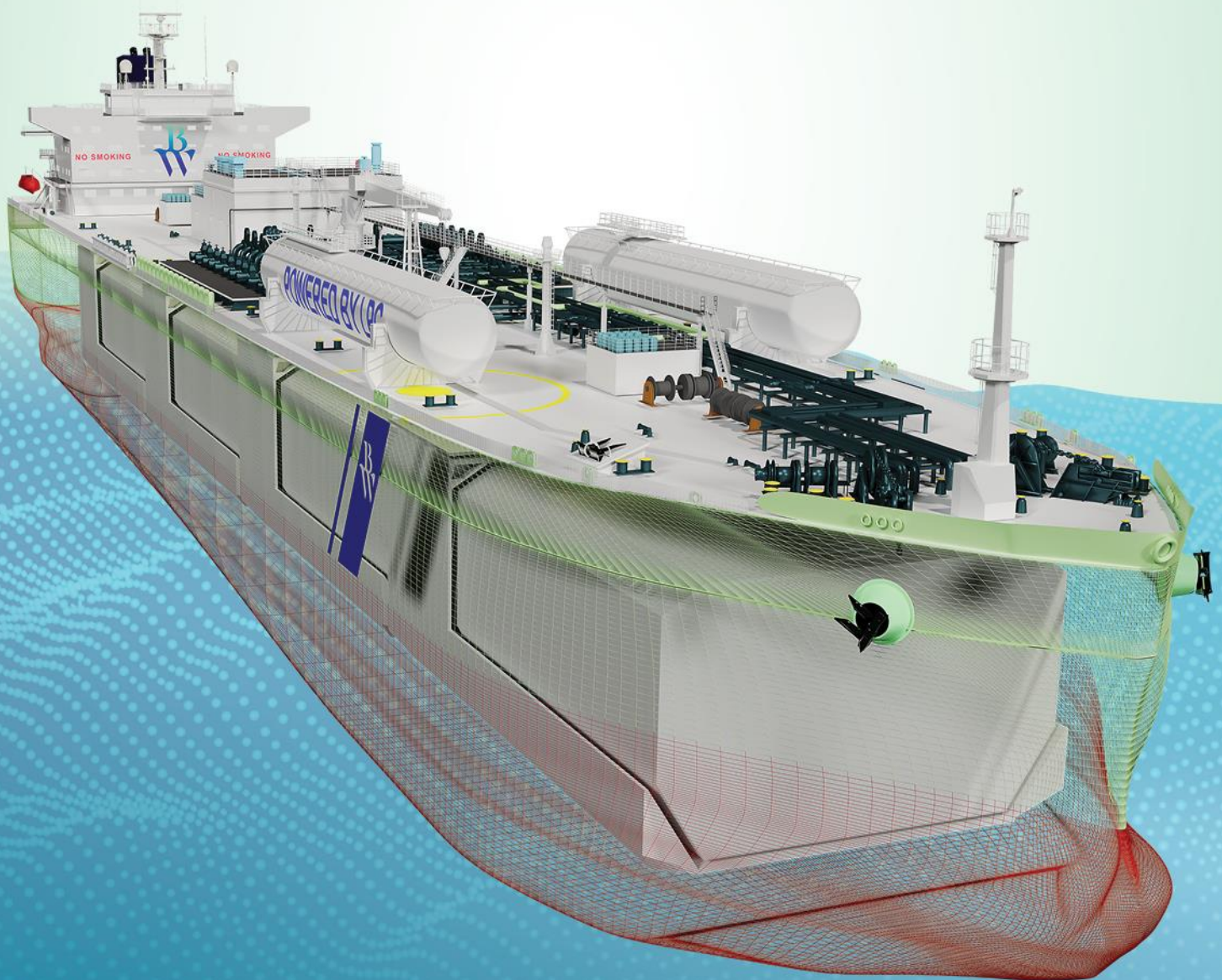


# BW LPG Limited

Interim Financial Information  
Q3 2020 (unaudited)



**BW LPG**



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Interim Financial Information  
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## SELECTED KEY FINANCIAL INFORMATION

Income Statement	Q3 2020 US\$ million	Q3 2019 US\$ million	Increase/ (Decrease) %	YTD September 2020 US\$ million	YTD September 2019 US\$ million	Increase/ (Decrease) %
Net income from spot voyages	64.7	160.1	(60)	321.2	293.0	10
Net income from time charter voyages	36.8	24.6	50	91.7	62.7	46
TCE income	101.5	184.7	(45)	412.9	355.7	16
EBITDA	67.3	149.4	(55)	306.8	244.7	25
Profit after tax	24.6	117.2	(79)	167.3	120.1	39
(US\$ per share)						
Basic and diluted EPS <sup>1</sup>	0.18	0.83	(78)	1.21	0.85	42
Dividend per share						
Balance Sheet				30 September 2020 US\$ million	31 December 2019 US\$ million	Increase/ (Decrease) %
Cash & cash equivalents				112.8	112.2	1
Total assets				2,374.0	2,549.4	(7)
Total liabilities				1,179.1	1,372.0	(14)
Total shareholders' equity				1,195.0	1,177.3	2
Financial Ratios	Q3 2020 %	Q3 2019 %	Increase/ (Decrease) %	30 September 2020 %	30 September 2019 %	Increase/ (Decrease) %
ROE <sup>2</sup> (annualised)	8.2	46.3	(82)	18.8	15.6	21
ROCE <sup>2</sup> (annualised)	5.7	21.9	(74)	11.1	9.4	18
EBITDA margin <sup>3</sup>	66.4	80.9	(18)	74.3	68.8	8
Gross leverage ratio <sup>4</sup>	46.9	54.7	(14)	46.9	54.7	(14)
Net leverage ratio <sup>5</sup>	44.4	53.8	(17)	44.4	53.8	(17)
Other Information				30 September 2020	31 December 2019	Increase/ (Decrease) %
Shares – end of period (shares)				141,938,998	141,938,998	-
Share price (NOK)				38.7	73.9	(48)
Market cap (NOK million)				5,495.9	10,482.2	(48)
Market cap (USD million)				579.1	1,189.5	(51)

[1] EPS (earnings per share) is computed based on Q3 2020: 138.6 million (YTD September 2020: 138.8 million) shares, the weighted average number of shares outstanding less treasury shares during the period

[2] 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.

[3] EBITDA margin is computed as EBITDA over TCE income.

[4] Gross leverage ratio is computed as total debt over total debt plus equity.

[5] Net leverage ratio is computed as total debt less cash over total debt less cash plus equity.

"N.M." denotes not meaningful.

## HIGHLIGHTS – Q3 2020

- Retrofitted the world's first vessel, BW Gemini with pioneering LPG dual-fuel propulsion technology in November 2020. LPG as fuel is a promising solution for sustainable shipping and we are proud to take the lead in advancing technology towards zero-carbon propulsion.
- Achieved Q3 2020 VLGC freight rates of US\$26,800/day (YTD September 2020: US\$36,100/day) with a high fleet utilisation of 94% (YTD September 2020: 95%).
- Generated Q3 2020 Net Profit after Tax of US\$24.6 million (YTD September 2020: US\$167.3 million) or an earnings per share of US\$0.18 (YTD September 2020: US\$1.21) or NOK 1.63 (YTD September 2020: NOK 11.55).
- YTD September 2020 annualised return on equity of 19% with US\$400.1 million of free cash flow.
- Declared a Q3 2020 cash dividend of US\$0.15 per share amounting to US\$20.7 million. This brings total dividends declared for YTD September 2020 to US\$0.50 per share, amounting to US\$69.5 million, and translates to a payout ratio as a percentage of NPAT of 84% for the quarter and 42% YTD September 2020. The shares will be traded ex-dividend from 18 November 2020. The dividend will be payable on or about 11 December 2020 to shareholders on record as at 19 November 2020.

### Events previously announced:

#### August 2020:

- Declared a Q2 2020 cash dividend of US\$0.15 per share amounting to US\$20.7 million. The shares were traded ex-dividend from 1 September 2020. The dividends were paid on 11 September 2020 to shareholders on record as at 2 September 2020.

#### July 2020:

- Concluded the sale of Berge Summit and delivered the vessel to its new owner for continued trading in July 2020. The sale generated US\$9.0 million in liquidity and a net book gain of US\$3.8 million.

## PERFORMANCE REVIEW – Q3 2020

Time Charter Equivalent ("TCE") income decreased to US\$101.5 million in Q3 2020 mainly attributable to lower LPG spot rates. This also includes a net downward US\$3.0 million impact related to the effects of IFRS 15 where spot voyages that straddle the quarter-end are now accounted for on a load to discharge basis.

EBITDA was US\$67.3 million for Q3 2020 (Q3 2019: US\$149.4 million), primarily due to lower TCE income.

Profit after tax was US\$24.6 million for Q3 2020 (Q3 2019: profit after tax of US\$117.2 million).

Net leverage ratio decreased to 44.4% in Q3 2020 (Q3 2019: 53.8%). This is mainly due to solid cash flows from operations, net of US\$165.5 million in total dividends paid in the period from 2019 to Q3 2020.

## BALANCE SHEET

As at 30 September 2020, BW LPG has a fleet of 46 VLGCs, including two which are owned and operated by a joint venture. Total assets amounted to US\$2,374.0 million (31 December 2019: US\$2,549.4 million), of which US\$1,819.9 million (31 December 2019: US\$1,903.6 million) represented the carrying value of the vessels (including dry docking) and US\$156.2 million (31 December 2019: US\$165.0 million) represented the carrying value of the right-of-use assets (vessels).

Cash and cash equivalents amounted to US\$112.8 million as at 30 September 2020 (31 December 2019: US\$112.2 million). Cash flows from operating activities generated a net cash surplus of US\$373.6 million in YTD September 2020 (YTD September 2019: US\$206.9 million). The cash flows from operating activities were largely used to repay bank borrowings, and for interest and dividend payments.

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Q3 2020 US\$'000	Q3 2019 US\$'000	YTD September 2020 US\$'000	YTD September 2019 US\$'000
Revenue from spot voyages	114,807	237,593	530,205	493,743
Voyage expenses	(50,154)	(77,508)	(209,054)	(200,678)
Net income from spot voyages	64,653	160,085	321,151	293,065
Revenue from time charter voyages	36,797	24,585	91,716	62,657
<b>TCE income<sup>^</sup></b>	<b>101,450</b>	<b>184,670</b>	<b>412,867</b>	<b>355,722</b>
Net (loss)/gain from commodity contracts	(261)	219	(730)	719
Vessel operating expenses	(28,169)	(25,686)	(83,497)	(80,745)
General and administrative expenses	(5,849)	(6,041)	(16,570)	(19,070)
Charter hire expenses	(1,473)	(3,757)	(7,764)	(12,027)
Finance lease income	447	-	1,507	-
Other operating income/(expenses) - net	1,187	(25)	941	131
<b>Operating profit before depreciation, amortisation and impairment (EBITDA)</b>	<b>67,332</b>	<b>149,380</b>	<b>306,754</b>	<b>244,730</b>
Depreciation charge	(38,525)	(31,515)	(114,776)	(95,383)
Amortisation charge	(67)	-	(132)	-
	<b>28,740</b>	<b>117,865</b>	<b>191,846</b>	<b>149,347</b>
Gain from derecognition of right-of-use assets	-	10,394	-	10,394
Gain on disposal of assets held-for-sale	3,805	-	9,078	1,783
Impairment charge on right-of-use assets (vessels)	-	-	(4,200)	-
<b>Operating profit (EBIT)</b>	<b>32,545</b>	<b>128,259</b>	<b>196,724</b>	<b>161,524</b>
Foreign currency exchange loss - net	(115)	(294)	(1,096)	(865)
Interest income	730	1,495	3,024	4,248
Interest expense	(10,186)	(13,242)	(33,484)	(44,392)
Derivative gain/(loss)	741	-	760	(182)
Other finance expense	(733)	(381)	(2,190)	(1,170)
<b>Finance expense - net</b>	<b>(9,563)</b>	<b>(12,422)</b>	<b>(32,986)</b>	<b>(42,361)</b>
Share of profit of a joint venture	1,695	1,776	4,187	1,776
<b>Profit before tax for the financial period</b>	<b>24,677</b>	<b>117,613</b>	<b>167,925</b>	<b>120,939</b>
Income tax expense	(88)	(420)	(661)	(814)
<b>Profit after tax for the financial period (NPAT)</b>	<b>24,589</b>	<b>117,193</b>	<b>167,264</b>	<b>120,125</b>

<sup>^</sup> "TCE income" denotes "time charter equivalent income" which represents revenue from time charters and voyage charters less voyage expenses comprising primarily fuel oil, port charges and commission.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

	Q3 2020 US\$'000	Q3 2019 US\$'000	YTD September 2020 US\$'000	YTD September 2019 US\$'000
<b>Other comprehensive loss:</b>				
<b>Items that may be subsequently reclassified to profit or loss:</b>				
Cash flow hedges				
- fair value loss	(6,785)	(884)	(58,057)	(22,234)
- reclassification to profit or loss	7,130	(188)	16,739	(1,558)
Currency translation reserve	185	(22)	(43)	(22)
<b>Other comprehensive income/(loss), net of tax</b>	<b>530</b>	<b>(1,094)</b>	<b>(41,361)</b>	<b>(23,814)</b>
<b>Total comprehensive income for the financial period</b>	<b>25,119</b>	<b>116,099</b>	<b>125,903</b>	<b>96,311</b>
<b>Profit attributable to:</b>				
Equity holders of the Company	24,589	117,335	167,264	120,106
Non-controlling interests	-	(142)	-	19
	<b>24,589</b>	<b>117,193</b>	<b>167,264</b>	<b>120,125</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	25,119	116,241	125,903	96,292
Non-controlling interests	-	(142)	-	19
	<b>25,119</b>	<b>116,099</b>	<b>125,903</b>	<b>96,311</b>
<b>Earnings per share attributable to the equity holders of the Company:</b> (expressed in US\$ per share)				
Basic and diluted earnings per share	<b>0.18</b>	0.83	<b>1.21</b>	0.85

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**CONSOLIDATED BALANCE SHEET**

	30 September 2020 US\$'000	31 December 2019 US\$'000
<b>Intangible assets</b>	<b>1,182</b>	<b>1,004</b>
Derivative financial instruments	-	723
Loan receivables from a joint venture	39,450	52,550
Finance lease receivables	19,898	35,326
Investment in a joint venture	6,966	2,861
<b>Total other non-current assets</b>	<b>66,314</b>	<b>91,460</b>
Vessels and dry docking	1,819,925	1,903,622
Right-of-use assets (vessels)	156,249	165,029
Other property, plant and equipment	167	261
<b>Property, plant and equipment</b>	<b>1,976,341</b>	<b>2,068,912</b>
<b>Total non-current assets</b>	<b>2,043,837</b>	<b>2,161,376</b>
Inventories	14,974	40,682
Trade and other receivables	151,476	166,372
Derivative financial instruments	23,434	14,080
Loan receivables from a joint venture	6,420	5,645
Finance lease receivables	21,079	22,266
Assets held-for-sale	-	26,725
Cash and cash equivalents	112,800	112,210
<b>Total current assets</b>	<b>330,183</b>	<b>387,980</b>
<b>Total assets</b>	<b>2,374,020</b>	<b>2,549,356</b>
Share capital	1,419	1,419
Share premium	289,812	289,812
Treasury shares	(16,895)	(14,432)
Contributed surplus	685,913	685,913
Other reserves	(86,896)	(45,688)
Retained earnings	321,610	260,289
<b>Total shareholders' equity</b>	<b>1,194,963</b>	<b>1,177,313</b>
Borrowings	745,974	923,177
Lease liabilities	152,843	167,654
Derivative financial instruments	37,198	10,516
Other provisions	1,047	697
<b>Total non-current liabilities</b>	<b>937,062</b>	<b>1,102,044</b>
Borrowings	106,319	140,863
Lease liabilities	48,838	50,241
Derivative financial instruments	22,360	18,131
Current income tax liabilities	1,997	1,560
Trade and other payables	62,481	59,204
<b>Total current liabilities</b>	<b>241,995</b>	<b>269,999</b>
<b>Total liabilities</b>	<b>1,179,057</b>	<b>1,372,043</b>
<b>Total equity and liabilities</b>	<b>2,374,020</b>	<b>2,549,356</b>

The accompanying notes form an integral part of these interim financial information.



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	Attributable to equity holders of the Company									
	Share capital	Share premium	Treasury shares	Contributed surplus	Capital reserve	Hedging reserve	Share-based payment reserve	Currency translation reserve	Retained earnings	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Balance at 1 January 2020</b>	1,419	289,812	(14,432)	685,913	(36,259)	(9,602)	230	(57)	260,289	1,177,313
Profit for the financial period	-	-	-	-	-	-	-	-	167,264	167,264
Other comprehensive loss for the financial period	-	-	-	-	-	(41,318)	-	(43)	-	(41,361)
<b>Total comprehensive (loss)/income for the financial period</b>	-	-	-	-	-	(41,318)	-	(43)	167,264	125,903
Share-based payment reserve - Value of employee services	-	-	-	-	-	-	153	-	-	153
Purchases of treasury shares	-	-	(2,463)	-	-	-	-	-	-	(2,463)
Dividends paid	-	-	-	-	-	-	-	-	(105,943)	(105,943)
<b>Total transactions with owners, recognised directly in equity</b>	-	-	(2,463)	-	-	-	153	-	(105,943)	(108,253)
<b>Balance at 30 September 2020</b>	<b>1,419</b>	<b>289,812</b>	<b>(16,895)</b>	<b>685,913</b>	<b>(36,259)</b>	<b>(50,920)</b>	<b>383</b>	<b>(100)</b>	<b>321,610</b>	<b>1,194,963</b>

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

	Attributable to equity holders of the Company											Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares	Contributed surplus	Capital reserve	Hedging reserve	Share-based payment reserve	Currency translation reserve	Retained earnings	Total			
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000		
Balance at 1 January 2019	1,419	289,812	(12,700)	685,913	(36,259)	8,914	16	(27)	46,055	983,143	482	983,625	
Profit for the financial period	-	-	-	-	-	-	-	-	120,106	120,106	19	120,125	
Other comprehensive loss for the financial period	-	-	-	-	-	(23,792)	-	(22)	-	(23,814)	-	(23,814)	
Total comprehensive (loss)/income for the financial period	-	-	-	-	-	(23,792)	-	(22)	120,106	96,292	19	96,311	
Share-based payment reserve - Value of employee services	-	-	-	-	-	-	95	-	-	95	-	95	
Purchases of treasury shares	-	-	(1,732)	-	-	-	-	-	-	(1,732)	-	(1,732)	
Dividend paid	-	-	-	-	-	-	-	-	(13,862)	(13,862)	-	(13,862)	
Distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(538)	(538)	
Total transactions with owners, recognised directly in equity	-	-	(1,732)	-	-	-	95	-	(13,862)	(15,499)	(538)	(16,037)	
Balance at 30 September 2019	1,419	289,812	(14,432)	685,913	(36,259)	(14,878)	111	(49)	152,299	1,063,936	(37)	1,063,899	

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

	Attributable to equity holders of the Company											Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares	Contributed surplus	Capital reserve	Hedging reserve	Share-based payment reserve	Currency translation reserve	Retained earnings	Total			
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000		
Balance at 1 October 2019	1,419	289,812	(14,432)	685,913	(36,259)	(14,878)	111	(49)	152,299	1,063,936	(37)	1,063,899	
Profit for the financial period	-	-	-	-	-	-	-	-	153,734	153,734	37	153,771	
Other comprehensive income/(loss) for the financial period	-	-	-	-	-	5,276	-	(8)	-	5,268	-	5,268	
Total comprehensive income for the financial period	-	-	-	-	-	5,276	-	(8)	153,734	159,002	37	159,039	
Share-based payment reserve - Value of employee services	-	-	-	-	-	-	119	-	-	119	-	119	
Dividends paid	-	-	-	-	-	-	-	-	(45,744)	(45,744)	-	(45,744)	
Distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	
Total transactions with owners, recognised directly in equity	-	-	-	-	-	-	119	-	(45,744)	(45,625)	-	(45,625)	
Balance at 31 December 2019	1,419	289,812	(14,432)	685,913	(36,259)	(9,602)	230	(57)	260,289	1,177,313	-	1,177,313	

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**CONSOLIDATED STATEMENT OF CASH FLOWS**

	Q3 2020 US\$'000	Q3 2019 US\$'000	YTD September 2020 US\$'000	YTD September 2019 US\$'000
<b>Cash flows from operating activities</b>				
Profit before tax for the financial period	24,677	117,613	167,925	120,939
Adjustments for:				
- amortisation charge	67	-	132	-
- depreciation charge	38,525	31,515	114,776	95,383
- impairment charge on right-of-use assets (vessels)	-	-	4,200	-
- gain on disposal of assets held-for-sale	(3,805)	-	(9,078)	(1,783)
- interest income	(730)	(1,495)	(3,024)	(4,248)
- interest expense	10,186	13,242	33,484	44,392
- other finance expense	592	339	1,461	1,009
- share-based payments	72	35	153	95
- share of profit of a joint venture	(1,695)	(1,776)	(4,187)	(1,776)
- gain from derecognition of Right-of-use assets	-	(10,394)	-	(10,394)
- finance lease income	(447)	-	(1,507)	-
	67,442	149,079	304,335	243,617
Changes in:				
- inventories	50,145	2,346	25,708	4,149
- trade and other receivables	20,915	(14,024)	53,322	(48,430)
- trade and other payables	(46,406)	(11,775)	3,544	10,518
- derivative financial instruments	(1,340)	519	(19,038)	(1,118)
- margin account held with broker	(1,794)	(289)	5,971	(1,379)
Cash generated from operations	88,962	125,856	373,842	207,357
Tax paid	(138)	(159)	(211)	(389)
<b>Net cash provided by operating activities</b>	<b>88,824</b>	<b>125,697</b>	<b>373,631</b>	<b>206,968</b>
<b>Cash flows from investing activities</b>				
Additions in property, plant and equipment	(1,933)	(1,829)	(9,308)	(10,097)
Progress payments for vessel upgrades and dry docks	(8,487)	(499)	(38,387)	(9,177)
Additions in intangible assets	(257)	-	(310)	-
Proceeds from sale of assets held-for-sale	9,001	-	40,999	6,606
Repayment of loan receivables from a joint venture	6,100	1,100	12,300	3,050
Repayment of finance lease	5,593	4,195	16,615	4,195
Interest received	1,173	1,497	4,556	4,270
<b>Net cash provided by investing activities</b>	<b>11,190</b>	<b>4,464</b>	<b>26,465</b>	<b>(1,153)</b>

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**CONSOLIDATED STATEMENT OF CASH FLOWS (continued)**

	Q3 2020 US\$'000	Q3 2019 US\$'000	YTD September 2020 US\$'000	YTD September 2019 US\$'000
<b>Cash flows from financing activities</b>				
Proceeds from bank borrowings	-	-	150,000	358,500
Payment of financing fees	-	(88)	-	(4,576)
Repayments of bank borrowings	(26,266)	(82,504)	(328,687)	(480,222)
Payment of lease liabilities	(13,104)	(8,725)	(38,507)	(23,635)
Interest paid	(9,143)	(11,911)	(33,240)	(40,370)
Other finance expense paid	(592)	(2,015)	(1,391)	(2,680)
Purchases of treasury shares	-	-	(2,463)	(1,732)
Drawdown of trust receipts	92,184	25,603	153,048	41,370
Repayment of trust receipts	(105,527)	(41,370)	(186,352)	(41,370)
Dividend payment	(20,621)	(13,862)	(105,943)	(13,862)
Distributions to non-controlling interests	-	(436)	-	(538)
<b>Net cash used in financing activities</b>	<b>(83,069)</b>	<b>(135,308)</b>	<b>(393,535)</b>	<b>(209,115)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>16,945</b>	<b>(5,147)</b>	<b>6,561</b>	<b>(3,300)</b>
Cash and cash equivalents at beginning of the financial period	83,141	51,922	93,525	50,075
<b>Cash and cash equivalents at end of the financial period</b>	<b>100,086</b>	<b>46,775</b>	<b>100,086</b>	<b>46,775</b>

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	30 September 2020 US\$'000	30 September 2019 US\$'000
Cash and cash equivalents per consolidated balance sheet	112,800	48,154
Less: Margin account held with broker	(12,714)	(1,379)
<b>Cash and cash equivalents per consolidated statement of cash flows</b>	<b>100,086</b>	<b>46,775</b>