
Earnings Presentation

Q2 2022



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Agenda

01 Highlights

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03 Performance

04 Q&A

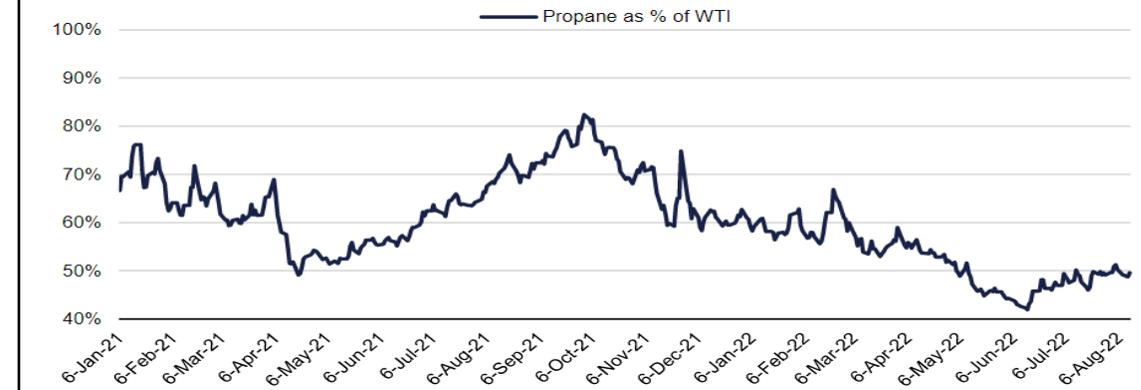


LPG's Contribution To The Energy Solution

Increasing relevance of LPG in the global energy mix

- **Geopolitical instability in Europe and global energy crisis highlight the need for a versatile energy supply**
 - Incremental demand from Europe is likely to support US LPG export growth
 - Reliable and multiple supply sources of LPG – global fleet of vessels available to ship LPG vs single source pipelines
- **Strong demand growth for LPG in emerging markets as it is highly portable with low infrastructure requirements**
- **Increasing importance of flexible fuel in global transition to renewable energy**
 - LPG provides energy when there is no sun and wind
 - LPG is cleaner vs other flexible energy alternatives

LPG is increasingly price competitive



LPG is a flexible and convenient substitute

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11:12 AM GMT+2
Last Updated 7 days ago

Energy

Evonik to substitute up to 40% of natural gas at its German sites

Reuters

2 minute read

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Expanding Product Services to Enhance Our Core Shipping Business

BW LPG acquires LPG Trading Operations of Vilma Oil

Global coverage

Supported by teams in Europe and Asia

> **4MT**

Combined physical LPG traded/year

+5

TC-in VLGCs including 1 NB

Widen our service offerings to customers

Shift focus from US-centric to global coverage

Enhance our core shipping business

Increase agility and insight in a volatile market

Increase vessel utilisation and enhance voyage optimisation

Create opportunities for future growth

Strategic opportunities along the LPG value chain

2022 Q2 Highlights and Market Outlook

Commercial Performance

\$36,800

TCE per available day

98%

Commercial utilisation

\$35,400

TCE per calendar day

4%

Technical offhire

Financial Performance

\$39M

Net profit after tax

\$0.26

Earnings per share

\$360M

Available liquidity

25%

Net leverage ratio

Return to Shareholders

\$0.20

Dividend per share

\$27M

Total

\$0.51

YTD Dividend per share

\$69M

YTD Total

Highlights And Subsequent Events

- Ample available liquidity of USD 360 million with record low net leverage ratio of 25% to-date
- Concluded the sale and delivery of one VLGC in June, generating USD 19 million in liquidity and a net book gain of USD 5 million
- Completed the second tranche sale of the stake in BW LPG India to Maas Capital. Following this, BW LPG owns 52% in BW LPG India
- Entered into an agreement to acquire the LPG trading operations from Vilma Oil in Spain to expand the Product Services division. With regulatory approval, the transaction is expected to close by the end of 2022

Market Outlook

- We continue to hold a positive view towards the rest of 2022 despite recent declines in freight rates. However, current low US LPG inventories and geopolitical developments will add volatilities to the market
- For 2023, against the macroeconomic uncertainties and high orderbook, we remain optimistic
 - If oil and gas prices remain at high levels, we are well positioned to benefit from a strong energy cycle ahead
 - If the global economy experiences further turbulence and commodity prices fall, we are prepared to navigate through the challenges ahead

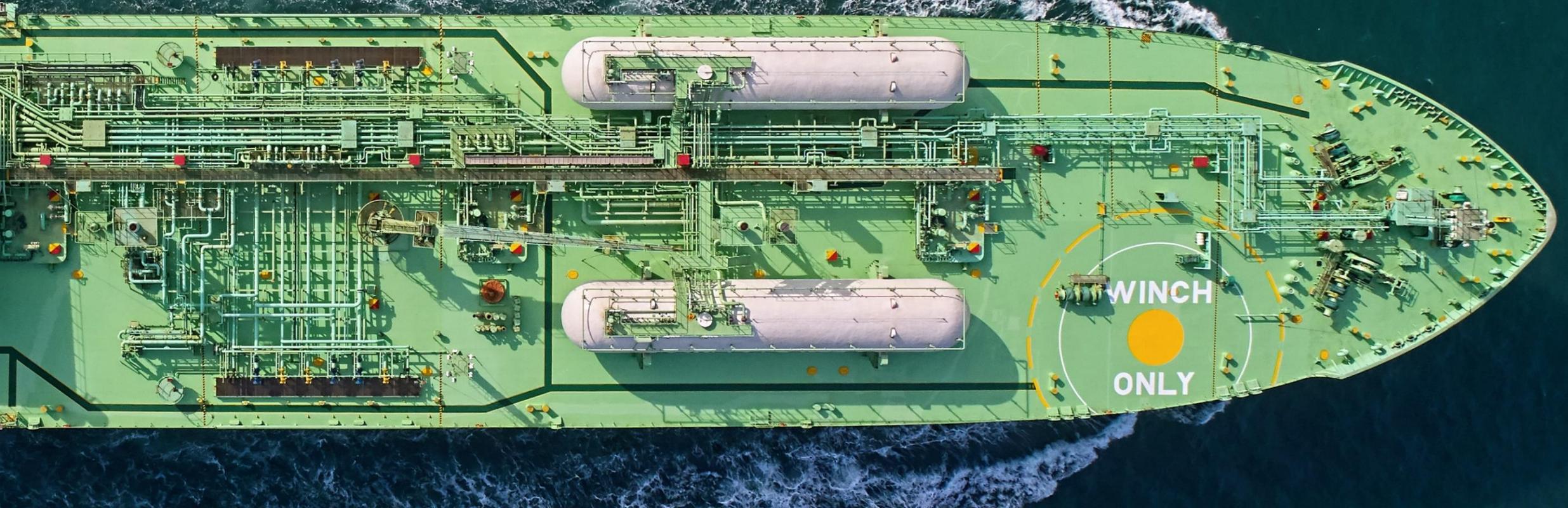
Key Financials

	Q2 2022	Q2 2021	H1 2022	H1 2021
VLGC Daily TCE ¹	\$35,400	\$24,500	\$36,100	\$33,400
VLGC Daily OPEX ²	\$8,800	\$8,100	\$8,500	\$8,000
TCE income (in US\$ million)	\$122	\$94	\$253	\$244
EBITDA (in US\$ million)	\$83	\$55	\$176	\$167
Profit after tax (in US\$ million)	\$39	\$23	\$97	\$94
EPS ³	\$0.26	\$0.16	\$0.67	\$0.68
Free cash flow ⁴ (in US\$ million)	\$21	\$81	\$270	\$177
Earnings Yield ⁵ (Annualised)	14%	10%	18%	21%
ROE ⁶ (Annualised)	10%	7%	14%	15%
ROCE ⁶ (Annualised)	9%	6%	11%	10%
EBITDA Margin ⁷	68%	58%	70%	69%
Net leverage ratio ⁸	25%	40%	25%	40%



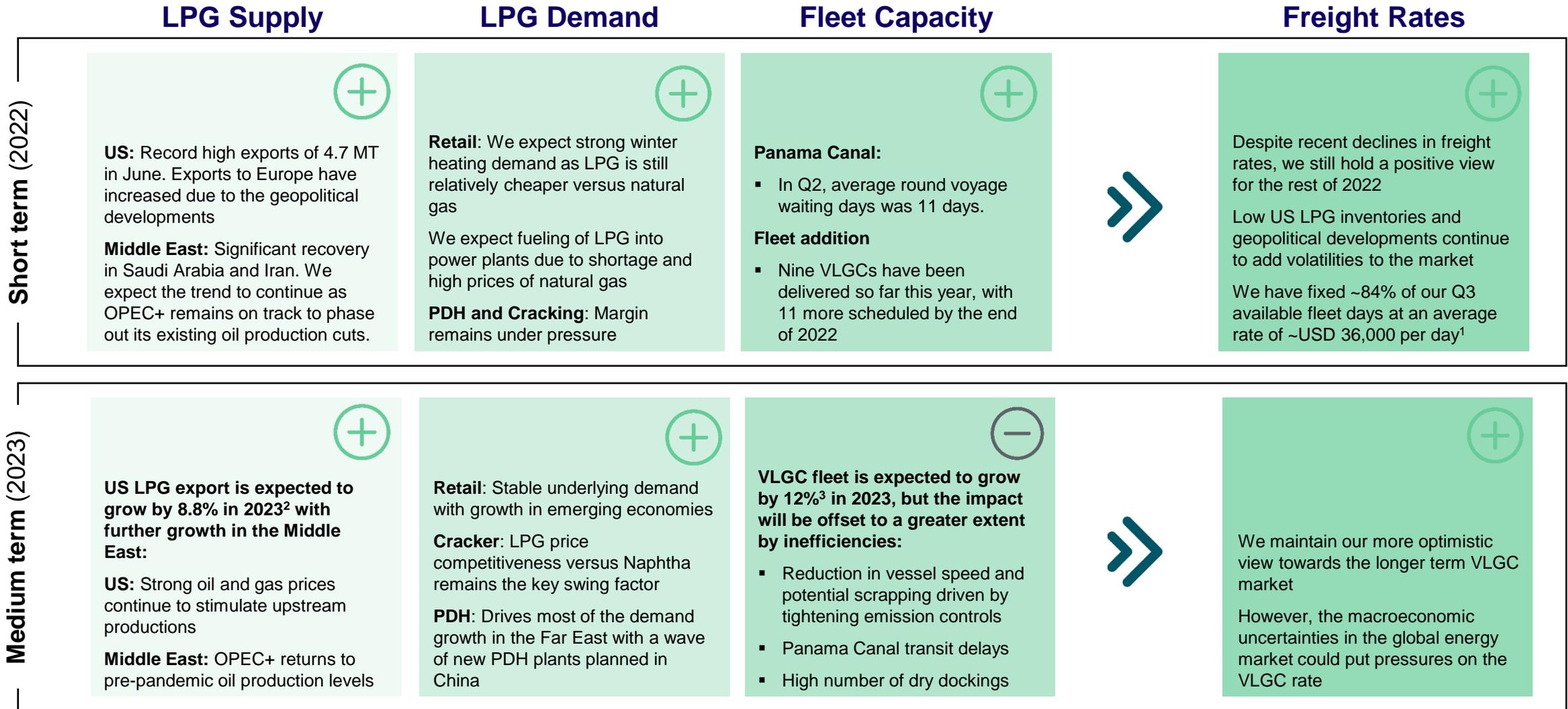
1. TCE rates per day presented above are inclusive of both commercial waiting and technical offhire days (i.e. 100% of calendar days)
2. OPEX increases due to over 50% escalation in cost of lubricating oils and 40% rise in Insurance premiums
3. EPS (earnings per share) is computed based on the weighted average number of shares outstanding less treasury shares during the period
4. Free cash flow is computed as operating cash flow less capital expenditures. Capital expenditures include additions to property, plant and equipment, and proceeds from vessel sales
5. Earnings yield is computed as EPS divided by the share price at the end of the period in USD terms
6. 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
7. EBITDA Margin is computed as EBITDA over TCE Income
8. Net leverage ratio is computed as total debt less cash over total debt less cash plus equity

02 Market



VLGC Market Outlook

We remain positive about 2022 and maintain our more optimistic view of 2023



1. Discharge to discharge basis

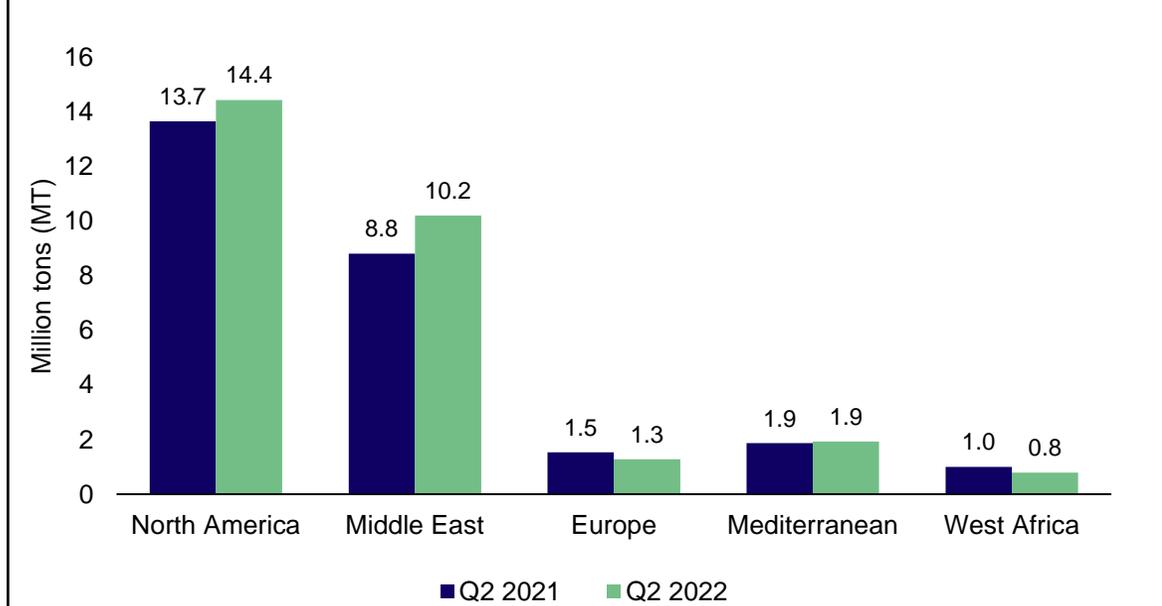
2. Data from EIA Short-term Energy Outlook August Release

3. 42 Newbuild orders are expected in 2023, a 12% increase from the 339 vessels on water by the end of 2022

2022 Q2 Seaborne LPG Trade Overview

Significant recovery in the Middle East, continued growth in the US and increased US exports to Europe

Q2 seaborne LPG exports by country/region



- **North America** LPG exports increased by 6% to 14.4 MT. There were increasing LPG exports from the US to Europe, due to increased regional demand and reduced supply from the Russia and Ukraine conflict.
- **Middle East** LPG exports up significantly by 16% to 10.2 MT, led by strong recovery from Iran, Saudi Arabia, and United Arab Emirates with exports up by 51%, 29% and 13% respectively
- **Russia** LPG exports have declined by 33% to 0.09 MT

Q2 seaborne LPG imports by country/region

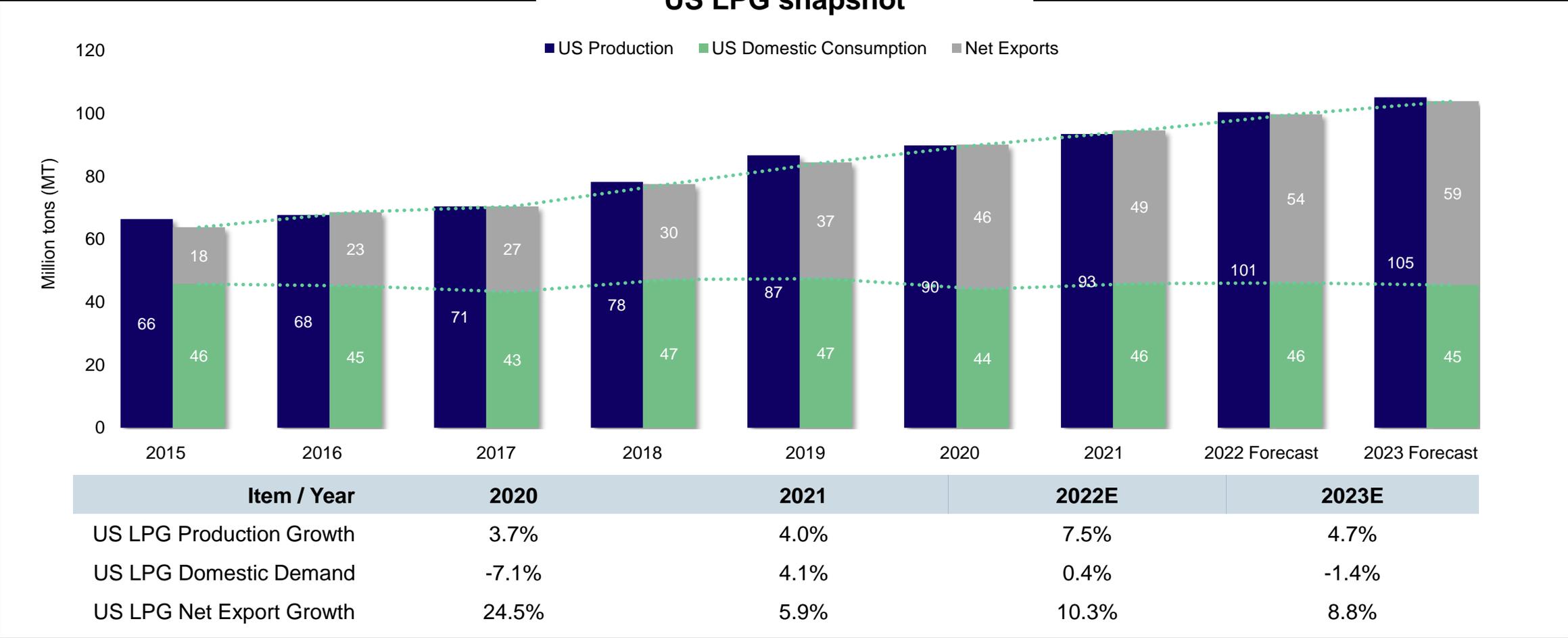


- **India** LPG imports up strongly by 16% to 4.4 MT, supported by strong and stable underlying retail demand
- **China** LPG imports were relatively stable compared to Q2 2021, despite continued COVID-19 lock down measures
- **Europe** LPG imports up by 15% to 2.8 MT, Northwest Europe has imported over 0.6 MT of LPG in June from the US and over 0.7 MT in July, more than double the level of July 2021

US LPG Net Exports

EIA continues to expect a strong growth in 2023 US exports

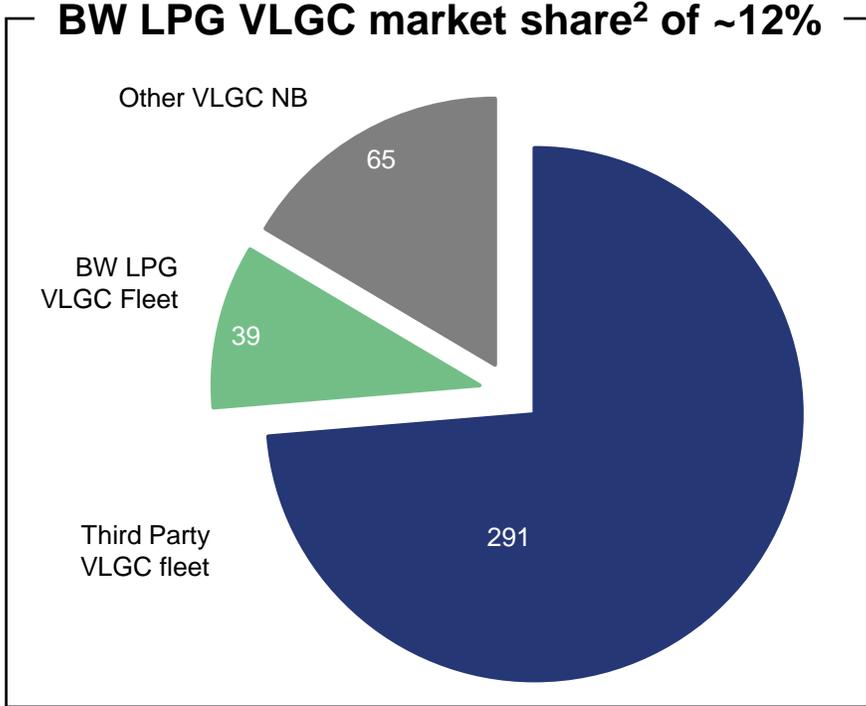
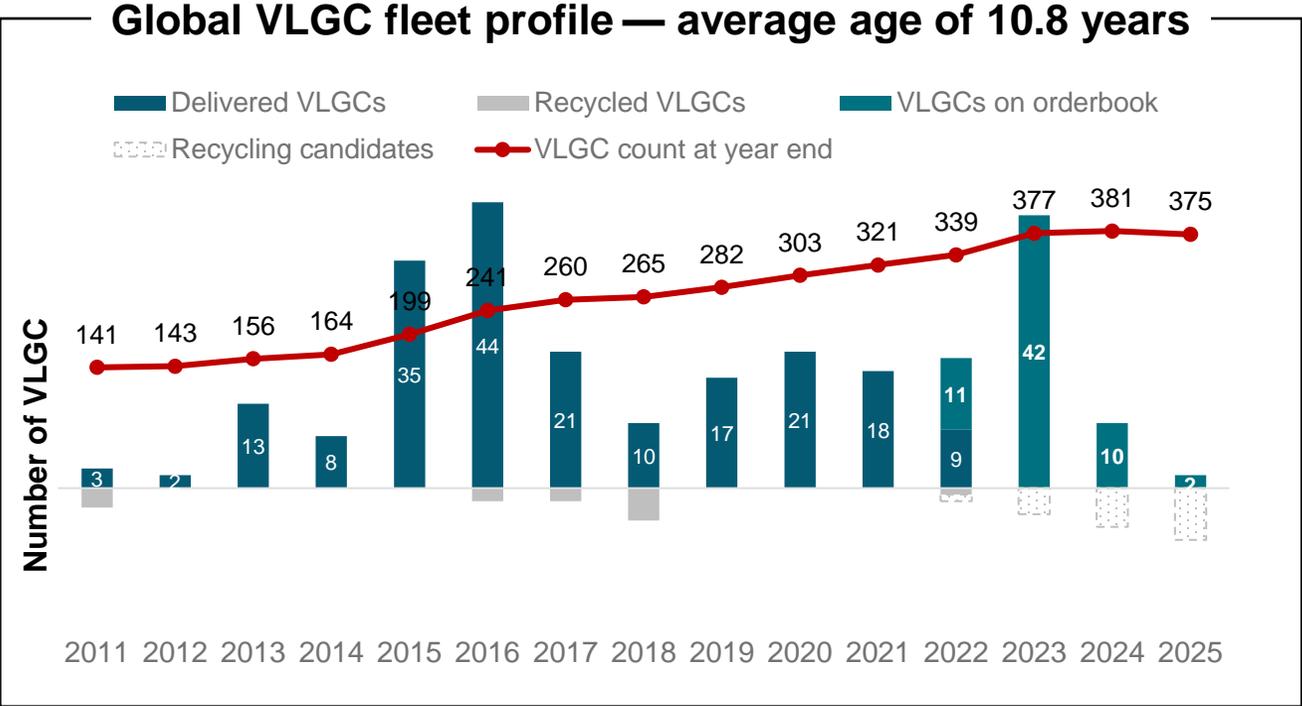
US LPG snapshot



Source: EIA Short-term Energy Outlook August Release
 Net exports includes land and waterborne.
 Land means LPG transported via pipeline, train, rail, trucks etc., waterborne refers to LPG transported by all vessel types on sea.

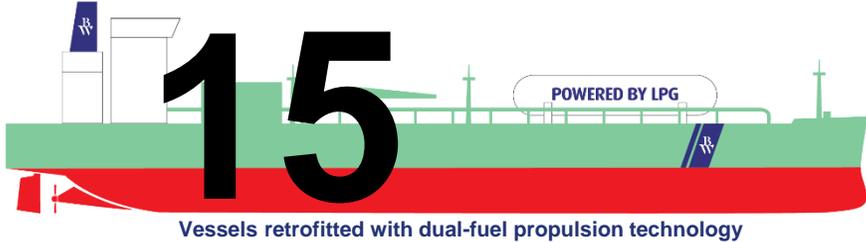
Global VLGC Fleet Profile

Orderbook at 65 vessels (~20%) through to 2025



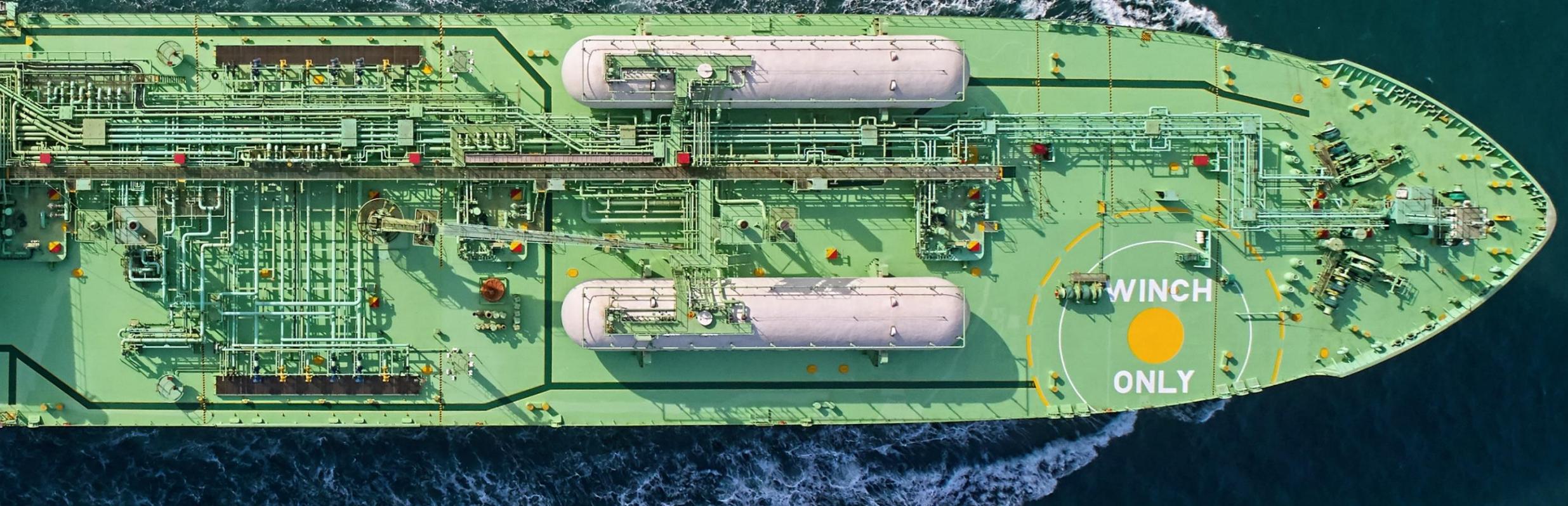
30 + **9** = **39**

Owned¹ vessels TC-in vessels Vessels in fleet



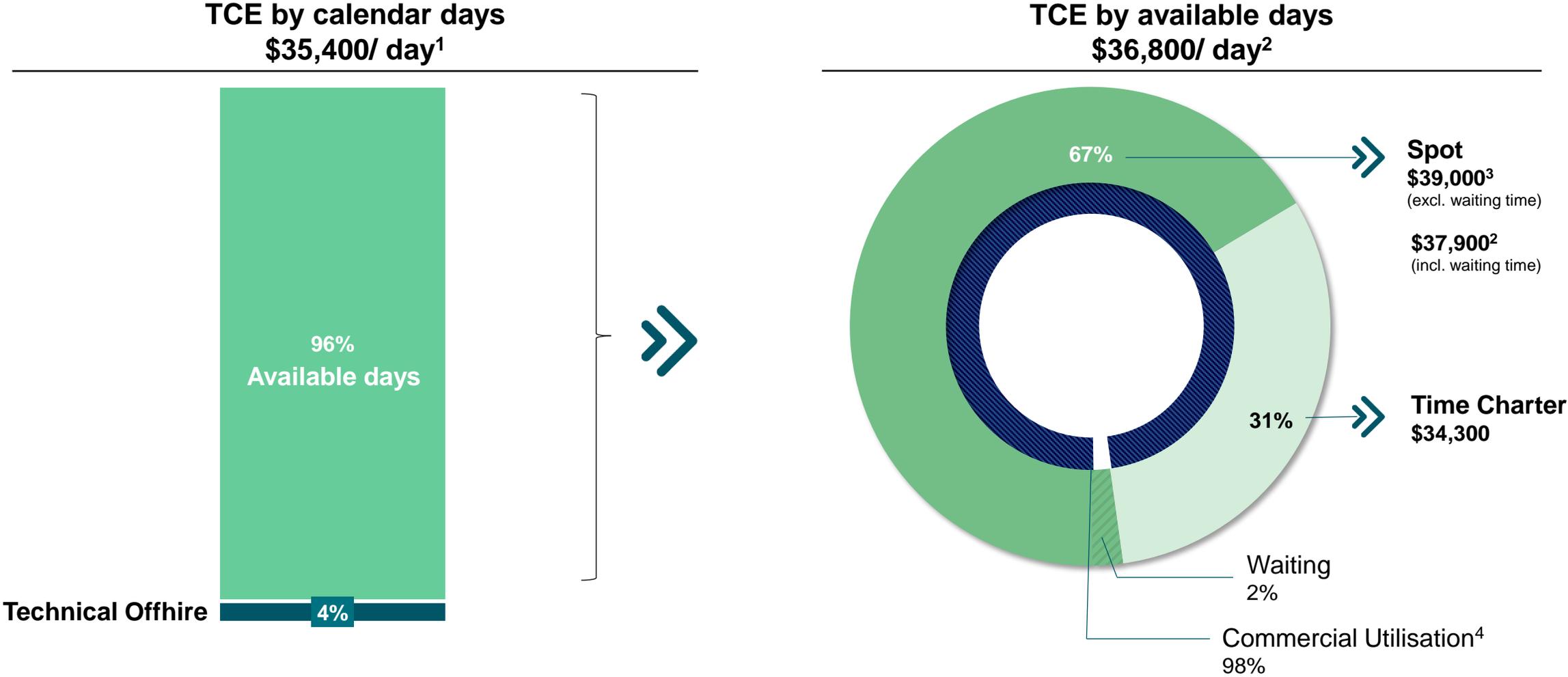
Source: BW LPG analysis, Clarksons
 Data as of 18 July 2022
 1.Owned VLGCs includes 8 vessels in BW LPG India
 2.Market share based on ships on water

03 Performance



Commercial – Q2 2022 Performance

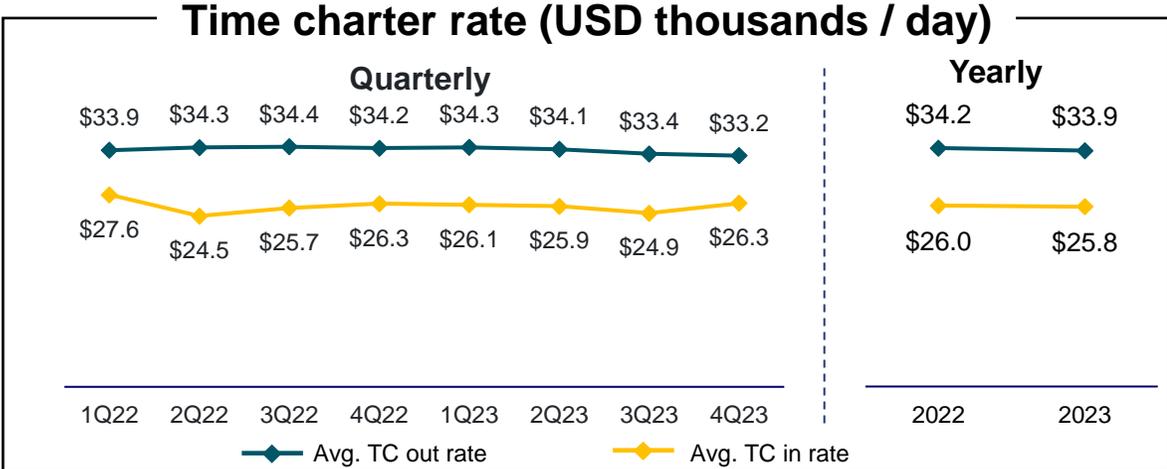
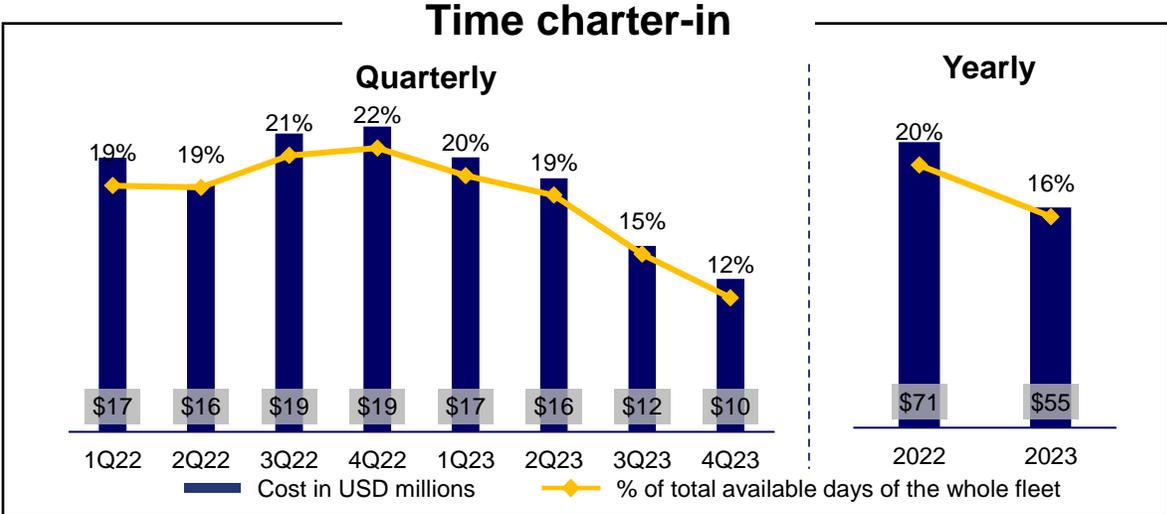
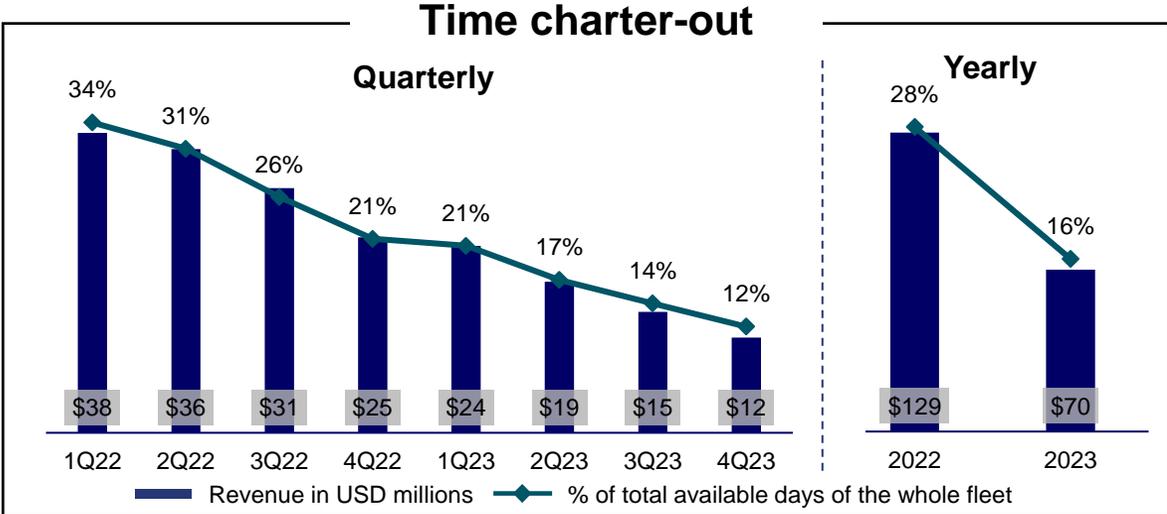
Achieved 98% commercial utilisation; generated TCE revenue of USD 36,800 per available day



1. TCE rates per day are inclusive of both commercial waiting and technical offhire days (i.e. 100% of calendar days)
 2. TCE rates per day are inclusive of commercial waiting days and exclusive of technical offhire days (i.e. 100% of available days)
 3. TCE rates per day are exclusive of both commercial waiting and technical offhire days
 4. Commercial Utilisation is calculated with available days. Using calendar days (i.e. including technical offhire days), utilisation was 94%
 5. All calculations and ratios exclude finance lease vessels

Commercial – Time Charter Portfolio Overview

Time charter-out coverage for 2022 at 28% at an average rate of USD 34,200 per day



Net time charter position

	2022		2023	
	% of total fleet	Revenue/ (Cost)	% of total Fleet	Revenue/ (Cost)
TC out	28%	\$129	16%	\$70
TC in	20%	(\$71)	16%	(\$55)
Net position		\$58		\$15



Data as of 30 June 2022
 1.% of fleet ratio is basis: TC out is based on total available days and TC in is based on total calendar days

Operations – Capturing Value

Optimising our voyages, and scaling up our intake of LPG as fuel to maximise earnings



Voyage Management

- 50 load and 120 discharge port calls targeting 'just in time' arrivals to save bunkers and reduce emissions
- 27 Neo Panama Canal transits planned to minimise waiting time, utilising our own priority booking ranking
- A global set of port agency vendors are employed at key ports to manage vessel turnaround times

Dual-fuel Economics

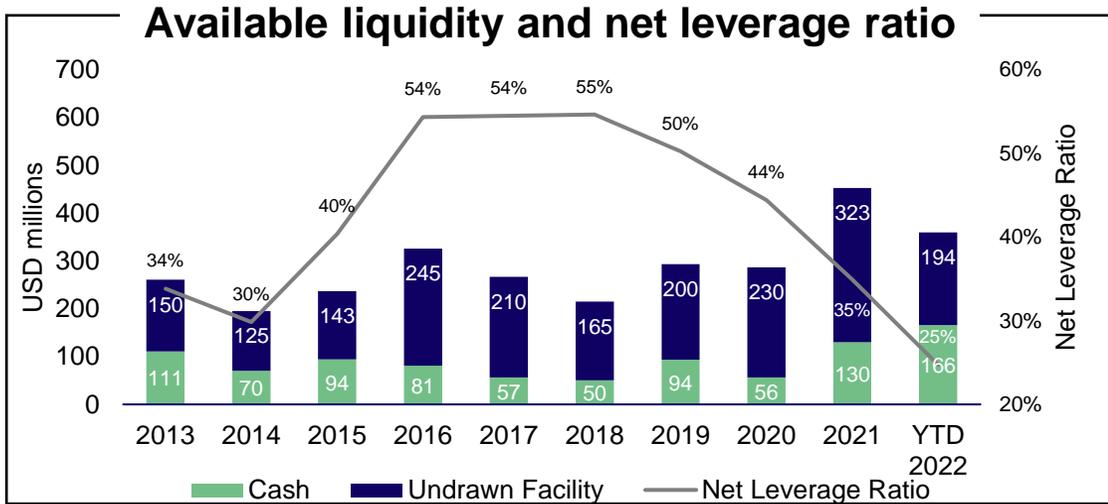
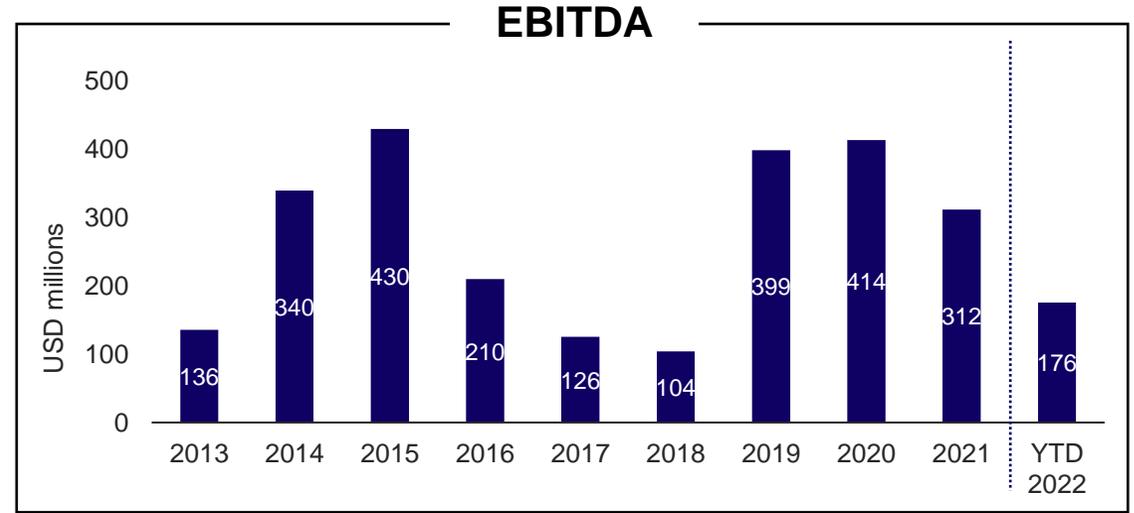
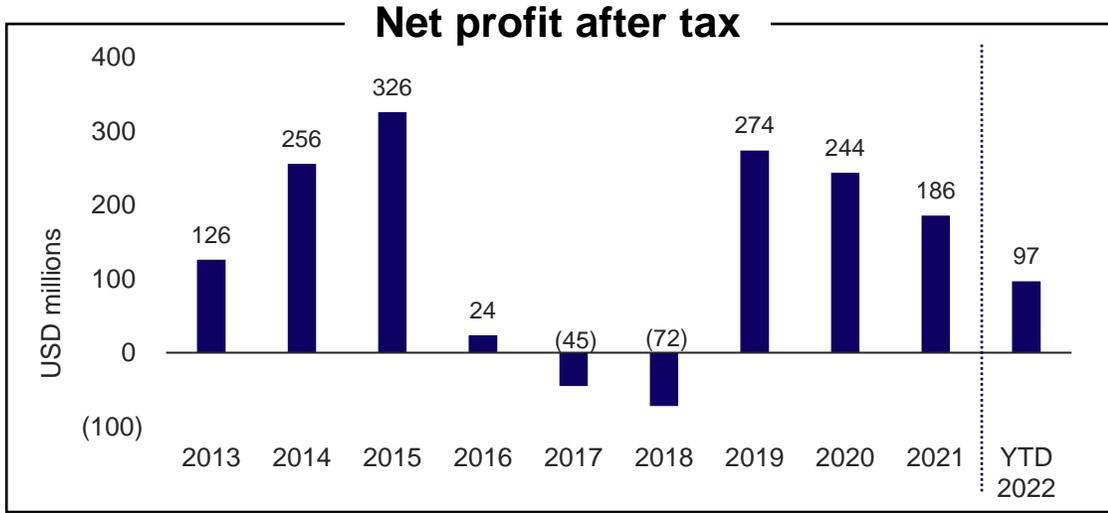
- Supplied LPG-powered fleet with 9700 MT of LPG fuel in Q2, with no loss to cargo carrying capacity
- Represents a saving of USD 5.2 million vs equivalent VLFO quantity
- LPG deck tanks complement existing fuel oil bunker capacities and provide full flexibility

Health and Welfare for Seafarers

- > 99% of crew on board fully vaccinated, reducing time needed to quarantine during crew relief
- Shore leave increasingly granted for crew post-Covid

Financial – Q2 2022

Ample liquidity at USD 360 million with record low net leverage ratio to-date of 25%



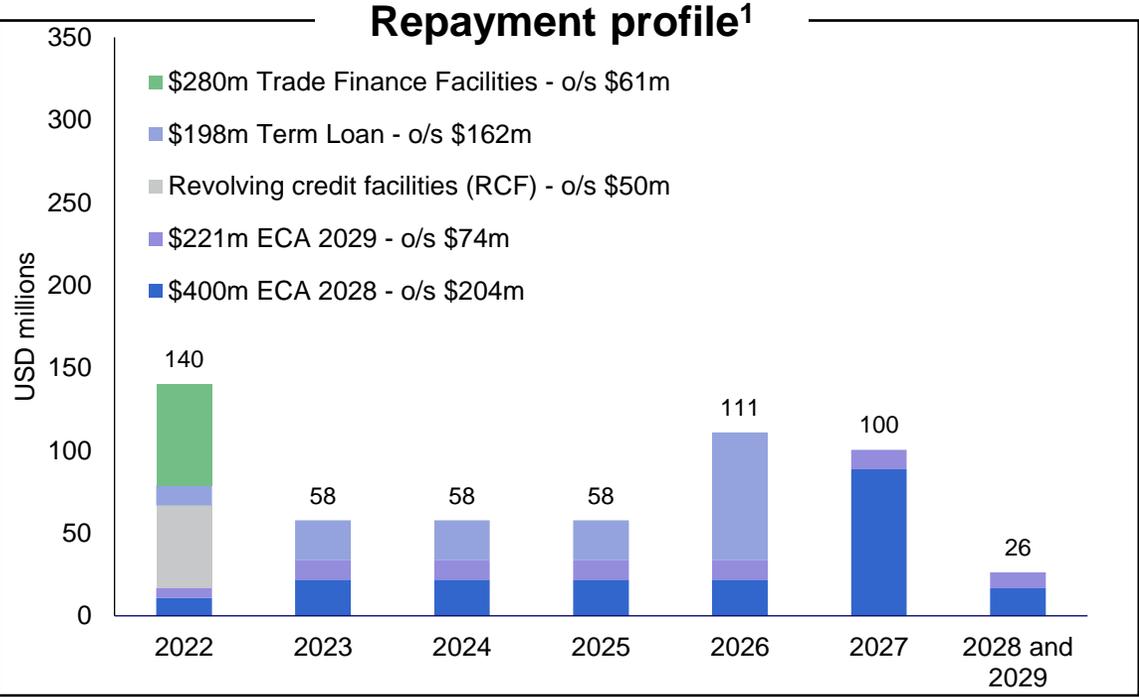
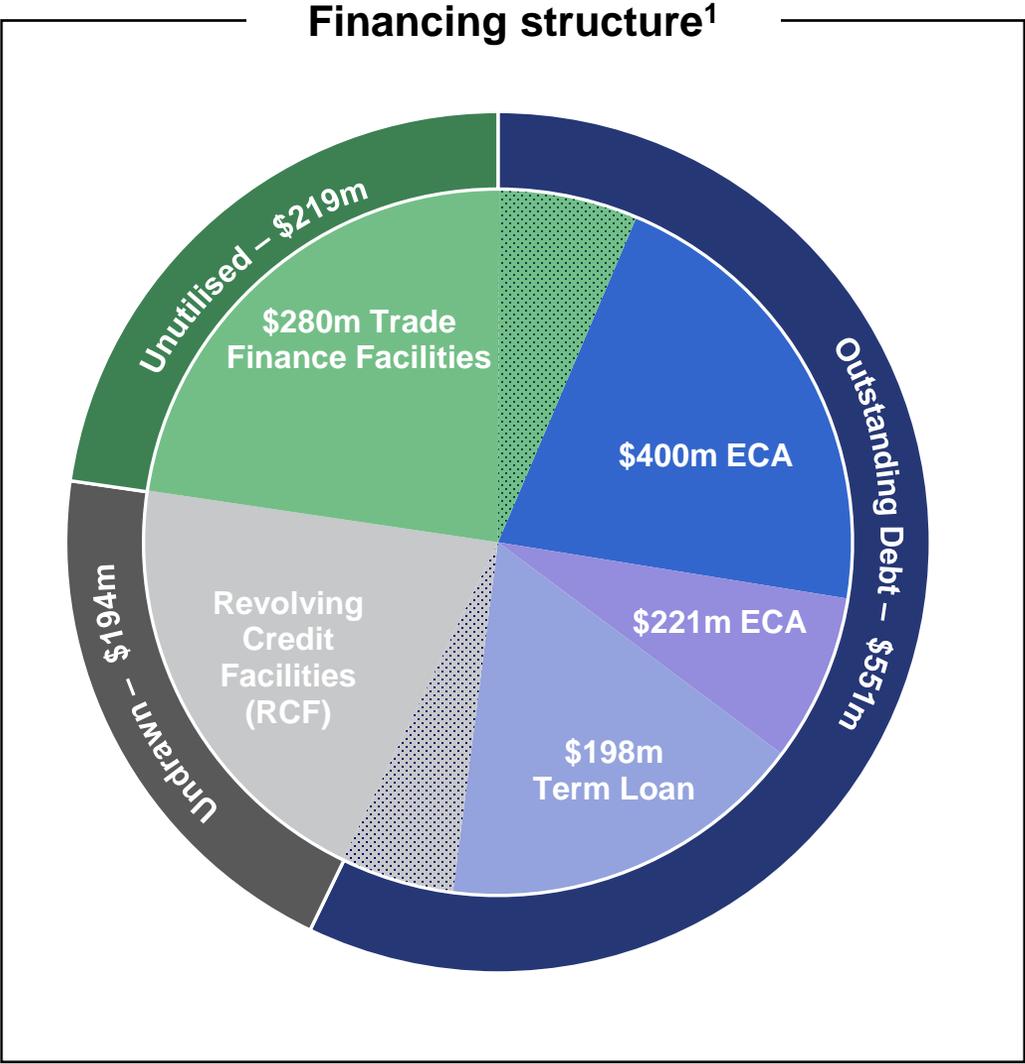
FY2022 Operating Cash Breakeven

Operating Cash Breakeven ¹	US\$/day
Owned fleet	20,300
Total fleet	22,300

1. Cash breakeven = Total cash costs (excluding capex) / Available days owned fleet or total fleet

Financial – Financing Structure and Repayment Profile

No major balloon payments due in the next five years

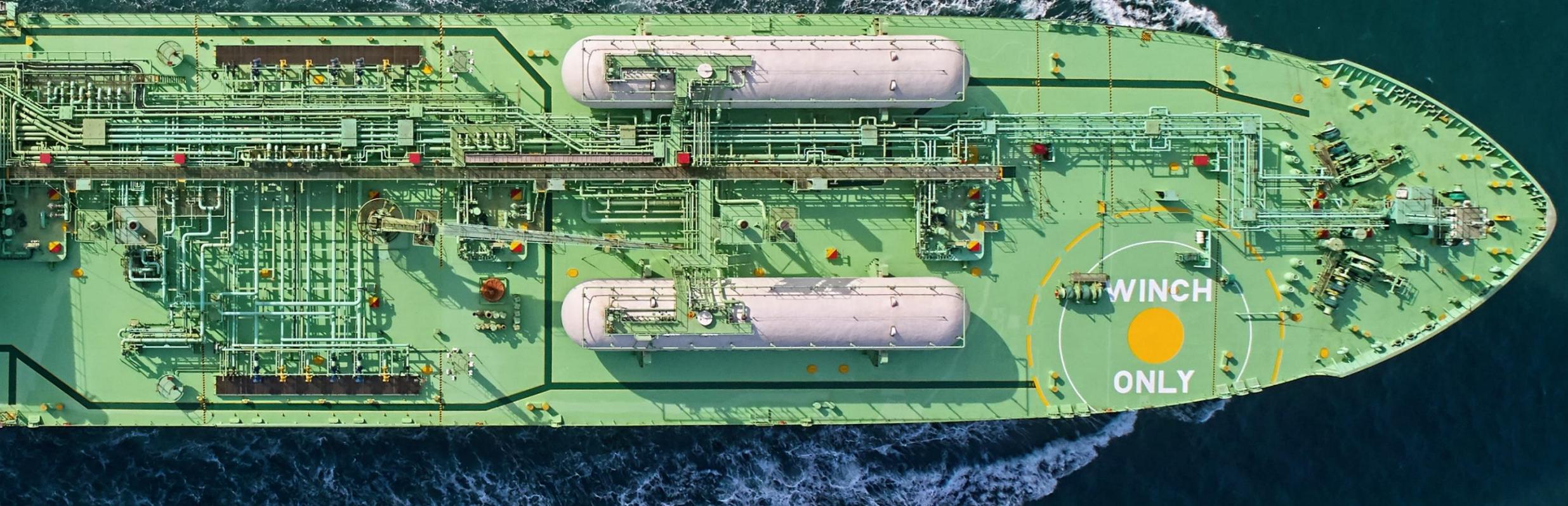


Net Debt and Total Available Liquidity

	USD (millions)
Net Debt	487
Undrawn amount under revolving credit facility	194
Cash	166
Total available liquidity	360

As at 30 June 2022
 1.Excludes lease liabilities, capitalised fees, and interest payable

04 Q&A



Q&A



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CFO Elaine Ong

EVP (Commercial) Niels Rigault

EVP (Technical and Operations) Pontus Berg



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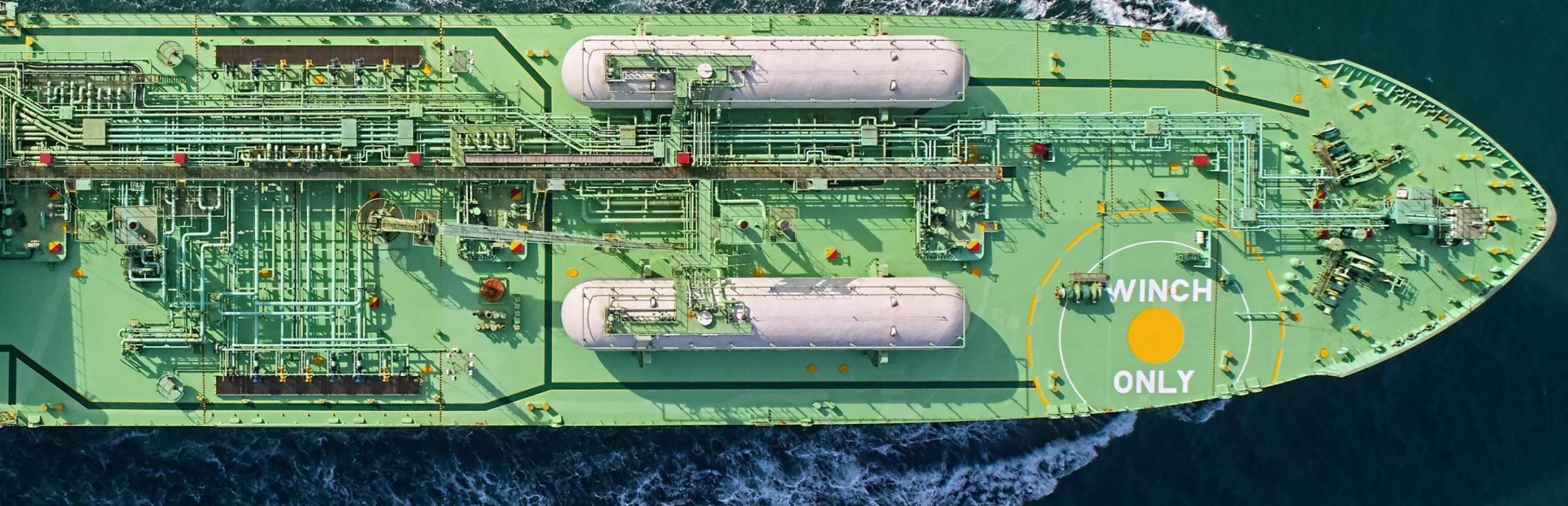
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05 Appendices



VLGC Charter Portfolio 2022-2023

Overall contract coverage stands at 28% for 2022 (as of 30 June 2022)

	Q1 2022	Q2 2022	Q3 2022E	Q4 2022E	2022E	2023E
Owned days	2,918	2,813	2,760	2,760	11,251	10,950
Time charter in days	630	640	736	736	2,742	2,127
Total calendar days	3,548	3,453	3,496	3,496	13,993	13,077
Offhire ¹	313	129	54	132	628	159
Total available days (Net of offhire)	3,235	3,324	3,442	3,364	13,365	12,918
Spot days (Net of offhire)	2,119	2,280	2,544	2,643	9,586	10,852
Time charter out days (Net of offhire)	1,116	1,044	898	721	3,779	2,066
% Spot days	66%	69%	74%	79%	72%	84%
% TC days	34%	31%	26%	21%	28%	16%

TCE rates

Spot	\$43,900	\$37,900	–	–	–	–
Time charter out	\$33,900	\$34,300	\$34,400	\$34,200	\$34,200	\$33,900
VLGC TCE rate (Net of offhire)	\$40,400	\$36,800	–	–	–	–

BW LPG India Charter Portfolio is a subset of the VLGC Charter Portfolio

1. Offhire is assumed to be 3 days per year per vessel, distributed equally per quarter, during the years the vessel does not have planned dry dockings

BW LPG India Charter Portfolio 2022-2023

Contract coverage stands at 79% for 2022 (as of 30 June 2022)

	Q1 2022	Q2 2022	Q3 2022E	Q4 2022E	2022E	2023E
Owned days	630	637	736	736	2,739	2,920
Time charter in days	–	–	–	–	–	–
Total calendar days	630	637	736	736	2,739	2,920
Offhire ¹	52	10	20	99	181	36
Total available days (Net of offhire)	578	627	716	637	2,558	2,884
Spot days (Net of offhire)	99	81	183	163	526	1,089
Time charter out days (Net of offhire)	479	546	533	474	2,032	1,795
% Spot days	17%	13%	26%	26%	21%	38%
% TC days	83%	87%	74%	74%	79%	62%

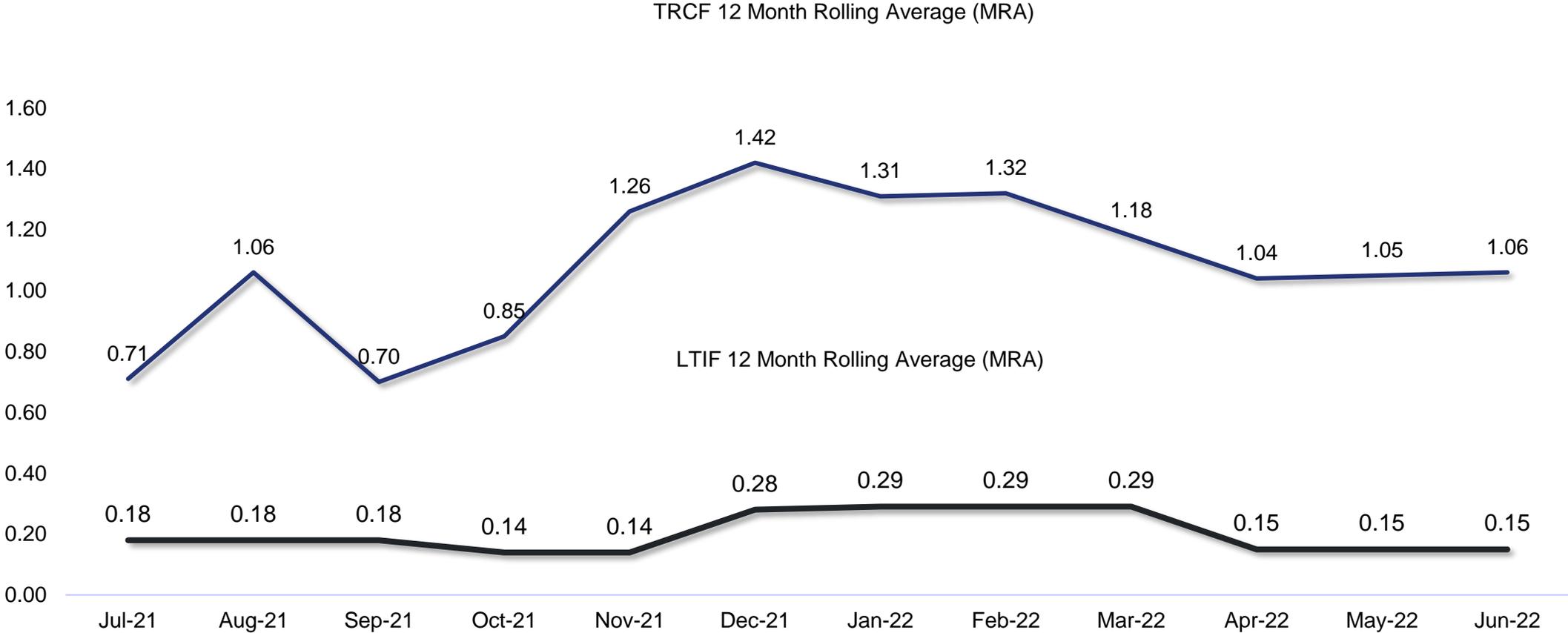
TCE rates

Spot	\$47,600	\$26,800	–	–	–	–
Time charter out	\$32,400	\$32,900	\$33,800	\$33,700	\$33,200	\$33,400
VLGC TCE rate (Net of offhire)	\$35,000	\$32,100	–	–	–	–

1. Offhire is assumed to be 3 days per year per vessel, distributed equally per quarter, during the years the vessel does not have planned dry dockings

Fleet Safety Statistics

Safety and Zero Harm onboard remain our key focus, especially during challenging times



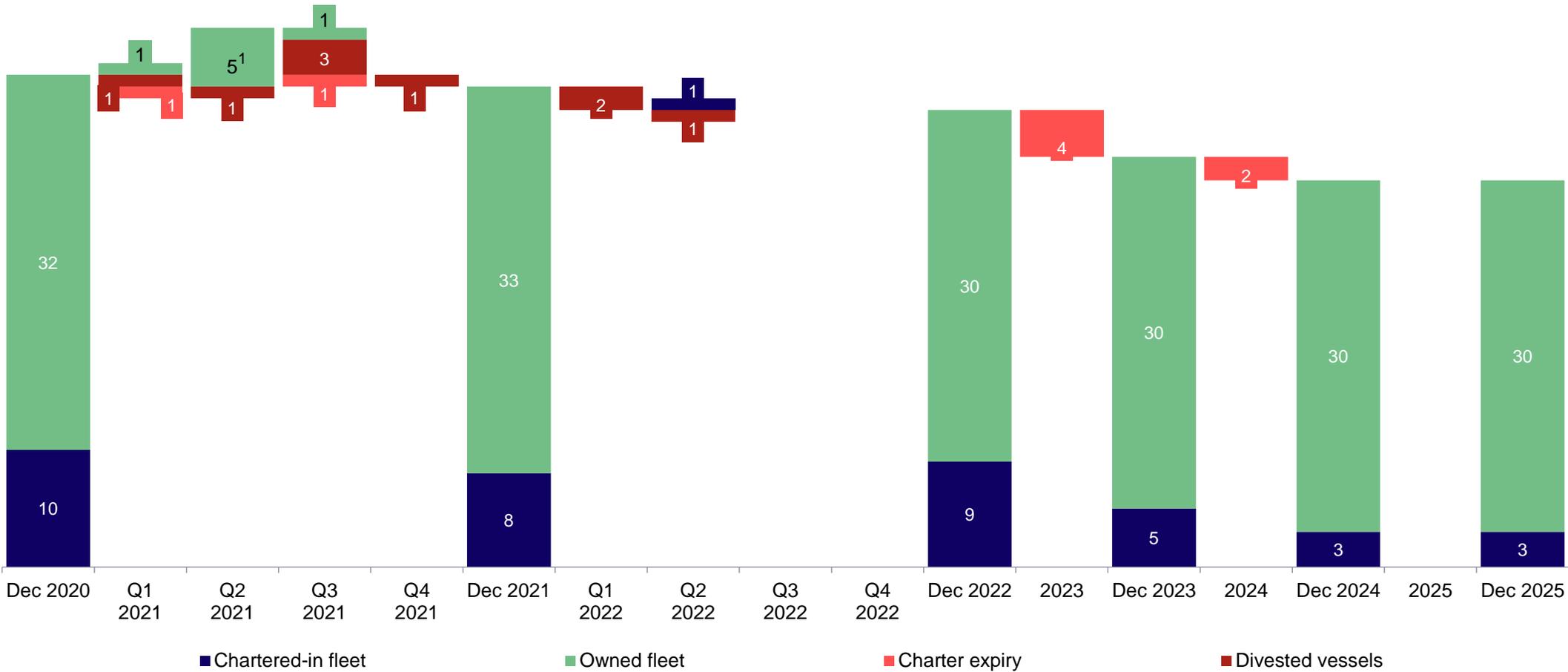
Total Recordable Case Frequency (TRCF): Work-related fatalities and injuries per one million hours worked

Lost Time Injury Frequency (LTIF): Workplace fatalities and injuries that leads to lost work time, per one million hours worked

Data as of 30 June 2022

BW LPG Fleet Development

Timeline based on current contracts



The fleet timeline assumes that vessels on time charter-in will be redelivered at charter expiry.
 1. BW LPG India has been converted to a subsidiary and their vessels are included in the owned fleet

BW LPG Fleet List

Modern fleet of 39 vessels built at leading shipyards (as of 30 June 2022)

Name	Year	Shipyard	Name	Year	Shipyard
BW Mindoro ¹	2017	DSME	BW Austria	2009	DSME
BW Malacca ¹	2016	DSME	BW Thor	2008	Hyundai H.I.
BW Magellan ¹	2016	DSME	BW Princess	2008	Hyundai H.I.
BW Frigg ¹	2016	Hyundai H.I.	BW Loyalty ²	2008	DSME
BW Freyja ¹	2016	Hyundai H.I.	BW Prince	2007	Hyundai H.I.
BW Volans ¹	2016	Hyundai H.I.			
BW Brage ¹	2016	Hyundai H.I.			
BW Tucana ¹	2016	Hyundai H.I.			
BW Var ¹	2016	Hyundai H.I.			
BW Njord ¹	2016	Hyundai H.I.			
BW Balder ¹	2016	Hyundai H.I.			
BW Orion ¹	2015	Hyundai H.I.			
BW Libra ¹	2015	Hyundai H.I.			
BW Leo ¹	2015	Hyundai H.I.			
BW Gemini ¹	2015	Hyundai H.I.			
BW Carina	2015	Hyundai H.I.			
BW Aries	2014	Hyundai H.I.			
BW Odin	2009	Hyundai H.I.			

Total 23 vessels (1.9 million CBM)

Name	Year	Shipyard	Charter type
BW Yushi	2020	Mitsubishi H.I.	Time charter
BW Kizoku	2019	Mitsubishi H.I.	Time charter
Oriental King	2017	Hyundai H.I.	Time charter
Legend Prestige	2017	Mitsubishi H.I.	Time charter
BW Messina	2017	DSME	Time charter
BW Kyoto	2010	Mitsubishi H.I.	Time charter
BW Tokyo	2009	Mitsubishi H.I.	Time charter
Berge Nantong	2006	Hyundai H.I.	Time charter
Berge Ningbo	2006	Hyundai H.I.	Time charter

Total 9 vessels (0.7 million CBM)

VLGCs in BW LPG India

Name	Year	Shipyard	Ownership (%)
BW Pine	2011	Kawasaki S.C.	52%
BW Lord	2008	DSME	52%
BW Tyr	2008	Hyundai H.I.	52%
BW Oak	2008	Hyundai H.I.	52%
BW Elm	2007	Hyundai H.I.	52%
BW Birch	2007	Hyundai H.I.	52%
BW Cedar	2007	Hyundai H.I.	52%

Total 7 vessels (0.6 million CBM)



1. Retrofitted with dual-fuel LPG propulsion engines
2. BW Loyalty was delivered to BW LPG India in July 2022