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PRESENTATION

Operator

Ladies and gentlemen, welcome to BW LPG's Third Quarter 2020 Financial Results Presentation. We will begin shortly.

Bringing you through the presentation today will be CEO Anders Onarheim; CFO Elaine Ong; EVP Commercial Niels Rigault; and EVP Technical & Operations Pontus Berg. They will be pleased to address any questions after the presentation. (Operator Instructions)

Certain statements in this conference call may constitute forward-looking statements based upon management's current expectations and include known and unknown risks, uncertainties and other factors, many of which BW LPG is unable to predict or control that may cause BW LPG's actual results, performance or plans to differ materially from any future results, performance or plans expressed or implied by such forward-looking statements. In addition, nothing in this conference call constitutes an offer to purchase or sell or a solicitation of an offer to purchase or sell any securities.

With that, I'm now pleased to turn the call over to BW LPG CEO Anders Onarheim. Please go ahead.

Anders Onarheim *BW LPG Limited - CEO & Director*

Thank you. Welcome to the presentation of our results for third quarter, the period ending September 30 this year. As usual, I'm joined by our CFO, Elaine Ong; our EVP Commercial, Niels Rigault; and also with us today is EVP Technical and Operations, Pontus Berg. Thank you for taking the time, and we'll take questions at the end of the call.

The good, old saying that when the going gets tough, the tough gets going. I think that's been a motto for all of -- the whole shipping community. And certainly, it's also been that for us. And I want to start by really thanking and complementing the whole team, from officers and crew and colleagues, for great effort in very, very difficult times. I think also against a very tough quarter, the team has delivered not just a solid Q3 result, but also, they delivered the world's first VLGC that's powered by LPG propulsion technology. For that, we're very proud.

We had to navigate COVID-19 restrictions, oil price disruptions and uncertainties in both workplace and daily lives. And as I said also last quarter, COVID-19 has made crew changes almost impossible. Inspections were difficult to conduct, and volatile markets kept the commercial team certainly on their toes. So again, I'm very proud to lead such a competent team.

If we go to Slide 4. The star for this quarter is clearly BW Gemini. This is the world's first very large gas carrier to be retrofitted with the pioneering LPG propulsion technology. The Gemini is currently on historic transpacific voyage on full LPG propulsion to the Enterprise terminal in Houston. We really think that LPG as fuel is a promising solution for sustainable shipping. And as you know, we have committed over \$100 million to retrofit 12 of our VLGCs with this new technology and because we think it makes sense from an environment point of view, operational point of view and economic point of view. We're pleased to bring BW Gemini to you in the form of an augmented reality model you can download using a mobile device. A video is also available on YouTube and on our website.

So to Page 5, the highlights. Again, I think we delivered a solid quarter despite significant volatility. TCE rates on our VLGC fleet

averaged \$26,800 per day and generated a net profit after tax of \$25 million or earnings per share of \$0.18.

So far this year, we have now achieved a year-to-date return on equity of 19% and generated \$400 million of free cash flow. And I'll continue to focus on returns. Again, I see the community very often talking about net asset value. In our business, we really think focus on return on equity, return on capital employed is really what matters.

We're also happy to announce that we continue to return cash to our shareholders. The Board has declared a Q3 cash dividend of \$0.15 per share, amounting then to \$21 million. With this dividend, we have year-to-date paid \$0.50 per share. This represents 42% of our cumulative earnings per share so far this year. Our dividend policy remains to target a payout ratio of 50% on an annual basis. And this, of course, leaves room for some upside in excess of 50% in the last quarter. But again, that's for the Board to decide.

Turn to Page 6. So our rates collapsed to OpEx levels at the end of the second quarter and recovered to above [40,000] (corrected by company after the call). And of course, this makes a huge challenge for the commercial team. At \$8,000, you really start wondering if you should secure more at 15 or even 18 or 20. So it was a tough quarter for us to make decisions. Of course, the V-shaped recovery in the market makes Q3 the weakest quarter in this year, and we can already say that looking ahead.

So our day rates, including both spot and time charter earnings, averaged \$26,800 per day in the third quarter. And again, this allowed us to continue to generate returns for our shareholders with the return on capital employed of 6% and return of equity 8% for the quarter. We have significantly also paid down our debt. Our net leverage ratio has decreased from 54% in the third quarter of 2019 to 44% in the third quarter this year. So again, we managed both, earn good money, take down our debt, pay dividends and still put some in the bank.

Now Niels Rigault will take you through the market review and the commercial update. Niels?

Niels Rigault *BW LPG Limited - EVP of Commercial*

Thank you, Anders. And good afternoon, morning, and happy Friday to all of you. Today, VLGC freight market is strong. It seems like the worst is behind us with rates stabilizing at around \$50,000 per day. This is supported by resilient U.S. export, recovery from the Middle East, widening arbitrage and reduced fleet supply due to shipping inefficiencies and dry docks.

We have fixed approximately 80% of our Q4 spot and time charter available days at an average rate around \$36,000 per day on a discharge to discharge basis. We upgraded our view for the medium term, and we now hold a more optimistic view for 2021. We still believe that the U.S. LPG production remains sensitive to oil and gas prices, but that has proven to be more resilient in a low-price environment.

In the meantime, the pace of recovery in the Middle East follows the OPEC+ production cuts. Medium-term VLGC freight market also continued to be supported by shipping inefficiencies from port delays, bunkering delays, crew changes and heavy dry dock schedule. We expect that over 23% of the fleet will be dry docked next year.

Slide 9. In Q3, U.S. LPG exports continued to offset falling supplies from other regions. We have seen both Q3 and year-to-date import into China to fall. However, we now see Chinese import recovering with incremental demand from the new PDH plants. The decrease in Chinese import was offset by strong import into the other regions. Year-to-date, imports to both Japan and South Korea have increased significantly.

India continues as the most consistent and meaningful driver of LPG demand and is now the second-largest LPG importer after China with LPG demand up 12% year-to-date. Notably, India started to import from the U.S. since last year. The duration of the voyages is more than 4x compared to the voyages from the Middle East, supporting ton-mile demand. Since 2011, number of cargoes imported into India have increased from 70 to 270, an annual growth rate of 19%. BW LPG has chosen to take part in the Indian growth story and has increased our presence with more TCE fixtures and additional sale of 1 vessel into our JV in India.

Turning to Slide 10 about U.S. LPG production. You will see robust U.S. LPG production despite lower oil and gas production compared

to 2019 levels. U.S. LPG production has been strong. According to EIA, as of the 6th of November, average daily U.S. LPG production is 2.6% higher compared to same period last year. This is supported by higher gas content in oil-directed productions, higher amounts of NGL and infrastructure development, which supported more efficient gathering, processing and transportation of NGL. As a result, we have upgraded our view towards 2021 U.S. LPG production and export under current oil and gas prices.

At Slide 11, you will see EIA short-term energy outlook released in November. EIA restates a growth in U.S. LPG export by 19% in 2020 and have revisited its forecast for 2021 export, up by 1 million tonnes from its October release.

Turning to Slide 12. The newbuild order book has increased by 5 vessels in Q3. It now stands at 12% of the current fleet. I'm glad to see that over 70% of the order book is LPG propulsion. Thus, we want to continue to stress that there is no reason to order new ships to make the fleet more efficient. More than 150 existing VLGC can be retrofitted. From an environmental standpoint, newbuild do not justify the CO2 savings with a CO2 payback period of over 15 years compared to retrofit of 6 months.

Slide 13. Due to the uncertainties of how technology will develop to meet the 2030 IMO target, market sees upfront benefits from secondhand vessels compared to ordering new ships today. Hence, newbuilding prices have softened, while the secondhand prices have firmed up, and prices are well above newbuilding equivalent. Also, following the V-shaped recovery in the VLGC spot market, we have also witnessed a similar recovery in VLGC time charter market. Activities have picked up, and current FFA market indicates for cal '21 VLGC rate to be above \$35,000 per day.

Despite the volatilities and uncertainties in the market, we have maintained high commercial utilization at 97.6%. In addition, a well-positioned fleet with strong earnings from our time charter coverage has also protected us in the market downturn. In Q3, we had onetime charter contract being canceled with the cancellation fee recognized for Q3. We have fixed the ship again at the 12 months TCE, which will be recorded in Q4.

That was it from me. And our EVP Technical Operations, Pontus, will take you through the technical update. Thank you.

Pontus Berg *BW LPG Limited - EVP of Technical & Operations*

Thank you very much, Niels. Turning to Page 18. As mentioned by Anders and seen on Slide 6, we continued to deliver really strong technical and operational performance in the quarter despite the unprecedented challenges from the world around us. Our planned drydocks and retrofits remain largely on track. Our final scrubber installation on BW Carina was successfully completed in October on time and budget.

The retrofitting of BW Gemini is now completed. She's fully certified by DNV-GL. BW Leo & Orion have completed their dry dockings and will begin their gas-up and sea trials shortly. Leo is supposed to start towards the end of next week already.

BW Gemini is on her first-ever LPG-propelled transpacific voyage on bound to Houston for loading at Enterprise. She will there lift the largest ever LPG cargo on a single keel following our retrofit and modification works at Yiu Lian shipyard in Shenzhen, where after she will very likely turn back to Far East.

Crew changes remain challenging. We have managed this well with contract overruns on a declining trend. We have completed around 900 crew movements year-to-date. However, still 35 crew members are over 3 months delayed. All in all, the technical and operational teams on board and on shore performed extremely well, all things considered.

With that short update, I will turn over to our CFO, Elaine Ong, who will talk you through the financial position and results.

Elaine Ong *BW LPG Limited - CFO*

Thank you, Pontus. Here on Page 20 is an overview of our income statement.

Our TCE income was \$101 million for the quarter and \$413 million for year-to-date September. Included in our TCE income for the quarter is a negative \$3 million impact related to the effects of IFRS 15, where spot voyages that straddled the quarter end are now accounted for

on a load to discharge basis.

Vessel operating expenses came in at \$7,600 per day for the quarter and \$7,500 per day for year-to-date September. This includes additional crew cost due to the impact of COVID-19. Our operating expenses remain in line with our expected run rate for this year. EBITDA came in at \$67 million for the quarter and \$307 million for year-to-date September, representing a strong EBITDA margin of 66% and 74%, respectively.

As previously highlighted, with the effect from 1st Jan 2020, we revised our vessels' useful life from 30 years to 25 years. The impact is an increase in depreciation of approximately \$6 million per quarter.

Profit after tax this quarter was \$25 million or \$0.18 per share. For year-to-date September, our profit after tax was \$167 million or \$1.21 per share, yielding an annualized return on equity of 19%.

Turning to Page 21, we provide a snapshot of our balance sheet and cash flow statement.

Our vessels' book values, supported by broker valuations, stood at \$1.8 billion at the end of the quarter. Shareholders' equity was \$1.2 billion or \$8.42 per share.

During the quarter, we generated \$89 million of net cash from our operating activities and ended the quarter with \$100 million of cash. Our \$300 million revolving credit facility remains undrawn, giving us \$400 million of available liquidity at quarter end.

Turning to Page 22. The strong cash flows generated over the last 12 months with minimal capital expenditures over the same period have allowed us to pay down debt, thereby reducing our leverage.

Our net leverage ratio decreased by 10% over the last 12 months from 54% at the end of Q3 2019 to 44% at the end of this quarter. This is even after paying out \$166 million in dividends for 2019 and the first half of this year.

Our all-in cash breakeven for 2021 is \$25,300 per day, which is the average TCE needed in 2021 to cover all of our cash costs, including dry dockings and the equity portion of our fleet CapEx upgrade.

Page 23 provides an overview of our liquidity and debt position. Our net debt position at the end of the quarter was \$954 million. Of this, \$202 million relates to lease liabilities arising from our time charter in vessels, while all borrowings relating to our trade finance facilities were fully paid. The remaining \$861 million debt outstanding relates to our 5 term loans.

In October this year, we fully repaid the \$150 million term loan. With this, we will have no major balloon payments due in the next 5 years.

On this note, I would like to hand the time back to Anders to conclude our presentation.

Anders Onarheim *BW LPG Limited - CEO & Director*

Thank you, Elaine. So I will summarize, and you can see that on Page 25.

So again, despite many challenges for the quarter, it was still, I think, we delivered a solid result, \$0.18 per share or \$25 million. I think on the back of these strong earnings, and again taking account our balance sheet, liquidity, CapEx and updated market outlook, I think we are very happy to pay a dividend of \$0.15 per share, amounting then to \$21 million.

And combined with the \$0.35 paid for Q1 and Q2, the dividend is 42% of our year-to-date net profits. As a matter of fact, the dividend announced today, the company has, since its IPO, declared 63% of accumulated earnings as dividends. So that's not bad.

As we gather by now, we're quite excited and proud to be the first one to have an LPG-powered vessel in operation and on her way to

Houston for loading. And we remain firmly committed to the retrofitting of the other 11 vessels with this new technology. We want to take the lead, and we're showing that.

So subsequent to the quarter, at quarter end, we have exercised that option then to purchase the bareboat charter vessel BW Empress in October 2020. And as Elaine said, we also fully repaid \$150 million term loan, and we'll have no major balloon payments during the next 5 years.

Finally, I would like to provide a summary of our outlook on the VLGC market. As you've heard from Niels, we have updated our market outlook under current oil and gas prices. We are now cautiously optimistic for the 2021 VLGC market. This is supported by resilient U.S. LPG exports, reduction in fleet supplies due to increased efficiencies relating to the COVID-19, restrictions in a high dry dock schedule in 2021 as well as a recovery in the Middle East LPG exports, according to the current OPEC+ production agreement.

Having said all that, the market remains extremely volatile, and recovery to a higher oil and gas price environment will certainly reiterate a more positive outlook. We've seen some positive development shortly -- here lately. But again, it's -- we know that this market is quite volatile, so we will just try to steer as solidly and as steadily as we can.

So with that, I'd like to open up the call for questions. Thank you.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) We have a question from the line of Lukas Daul.

Lukas Daul ABG Sundal Collier Holding ASA, Research Division - Analyst

Good afternoon, gentlemen and Elaine. Can you say how much you have paid for the Empress when we were buying it back?

Anders Onarheim BW LPG Limited - CEO & Director

You want to tell, Niels, or not?

Niels Rigault BW LPG Limited - EVP of Commercial

I don't think I will. But it's -- I mean, it's the reason why we took the purchase option. It's a very lucrative purchase option. So it's very below the market. So, yes.

Lukas Daul ABG Sundal Collier Holding ASA, Research Division - Analyst

Okay. So maybe a little bit easier question then. Anders, when you talk about the heavy dry docking schedule for next year, could you sort of compare how this is being affected by sort of COVID or the logistic issues around it, if you sort of say in the normal market this would have taken X days next year. Because of A&B, this is going to take Y days. Could you sort of shed a bit of light on that?

Anders Onarheim BW LPG Limited - CEO & Director

I don't think I can give you X and Y days. But I mean, it's clearly, I think what we talk about internally at least is I think we see almost a 20% increase or slowdown, call it that. But again -- and it's so difficult. Of course, sometimes it's purely because it's impossible to get to berth and because of COVID. Also, of course, the market, I would say, has been this year probably stronger than most of us in the industry expected. And I think that also has perhaps affected and made the decision easier to postpone and push back. So but -- so I don't know, Niels, if you can quantify it more than that, but I think it's -- because I think it's difficult. There are many, many reasons for it. But clearly, we're very happy to see that we've been able to complete our dry dockings now on time and budget. So Niels, you want to add anything to that?

Niels Rigault BW LPG Limited - EVP of Commercial

I mean maybe on the docking pump, this is the one. But we see that, obviously, it's a huge -- there's a lot of inefficiency there. And the winner is the one which could handle this at best. And I think that we're doing our best to be actually efficient in an inefficient market.

Lukas Daul ABG Sundal Collier Holding ASA, Research Division - Analyst

Okay. So for the vessels that you have due for a special survey next year, excluding those that are doing the dual fuel conversion, what do you sort of assume they will spend in the shipyard measured by days?

Niels Rigault BW LPG Limited - EVP of Commercial

If you'd allow me, we will spend as much as we normally spend, and we will take as long time as we normally take. The only thing that is complicating things is that service engineers that we need to fly and that -- because the competency isn't available locally, we need to plan a lot ahead because they only need to spend the 2 weeks sitting in quarantine in some hotels somewhere. And that's, of course, a small added cost, but it's minimal and won't be visible in the numbers anywhere. So we don't -- we haven't seen any delay so far this year. What we have done is we have delayed to actually go into dry dock because we have needed to plan a little bit better and get a grasp of the situation. But so far, no issues. And we're actually tomorrow docking in another ship in Dubai dry docks, where we, again, expect no deviation from an ordinary budgeted time and cost.

Lukas Daul ABG Sundal Collier Holding ASA, Research Division - Analyst

Okay. And then one sort of unrelated question on India that you mentioned as a sort of a big growth market, now also taking volumes from the U.S. I mean, what has led to that switch? And how do you sort of expect it to develop going forward?

Anders Onarheim BW LPG Limited - CEO & Director

Niels, why don't you take that?

Niels Rigault BW LPG Limited - EVP of Commercial

Yes. I think, obviously, the 2 biggest buyers of LPG in the Middle East is China and India. And India has preliminary bought all their LPG from the Middle East. But they also see the prices in the U.S. and that it makes sense also for them to buy U.S. products and ship it to India. So it's -- as I said, we have now for the first time see actually now LPG going from the U.S. into India, which is obviously good news for us shipowners.

Iver Baatvik BW LPG Limited - Head of IR

Yes, let's take some questions from the webcast. So let's start with a question from Petter Haugen.

He says good afternoon, could you expand on why you upgrade your 2021 outlook despite EIA expect a 10% decline in net export from the U.S.? Is expected improvement from Middle East sufficient to counter U.S. declines? Or do you believe EIA is too pessimistic?

Anders Onarheim BW LPG Limited - CEO & Director

I can start, but then Niels, you can continue. I think, first of all, of course, we do our own estimates. We look at what the EIA do -- does, and we also watch very closely what happens with the infrastructure in the U.S. and everything else. And I think -- so we have -- we have, based on what we see in terms of both infrastructure, we've seen also this year that despite lower oil production, we've seen higher LPG production. And so I think it's a combination of many factors. But I think, but we're also saying we're not -- we're going out -- not saying we're super bullish, but we've upgraded our view. And I think it's based on many of these factors. And we still see the demand side, quite good. We're seeing the demand picking up. In India, it's been very strong. We're seeing it in China. And so I think it's a combination of many things that have made us upgrade our view. Niels, do you want to specify some more?

Niels Rigault BW LPG Limited - EVP of Commercial

I think you wrapped it up. I mean, I think for everyone, the U.S. production has been much stronger than everyone had anticipated due to the fall of oil prices. And so I mean we're surprised to the positive. And we also think that inefficiencies, which we have experienced this year, will also continue next year. As I said, 23% of the fleet will dry dock next year. So that will have an impact on supply. And as we said, if India continues to buy U.S. products, it's 4x a tonne-mile compared to what they usually do. So yes, I think that's the main drivers that we are more optimistic for next year.

Iver Baatvik BW LPG Limited - Head of IR

Okay. Thank you. We'll go on to our next question from the webcast and from Nick Linnane. He ask how much have Asian LPG imports been increased due to lower refinery production of LPGs this year? He add how much extra demand in tonnes or ships?

Anders Onarheim BW LPG Limited - CEO & Director

Niels, do you want to try?

Niels Rigault BW LPG Limited - EVP of Commercial

I was thinking that was a perfect question for you, Iver. You know the answer.

Iver Baatvik BW LPG Limited - Head of IR

Okay. So yes, we add that refinery runs are down by around 20% and around -- so in terms of -- that's about 0.5 million tonnes of LPG which is -- yes. I don't know how much that is in ships.

Anders Onarheim BW LPG Limited - CEO & Director

It's difficult. But you can clearly see, and I mentioned again in India. I mean, you saw definitely that the refineries due to COVID went down. And there's just a huge import of LPG, which was needed because of the shortfall from the refineries. And I think the same thing happened in Brazil. So yes.

Iver Baatvik BW LPG Limited - Head of IR

Okay. We have one more question on the same. It's for Elaine, I think. What is your annual debt amortization requirement going forward?

Elaine Ong BW LPG Limited - CFO

I think if we take into account the \$150 million term loan that was paid off in October, on a go-forward basis, we are looking at just under \$100 million.

Iver Baatvik BW LPG Limited - Head of IR

Okay. Then there's another question from Maria [Dean Stubb] on the webcast here.

She said thank you for a good presentation. It says in your presentation that estimated TCE coverage is 24% for 2020. What is the average tenure on the TC contracts?

Anders Onarheim BW LPG Limited - CEO & Director

Niels?

Niels Rigault BW LPG Limited - EVP of Commercial

That's the question for the TCE? I didn't fully understood -- understand the question.

Iver Baatvik BW LPG Limited - Head of IR

The TC in.

Niels Rigault BW LPG Limited - EVP of Commercial

Okay. Yes. We had -- so we have -- so we got 14% for '21. And what was -- I mean, sorry, the average for the 10 -- next 10 years?

Iver Baatvik BW LPG Limited - Head of IR

Yes. So it's mostly 1-year contracts, right? But there's some longer ones.

Niels Rigault BW LPG Limited - EVP of Commercial

Okay. I get it. Okay. Okay. Yes. So the majority, it's a 1-year contract. But yes, we have -- some of them are over 2 years or 24 months. Yes, the majority is 1 year, okay, the length of the contract. Okay. Got it. In LPG, that's the norm is basically the 12-month contract. That's also where the traders, they are doing their product contracts for 12 months. And that we also do the shipping for the 12 months.

Anders Onarheim BW LPG Limited - CEO & Director

But I think it's also what we choose because, I mean, sometimes even we are offered perhaps longer contracts but at levels that we don't find that attractive.

Niels Rigault BW LPG Limited - EVP of Commercial

No, sure.

Iver Baatvik BW LPG Limited - Head of IR

Okay. Then I think we have one more question on the phone line.

Operator

We have a question from the line of Eirik Haavaldsen from Pareto Securities.

Eirik Haavaldsen Pareto Securities AS, Research Division - Head of Research

On the Empress, do you intend to keep her debt unlevered at this point?

Elaine Ong BW LPG Limited - CFO

Yes, I think for the time being, we probably will keep unlevered.

Eirik Haavaldsen Pareto Securities AS, Research Division - Head of Research

Yes. And then on the Berge into the India JV, roughly what kind of level are you -- can you disclose that? What -- because I don't believe it's been disclosed, what the price or value there is.

Elaine Ong BW LPG Limited - CFO

Eirik, we'll prefer not to be disclosing that.

Eirik Haavaldsen Pareto Securities AS, Research Division - Head of Research

Okay. And then finally then on your time charter coverage for 2021, you haven't really -- there's not a lot of change since the last report, but there's been -- I mean, a lot of broker chatter and gossip as recently as this week. You rumored to have fixed out 2 ships at \$36,000 a day. So is there any reason why -- or are those reports wrong? I guess you're seeing them as well. What are you doing now on the time charter side for 2021 if you can elaborate a little bit?

Niels Rigault BW LPG Limited - EVP of Commercial

That's a question for me then. Yes, so far, I mean, if you look at it just for the Q3, our coverage is 14%. Yes, we have increased a little bit further our coverage for next year. And as it has been reported a little bit in the market, the focus has been India as I mentioned.

Anders Onarheim BW LPG Limited - CEO & Director

I think yes. I think as you said, Niels, I think -- I mean, I think you can tell a thing. We really think the Indian market is very interesting. And we want to increase our presence in that market. And so you can see that as also one of the reasons. And of course, again, the levels are attractive in our view. And so we believe the Indian market is really going to remain in a growth market here for quite some time to come.

Eirik Haavaldsen Pareto Securities AS, Research Division - Head of Research

But is your JV essential for that business? I mean, do you -- because not that many of your at least publicly listed, certainly, competitors are as active in that business. And of course, we see the premiums that are being reported. So is this JV when you now inject another ship into it, and obviously, we see, as you say that Indian LPG demand is growing tremendously, longer distance, et cetera, is that -- is this a market that is more difficult to tap into for others that don't have that presence?

Anders Onarheim BW LPG Limited - CEO & Director

I think both -- I think that's true in many ways. I think, of course, also Indian flags make a difference, first right of refusal. But I think it does help us. It does give us, I think, an edge over some of our peers. And again, I think you can expect us continue to focus on India as an important market for us, and whether that means we expand that India operation, but we will definitely focus on this because we think, again, this is -- LPG is great for India, and India is good for LPG shipping.

Niels Rigault BW LPG Limited - EVP of Commercial

Just to add to what Anders said, I mean, obviously, with the JV, we're keeping close to our Indian clients. So it's...

Eirik Haavaldsen Pareto Securities AS, Research Division - Head of Research

And finally, one housekeeping question for Elaine. With Empress now then back in your fleet, does that mean that the charter higher expense line on your P&L will be 0 from now on?

Elaine Ong BW LPG Limited - CFO

No, we still have -- we will still have one more ship on the charter expense line without the Empress.

Operator

We have another question on the line from Dennis Anghelopoulos.

Dennis Anghelopoulos ABG Sundal Collier Holding ASA

Just one follow-up on the remaining CapEx. It's our understanding that the payments that are made, essentially the total CapEx has been made so far, that goes into prepayment accounts and doesn't flow out of the cash flow. Could you sort of -- if that's true, could you elaborate on what actually the remaining cash outflow is if it's not exactly the same as the remaining CapEx to be paid?

Anders Onarheim BW LPG Limited - CEO & Director

Elaine?

Elaine Ong BW LPG Limited - CFO

Yes. I could do that. On the CapEx to be paid, I guess, if you're looking at the chart, we have \$30 million that has been paid. And we -- sorry, \$40 million has been paid, \$30 million of which is propulsion-related for the 2020 plans. And then we have another \$21 million coming due in the 2021 plans for the LPG retrofit.

Dennis Anghelopoulos ABG Sundal Collier Holding ASA

Okay. But how much of that's going to be cash outflow in the next -- because that's sort of the thing I'm trying to -- because we have CapEx \$115 million remaining to be paid, is just that what we should plug into our models, \$115 million in the cash flow? Or...

Elaine Ong BW LPG Limited - CFO

Are you plugging into the go-forward number, or you're plugging into the current number?

Dennis Anghelopoulos ABG Sundal Collier Holding ASA

I'm just talking about -- when we model it in cash flow, right, we say how much goes essentially into cash outflow for the investment.

Elaine Ong *BW LPG Limited - CFO*

So on Page 18 of our presentation, the remaining CapEx to be paid in 2020 will be \$21 million and \$86 million in 2021. So that's -- there's a table at the bottom of Page 18.

Dennis Anghelopoulos *ABG Sundal Collier Holding ASA*

Yes. I understand that. But just because from the previous quarter, that didn't match with your cash flow statement, and the explanation we got was that because it was -- that you were forwarding them to the prepayment account. And then it was going to...

Elaine Ong *BW LPG Limited - CFO*

These are the numbers that will match now.

Iver Baatvik *BW LPG Limited - Head of IR*

Okay. We're going to do one more question from the webcast.

Is Panama Canal congestion an issue in the market for VLGCs currently? If so, how long do you typically have to wait on each site? And how long do you expect this to continue? Is it mostly COVID-related or other reasons?

Anders Onarheim *BW LPG Limited - CEO & Director*

Pontus, maybe you answer that?

Pontus Berg *BW LPG Limited - EVP of Technical & Operations*

Sure. We actually don't have to wait because we are very prudently prebooking all our northbound slots. The delays have been, if you come -- I mean, if you actually show up at the Panama Canal unbooked, it was a little bit over a week. I think we were up closing in on 10 days at the most. But it has softened a little bit after the canal has cleared some backlogs of the bad weather and massive loadings and traffic afterwards. But yes, it is partly due to COVID and corona and our crunch on people in the area as well. But we do still prebook.

Iver Baatvik *BW LPG Limited - Head of IR*

Okay. Then we have no more questions on the webcast.

Operator

(Operator Instructions)

Anders Onarheim *BW LPG Limited - CEO & Director*

Okay. Sounds like there are no more questions. Thank you very much for listening in. And we'll continue to try to deliver results throughout the year. Thank you.

Operator

Thank you, sir. We have come to the end of today's presentation. Thank you for attending BW LPG's Third Quarter 2020 Financial Results Presentation. More information on BW LPG is available online at www.bwlp.com.

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