

BW LPG

Q2 2014 Results Presentation

27 August 2014



BW LPG



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Second quarter 2014 highlights

- Earnings and results reflect a continued firm market
- Fleet utilisation continued to be strong at 97% and contributed positively to earnings
- TCE earnings of USD 140.8 million in the quarter compares to USD 58.9 million in Q2 2013
 - BWLPG continued to be the most active player in the Atlantic market
- EBITDA continued its positive trend with Q2 2014 EBITDA of USD 91.9 million compared to USD 28.0 million in Q2 2013
 - Continued earnings growth driven by strong spot rates and high utilization
 - Operating expenses per vessel day remain on target
- Net profit of USD 72.4 million compares to USD 34.6 million in Q2 2013
 - Lower than planned financing costs due to low leverage
 - No write back of impairment in Q2 2014 (Q2 2013: USD 22.2 million)
- Key Metrics



	Q2	H1	Annualised
EPS ¹	\$ 0.53	\$ 0.76	\$1.51
ROE ²	6.9%	9.8%	19.5%
ROCE ²	4.7%	6.9%	13.8%
Leverage ratio ³	33.4%	33.4%	33.4%

Note:1) EPS is computed basis number of shares outstanding as of 30 June 2014
 2) ROE and ROCE will be reported on a rolling 12 months average basis starting in Q4 2014
 3) Leverage ratio is computed as total debt over total debt and equity

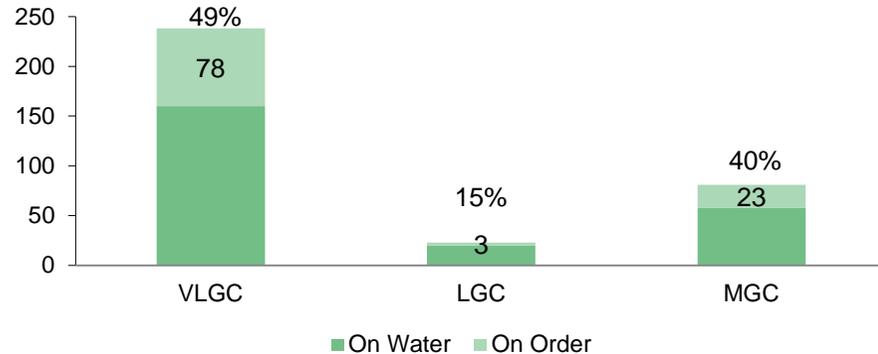
Second quarter 2014 highlights - dividend

- The Board of Directors has declared an interim cash dividend of US 76 cents amounting to USD103.6 million
- This constitutes payment of approximately all of the net profits earned in the first half of 2014
- This dividend payment beyond the prevailing policy of 50% NPAT has been determined taking into account:
 - The significant spot market strength in the first half of 2014, and continuing until present, which has resulted in exceptionally strong cash delivery
 - The balance sheet strength of BW LPG and financial capacity surplus to immediate requirements

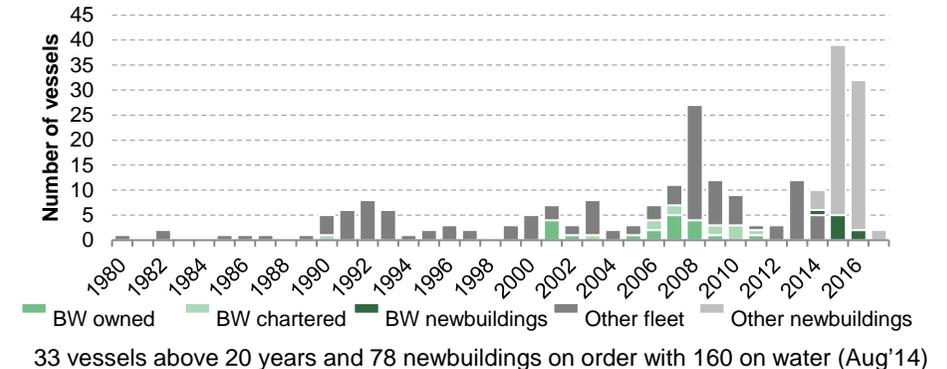


Fleet and new build orderbook

Global LPG Fleet Size and New Build (Aug'14)

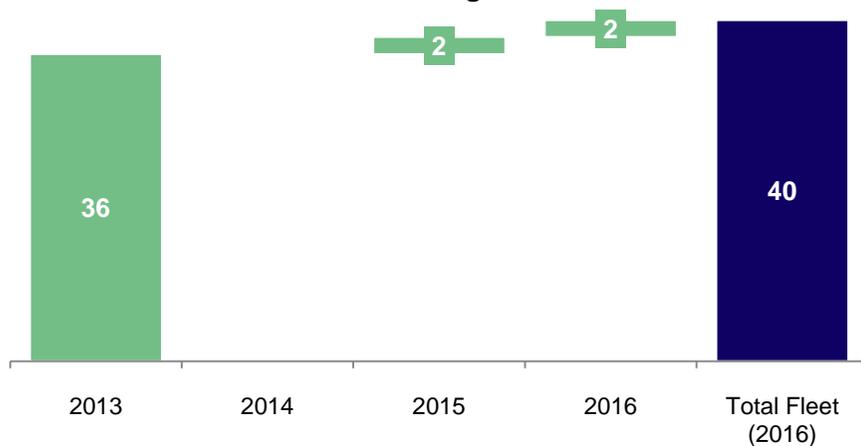


VLGC Fleet Profile¹



BW LPG fleet growing through 2014-2016

Net changes to total fleet



BW LPG Fleet Outlook

- The first HHI newbuilding is scheduled to deliver in Nov 2014
- The remaining 7 HHI newbuildings are scheduled to be delivered as follows:

Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016
2	1	1	1	2

- 2 expiring time charter-in vessels were each renewed for 12 months
- Other accretive growth opportunities continue to remain a focus

Source: Internal

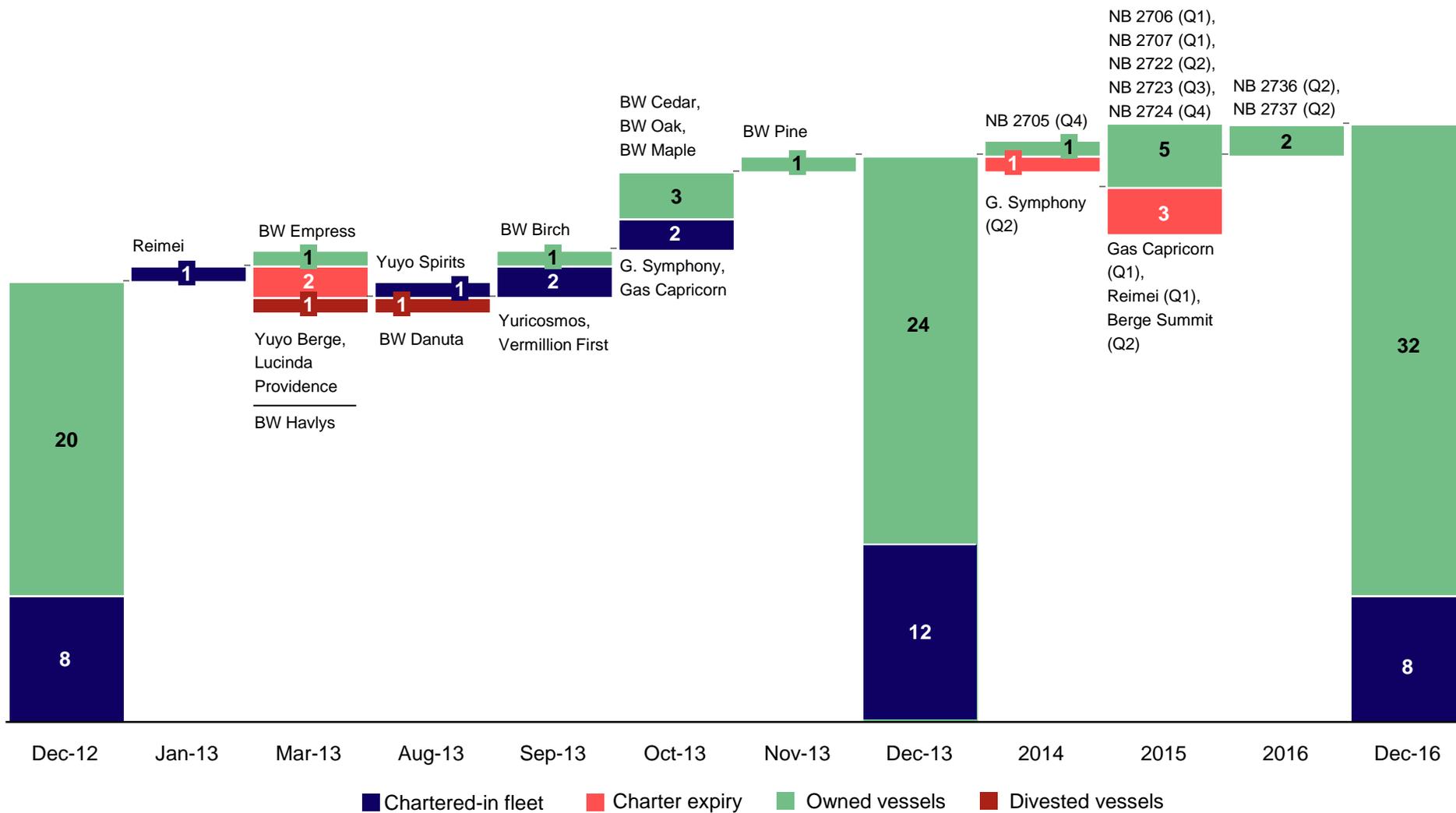
1) Fleet profile and orderbook showing sailing fleet and confirmed orders as of 1 August 2014.

2) The BW LPG fleet timeline assumes that vessels on time charter-in will be redelivered at charter expiry.



BW LPG fleet timeline

Timeline based on current contracts



Note: The fleet timeline assumes that vessels on time charter-in will be redelivered at charter expiry. However, most of these time charter-in contracts have purchase options attached to them

Q2 and H1 2014 income statement

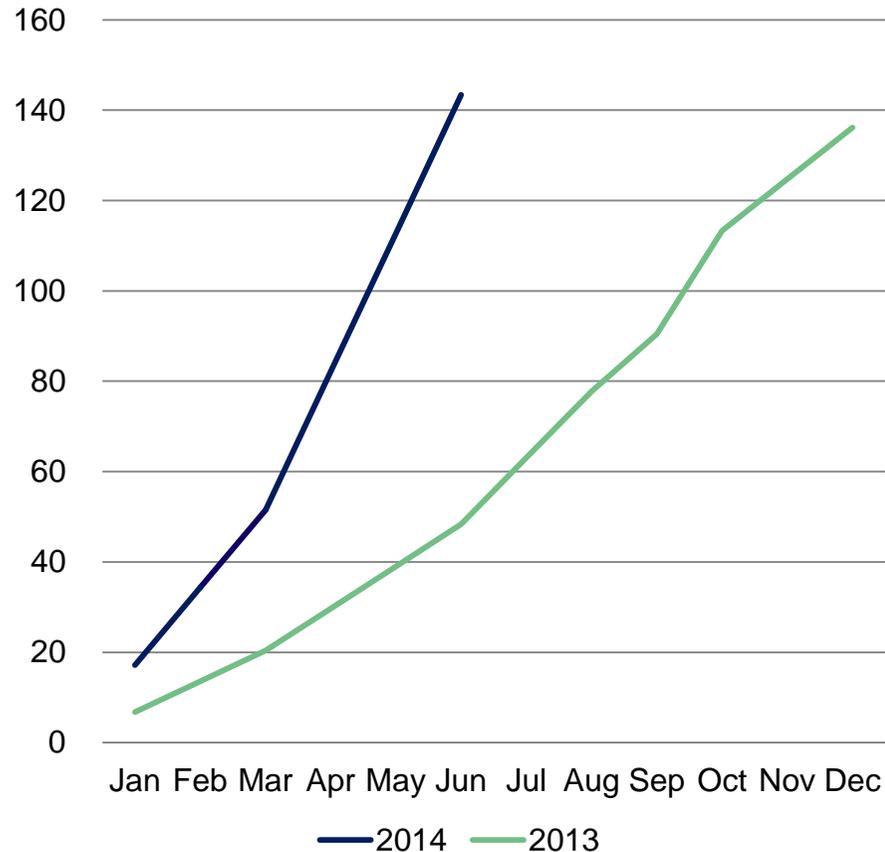
Unaudited figures in USD thousands

	(Reviewed) Q2 2014	Q2 2013	(Reviewed) H1 2014	H1 2013
Revenue	202,959	98,243	353,719	183,168
Voyage expenses	(62,143)	(39,378)	(112,512)	(72,114)
TCE income	140,816	58,865	241,207	111,054
Other operating income	40	124	875	248
Charter hire expense	(24,700)	(9,804)	(48,949)	(23,587)
Other operating expenses	(24,305)	(21,176)	(49,757)	(39,344)
Operating profit before depreciation, amortisation and impairment	91,851	28,009	143,376	48,371
Loss on disposal of property, plant and equipment	-	-	-	(882)
	91,851	28,009	143,376	47,489
Amortisation charge	(1,227)	(1,754)	(2,455)	(3,528)
Depreciation charge	(15,626)	(12,846)	(31,301)	(25,558)
Write-back of impairment charge/(impairment charge) - net	-	22,219	-	4,447
Operating profit/(loss)	74,998	35,628	109,620	22,850
Finance expense – net	(2,352)	(1,024)	(6,198)	(1,968)
Profit/(loss) before tax and other comprehensive income for the financial period	72,646	34,604	103,422	20,882
Income tax	(200)	-	(223)	-
Profit/(loss) after tax for the financial period	72,446	34,604	103,199	20,882
Items that may be subsequently reclassified to income statement				
- Cash flow hedges	(697)	-	(409)	-
Total comprehensive income/(loss) for the financial period	71,749	34,604	102,790	20,882

EBITDA cumulative trend

Unaudited figures in USD millions

YTD EBITDA development



Comments

- VLGC TCE Income was in line with expectations with TCE per day at USD 45,200 for Q2 and USD 39,000 for H1
 - Continued strong participation in the Atlantic market, often at a strong premium to Baltic

- LGC TCE Income was in line with expectations with TCE per day at USD 30,800 for Q2 and USD 25,600 for H1 due to a continuing firm market

- EBITDA continues to trend positively
 - Continued strong utilisation and an historically firm rate environment during Q2
 - Effective cost management

Q2 and H1 2014 balance sheet and cash flow

Unaudited figures in USD thousands

Balance sheet			(Reviewed) 30 Jun 2014	(Audited) 31 Dec 2013
Total non-current assets			1,417,538	1,377,574
Total current assets			214,713	253,839
Total assets			1,632,251	1,631,413
Total shareholder's equity			1,057,136	974,729
Total non-current liabilities			478,276	504,603
Total current liabilities			96,839	152,081
Total liabilities			575,115	656,684
Total equity and liabilities			1,632,251	1,631,413
Cash flow	(Reviewed) Q2 2014	Q2 2013	(Reviewed) H1 2014	H1 2013
<u>Cash flows from operating activities</u>				
Profit/(loss) for the financial period	72,646	34,604	103,422	20,882
Adjustments	19,091	(5,842)	39,053	27,213
Operating cash flow before working capital changes	91,737	28,762	142,475	48,095
Changes in working capital	(35,445)	(56,306)	(17,185)	(28,402)
Cash generated from operations	56,292	(27,544)	125,290	19,693
Taxes paid	(23)	-	(23)	(108)
Net cash provided by operating activities	56,269	(27,544)	125,267	19,585
Net cash used in investing activities	(33,696)	(2,469)	(73,496)	(41,342)
Net cash used by financing activities	(35,722)	21,477	(104,527)	17,959
Net (decrease)/increase in cash and cash equivalents	(13,149)	(8,536)	(52,756)	(3,798)
Cash and cash equivalents at beginning of the financial period	71,300	26,959	110,907	22,221
Cash and cash equivalents at end of the financial period	58,151	18,423	58,151	18,423

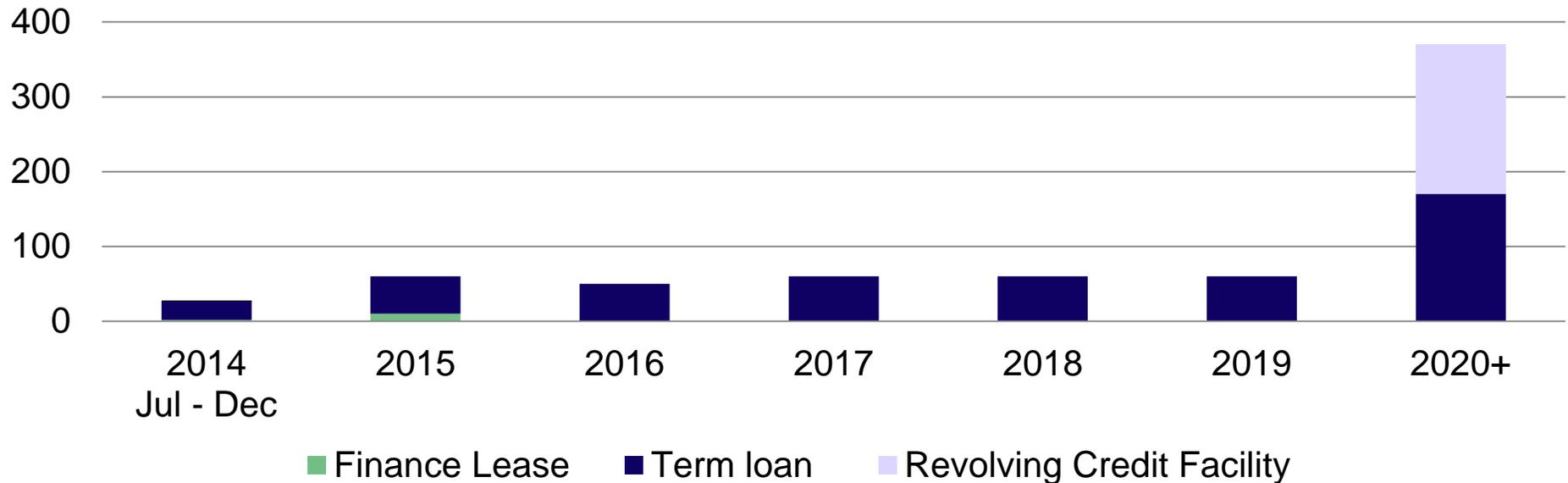
Financing

Unaudited figures in USD millions

Gross debt	530.6
Cash	(58.2)
Net debt	472.4

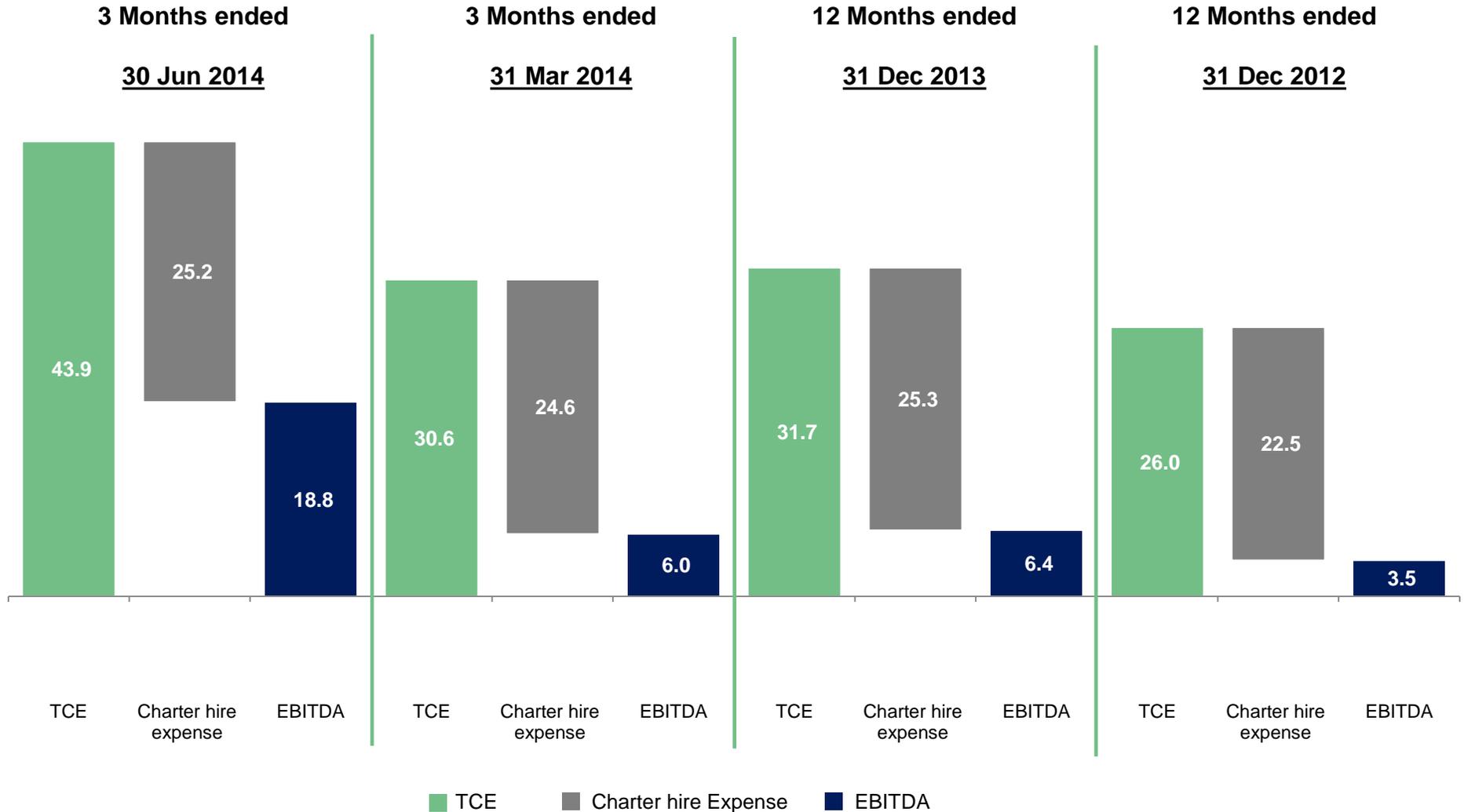
- Available liquidity of USD 208.2 million

Loan repayments



Charter-in vessels per ship day

Unaudited figures in USD thousands



Note:
BW Broker is a bareboat-in vessel and included in the figures above.

BW LPG – summary and outlook

- BW LPG remains positive on the market outlook for the LPG transportation sector, in particular on the spot market for VLGCs in 2014 – 2015
- BWLPG targets continuing its leadership position in the Atlantic market as US exports of LPG continue to grow and travel further
- Business extension opportunities in maritime logistics and other natural gas liquids remain in focus
- Newbuilding deliveries within the next two years are high proportionate to the existing fleet, resulting in some expectation of market rebalancing and rate reductions in particular through 2016
- We have a strong balance sheet which provides ample room to invest when the time is right
- With BW LPG's strong balance sheet and carefully planned portfolio mix between fixed and spot income, we are well positioned to achieve continued value-accretive growth throughout the cycle



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
- 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*

- Executive Vice President of Caisse the Depot et Placement du Quebec
- Former 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
-



BW LPG