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BW LPG

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Speakers

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Prepared Remarks

Aline Anliker
Head of Corporate Communications | BW LPG

Hello everyone, a warm welcome to BW LPG's Q3 2025 earnings presentation. My name is Aline Anliker, and I'm the Head of Corporate Communications at BW LPG. Today's presentation will be given by our CEO, Kristian Sørensen, and our CFO, Samantha Xu. After the presentation, we will have a Q&A session. The questions can be put into the Q&A chat during the presentation, or you can raise your hand and ask your question directly once we move to the Q&A part. Before we begin, I would like to highlight the legal disclaimers displayed on the current slide. Please also note that today's call is being recorded. Without further ado, I would now like to hand over to our CEO, Kristian.

Kristian Sørensen
CEO and Head of Commercial | BW LPG

Thanks, Aline, and hi everyone. Great to have you with us today as we review our third quarter financial results and the recent developments. Let's turn to slide four, please. Q3 was marked by a series of geopolitical events and market disruptions that significantly increased uncertainty in the shipping segment and heightened volatility in the trading environment. After minority interests, the Q3 profit was $57 million, equivalent to an earnings per share of $0.38. The board of directors has declared a dividend of $0.40 per share, representing 75% of our shipping NPAT, in accordance with the dividend policy. For the third quarter, we reported a TCE income of $51,300 per available day and $48,700 per calendar day, slightly below our guidance of $53,000 per day.

Kristian Sørensen
CEO and Head of Commercial | BW LPG

The difference was driven by limited fixing activity despite high headline rates in the second half of the quarter, in addition to a negative IFRS adjustment of approximately $7 million. Moving on to our trading operations, Product Services reported a gross loss of $23 million and a loss after tax of $29 million for the quarter. The accounting loss was due to a negative mark-to-market valuation adjustment driven by a surprisingly low October contract price announced by the Middle Eastern producers. More about that on slide seven when we review the market events for the quarter. With regards to Product Services accounting loss, we want to emphasize that it's the realized results which generate Product Services dividend capacity. Despite volatile market conditions, the portfolio remains firmly net positive.

Kristian Sørensen
CEO and Head of Commercial | BW LPG

We are pleased to report a continued strong realization of $15 million from our trading activities in Q3, bringing our aggregated realized result as of the 30th of September to $54 million. Further, regarding our shipping activities, we have continued our busy 2025 dry docking program with 168 off-hire days in the third quarter. We expect a total of 121 days to be off-hire due to dry docking in the fourth quarter. Looking into next year, 13 more vessels are scheduled for dry docking. For Q4, we're guiding on about $47,000 per day fixed for 91% of our available days. These are solid levels above our all-in cash break-even of $24,600 per day, but reflecting the slow market from September well into October, which impacts the TCE guiding for Q4.

Kristian Sørensen
CEO and Head of Commercial | BW LPG

In other subsequent events, we have, as part of our refinancing, terminated two ship financing facilities, which Samantha will talk more about later in the presentation. Next slide, please. Despite the recent turmoil, the VLGC market is characterized by solid fundamentals. The growth in U.S. LPG export volumes is set to continue with expected growth rates in the mid-high single digits, driven by an increase in gaseous drilling wells and ongoing terminal expansions. In the Middle East, stable OPEC+ production, along with new gas projects, is expected to support the Middle East LPG exports going forward. Following the de-escalation of trade tensions between the U.S. and China, it's reasonable to expect some unwinding of the inefficiencies in the global fleet, as trading restrictions on U.S. and China-linked vessels are now lifted. At the same time, the fundamentals for the LPG shipping market remain supportive.

Kristian Sørensen
CEO and Head of Commercial | BW LPG

In addition to the mentioned increase in export volumes, which underpins the U.S.-Asia trade, ton-mile demand will likely see further support from the recent term deal signed by India to buy 2 million tons of U.S. LPG. This is compared to 75,000 tons of the total Indian imports sourced from the U.S. back in 2024. Last quarter, we talked about the impact from the Panama Canal congestion, and more container vessels have been using the Panama Canal this year, diverting VLGCs around the Cape of Good Hope. In the coming years, higher traffic from container vessels, VLGCs, and VLECs will likely push a growing portion of VLGCs out of the canal as the canal capacity is fixed. Looking at the global fleet, the fleet growth is currently at a low level, with 413 ships currently in service and one more to be delivered in 2025.

Kristian Sørensen
CEO and Head of Commercial | BW LPG

Taking a look at the paper market and how it's pricing the future, it's currently pricing the rest of the Ras Tanura-Chiba leg for 2026 slightly above $45,000 per day, although with limited liquidity. Next slide, please. The last few months have been nothing, if not eventful, for LPG shipping and its commodity markets. Let's catch up on the key developments. In August, USTR regulations targeting Chinese-controlled and operated vessels, calling at U.S. ports, started to make an impact. This created a two-tier market as China-linked VLGCs repositioned to the Middle East, where they could operate without triggering high port fees. China retaliated in October, announcing similarly high port fees for vessels owned 25% or more by U.S. entities, further complicating sailing patterns for VLGCs.

Kristian Sørensen
CEO and Head of Commercial | BW LPG

During this period, it was very limited fixing activity, despite the solid headline rates, as numerous ships were repositioning and effectively disappeared from the market for a preliminary period of time. In late September, Saudi Aramco announced a sharp price cut for the October monthly price for Middle Eastern LPG. This instantly caused propane prices in the Far East to adjust down accordingly, which narrowed the price difference between the U.S. and the delivered price for LPG in Asia. As the spot shipping market out of the US dried up, something had to give. Eventually, both VLGC spot rates and terminal fees came down, kickstarting the spot market activity as they widened again as we moved into November.

Kristian Sørensen
CEO and Head of Commercial | BW LPG

However, the slow market we saw from September well into second half of October has had a material impact on our TCE guidance for the fourth quarter, as waiting time, positioning costs, and the period from a fixture is done until the freight invoice is issued have an accounting delay of several months. September to October proved to be a tricky market to navigate, but the supply-driven LPG market eventually demonstrated its resilience. With LPG priced to clear and its ability to always find a home as a byproduct, we observed prices gradually rebalancing over a few weeks, activity picking up, and freight rates improving. With the Far East being the key destination for LPG, let's move on to the recent developments in the Asian import markets shaping the trade dynamics.

Kristian Sørensen
CEO and Head of Commercial | BW LPG

On this slide, we can see the profound impact the trade tensions between China and the U.S. have had this year. The total Far East LPG imports on VLGCs are more or less at the same level during the first nine months this year compared to the same period in 2023. In fact, Chinese imports declined slightly, but that was largely offset by higher Japanese imports in the same period. We've also seen that China sourced considerably more of its LPG from the Middle East so far this year, as trade tensions between China and the U.S. caused both vessels and volumes to be diverted elsewhere. India and Southeast Asia increased their imports in the first nine months. Historically, these markets have largely relied on LPG volumes from the Middle East.

Kristian Sørensen
CEO and Head of Commercial | BW LPG

This year, however, North American volumes have replaced a significant part of the Middle East cargoes, accounting for a larger share of imports. Market participants interpret the Saudi contract price reduction as a direct response to the increased competition Middle Eastern producers have faced from U.S. exports, as well as the Indian importers' recent purchase tenders for U.S. LPG. The Indian state-owned energy companies will buy 2 million tons of LPG from the U.S., and this does not only raise the ton-mile for volumes going into India, but it will most likely push some Middle East volumes to be shipped further east in Asia. Imports into these regions are still small compared to the Far East, but they are attractive off-takers nonetheless, and showing how LPG finds new markets when it's competitively priced.

Kristian Sørensen
CEO and Head of Commercial | BW LPG

Now, having looked at the Asian import trends so far this year, let's turn to what we can expect for exports going forward. LPG exports are expected to continue growing from both main exporting regions, North America and the Middle East. In North America, this growth is being facilitated by additional export expansions coming on stream in the coming years, as well as Permian oil production becoming increasingly gaseous, as shown here in an excerpt from Targa Resources' August investor presentation. LPG volumes from the large US natural gas fields will also contribute, although these are drier than the Permian crude oil wells. For the Middle East, stable OPEC+ oil production, combined with new projects in Saudi Arabia, Qatar, and the UAE, are expected to support growth for several years. The VLGC market is not only affected by volumes.

Kristian Sørensen
CEO and Head of Commercial | BW LPG

Trade patterns also play a vital role with inefficiencies such as congestion in the Panama Canal having a significant impact on the rate environment. Last year, in 2024, the Panama Canal was less congested, and its influence on the VLGC market was far lower than during the drought year of 2023. This year, the relevance of the Panama Canal to our market has returned, as already limited slot availability has been further constrained during periods of elevated container traffic. The new canal locks, where most of the VLGC transits, have a daily average capacity of 10 transits in total for both directions. The limited capacity is very sensitive to one or two more ships from higher-paying shipping segments competing for the transits.

Kristian Sørensen
CEO and Head of Commercial | BW LPG

This, in turn, caused increased volatility in transit auctions and diverted more VLGCs to the much longer sailing distance around Cape of Good Hope to and from the U.S. and Asia. Looking ahead, incremental growth from container volumes, fleet growth from ethane carriers, and expanding VLGC fleet is likely to keep canal utilization high and, in turn, divert VLGCs around Cape of Good Hope. LNG carriers, they also absorb canal capacity in the future, although they are less apparent in today's Panama Canal traffic. Looking at the current fleet and order book, there are no major changes compared to the previous quarter. The current fleet of VLGCs now stands at 413 vessels, as 11 ships have been delivered so far this year, with one more to be delivered in 2025. The order book now consists of 108 VLGCs, with deliveries stretching into last quarter of 2028. While we expect a more staggered pace of new building deliveries next year, we also highlight that 10% of the fleet is now more than 25 years old. By that, over to you, Samantha.

Samantha Xu
CFO | BW LPG

Thank you, Kristian. Hello, everyone. It's great to be here with you today. Let's take a closer look at our performance in this quarter. Start with our shipping performance. In the third quarter of 2025, we deliver a TCE of $48,700 per calendar day, or $51,300 per available day, with fleet utilization at 92% after deducting technical off-hire and waiting time. This healthy result, achieving a market full of uncertainties, is a strong testament to our commercial strategy.

Samantha Xu
CFO | BW LPG

If we have not consistently secured time charters and FFAs during active and strong markets, we will not have been able to provide stability and support when the spot market came under pressure this quarter. In Q3, the time charter portfolio was 44% of the total shipping exposure, with 34% on fixed-rate time charters. Looking ahead for Q4 2025, we have fixed 91% of the available fleet dates at an average rate of about $47,000 per day. For full year 2026, we have secured 35% of our portfolio with fixed-rate time charters and FFA hedges at $43,600 and $47,500 per day, respectively. Altogether, our time charter out portfolio is expected to generate around $182 million. Although the level of rates appear to be slightly lower than 2025, it continues to represent a very healthy level of earnings against our cash break-even of low $20,000.

Samantha Xu
CFO | BW LPG

Next slide, please. Turning now to product services. The business posted a realized gain of $15 million for Q3, reflecting effective risk management despite the turbulent market conditions that we experienced. At the quarter end, we reported a $32 million decrease in mark-to-market on our cargo position, alongside a $6 million reduction in paper position. After accounting for other expenses, mainly G&A costs, product services reported a net loss after tax of $29 million for the quarter, with net asset value sitting at $30 million at quarter end. As we highlighted in previous quarters, these mark-to-market valuation movements are largely driven by the gradual phasing in of our multiple-year term contract, as reflected in a volatile market.

Samantha Xu
CFO | BW LPG

While the periodic period value adjustments are significant, they reflect the delta between the balance sheet dates and will see fluctuations before the positions are realized. In the case of a favorable market condition, the mark-to-markets will recover in the form of positive adjustments. It is also important to know that trading gains and losses are realized across different financial periods. They cannot be extrapolated from past performance, as unrealized positions will vary depending on end period valuations. The realized trading profit, though, will add to the company's dividend potential and be considered for dividend distribution post year-end. Our trading model is designed to create value by combining cargo, paper, and shipping positions. With that in mind, we'd like to remind you that the reported net asset value does not include an unrealized physical shipping position of $35 million based on our internal valuation.

Samantha Xu
CFO | BW LPG

In Q3, our average VAR value at risk was $5 million, reflecting a well-balanced trading book including cargoes, shipping, and derivatives, even after accounting for the increased term contract volume that is scheduled to start end 2026. Next slide, please. Going on to our financial highlights. We reported a net profit after tax of $57 million, including a profit of $11 million from BW LPG India and $29 million loss from Product Services. Profit attributable to equity holders of the company was $57 million for the quarter, which translates to an earnings per share of $0.38 per share and an annualized earning yield of 11% when compared against our share price at the end of September. We reported a net leverage ratio of 29.7% in Q3, down from 32.7% at the end of 2024.

Samantha Xu
CFO | BW LPG

The reduction was mainly due to lower lease liability following the exercise of purchase options for BW Kisuku and BW Yushi. For Q3, the board declared a dividend of $0.40 per share, representing a 75% payout of our shipping profits for the quarter, in line with our dividend policy. For the period end, our balance sheet reported a shareholder equity of $1.9 billion. The annual realized return on equity and return on capital employed for Q3 were 12% and 9%, respectively. On operating cost, our Q3 OpEx was $9,300 per day. For full year 2025, we estimated operating cash break-even for our own fleet to be $19,400 per day and for the total fleet, including time charter in vessels, at $21,300 per day.

Samantha Xu
CFO | BW LPG

This is an improvement compared to 2004's break-even of $22,200, thanks to disciplined financing, fewer TCE vessels, and lower G&A, which offset high operating expenses. Including the dry dock program, all-in cash break-even is expected to be $24,600 per day. Finally, let's look at our financing structure and repayment profile. As of end Q3, we maintain a robust liquidity position of $855 million, comprising $276 million in cash and $579 million in ongoing revolving credit facilities. Post Q3, we further optimized funding costs by voluntarily canceling two ship financing facilities, leading to repayment of $36 million and a reduction of $216 million in ongoing revolver facilities. With this disciplined approach, we expect liquidity to remain strong, providing a solid foundation for the future. Our repayment profile remains sustainable, with major repayments only beginning after 2029.

Samantha Xu
CFO | BW LPG

On Product Services, trade finance utilization stood at $153 million, or 19% of our available credit line, leaving ample headroom for future trading needs. With that, I would like to conclude my updates. Thank you for listening, and back to you, Aline.

Q&A

Aline Anliker
Head of Corporate Communications | BW LPG

Thank you, Samantha, and thank you, Kristian. We would now like to open the call for your questions. Please, you can type your questions in the Q&A channel, or you can now also click the raise hand button and ask your question verbally. Please note that participants have been automatically muted, so please press unmute before speaking. We will start with the verbal questions first, before afterwards moving on to the chat. I see that Peter Haugen has raised his hand, so please, Peter, unmute yourself.

Aline Anliker
Head of Corporate Communications | BW LPG

Yes. Good afternoon.

Aline Anliker
Head of Corporate Communications | BW LPG

Hi. Yes.

Aline Anliker
Head of Corporate Communications | BW LPG

Very good. I'll start out with a question regarding the 2026 coverage. You've increased that quite a bit now in the last quarter. I was, well, twofold then. What would you think now is the targeted TC coverage for 2026 and the second part, also 2027?

Kristian Sørensen
CEO and Head of Commercial | BW LPG

Hi, Peter. Thanks for the question. We have previously been quite open about our aim to have about 40% of our fleet capacity locked in on period charters and/or FFAs, just as a tool for protecting the downside. If we are able to obtain what we believe is attractive rates for time charters over the duration of three, four, or five years, you may see us add to the reported coverage that we have in this quarter. As mentioned before, around 40% is what we are aiming at, given that we can obtain the levels that we find attractive. Okay.

Kristian Sørensen
CEO and Head of Commercial | BW LPG

That also then applies to 2027, 2028 as we just go along. 40% is then to be thought of as a coverage you will have coming into that year so that you're not seeking now in the last quarter or last month of this year to increase it to 40% any further than 2026. No. You know this is a gradual and ongoing renewal of current contracts. That is why we also report on this quite granularly on a quarterly basis, because it may vary from quarter to quarter depending on how we can renew vessels which are coming off time charters as well. It is something we do not fix all the ships at the same time. This is something which is an ongoing concern in the company.

Kristian Sørensen
CEO and Head of Commercial | BW LPG

Understood. Thank you. The second question from my side. In terms of prices here, according to, we look at the Clarksons quotes for both the new builds and the five-year-old ships. The second-hand five-year-old ships seems to be trending upwards again over the past few months. Clarksons now puts it at $90 million for a five-year-old VLGC, while the new building price is, more difficult to assess, I would say, because it really depends on what sort of specifications you ask for, I suppose, in terms of ammonia readiness and alternative propulsions. I would very much, I will find it very interesting if we can have some, ideally, price points that you would think is transactable in the market now, both for, say, an ammonia-ready new building and also a five-year-old VLGC, please.

Kristian Sørensen
CEO and Head of Commercial | BW LPG

I think we on slide 11 are assessing the new building price to approximately $116 million for a dual fuel. And then when it comes to a five-year-old, $90 million, yes, that's a number we also see. But it's a limited liquidity on five-year-old vessels in the market. Where you do see still quite good buying interest is for the vessels which are built prior to 2010, and also some interest for the 10-year-olds. I am, and as we have reported recently, we have just, or recently concluded the sale of the BW Lord, which is set to be delivered by the end of this year. This was, as you may know, it starts with a six for a vessel of that vintage.

Kristian Sørensen
CEO and Head of Commercial | BW LPG

Understood. Okay. Thank you, Kristian. I'll turn it over.

Aline Anliker
Head of Corporate Communications | BW LPG

Thank you, Peter. We have up next Kevin Whelan. If you can please unmute yourself.

Aline Anliker
Head of Corporate Communications | BW LPG

Yes. Thank you. Two questions. Can you comment on any of the Avance Gas fleet acquisition and its contribution to the current quarterly profit? I have a second question after that.

Kristian Sørensen
CEO and Head of Commercial | BW LPG

Yeah. I mean, the number of days, what you're thinking about is the additional number of days that are reported in the fleet compared to last year before the acquisition. Is that what you think about a year ago?

Kristian Sørensen
CEO and Head of Commercial | BW LPG

Yeah. I'm assuming that that's from the Avance Gas acquisition. Yes.

Kristian Sørensen
CEO and Head of Commercial | BW LPG

Yeah. We acquired 12 vessels. I don't have the exact number of days that we reported the difference from a year ago. Let us come back to you on that, if that's okay. It is 12 ships from the beginning of this year phased into the fleet. You can calculate the number of days from there. We can also get back to you on the exact number of days that we calculate internally on this.

Kristian Sørensen
CEO and Head of Commercial | BW LPG

Yeah. I guess that part of my question gets at, I think a lot of the Avance Gas ships had longer-term time charter commitments. Whether that is increasing the average rate that we're realizing, and as those roll over, whether there would be greater risk. That will be balanced out when you get into the new time charters for 2026 and 2027. It is all good in terms of shareholder return. I was just curious the contribution there. The second question is, given some of the potential thawing of the Ukraine-Russian situation, do you see any specific risk from the dark fleet of Russian ships that appear to be more idled rather than transporting gas as something dilutive to time charter pricing going forward into the second half of 2026, 2027?

Kristian Sørensen
CEO and Head of Commercial | BW LPG

Okay. Thanks. I understand where you're coming from. From the 12 ships that we acquired from Avance Gas, only two vessels were on short-term time charter, actually. Ten ships were trading spot. It's only the Avance Polaris, which is still on time charter to a certain French energy company. The impact on our time charter coverage from the Avance transaction was actually minimal. It was more spot trading fleet than time charter or a fleet with time charter coverage.

Kristian Sørensen
CEO and Head of Commercial | BW LPG

At the moment, there's only one ship left trading on time charters from that fleet. To your question on the dark fleet, the impact of the Russian LPG exports is you can basically disregard it because it's only smaller vessels historically which have traded from the Baltics down to the European continent, or smaller vessel sizes which have been affected. For us in the VLGC segment, the Russian LPG exports have not been part of our market. This is not going to impact the VLGC market as such, if that was a clear answer.

Kristian Sørensen
CEO and Head of Commercial | BW LPG

Yes. Thank you very much. Appreciate it.

Kristian Sørensen
CEO and Head of Commercial | BW LPG

Thank you.

Aline Anliker
Head of Corporate Communications | BW LPG

Thank you. We have also Clement Chabarne, who raised his hand.

Aline Anliker
Head of Corporate Communications | BW LPG

Hi. Good afternoon, and thank you for taking my questions. Samantha, you mentioned that the board may consider the distribution of the realized gains on the product services division post-year-end. Would that include the whole realized gains year-to-date plus the Q4 performance? And secondly, I mean, this is obviously not set in stone, but is it fair to expect the payout of around 75% of that amount?

Samantha Xu
CFO | BW LPG

Hi, Clement. Good to hear your voice. As you know very well already, the dividend distribution is very much the board's discretion. I can only comment also on it historically that we have benefited greatly from product services' positive realized profit. You can benchmark or maybe go back to our Q4 2024 similar earnings and dividend distribution. I would only say that I think product services will continue to contribute greatly to our dividend potential. If you look at year-to-date, product services has already achieved $53 million realized trading profit. Yeah. I hope that answers some part of your question, at least.

Samantha Xu
CFO | BW LPG

Yeah, it does. Definitely helpful. You have not added any further time chartering exposure in recent months. Would you talk a bit about your view on long-term time charter rates at the current time? Secondly, should we expect the NDAGV to grow further over the coming quarters?

Kristian Sørensen
CEO and Head of Commercial | BW LPG

I guess you're referring to the time charter in fleet, right? That's what you are?

Kristian Sørensen
CEO and Head of Commercial | BW LPG

Yeah, exactly.

Kristian Sørensen
CEO and Head of Commercial | BW LPG

Now we are, I would say, as we also can see from the presentation, gradually reducing the time charter in fleet. If we see opportunities which we find attractive in the future, of course, then we will increase that time charter in fleet again. We do not have a plan to drastically increase it at the moment. If we see attractive opportunities to TC in vessels, we are always in the market for that. To your question on the India JV, I mentioned that we are delivering the BW Lord to the new owners before the end of the year. It depends a little bit on the opportunities we see out there on time charters too, whether we want to drop further vessels from the conventional fleet to the Indian JV. That is something we may consider in the new year. Nothing has been decided on.

Kristian Sørensen
CEO and Head of Commercial | BW LPG

Sounds good. I'll turn it over. Thank you for taking my questions.

Aline Anliker
Head of Corporate Communications | BW LPG

Thank you. As I see no more raised hands right now, let's move on to some questions in the chat. We have one on the spot bookings for Q4. How would you compare your spot bookings for Q4 versus the Baltic benchmark?

Kristian Sørensen
CEO and Head of Commercial | BW LPG

Thanks, Kristi. I presume that because you have seen the guidance of $47,000 a day for Q4 that you have reported. I assume that you are thinking of the vessels we are fixing now compared to the current Baltic level. I would say that it is closer, definitely closer to the Baltic index. The waiting time and the repositioning cost and what I described in the presentation is not at the same level as we saw back in September, October. It is closer to the reference index. There is always some waiting time, repositioning costs, and so on, which will occur compared to the purely technical Baltic index that we are referring to. You are also asking, how are the bookings for Q1 shaping up at the moment? It is a bit too early.

Kristian Sørensen
CEO and Head of Commercial | BW LPG

When we fix vessels in today's market, we are looking at the last decade of December, some very, very early January fixtures at the moment. I think, like I said, it's more reflective of the index than what we saw back in September, October.

Aline Anliker
Head of Corporate Communications | BW LPG

Thank you, Kristian. We have another question in the chat from Arne. Can you provide some color on the increase in average daily OpEx per vessel and G&E?

Samantha Xu
CFO | BW LPG

Yeah. Thanks, Arne. I think you're referring to the increase of OpEx as reported for year-to-date $9,300 versus last year. As you know, we have taken over the Avance Gas vessels since the end of last year. During the course of this year, the focus has been optimizing the performance of this fleet, part of it also including changing some of the ship managers that we took over from Avance Gas. As that happened, we have incurred some sort of a change cost for the ship management change. Also, there is some increase from the crew perspective. The increase of OpEx is well-managed from the overall cost perspective as we optimize the G&A as well as the financing cost. As for the increase of G&A, I believe you are referring to the reflection of some of our accruals as reflected of G&A. From a G&A perspective, the accrual of bonus is also a reflection of our Product Services' realized result. That is probably why you see a little bit of an increase as the realized trading profit increases as well.

Aline Anliker
Head of Corporate Communications | BW LPG

Thank you, Samantha. I see another raised hand from Axel Styrman. If you please unmute yourself.

Aline Anliker
Head of Corporate Communications | BW LPG

Thanks. Question to Kristian. On the import side, we see China actually has decreased imports so far this year, only slightly. Do you think this relates to lack of sufficient volumes from the Middle East compensating for the switch out from the U.S. market relating to the trade war port fees on Chinese ships, etc.? Do you think it reflects a new trend of a weaker development regarding the demand from China?

Kristian Sørensen
CEO and Head of Commercial | BW LPG

I think you are pointing to something which is a fact that the U.S. exports is very much a propane-heavy export, while the Middle Eastern production export is much more 50/50 butane and propane. The Chinese importers are predominantly importing propane. I think you have a point that the reduction in the Chinese imports is partly also because they simply can't get enough propane from the Middle East or other sources to replace the U.S.-sourced propane. If that answered your question.

Kristian Sørensen
CEO and Head of Commercial | BW LPG

Yeah. Just to follow up there, do you see any increased activity from China in the U.S. market now after truce?

Kristian Sørensen
CEO and Head of Commercial | BW LPG

Yes. Definitely increased activity, but it's still not back at the same level as we had last year, for instance. It takes a bit of time to recover the trading activity, it seems. There is still a 10% tariff on the Chinese side on the U.S.-sourced LPG. So far, that's being absorbed by the market participants. The trade, it doesn't really disrupt the trade as such. Let's say it's a more hesitant, let's say, trade relationship than what it was last year.

Kristian Sørensen
CEO and Head of Commercial | BW LPG

Thank you. No more questions from me.

Kristian Sørensen
CEO and Head of Commercial | BW LPG

Thank you. Are there any more questions from the audience, either verbally or via chat? Right now, I can't see any. I'll give it a few more seconds if someone has any last questions. All right.

Kristian Sørensen
CEO and Head of Commercial | BW LPG

If not, we would like to thank you very much for joining today's call. This would conclude our Q3 2025 earnings presentation. The call transcript and recording will be available on our website shortly. Thank you so much for dialing in, and we wish you a very good rest of your day. Thank you.