

BW LPG

Q4 2013 Results Presentation

12 February, 2014



BW LPG



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Fourth quarter 2013 highlights

- Completed IPO on the Oslo Stock Exchange raising gross proceeds of ~USD 280 million in new equity
- Declared options for two newbuilds at Hyundai Heavy Industries, increasing new build program to 6 VLGCs. The two newbuilds' delivery schedule has been advanced to 2015 from 2016
- In October 2013, committed to acquire the chartered-in vessel BW Trader in Q1 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
- Completed delivery of the remaining four Maersk and two charter-in VLGCs: BW Maple; BW Oak; BW Pine; BW Cedar; and G Symphony; Gas Capricorn respectively (in total five owned and five charter-in vessel acquisitions completed since Sept 2013)
- Fleet utilisation continued to contribute positively to earnings
- MGC BW Hermes was successfully disposed as disclosed in the prospectus
- With continued strong performance in the second half of 2013, the Board of Directors of BW LPG has recommended a cash dividend of USD 0.15 per share for the half year ended 31 December 2013.



Fourth quarter 2013 highlights

- Earnings and results continue to reflect the market firming in line with expectations
- TCE earnings of USD 101.8 million compares to USD 53.0 million for the fourth quarter 2012, and USD 75.9 million in third quarter 2013
- EBITDA continues to trend positively with fourth quarter 2013 EBITDA of USD 45.8 million compared to USD 19.6 million for the fourth quarter 2012, and USD 42.0 million in third quarter 2013
- Net profit of USD 35.9 million compares to a loss of USD 35.2 million for the fourth quarter 2012, and USD 68.9 million in the third quarter 2013
 - Fleet impairment write-back of USD 9.0 million in Q4 2013
 - Fleet impairment of USD 38.4 million in Q4 2012
 - Improved EBITDA contribution by USD 26.2 million (134%) compared to Q4 2012

■ Key Metrics

EPS ¹	\$ 0.26
ROE (annualised)	14.7%
ROCE (annualised)	10.3%
Debt Equity	67.4%



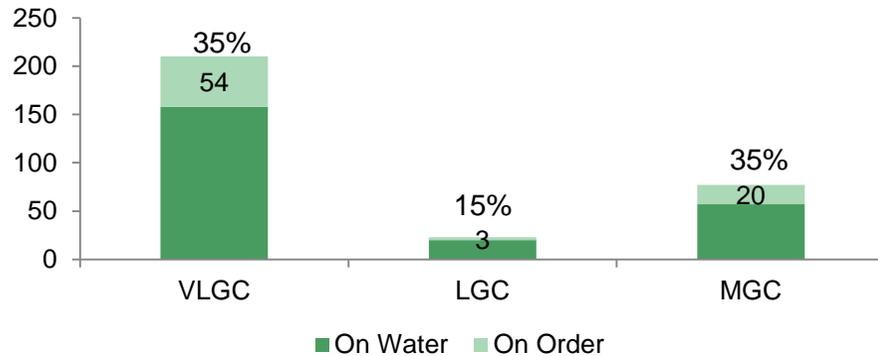
Updates since quarter end

- Obtained options (exercisable by February 2014) to purchase an additional two newbuilds to be delivered in 2016

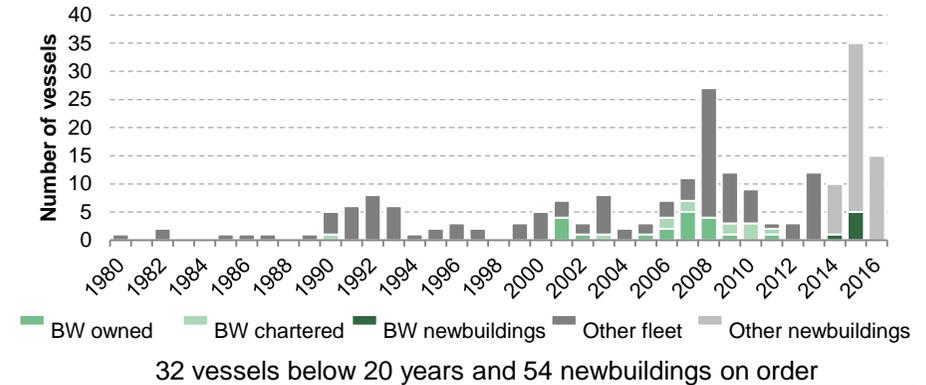
Note:
1) EPS is computed basis number of shares outstanding as of 31 December 2013.

Fleet and New Build Orderbook

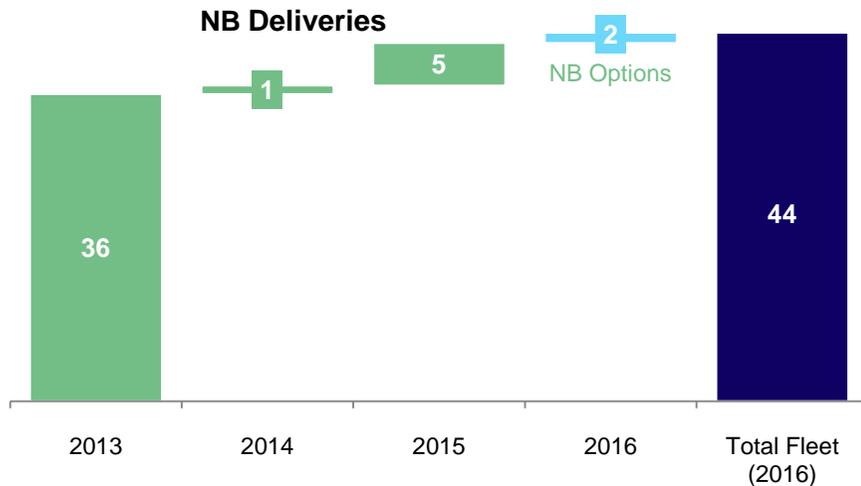
Global LPG Fleet Size and New Build (2013)



VLGC Fleet Profile¹



BW LPG fleet growing through 2014-2015



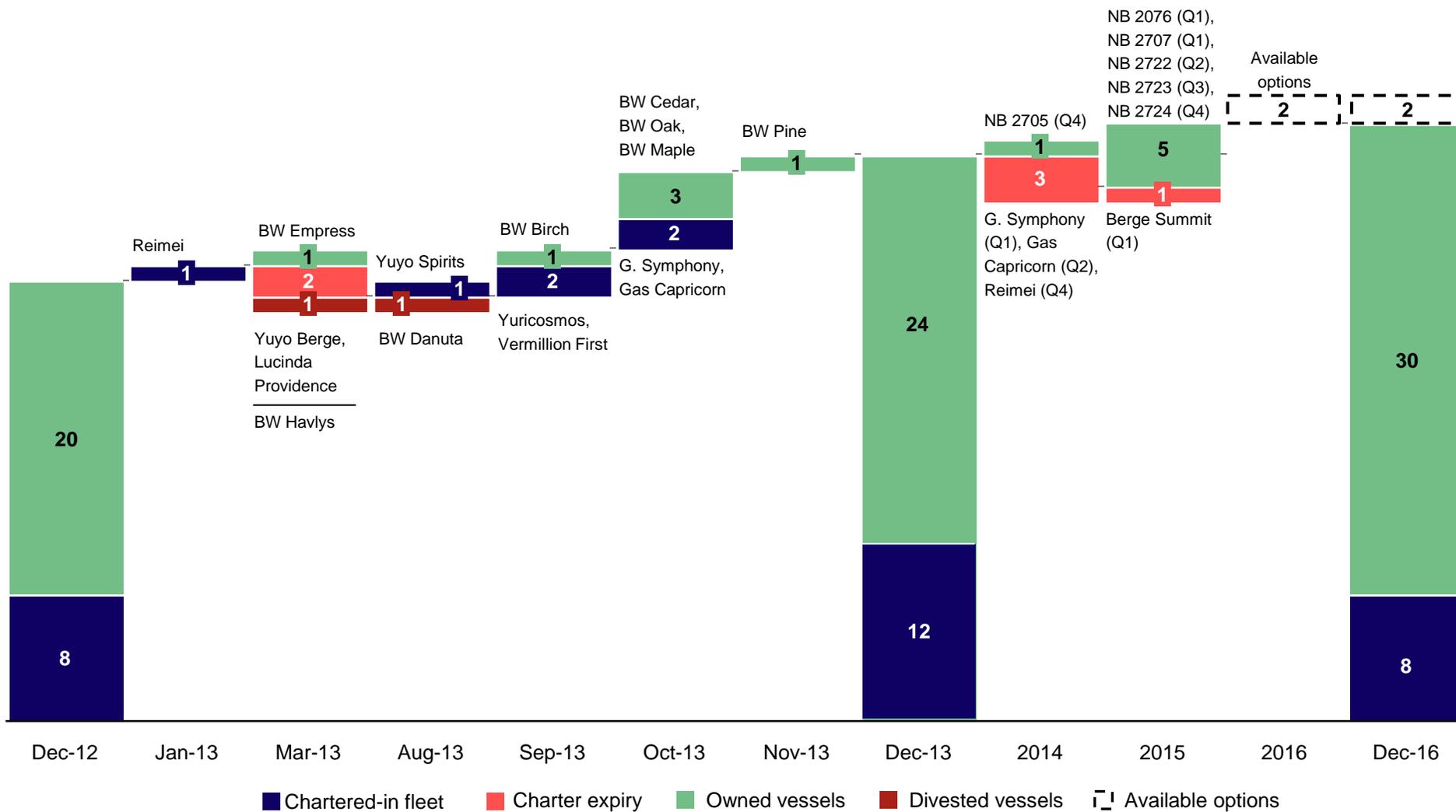
BW LPG Fleet Outlook

- 6 newbuilding vessels on order at HHI will join the fleet in the coming 20 months
- Advanced the delivery of two NBs to August 2015 and October 2015 at an additional cost of USD 1.1 million per unit
- Secured two further NB options exercisable 28 Feb 2014
- 2 time charter-in vessels to be redelivered in 2014 unless attractive renewal terms can be agreed
- Other long term time charters under review



BW LPG Fleet timeline

Timeline based on current contracts



Note: the fleet timeline assumes that vessels on time charters will be redelivered at charter expiry. However, most of these time charters have purchase options attached to them, which are typically positive to exercise in the current environment.

Q4 2013 income statement

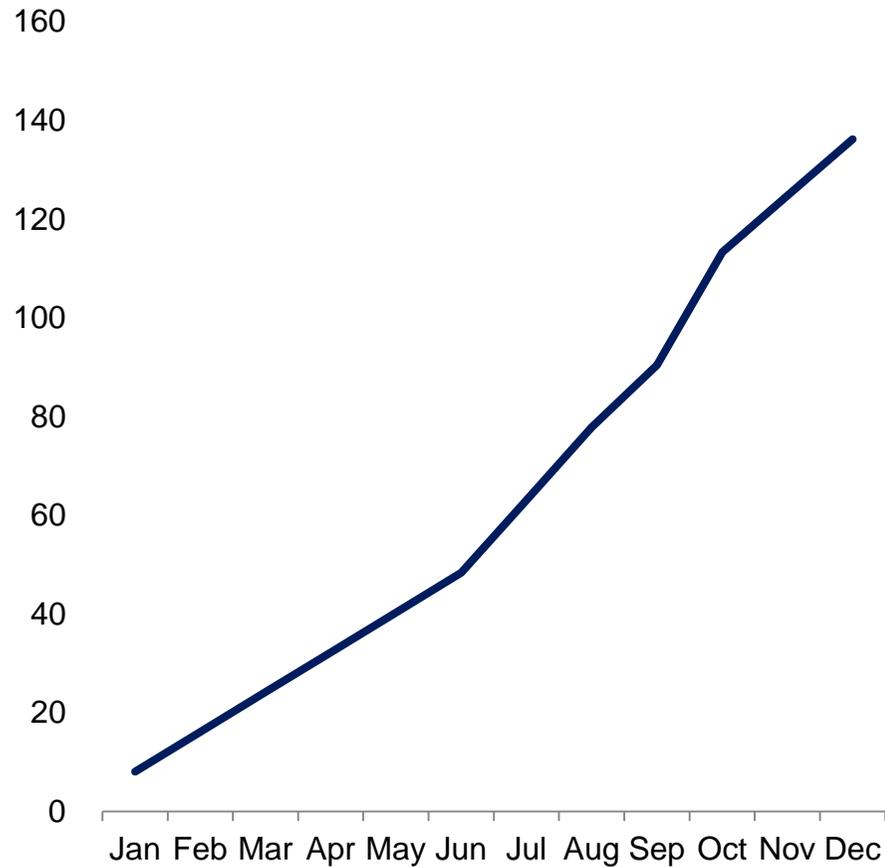
Unaudited figures in USD thousands

	(Reviewed) 3 months ended 31 Dec 2013	3 months ended 31 Dec 2012	12 months ended 31 Dec 2013	12 months ended 31 Dec 2012
Revenue	153,705	90,024	449,248	377,859
Voyage expenses	(51,931)	(37,064)	(160,516)	(153,941)
TCE income	101,774	52,960	288,732	223,918
Other operating income	514	224	886	602
Charter hire expense	(22,710)	(12,489)	(60,835)	(53,348)
Other operating expenses	(33,815)	(21,100)	(92,600)	(74,766)
Operating profit before depreciation, amortisation and impairment	45,763	19,595	136,183	96,406
Loss on disposal of property, plant and equipment	-	-	(880)	-
Loss on disposal of subsidiaries	-	-	(1,025)	-
	45,763	19,595	134,278	96,406
Amortisation charge	(1,227)	(1,774)	(6,335)	(7,095)
Depreciation charge	(15,504)	(13,649)	(53,117)	(50,395)
Write-back of impairment charge/(impairment charge) - net	9,000	(38,430)	56,347	(55,630)
Operating profit	38,032	(34,258)	131,173	(16,714)
Foreign currency exchange (loss)/gain - net	(15)	1	(59)	(21)
Interest income	49	4	52	8
Interest expense	(2,197)	(978)	(5,480)	(3,467)
Derivative gain	184	-	184	-
Other finance (expense)/income	(151)	(6)	(160)	45
Finance expense – net	(2,130)	(979)	(5,463)	(3,435)
Profit for the financial period	35,902	(35,237)	125,710	(20,149)
Other comprehensive income	-	-	-	-
Net profit and total comprehensive income for the financial period	35,902	(35,237)	125,710	(20,149)

EBITDA cumulative trend

Unaudited figures in USD millions

YTD EBITDA development



Comments

- VLGC TCE Income for Q4 2013 was in line with expectations with VLGC TCE per day at USD 35,600 for the quarter
- LGC TCE Income was below expectations in Q4 2013 at USD 14,700 per day due to three vessels on scheduled dry dock and commercial waiting time and technical downtime
- YTD EBITDA was negatively impacted by one-time pre-delivery expenses for the 5 Maersk vessels of USD 5.1 million
- EBITDA continues to track positively showing improvements since 30 Sept 2013

Q4 2013 balance sheet

Unaudited figures in USD thousands

Assets	(Reviewed) 31 December 2013	31 December 2012	Equity and liabilities	(Reviewed) 31 December 2013	31 December 2012
Charter-hire contracts acquired	22,291	42,429	Share capital	1,363	10
Intangible asset	22,291	42,429	Share premium	268,987	-
Vessels	1,261,290	944,493	Contributed surplus	685,913	-
Vessels under construction	65,241	-	Other reserves	(41,467)	67,687
Dry docking	28,436	17,892	Retained earnings/(accumulated losses)	50,203	(72,382)
Others	316	-		964,999	(4,685)
Total property, plant and equipment	1,355,283	962,385	Non-controlling interest	9,730	9,105
Total non-current assets	1,377,574	1,004,814	Total shareholder's equity	974,729	4,420
Inventories	20,719	19,432	Borrowings	503,362	64,751
Trade and other receivables	122,029	73,154	Deferred income	1,241	1,737
Derivative asset	184	-	Total non-current liabilities	504,603	66,488
Cash and cash equivalents	110,907	22,221	Borrowings	105,227	136,039
Total current assets	253,839	114,807	Deferred income	496	496
Total assets	1,631,413	1,119,621	Current income tax liabilities	-	108
			Trade and other payables	46,358	912,070
			Total current liabilities	152,081	1,048,713
			Total liabilities	656,684	1,115,201
			Total equity and liabilities	1,631,413	1,119,621

Q4 2013 cash flow statement

Unaudited figures in USD thousands

	(Reviewed) 3 months ended 31 December 2013	3 months ended 31 December 2012
<u>Cash flows from operating activities</u>		
Profit for the financial period	35,902	(35,237)
Adjustments for:		
- amortisation charge	1,227	1,774
- amortisation of deferred income	(124)	(124)
- depreciation charge	15,504	13,649
- (write back of impairment charge)/impairment charge - net	(9,000)	38,430
- foreign exchange currency loss on long-term tax liability	-	1
- derivative gain	(184)*	-
- interest income	(50)	(4)
- interest expense	2,196	978
- other finance expense	151	6
Operating cash flow before working capital changes	45,622	19,473
Changes in working capital:		
- inventories	(6,008)	(3,702)
- trade and other receivables	(27,875)	1,270
- trade and other payables	85,735	(18,568)
Cash generated from operations	97,474	(1,527)
Taxes paid	-	-
Net cash provided by operating activities	97,474	(1,527)

* Marked to market for bunker swap

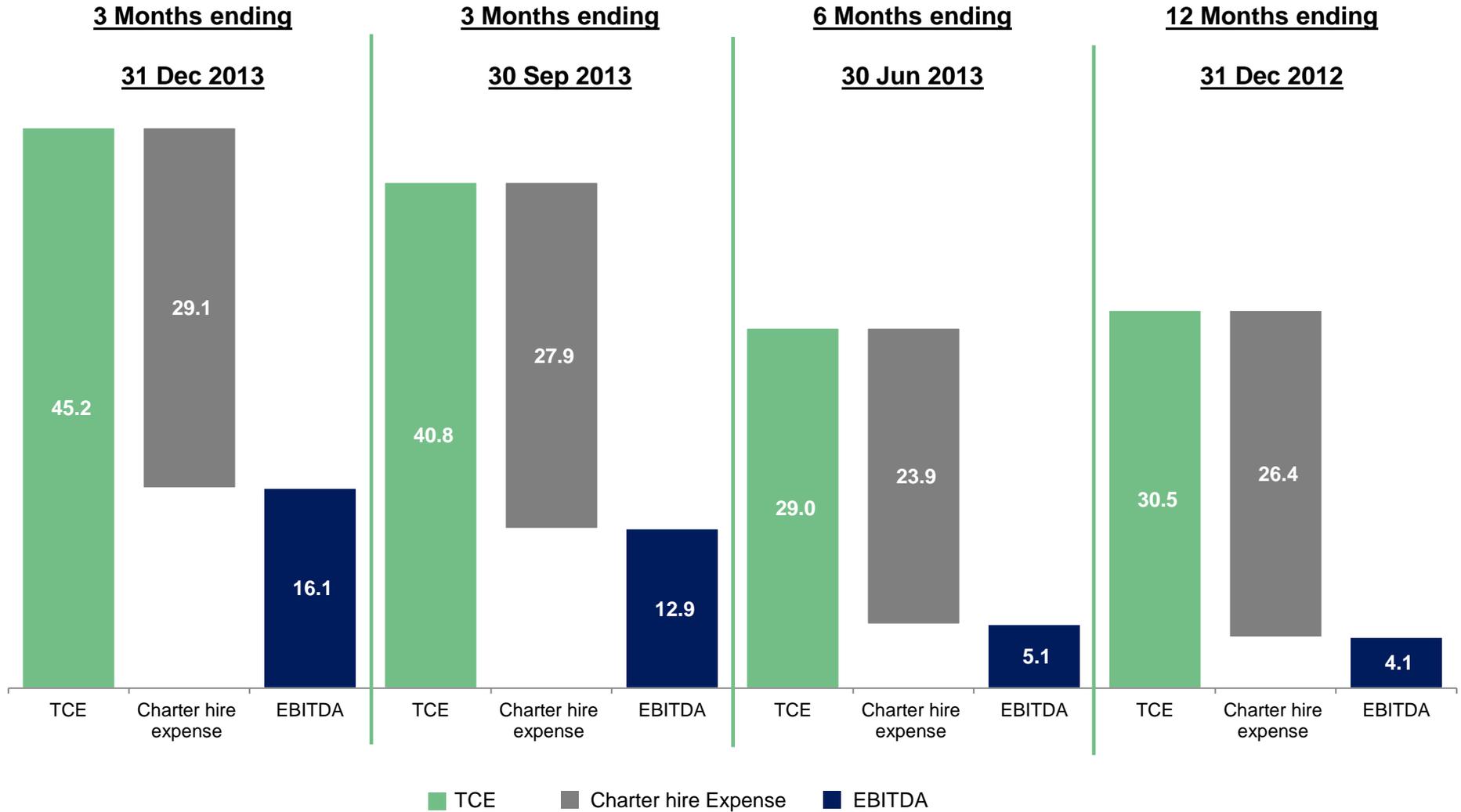
Q4 2013 cash flow statement (Cont'd)

Unaudited figures in USD thousands

	(Reviewed) 3 months ended 31 December 2013	3 months ended 31 December 2012
<u>Cash flow from investing activities</u>		
Purchases of property, plant and equipment	(294,113)	(59,256)
Disposal of property, plant and equipment	3,780	-
Interest received	50	4
Net cash used in investing activities	(290,283)	(59,252)
<u>Cash flows from financing activities</u>		
Funding from related party for purchase of property, plant and equipment	271,611	58,635
Repayment to related party	(816,371)	-
Proceeds from borrowings (net of financing fees)	692,651	-
Funding provided to fellow subsidiary	-	(6,482)
Repayment received from fellow subsidiary	26,776	-
Repayments of borrowings	(150,000)	-
Repayment of finance lease	(732)	(687)
Distributions to partnerships	-	(5,421)
Interest paid	(533)	(404)
Other finance expense paid	(151)	(6)
Proceeds from issuance of ordinary shares	279,617	-
Share issue expenses	(10,267)	-
Payment to non-controlling interests	-	(976)
Net cash provided by financing activities	292,601	44,659
Net (decrease)/increase in cash and cash equivalents	99,792	(16,120)

Charter-in vessels per voyage day

Unaudited figures in USD thousands



BW LPG – summary and outlook

- BW LPG remains positive on the market outlook for the LPG transportation sector, in particular VLGCs
- Growth opportunities exist, and BW LPG is committed to sourcing and executing the most value accretive prospects
- 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



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



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



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



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

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



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
- 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

