

BW LPG

Q3 2013 Results Presentation

29 November, 2013



BW LPG



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Important Note: Pre-IPO financial information

- In relation to this presentation, it is important to note the following:
 - The results represent the operations of the Company as a 100% subsidiary of BW Group which is fundamentally different in financial structure to its current publicly listed form
 - The balance sheet structure has changed significantly upon IPO and is not reflective of the balance sheet as at 30 September 2013
 - The key changes on IPO are set out in the prospectus, that include corporate reorganisation for IPO, refinancing, changes in equity structure, and external equity raised
 - Consequently, information and metrics related to balance sheet structure (leverage ratios, ROCE, ROE, etc.) are not presented in this report

Third quarter 2013 highlights

- BW LPG sees the global LPG transportation market continuing to trend positively
- The Company continues to benefit from substantial increases in US cargo liftings
- Fleet utilisation continues to contribute constructively to earnings
- Important events after the quarter-end include
 - Completed IPO on the Oslo Stock Exchange raising gross proceeds of ~USD 280 million in new equity
 - Appointed new Board of Directors in place from the date of listing, 21 November 2013
 - Declared options for two newbuilds at Hyundai Heavy Industries, increasing new build program to 6 VLGCs
 - Committed to acquire the chartered-in vessel BW Trader in January 2014 for a nominal amount, along with a ~USD 52 million outstanding debt balance
 - Signed and completed drawdown of a 7-year USD 700m secured facility at an interest rate of USD LIBOR + 190 bps



Third quarter 2013 highlights

- Earnings and results continue to reflect the firming market in line with expectations
- TCE earnings of USD 75.90 million compares to USD 73.73 million for the third quarter 2012
- EBITDA continues to track positively showing strong improvement since 30 June 2013
- EBITDA of USD 42.0 million in Q3 2013 compares to USD 42.8 million for the Q3 2012 with the reduction driven by one-off takeover costs of fleet additions and lower EBITDA performance of the LGC fleet
- Net profit of USD 68.9 million compares to USD 19.3 million for the third quarter 2012
 - Fleet impairment write-back of USD 42.9 million Q3 2013
 - Fleet impairment of USD 7.5 million Q3 2012



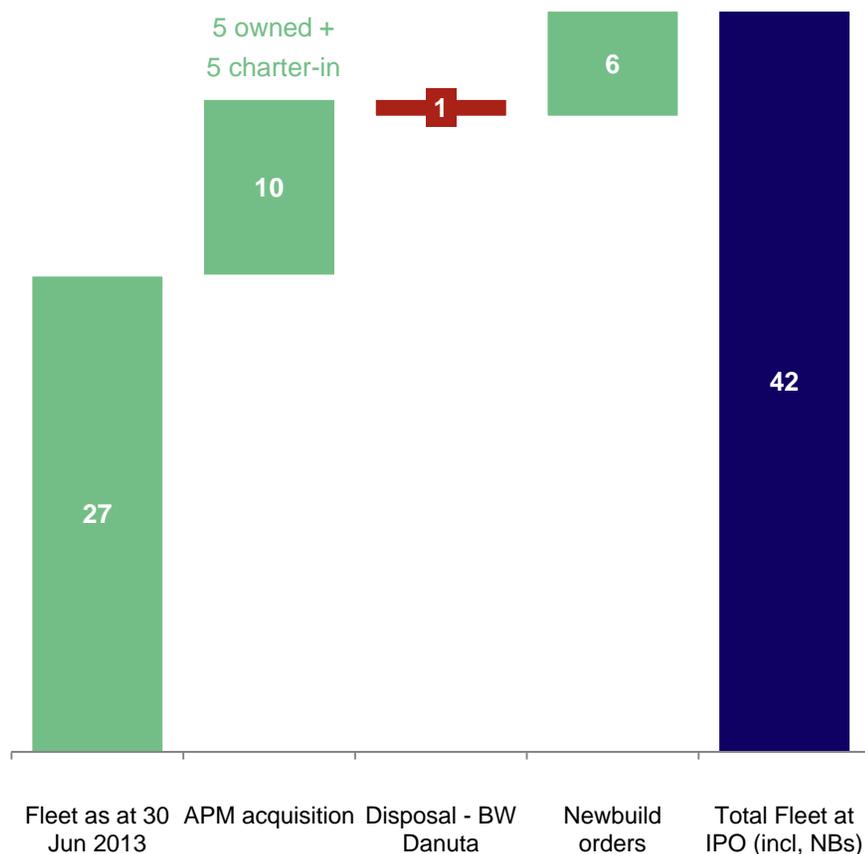
Developments since quarter end

- Completed acquisition of the Maersk fleet
 - 5 owned vessels added to the fleet
 - 5 chartered-in vessels taken over
 - 2 COAs
- VLGC pool:
 - 1 of the pool participants in the VLGC pool has exited the pool and transferred its 33% interest in the two charter-in vessels, BW Tokyo and BW Kyoto to remaining participants
 - BW LPG and the other pool participant each now have a 50% interest in each of the two vessels
- BW LPG has exercised an option to purchase the vessel, BW Trader
 - Delivery due in January 2014
 - No change in accounting treatment: currently accounted for as a finance lease

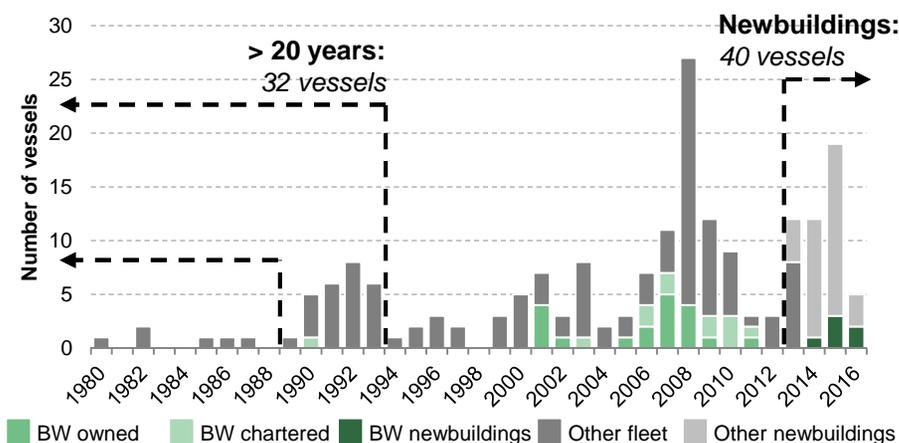


Fleet Development

Growing fleet since Q2 2013



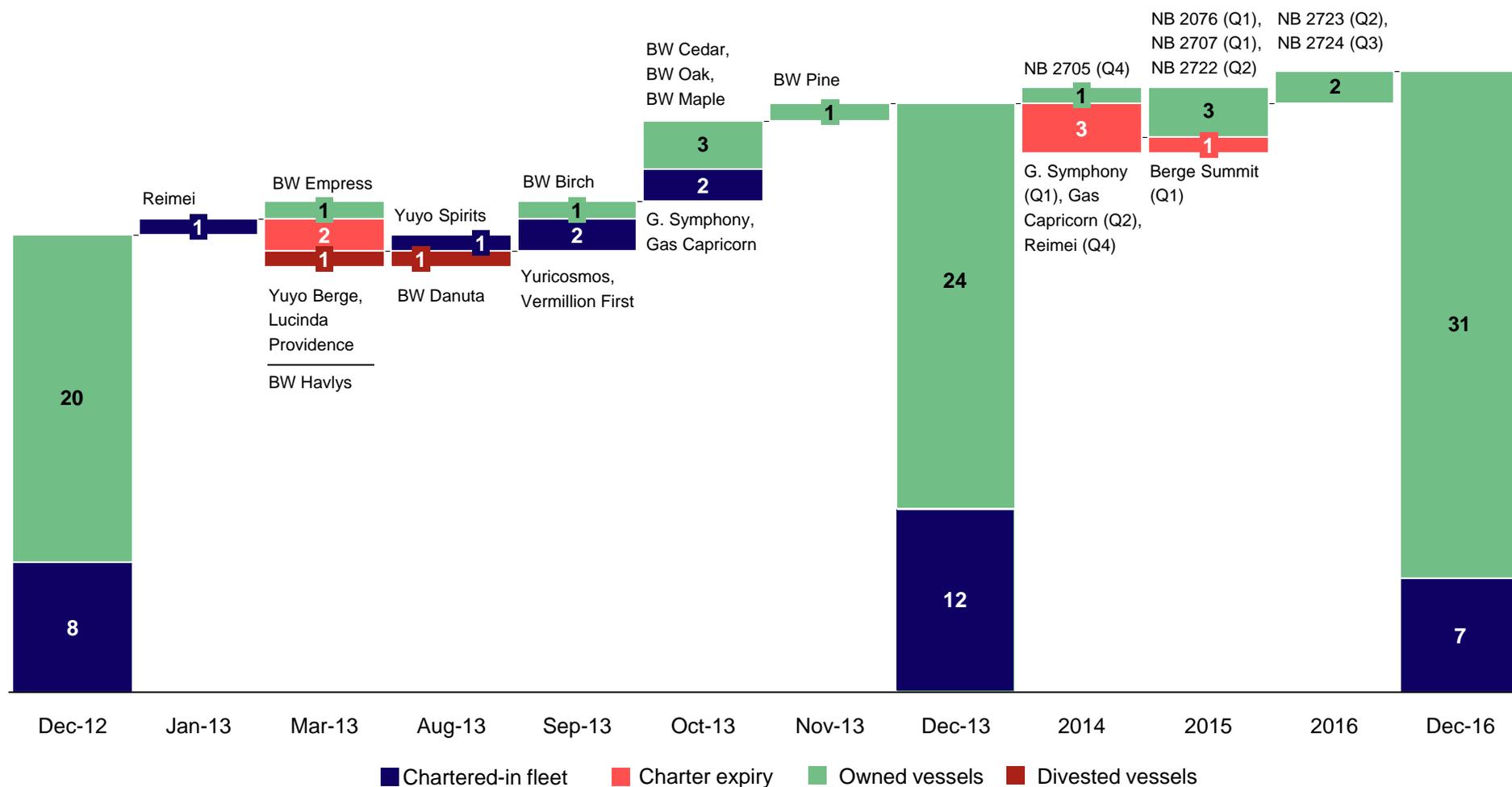
VLGC fleet profile¹



- Current global sailing fleet of 151 vessels
- BW LPG owns and operates a fleet of 36 vessels
- 40 new building VLGCs on order, of which 6 contracted by BW LPG
- During Q3 2013, only 4 vessels (3 chartered-in and 1 owned) were delivered late in the quarter, and as a result had minimal revenue contribution
- These vessels will add revenue going forward and full impact of the vessels already delivered will be seen in Q1 2014, when all vessels will be available for employment

BW LPG Fleet timeline

Timeline based on current contracts



Q3 2013 income statement

Unaudited figures in USD thousands

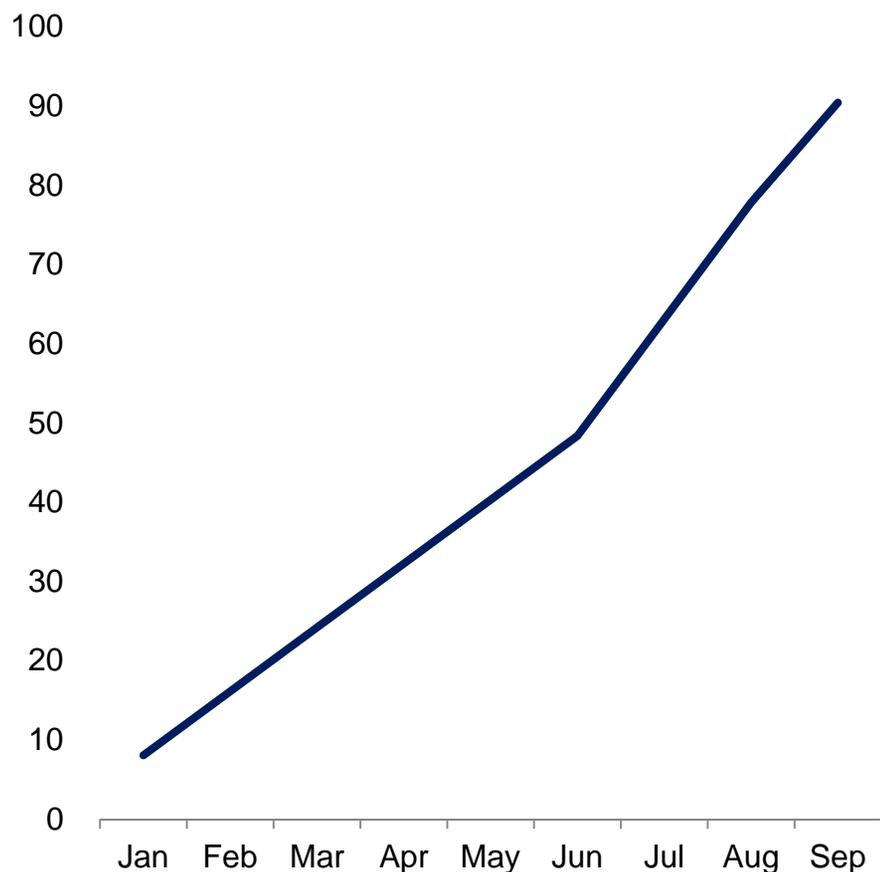
	3 months ended 30 Sept 2013	3 months ended 30 Sept 2012	9 months ended 30 Sept 2013	9 months ended 30 Sept 2012
Revenue	112,375	112,589	295,543	287,835
Voyage expenses	(36,471)	(38,864)	(108,585)	(116,877)
TCE income	75,904	73,725	186,958	170,958
Other operating income	124	18	372	378
Other operating expenses	(33,979)	(30,905)	(96,910)	(94,525)
Operating profit before depreciation, amortisation and impairment	42,049	42,838	90,420	76,811
Loss on disposal of property, plant and equipment	2	-	(880)	-
Loss on disposal of subsidiaries	(1,025)	-	(1,025)	-
	41,026	42,838	88,515	76,811
Amortisation charge	(1,580)	(1,774)	(5,108)	(5,321)
Depreciation charge	(12,055)	(13,261)	(37,613)	(36,746)
Write-back of impairment charge/(impairment charge) - net	42,900	(7,500)	47,347	(17,200)
Operating profit	70,291	20,303	93,141	17,544
Foreign currency exchange (loss)/gain - net	(14)	4	(42)	(22)
Interest income	1	2	2	4
Interest expense	(1,263)	(1,056)	(3,284)	(2,489)
Other finance (expense)/income	(89)	53	(9)	51
Finance expense – net	(1,365)	(997)	(3,333)	(2,456)
Profit for the financial period	68,926	19,306	89,808	15,088
Other comprehensive income	-	-	-	-
Net profit and total comprehensive income for the financial period	68,926	19,306	89,808	15,088

- In general, the global revenues do not directly track the Baltic index, due to:
 - Fixed rate contracts
 - Contracts with ceiling/ floor rates
 - Utilisation patterns (Baltic index reports basis 100% utilisation and exclude inefficiencies such as war risk and security related routing, security costs, etc.)
 - Commercial waiting time
 - The time lag between fixtures and revenue recognition on start of voyage (typically 30-45 days)

EBITDA cumulative trend

Unaudited figures in USD millions

YTD EBITDA development



Comments

- VLGC TCE Income for Q3 2013 was in line with expectations with VLGC TCE per voyage day at USD 32,600 for the quarter
- LGC TCE Income was below expectations in Q3 2013 due commercial downtime, at USD 21,600 per day for the quarter
- Without considering the impact of the Maersk acquisition, the Net TCE Income is USD 72.5 million and VLGC TCE per voyage day is USD 32,700
- Full impact of the Maersk fleet acquisition will be seen in Q1 2014 as deliveries from Maersk were only completed on 7 November 2013
- Voyage expenses in Q3 2013 are lower than Q3 2012 due to lower bunker costs during the period
- EBITDA continues to track positively showing strong improvement since 30 June 2013

Q3 2013 balance sheet

Unaudited figures in USD thousands

Assets	30 September 2013	31 December 2012
Charter-hire contracts acquired	23,518	42,429
Intangible asset	23,518	42,429
Vessels	1,018,590	944,493
Vessels under construction	28,774	-
Dry docking	19,864	17,892
Total property, plant and equipment	1,067,228	962,385
Total non-current assets	1,090,746	1,004,814
Inventories	14,711	19,432
Trade and other receivables	120,930	73,154
Cash and cash equivalents	11,115	22,221
Total current assets	146,756	114,807
Non-current asset held-for-sale	3,780	-
Total assets	1,241,282	1,119,621

Equity and liabilities	30 September 2013	31 December 2012
Share capital	10	10
Capital reserve	67,687	67,687
Retained earnings/(Accumulated losses)	14,324	(72,382)
	82,021	(4,685)
Non-controlling interest	9,707	9,105
Total shareholder's equity	91,728	4,420
Borrowings	57,219	64,751
Deferred income	1,365	1,737
Total non-current liabilities	58,584	66,488
Borrowings	138,684	136,039
Current income tax liabilities	-	108
Trade and other payables	952,286	912,566
Total current liabilities	1,090,970	1,048,713
Total liabilities	1,149,554	1,115,201
Total equity and liabilities	1,241,282	1,119,621

Q3 2013 cash flow statement

Unaudited figures in USD thousands

	3 months ended 30 September	9 months ended 30 September	9 months ended 30 September
	2013	2013	2012
<u>Cash flows from operating activities</u>			
Profit for the financial period	68,926	89,808	15,088
Adjustments for:			
- amortisation charge	1,580	5,108	5,321
- amortisation of deferred income	(124)	(372)	(372)
- depreciation charge	12,055	37,613	36,746
- (write back of impairment charge)/impairment charge - net	(42,900)	(47,347)	17,200
- loss on disposal of property, plant and equipment	(2)	880	-
- loss on disposal of subsidiaries	1,025	1,025	-
- foreign exchange currency loss on long-term tax liability	-	-	7
- interest income	(1)	(2)	(4)
- interest expense	1,263	3,284	2,489
- other finance expense/(income)	89	9	(51)
Operating cash flow before working capital changes	41,911	90,006	76,424
Changes in working capital:			
- inventories	(5,425)	3,984	(2,099)
- trade and other receivables	(18,923)	(36,963)	(20,820)
- trade and other payables	(12,518)	(32,289)	(8,347)
Cash generated from operations	5,045	24,738	45,158
Taxes paid	-	(108)	(101)
Net cash (used in)/provided by operating activities	5,045	24,630	45,057

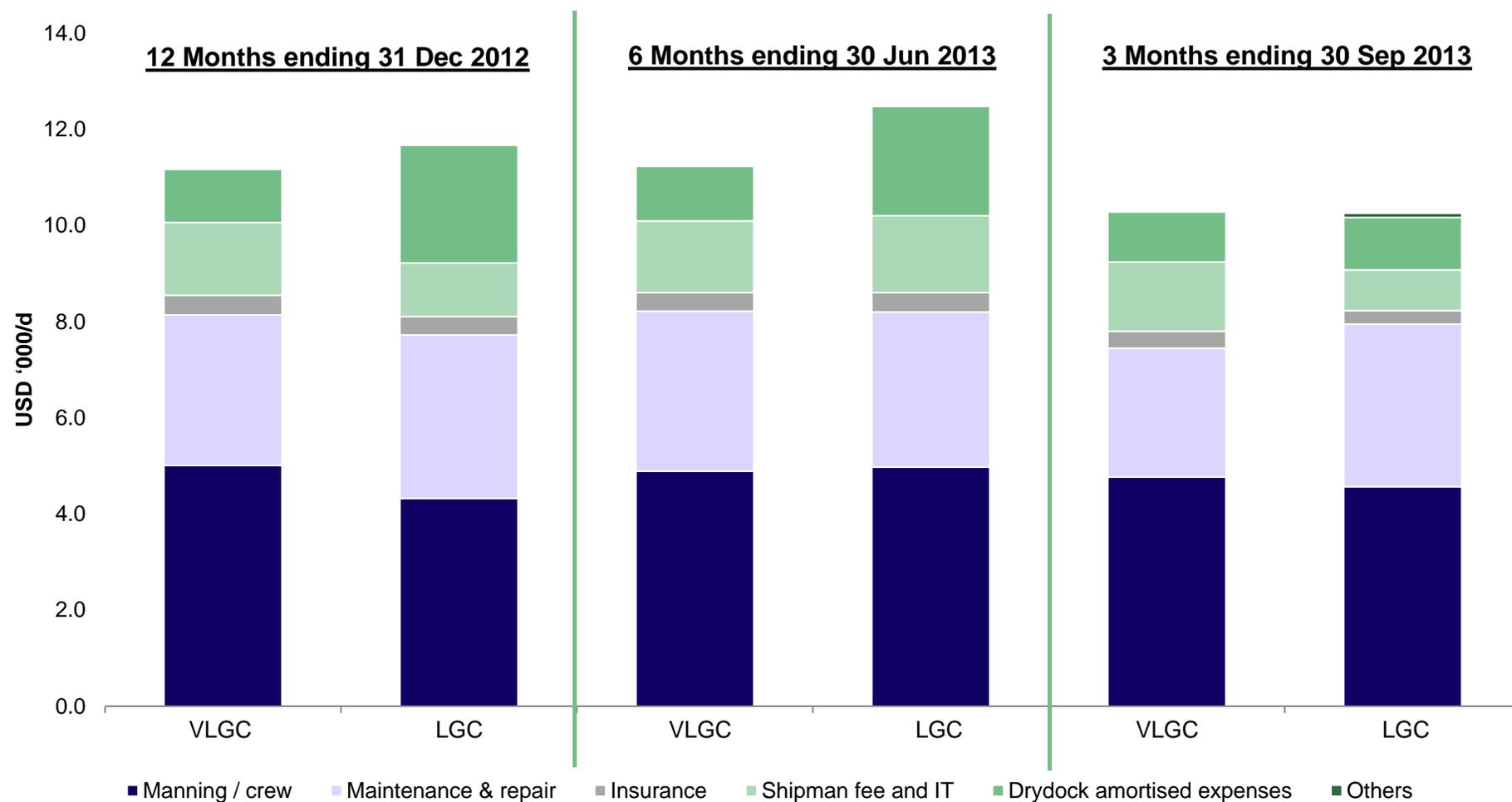
Q3 2013 cash flow statement (Cont'd)

Unaudited figures in USD thousands

	3 months ended 30 September 2013	9 months ended 30 September 2013	9 months ended 30 September 2012
<u>Cash flow from investing activities</u>			
Purchases of property, plant and equipment	(91,995)	(135,585)	(141,403)
Disposal of property, plant and equipment	2	2,249	-
Disposal of subsidiaries, net of cash disposed	(772)	(772)	-
Interest received	1	2	4
Net cash used in investing activities	(92,764)	(134,106)	(141,399)
<u>Cash flows from financing activities</u>			
Funding from immediate holding corporation for purchase of property, plant & equipment	88,923	121,960	8,750
Proceeds from borrowings	-	-	126,500
Funding provided to fellow subsidiary	(2,339)	(12,910)	(7,381)
Repayments of borrowings	(3,239)	(7,090)	(6,674)
Payment of dividends	(2,154)	(2,154)	-
Interest paid	(345)	(1,081)	(1,346)
Other finance income received	(89)	(9)	51
Payment to non-controlling interests	(346)	(346)	-
Net cash provided by financing activities	80,411	98,370	119,900
Net (decrease)/increase in cash and cash equivalents	(7,308)	(11,106)	23,558

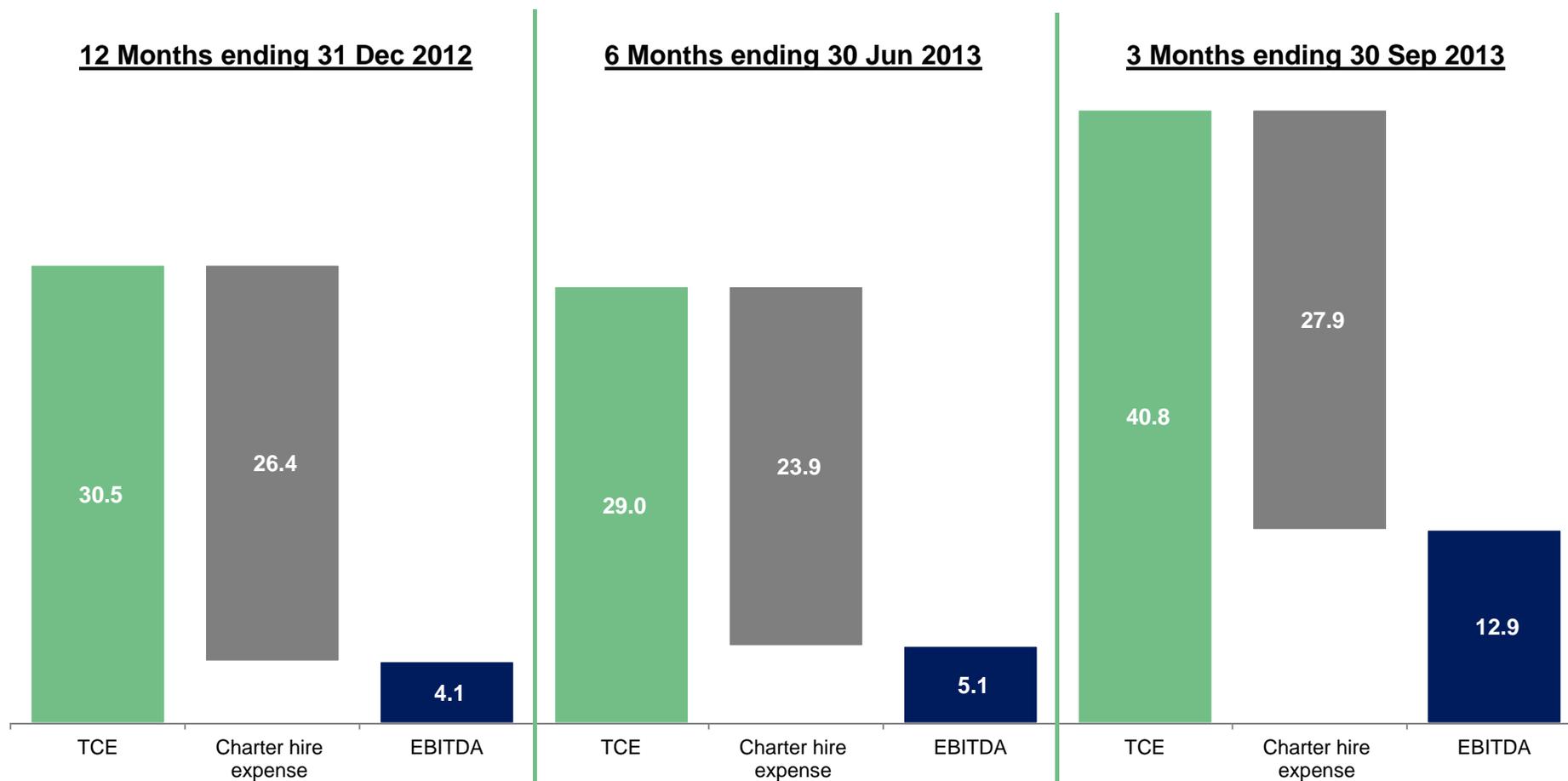
Operating cost per voyage day

Unaudited figures in USD thousands



Charter-in vessels per voyage day

Unaudited figures in USD thousands



IPO highlights

- IPO closed on 20 November with the shares trading on the Oslo Stock Exchange from 21 November
 - 36,276,383 new shares were issued with gross proceeds of NOK 1,705 million (~USD 280 million)
 - More than 1,800 investors subscribed for shares
 - All listing requirements were met and the shares are trading unconditionally from 26 November 2013
- Total number of shares post-offering is 136,276,383 giving a market capitalization of ~USD 1,052 million at a share price of NOK 47
- BW Group controls 52.2% of the shares in BW LPG after the IPO, before the exercise of the over-allotment option.
- Full exercise of the over-allotment would reduce BW Group's shareholding to 45%.



BW LPG – summary and outlook

- BW LPG remains positive on the market outlook for VLGCs
- BW LPG has been actively consolidating in the VLGC sector for the last 3 years.
- The IPO completion provides an improved growth platform and BW LPG will continue to seek avenues to deliver value accretive growth.
- BW LPG has a strong balance sheet which provides ample room to invest





Q&A session

Appendix

Leading international board of directors

Strong board of directors



Andreas Sohmen-Pao - *Chairman of the Board*

- CEO of BW Group
- Non-executive director of BW Offshore and The Hongkong and Shanghai Banking Corporation Ltd.
- Board member of The Esplanade Co Ltd (Singapore) and the National Parks Board (Singapore)



John B. Harrison – *Vice Chairman*

- Independent Non-executive Director at BW Group, AIA Group Limited and Hong Kong Stock Exchanges and Clearing Limited
- Former Deputy Chairman of public accounting firm KPMG International
- Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Hong Kong Institute of Certified Public Accountants



Anders Onarheim - *Member of the Board*

- Board member of Reach Subsea and other investment firms
- Former Managing Director in companies within the investment bank Carnegie Group
- Previously worked with Goldman Sachs and Merrill Lynch



Andreas Beroutsos - *Member of the Board*

- Managing Partner of One Point Capital Management and Navigos Capital Management
- Former Senior Managing Director at Eton Park Capital Management
- Former Director (senior partner) with McKinsey & Company in New York
- Former Member of the General Council of the Hellenic Financial Stability Fund



Dato' Jude P Benny - *Member of the Board*

- Managing Partner of Joseph Tan Jude Benny, which he founded in 1988
- Named as the Maritime Lawyer of the Year, 2012, for Singapore by Best Lawyers
- Director of the Maritime and Port Authority of Singapore



Anne Grethe Dalane - *Member of the Board*

- Business Process Owner, Sales at Yara International, been with Yara since 2003
- Former executive positions at Norsk Hydro in Human Resources, Corporate Strategy and Finance
- Board experience includes Hafslund, EDB Business Partners and Prosafe

Experienced management team



Nicholas Murray Gleeson - *Chief Executive Officer*

- Joined BW LPG from his position as Group CFO of BW Group, having previously also held the role of CFO, BW Gas Ltd
- More than 20 years of business experience as CFO and in other senior finance roles
- Australian Chartered Accountant and holds a Bachelor of Commerce in Accounting from the Australian National University and an MBA from INSEAD, France



Vijay Kamath - *Chief Financial Officer*

- Joined BW LPG from FSL Asset Management where he was SVP and CCO
- More than 20 years of experience in banking, financial management, sales and other functions
- Involved in several capital markets and asset transactions with FSL
- Master of Management Studies and Bachelor of Science from Goa University, India



Andrew Hoare - *Chief Commercial Officer*

- Joined BW LPG from his position as VP Commercial and Operations at BW Maritime which he joined in 2003
- More than 20 years of experience in the shipping industry
- Masters in Arts (Honours) in Management with International Relations from the University of St. Andrews, Scotland and an MBA from Ashridge Management College, London



Sugato Roy – *Head of fleet supervision*

- Joined BW LPG from his position as Head of Technical Operations at Navig8 Ship Management where he played an integral role in setting up their Ship Management division in Singapore
- More than 27 years of experience in the shipping industry, having built up extensive sailing experience at sea and ship management experience on shore



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