces more energy per unit than other fossil fuels

Only 0.07kg of LPG is needed to generate 1 kW of energy, 50% less than Coal



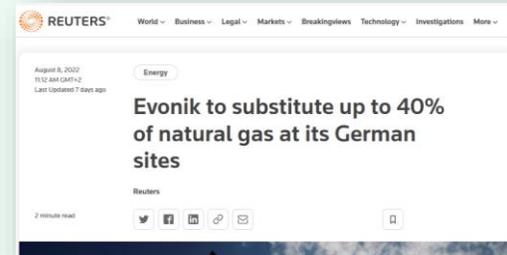
Clean

- One of the cleanest conventional fuels available
- Non-toxic and has no impact on soil, water and underground aquifers
- Reduces CO₂ emissions substantially



Versatile

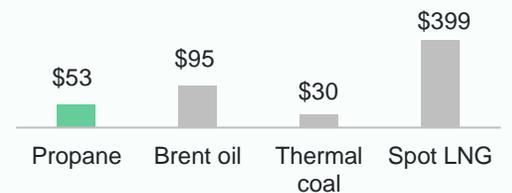
- Has more than 1,000 applications, across commercial, retail to industrial segments
- Cooking and heating accounts for 47% of the global demand for LPG
- Provides consistent energy supply regardless of weather conditions



Cheap

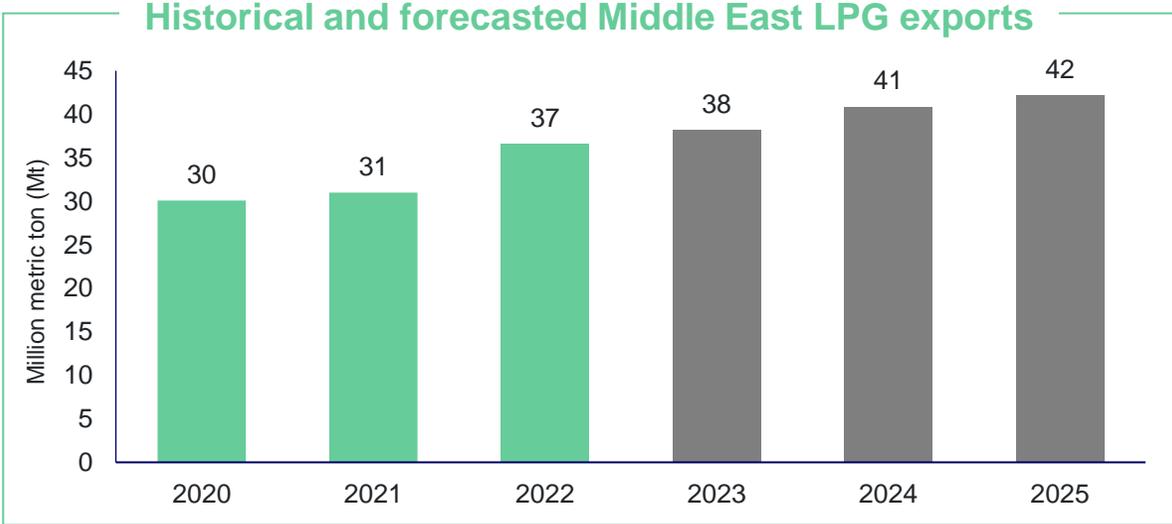
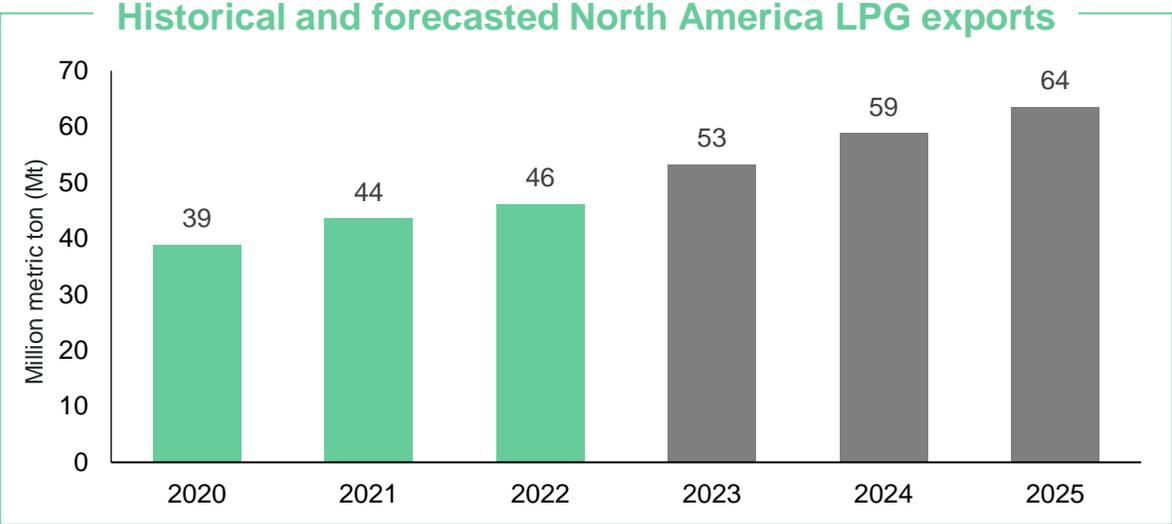
- LPG is cheap and affordable
- Recognised by governments around the world with various subsidy schemes
- Price competitiveness of LPG has increased further under current energy environment

Propane price in barrel of oil equivalent remains competitive



Solid export growth from North America and Middle East

With stable export growth expectations from Middle East



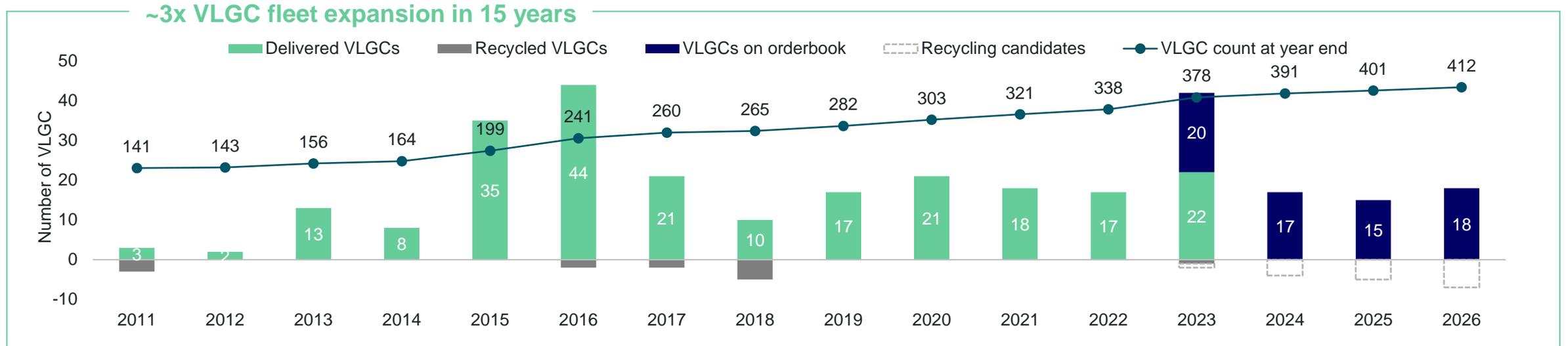
- Robust export growth expected for 2023
- Higher export forecast predominantly due to higher oil and gas production
- Higher NGL content in the gas production
- Stable US domestic consumption and high inventories

- Stable growth in the next few years
- Export forecast has increased due to higher gas production from new projects
- Further upside to exports given most Saudi LPG associated oil and gas production is well below capacity

Source: Forecasts are from NGL and BW LPG Research

Compelling investment potential despite large orderbook and transport inefficiencies

A substantial backlog of VLGC newbuild orders is expected to be delivered in 2027



Where has the orderbook disappeared?



Growth in demand



Market inefficiencies



15% of the fleet disappears to sanctioned countries

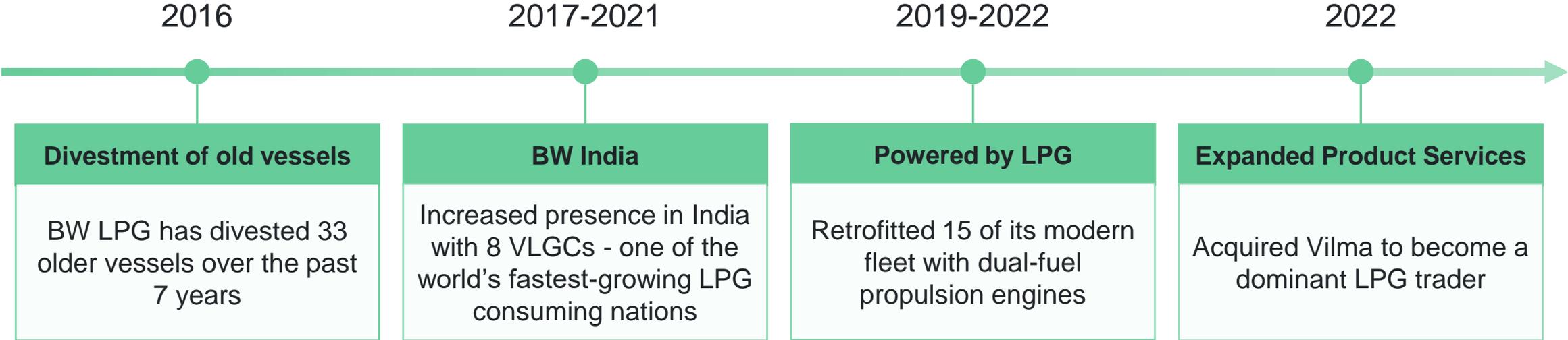


16% of the fleet due for recycling

Source: Forecasts are from NGL and BW LPG Research
1 Clarkson

Significant achievements from executing on strategic plan

Key milestones since 2016, showcasing growth, innovation and extensive initiatives acting for the future



A sustainable business model is only possible with strong underlying long-term profitability

LPG propulsion program delivered ~25% return in H1 2023

Significant cost savings of more than \$4.5 million in first half of 2023

H1 2023 Highlights¹

16

VLGCs with dual-fuel propulsion technology

\$4.5m

Cost savings over VLSFO in 1H 2023

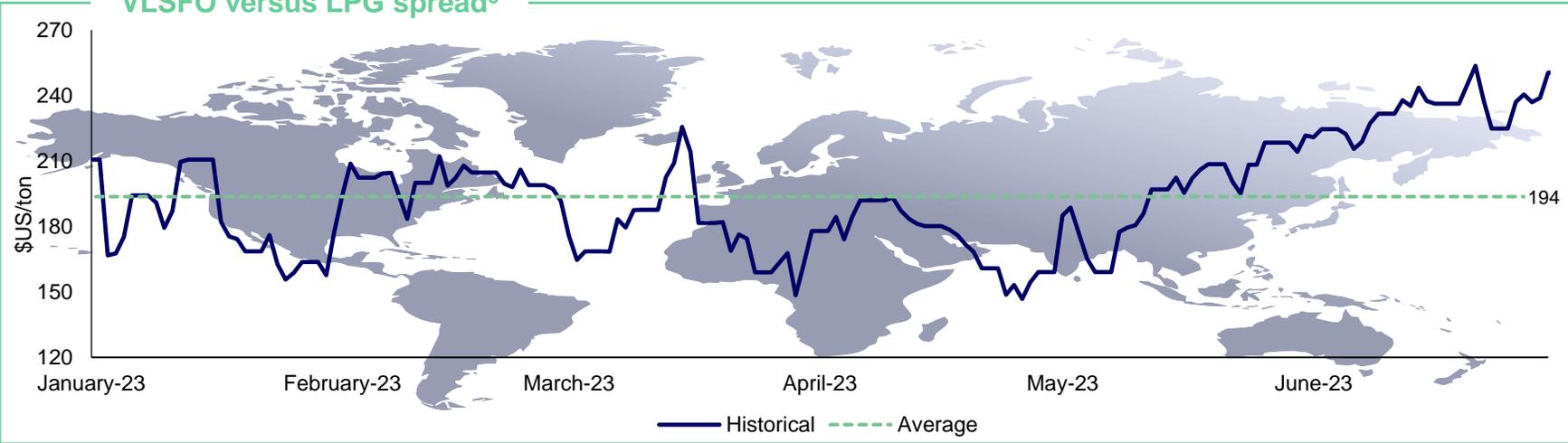
13,300Mt

Reduction in CO₂ emissions in 1H 2023

Fuel Cost Benefits per vessel²

Price spread between LPG and Compliant fuel (US\$/ton)	US\$ per day savings	US\$ per year savings	Payback time (years)	IRR
0	\$1 500	\$400 000	19.8	5 %
\$50	\$3 000	\$800 000	10.0	10 %
\$100	\$4 500	\$1 200 000	6.7	15 %
\$125	\$5 300	\$1 400 000	5.7	18 %
\$150	\$6 000	\$1 600 000	5.0	20 %
\$200	\$7 500	\$2 000 000	4.0	25 %
\$250	\$9 000	\$2 500 000	3.3	30 %

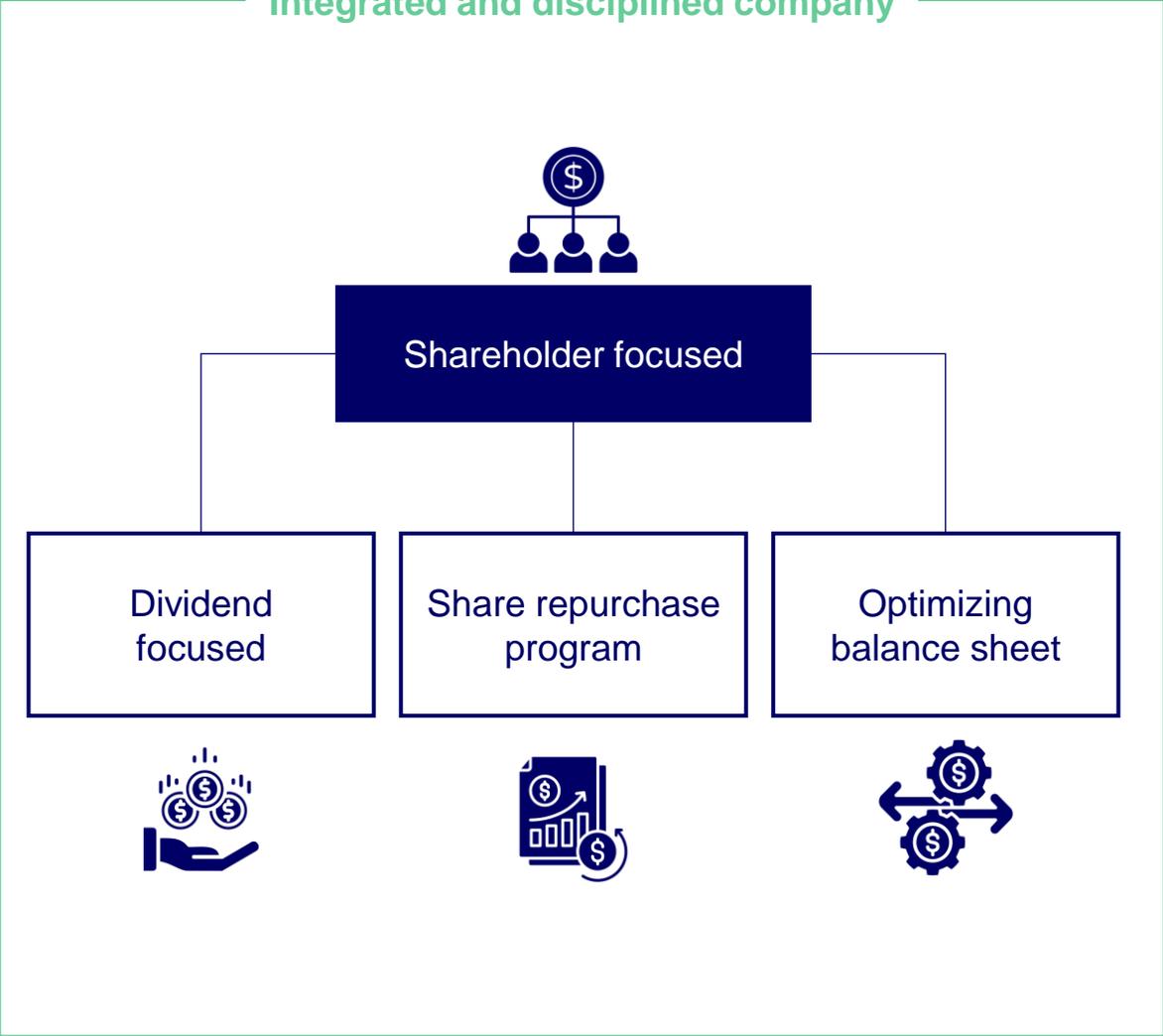
VLSFO versus LPG spread³



¹ Actual cost savings and CO₂ emissions based on BW LPG propulsion vessels
² Sensitivity analysis based on Houston - Chiba route, fuel assumptions based on BW LPG propulsion vessels and BW LPG conventional vessels
³ Platts, Bloomberg, CME, BW LPG

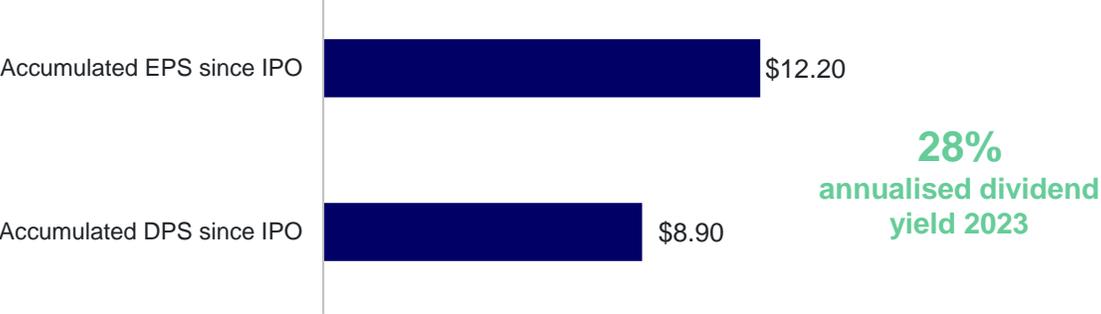
Our focus on profitability has provided shareholders with good returns

Integrated and disciplined company



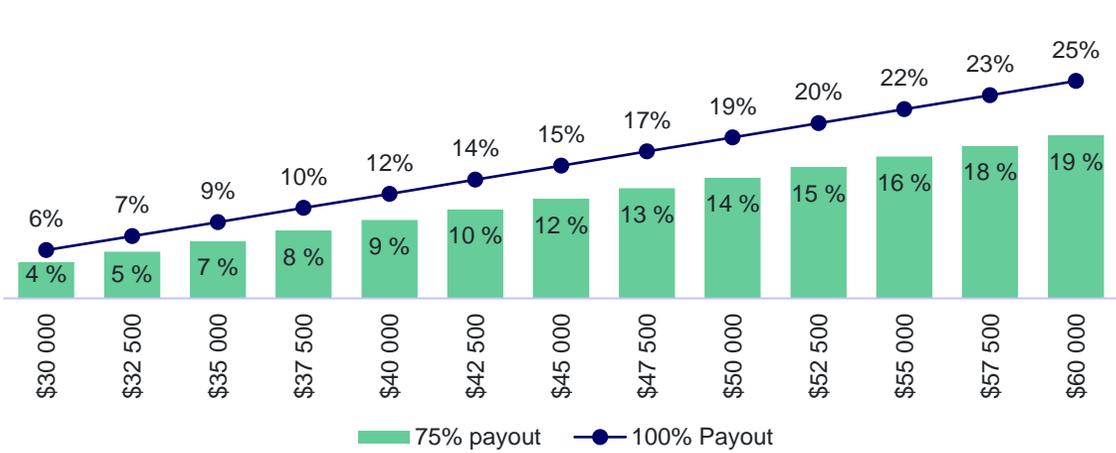
Since IPO, we have paid out 73% of our earnings as dividends

Historical accumulated dividend per share and earnings per share



In Q1 2022, the Board enhanced our dividend policy to target a quarterly pay-out ratio of 75% of NPAT when the net leverage ratio is below 30%

BW LPG dividend yield potential at different spot rates



1 Source BW LPG

Looking ahead – What can you expect?

1

Strong long-term growth fundamentals

- Increasing relevance for LPG in today's energy environment
- Positive underlying fundamentals
- Distance between Supply and Demand sources continues to drive demand for shipping

2

Market leading profitability

- Highest returns amongst peers
- Low cash breakeven and a solid balance sheet with ample available liquidity of \$492 million with record low net leverage ratio of 19% to-date

3

Deliver on strategy and continue to grow in the LPG value chain

- Continue to optimize Returns on Assets
- US dual listing creates an opportunity to broaden our investor base

Why have investors finally woken up to LPG shares?

1

Highly competitive energy source

2

Strong underlying fundamentals

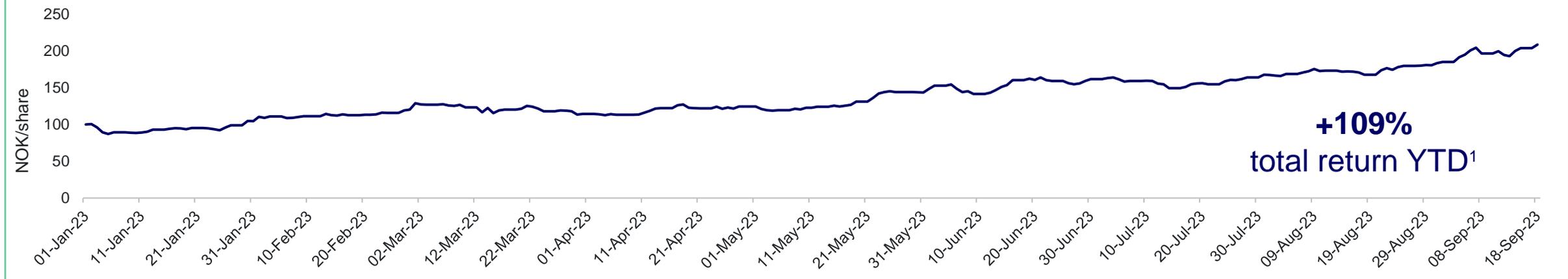
3

Superior shareholder returns

4

Important role in the energy transition

LPG sector share price performance YTD¹



¹ LPG share price performance based on BW LPG, Avance and Dorian share price development assuming dividends are re-invested (period 01.01.2023-18.09.2023) rebased at 100
² Source BW LPG

It has been a good journey for the BW LPG share also over these past few years...

...and I am convinced it will continue



\$127 total dividend

2020

\$100 total dividend

2021

\$127 total dividend

2022

\$300 total dividend to date

2023

¹ Total returns assumes dividends are re-invested (period 01.04.2020– 18.09.2023)
² Total dividends reflects the dividend amount associated with the year of disbursement, rather than the year in which dividends were announced
² Source BW LPG



Thank You

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