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BW LPG

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QUARTR



Speakers

 Aline Anliker Head of Corporate Communications BW LPG	 Clement Mullins Research Analyst Value Investors Edge
 Kristian Sørensen CEO BW LPG	 Samantha Xu CFO BW LPG
 Analyst	 Analyst
 Analyst	 Analyst
 Analyst	 Analyst

Prepared Remarks


Aline Anliker

Head of Corporate Communications | BW LPG

Hello everyone. A warm welcome to BW LPG's Q4 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 already, 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 | BW LPG

Thank you, Aline, and hi everyone. Thanks for calling in as we review our fourth quarter financial results and the recent developments, including the Middle East situation, which dramatically escalated last weekend. Let's turn to slide 4, please. Highlights. The beginning of Q4 was marked by lower tension in the US-China relationship as the reciprocal port tariffs were lifted and postponed until November this year. In addition, there was a significant build in US propane inventories well above trend levels, driven by strong US production. Over the winter, there were no major disruptions from the usual cold weather, cold season weather, supporting a wide arbitrage throughout the fourth quarter and into 2026. Moving on to the Q4 results.


Kristian Sørensen

CEO | BW LPG

We reported a TCE income of \$50,300 per available day and \$48,100 per calendar day, above our guidance of \$47,000 per day for the quarter. The Q4 profit after minority interest was \$104 million, equivalent to an EPS of \$0.69. Our trading branch, BW Product Services, reported a gross profit of \$27 million and a profit after tax of \$23 million for the quarter. We are pleased to report a strong realization of \$12 million from our trading activities in Q4, bringing the full year 2025 realized trading results to \$66 million. For Q1 2026, we're guiding on about \$54,000 per day fixed for 94% of our available days. Solid levels above our all-in cash break-even of \$23,400 per day.


Kristian Sørensen

CEO | BW LPG

It is reflecting the time charter coverage in the first quarter of 42% of our available days at \$44,200 per day. Please see the appendix in this presentation for the full breakdown of the time charter days and levels. The board of directors has declared a dividend of \$0.57 per share, representing 100% of our shipping NPAT, exceeding the guidance set by the dividend policy. Looking further on our shipping activities, we are continuing our active drydocking program in 2026, with 13 vessels scheduled for drydocking. The majority of these are planned during Q1 with a total of 193 off-hire days expected during the first quarter due to drydocking.


Kristian Sørensen

CEO | BW LPG

Given the dramatic escalation in the Middle East over the last couple of days, our first priority is to ensure the safety of our colleagues and crew in the region at the same time as we protect and optimize the overall interests of the company. We have three ships from our Indian-flagged fleet in the Arabian Gulf, two on time charter to Indian charters and one vessel in drydock. So far, there have been minimal negative financial impacts, only pertaining to the vessel in drydock, where the nighttime work is suspended. The two vessels on time charter are on hire in accordance with the respective time charter parties. In addition, we have other vessels on time charter idling outside the Arabian Gulf, assessing the evolving safety and security situation in the Strait of Hormuz.


Kristian Sørensen

CEO | BW LPG

Our next open spot vessel for AJ loading could be available last decade of March unless we decide to ballast them to the US Gulf, of course, depending on how the security situation and market develops. Like we have experienced in previous rounds of increased tension in the Middle East, the market response is to secure cargoes and ships from alternative loading regions, and mainly from the US Gulf. We fixed one vessel yesterday at around \$80,000 per day for mid-March loading, while other fixings in the market are reported around the same level for first half April loading in Houston.


Kristian Sørensen

CEO | BW LPG

Further, in other subsequent events from the quarter, we recently announced that in January, we secured 3-year time charter out contracts for two VLGCs, the BW Tucana and the BW Yushi, increasing our full year 2026 fixed rate time charter out coverage to 36% at an average of \$43,700 per day. Let's move to the next slide, please. Although the main attention right now is on the impact from the Middle East war, we believe it's worthwhile to remind ourselves of the market fundamentals as the fourth quarter of 2025 and the start of 2026 positively surprised the VLGC market. By the end of 2025, the U.S. propane inventories were well above the trend level at 100 million barrels, which is compared to 85 million barrels at the end of 2024.


Kristian Sørensen

CEO | BW LPG

This was driven by strong production levels and supported the U.S. export volumes, while domestic consumption remained steady at around 50 million tons per year. As we enter the inventory draw season, U.S. propane inventories declined somewhat but remained well above the levels typically expected at this time of the year. The high inventory levels have contributed to continued downward pressure on U.S. LPG prices and have, together with healthy demand in the Far East, supported the wide arbitrage as reflected in the U.S. Far East price differential. If you look at the graph on the right-hand side, we can see the relationship between the arbitrage and the VLGC spot rates. A wide arbitrage usually allows for higher willingness to pay for shipping, something that has been the case in recent months.


Kristian Sørensen

CEO | BW LPG

In addition to commercial drivers, such as the U.S. Far East arbitrage, other geopolitical events and infrastructure expansions have also contributed to a strong market in recent months. Late October, for instance, the U.S. and China agreed to a trade truce, paving the way for a revived U.S.-China LPG trade. Further into January this year, we also seen the Nederland Terminal in the U.S. Gulf increasing its number of VLGC loadings after commissioning the terminal expansion in 2025. Lastly, before the armed conflict commenced on Saturday in the Middle East, the increased tension in the region led to market participants fixing vessels further out in time than what they normally would have. This was creating a shortage of available vessels and ultimately pushing up spot rates.


Kristian Sørensen

CEO | BW LPG

In addition to the factors we discussed on this page pertaining the exports of LPG, it's also important to look at how the developments in the Asian import markets are shaping the LPG trade dynamics under normal market circumstances. Next slide, please. On this slide, we can see how trade flows responded to several major disruptions during 2025, with trade tensions between the U.S. and China being among the most significant during the year. Chinese imports on VLGCs from North America and the Middle East fell by 3% in 2025 compared to the year before. This number is, however, heavily impacted by a few months during 2025, where the trade tensions were at the highest and imports from the U.S. were much lower than normal. Towards the end of last year, China had also lower imports than usual.


Kristian Sørensen

CEO | BW LPG

This, however, coincided with Chinese LPG inventories declining. For the beginning of 2026, Chinese LPG imports are again on the rise, the ongoing Middle East conflict is likely to support more cargoes from the U.S. ending up in China as the Middle East supply is disrupted. As we have highlighted before, incremental LPG production is priced to clear in the international markets. With the U.S.-China trade war as a backdrop, this produced some interesting trade flows in 2025. For instance, as LPG volumes into the Far East declined 2% year-over-year, India saw its imports growing by 10% during the same period, driven by higher cargo flows from the U.S., increasing the ton-mile compared to the traditional sourcing of LPG from the Middle East.


Kristian Sørensen

CEO | BW LPG

India is a market of growing importance for LPG, with about 10% equaling 2 million tons of Indian LPG imports contracted from the US for 2026. We also see Indian government subsidies continue supporting retail demand, and new pipeline infrastructure is expected to further improve inland distribution. Another region that saw an increase in import volumes from North America in 2025 was Southeast Asia. This region has historically imported most of its LPG from the Middle East. However, with the trade war shifting more of the Middle East volumes to the Far East, increased volumes from North America found its way to Southeast Asia last year. As long as the Middle East tension is halting LPG exports from the region, we anticipate more US volumes flowing to the markets east of Suez, which is supportive for freight in the short term.


Kristian Sørensen

CEO | BW LPG

Over the longer term, however, vessels that have traditionally loaded in the Middle East are likely to seek cargoes from the US, which could place downward pressure on the rate structure for US loading VLGCs. Next slide, please. If you're looking at the two main regions for LPG exports, North America and the Middle East, we will continue seeing export growth in the years ahead, assuming the Middle East situation returns to normal. In the Middle East, the exports from Saudi Arabia and Qatar are disrupted, with duration of these disruptions remaining uncertain at this point in time. Secondly, the raging Middle East war has halted all ships passing in and out of the Arabian Gulf, which would have a dramatic impact on the Middle East exports short term.


Kristian Sørensen

CEO | BW LPG

It remains to be seen how long the large energy markets in Asia can accept their supply of hydrocarbons being choked. The U.S. exporters probably have some slack and room for optimization as we move into April, but we have limited visibility at the moment. Anyhow, it's obviously not enough to replace the shortfall of volumes from the Middle East in the medium term. If we look through the current fluid and dramatic situation, Saudi Aramco has now started oil production from the Jafurah field, with gas output expected towards the end of this year. Furthermore, the first phase of Qatar's North Field expansions is expected to come online in Q4. In the U.S., the Permian crude oil production continues to yield more NGLs per barrel of oil produced. In addition to this, more LPG export infrastructure is coming online, enabling continued growth in exports.


Kristian Sørensen

CEO | BW LPG

In sum, we expect the larger North American region to grow its exports in the mid-single digits over the coming years, while Middle East LPG exports are expected to grow in the high single digits. Next slide, please. Let's take a look at the Panama Canal, which continues to play an important role for the VLGC market. Throughout 2025, the canal's Neopanamax locks frequently saw utilization close to its max capacity, often driven by increased transits from container vessels. This fueled volatility in transit fees and waiting time, which in turn continues to divert VLGCs around South Africa in order to timely reach their destinations. The Middle East situation may increase the traffic in the Panama Canal in the short term as market participants rush to secure cargo and shipping capacity from the U.S.


Kristian Sørensen

CEO | BW LPG

While in the coming years, we expect usage of the Panama Canal to remain high. An important driver for this is growth in several shipping segments that, to a large extent, are being built for increased exports out of the U.S. This includes VLGCs, of course, but also very large ethane carriers and LNG vessels. It's important to highlight that not all VLGCs and LNG carriers will service the U.S. exports exclusively, will also be shipping volumes out of the Middle East and other places, and some volumes out of the U.S. will not be sailing through Panama. Regardless, considering the limited capacity of the canal to handle additional transits, we will likely continue to see VLGCs sailing around South Africa in the foreseeable future. Let's take a look at the current fleet and the order book.


Kristian Sørensen

CEO | BW LPG

We can see that the fleet has grown in the last 3 months and now stands at 421 VLGCs on the water. The order book is currently at 105 VLGCs under construction, with delivery stretching all the way to the end of 2028. We've seen some new orders for newbuildings this year, but the contracting remains modest compared to the levels seen in the recent years. While we expect more newbuildings to be delivered going forward, it's also worthwhile to keep in mind that 10% of the fleet is older than 25 years of age. To sum up, the underlying fundamentals of the VLGC market are robust in the medium term, but the serious situation in the Middle East is increasing the volatility and uncertainty.


Kristian Sørensen

CEO | BW LPG

The U.S. Gulf spot rates are so far benefiting from increased demand for cargoes and ships, while the long-term conflict will probably increase the number of VLGCs seeking employment in the U.S. Gulf and putting pressure on the rate sentiment. The U.S. does not have enough production and exports capacity to meet the shortfall of the Middle Eastern exports, and we'll probably see a rather serious situation unfolding in the consuming markets in Asia unless the exports of hydrocarbons from the Middle East resume rather soon. Assuming the Middle East situation normalizes, the medium-term outlook is underpinned by expanding export infrastructure in the U.S. and increasingly higher NGL content in the Permian oil production. At the same time, new gas projects are expected to support LPG exports out of the Middle East in the coming years.

**Kristian Sørensen**

CEO | BW LPG

As mentioned, the VLGC fleet is now at 421 ships. The order book is relatively large, and the inefficiencies in the VLGC market will define how the order book will be absorbed. Firstly, the Neopanamax locks in the Panama Canal are operated at or near full capacity, and growth in several shipping segments linked to increased U.S. exports will likely continue to divert VLGCs around South Africa. Secondly, the trade pattern will play a vital role in how much shipping capacity is needed, and we have seen new long-haul cargo flows from the U.S. into markets east of Suez.

**Kristian Sørensen**

CEO | BW LPG

Thirdly, if you envisage a normalization in the Middle East involving 11 million tons of Iranian LPG exports to be shipped on compliant vessels rather than the shadow fleet, which currently counts about 50 VLGCs, you will have a rather bullish outlook, pretty similar to how it would play out in the VLCC tankers market. Finally, looking at the paper market at the moment, it's pricing itself around \$85,000 per day for the Ras Tanura-Chiba benchmark leg, although the liquidity remains limited. That concludes our market segment. Over to you, Samantha.

**Samantha Xu**

CFO | BW LPG

Thank you, Kristian. Hello, everyone, and thank you for being here with us today. Start with our shipping performance. The fourth quarter of 2025 has been a quarter that we deliver above the guidance with a TCE of \$48,100 per calendar day or \$50,300 per available day. The fleet utilization was at 94% after deducting technical off-hire and waiting time. Delivering this healthy result in market full of uncertainties is a strong testament to our commercial strategy, which build on healthy time charters and FFAs concluded during active and strong markets. Such protection provides stability and support when spot markets come under pressure, as we have witnessed in this quarter. In Q4, the time charter portfolio was 44%, out of which 33% was fixed rate time charters.

**Samantha Xu**

CFO | BW LPG

Looking ahead for Q1 2026, we have fixed 94% of the available fleet days at an average rate of about \$54,000 per day. This also include index-linked time charter contracts, which could share some spot market upside when the market becomes stronger. For full year 2026, we have secured 40% of our portfolio with fixed rate time charters and FFA hedges at \$43,747.900 per day. Altogether, our time charter out portfolio is expected to generate around \$197 million. Although the level of rates appear to be slightly lower than 2025, it continues to represent a very healthy level of earnings against an all-in cash break-even of low \$20,000. Next slide, please.

**Samantha Xu**

CFO | BW LPG

In Q4, BW Product Services posted a realized gain of \$12 million, reflecting effective risk management in our turbulent market conditions that we experienced. At the quarter end, we reported a \$33 million increase in mark-to-market on our cargo position, offset by an \$18 million decrease in paper positions. After accounting for G&A cost and other expenses, BW Product Services report a net profit after tax of \$23 million for the quarter, with net asset value at \$53 million at the end of December, creating good dividend capacity. As we highlighted in previous quarters, these mark-to-market movements, which regularly gives volatility to P&L, are largely driven by the gradual phasing in of our multiyear term contract as reflected in a volatile market.

**Samantha Xu**

CFO | BW LPG

While the periodic value adjustment are significant, they reflect the delta between the balance sheet dates, and we'll see fluctuations before the positions are realized. We will continue to report our future trading performance, including mark-to-market, via our quarter end trading result updates. We are pleased to see that the analyst consensus have in general included our trading performance. It is also important to note 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 the period end valuations. The realized trading profit, though, will add to the company's dividend potential and be considered for dividend distribution post year-end, along other factors such as net profit after tax, cash flow, and other commercial considerations.

**Samantha Xu**

CFO | BW LPG

Our trading model is designed to create value by combining cargo, paper, and shipping positions. With that in mind, we would like to remind you that the reported net asset value does not include an unrealized physical shipping position of \$26 million based on our internal valuation. In Q4, our average VaR, value at risk, was \$3 million, reflecting a well-balanced trading book, including cargo, shipping, and derivatives, even after accounting for the increased term contract volume that is scheduled to start from the end 2026. Going on to our financial highlights. We reported a net profit after tax of \$123 million, including a profit of \$31 million from BW LPG India and a \$23 million profit from BW Product Services.

**Samantha Xu**

CFO | BW LPG

Profit attributable to equity holders of the company was \$104 million for the quarter, which translates to earnings per share of \$0.69 and an annualized earning yield of 21% when compared against our share price at the end of December. We reported a net leverage ratio of 28.4% in Q4, down from 32.7% at the end of 2024. The reduction was mainly due to lower lease liabilities following the exercise of a purchase option of BW Kizoku and BW Yushi and principal repayment made in the duration of full year 2025. For Q4, the boards declare a dividend of \$0.57 per share, representing a 100% payout of our shipping profit for the quarter. Beyond the 75% payout ratio of our shipping profit guided by our dividend policy.

**Samantha Xu**

CFO | BW LPG

The healthy liquidity and positive outlook of the market supported our wish to pay back to our shareholders. For the period end, our balance sheet report our shareholders' equity of \$1.9 billion. The annualized return on equity and that on capital employed for Q4 were 26% and 19% respectively. Our 2025 OPEX concluded at \$8,800 per day, a marginal reduction than reported in last year. For 2026, we expect our own fleet's operating cash break-even to be about \$18,500 and \$20,200 for the whole fleet, including time charter vessels. The all-in cash break-even is estimated to be \$23,400, driven primarily by lower lease repayments and decrease in financing cost. Next slide, please. Finally, let's look at our financing structure and repayment profile.

**Samantha Xu**

CFO | BW LPG

As of end Q4, we remained a healthy liquidity position of \$630 million, consist of \$226 million in cash and \$387 million of undrawn credit facilities. This is after voluntary cancellation of two ship financing facilities, including \$36 million repayment and \$260 million undrawn revolving facilities. This cancellation reduce our funding cost and level of cash break-even, further strengthen our financing discipline. Looking ahead, our liquidity stays strong, repayment profile remains sustainable with major repayments starts from 2030. On Product Services, trade finance utilization stood at \$182 million or 23% of available credit line, leaving ample headroom for future trading needs. With that, I would like to conclude my updates.

**Samantha Xu**

CFO | BW LPG

Thank you for listening and give it back to you, Aline.

**Aline Anliker**

Head of Corporate Communications | BW LPG

Thank you, Samantha. Thank you, Kristian. We would now like to open the call for your questions. Please, you can type your questions into the Q&A channel, or you can also click the Raise Hand button to ask your question verbally. Please note that you have been muted automatically when joining the call, please press unmute before speaking. I would like to start with the verbal questions first before then moving on to the chat. I can see already that Petter has raised his hand, please proceed, Petter.

Q&A

**Analyst**

Good afternoon. Thank you. A quick, very difficult question first then. About the Middle East unrest. In terms of the current Iranian volumes, is there any indication that Iran is still exporting LPG, or is that now come to a complete halt? Secondly, is there any convoys now planned for other exporters within the Arabian Gulf? If so, what is the war risk premium paid these days? Three simple questions there, Kristian.

**Kristian Sørensen**

CEO | BW LPG

Thanks, Petter. We don't have the full overview of the exports from Iran under the current circumstances, but there are, let's say unconfirmed reports that ships are still planned for exporting LPG and being through convoys basically, sailing to China. We don't know if this is just a market rumor or if it's actually for real and a fact. Your second question, Petter, what was that again?

**Analyst**

Yeah. Well, the first one was more about the Iranian specific questions and the second one was about the convoys, I suppose then for other sort of legitimate exporters.

**Kristian Sørensen**

CEO | BW LPG

Yeah. Yeah. There are no concrete news about convoys being established at the moment. This is something we have seen, if you look historically back to, you know, when the pirate attacks were peaking and also previous wars in the Middle East, there have been convoys with naval escort vessels established, but that is something we have no firm news about at the moment.

**Analyst**

Understood. If sort of you were to do the transit here now, is there insurance to or is it possible to get insurance on what is the war risk premiums paid these days?

**Kristian Sørensen**

CEO | BW LPG

As far as we have been informed, the, you won't get ships insured if you pass into the Arabian Gulf, through the Strait of Hormuz at the moment. This is changing from day to day, Petter, so it's hard to give an exact answer to what would be the case tomorrow. For time being, that's something which is difficult to assess. Yeah.

**Analyst**

Mm-hmm. Yeah. Effectively now, the Hormuz is actually closed for LPG vessels at least, more or less.

**Kristian Sørensen**

CEO | BW LPG

As far as we can see there are no ships from the conventional fleet shuttling in and out of the Arabian Gulf. Again, what is actually happening with the shadow fleet, which is about 50 old ships shuttling between Iran and mainly China, that is unclear to us.

**Analyst**

Understood. Understood. A quick follow-up on on the FFA rates and to what extent would you think that those rates now quoted, we see that it's pretty similar in terms of day rates out of the U.S. and out of the Middle East. In the VLCC market, we've seen some numbers which is, well, from what we hear, not particularly relevant, being very high. Now the FFA market is pricing in some \$80,000 plus. Is that also a level in which you can fix ships in the TC market these days?

**Kristian Sørensen**

CEO | BW LPG

Okay, before the weekend, there were reports about the 1-year time charter done in the mid \$50,000 per day. So far this week with the current situation, we haven't heard any discussions about any discussions. I think the situation is so fluid at the moment, so it's hard to give an assessment on that. But the last done in the market is reportedly in the mid-\$50s per day for 12 months.

**Analyst**

Okay. That's, that's helpful, Kristian. I'll turn it over. Thank you for taking my questions.

**Kristian Sørensen**

CEO | BW LPG

Yeah.

**Aline Anliker**

Head of Corporate Communications | BW LPG

Thank you, Petter. I have Clement up next. Please if you unmute yourself.

**Clement Mullins**

Research Analyst | Value Investors Edge

Hi. Good afternoon, and thank you for taking my questions. Several U.S. LPG projects have come online recently. You commented on this briefly, but at what utilization was overall U.S. LPG export infra running prior to the war? In other words, to what extent is there, let's say, spare capacity to increase volumes out of the U.S. in the short term?

**Kristian Sørensen**

CEO | BW LPG

Yeah, this is a very good question. We discussed this yesterday at the desk, actually. We believe the U.S. terminals have some slack capacity to export more volumes if they optimize the berthing, which we have seen them done before. For instance, by loading VLGCs instead of mid-size vessels. You basically have a more optimal usage of the jetties and the berth. We don't know exactly whether all the mid-size vessels can be replaced by VLGCs, most likely not. Probably the U.S. has some slack in their export volumes. It's difficult for us to assess exactly because we don't have enough visibility on the April loadings at the moment.

**Kristian Sørensen**

CEO | BW LPG

It's hard for us to say, but we anticipate some slack to be made available for VLGCs.

**Clement Mullins**

Research Analyst | Value Investors Edge

Makes sense. That's still very helpful. I'll turn it over. Thank you.

**Aline Anliker**

Head of Corporate Communications | BW LPG

Thank you. Next up would be Joy.

**Analyst**

Hi. Yeah, thanks. I have two questions. First thing is I would like to understand on the overall fleet, from what we have known until now, is there any vessel getting impacted because of the Iran situation escalation over the weekend? Looking forward, let's say two weeks, is there any vessel that is unable to detour to avoid the high-risk waters, as far as you are aware, or is there like any so-called crisis management that has been put in place for all the fleet nearby the risky waters? Yeah, this is my first question.

**Kristian Sørensen**

CEO | BW LPG

Okay. Thanks for the question. If I understand you correctly, you're asking if there are any, if ships can be diverted from loading in the Middle East. Is that your question?

**Analyst**

Yeah.

**Kristian Sørensen**

CEO | BW LPG

Of course, the ships which have not yet entered the Arabian Gulf and are outside in the Indian Ocean, for instance, they can always start ballasting towards the U.S. Gulf for all the loading areas to seek employment. This is basically down to the decision made for every single vessel in the region, which is not inside the Arabian Gulf. It depends if the ships are on time charter. It's up to the charterers to decide where they want to employ the ships. If it's a part of the spot fleet, like the one I mentioned, our first ship, which could be available for a spot cargo out of the Middle East is towards the end of March. Of course, if the situation is

**Samantha Xu**

CFO | BW LPG

As serious as it is now, we will rather ballast the ship to the US Gulf to employ the ship. If that made sense.

**Analyst**

yes. Thanks. sorry, to build on top of that, can you just confirm there is no vessel currently sort of stuck in that risky region near Iran?

**Samantha Xu**

CFO | BW LPG

Are you thinking of our fleet or the VLGC fleet in general?

**Analyst**

Uh, your fleet-

**Samantha Xu**

CFO | BW LPG

Yeah

**Analyst**

... and includes all the, you know, so-called managed fleet per se.

**Samantha Xu**

CFO | BW LPG

As mentioned in our highlights, we have two ships which are from our Indian-flagged fleet on time charter to Indian charters which are in the Arabian Gulf, still on time charter. We have one vessel in dry dock in the region, also Indian-flagged. You will see that also being mentioned in the highlights page, slide 4.

**Analyst**

Okay. Got it. Do we see any serious coming up concerning these three? Actually, one in dry dock, one is in the risky zone, sort of. Do we foresee any financial impact or any drastic negative developments to these three vessels?

**Samantha Xu**

CFO | BW LPG

Yeah. So far there is, as I also mentioned, there is minimal negative financial impact only due to a slight delay in the dry docking of the ship in dry dock. We don't have any threats to our ships or crew at the moment. There are no direct threats, but it's an overall view on the market and the situation that is making us avoiding the transits through the Strait of Hormuz.

**Analyst**

Okay, thanks.

**Aline Anliker**

Head of Corporate Communications | BW LPG

Thank you, Joy. Let's move on to John Dickson first before we then have Abhishek. Please, John, go ahead and unmute yourself.

**Analyst**

Hello, Kristian, Samantha. How are you doing this morning? Well, I guess it's not morning for y'all.

**Samantha Xu**

CFO | BW LPG

Always thank you.

**Analyst**

Kristian, I do have a question. I've listened to Samantha for a little while, a couple quarters. Relating to the trading profit that would be eligible for dividend distribution, is that included in y'all's current dividends or are you guys planning on having your board review that later in the year for dividend distribution? I'm just curious to see if I can learn a little bit more how that is considered and when you guys are likely to have that be a part of your dividend distribution.

**Samantha Xu**

CFO | BW LPG

Thanks for the question, John. It's a very good one and also for following up our previous quarter's earnings as well. Indeed, as we mentioned that our product services basically they are realized the trading result will build on our dividends capacity and then we would like to look at it to declare once a year post year-end. Specifically for Q4 2025, the \$0.50 per share dividend declared by the board is only 100% shipping NPAT. Does not include any contributions from product services. The product services board has already reviewed the dividend proposal and also approved the dividend proposal for product services for 2025.

**Samantha Xu**

CFO | BW LPG

The approved dividend will subsequently be considered in the future quarters within 2026 and distribute to the shareholders accordingly.

**Analyst**

Okay. That basically it would be distributed on a quarterly basis throughout the remainder of the year. Is that what I'm understanding?

**Samantha Xu**

CFO | BW LPG

No, it would just, has, or it would be forming the overall company dividend capacity. You can imagine.

**Analyst**

Okay

**Samantha Xu**

CFO | BW LPG

... it as a, that, we will have a bigger base for considering the dividend distribution.

**Analyst**

Sure

**Samantha Xu**

CFO | BW LPG

for the upcoming quarters.

**Analyst**

Okay. All right. I understand that now. Thank you, Samantha. I appreciate the explanation.

**Samantha Xu**
CFO | BW LPG

Thanks, John.

**Aline Anliker**
Head of Corporate Communications | BW LPG

Thanks, John. Next up we have Abhishek, please.

**Analyst**

Hi. Good evening. I have two questions. One, you mentioned that there are three ships which are stuck in the conflict zone. May I know the name of these three ships? Second, last year you raised borrowing for acquisition of new ships, basically, new vessels in India. In the presentation also we can see that India is a high growth market for you. Do you plan any further new acquisition of fleet in India this year?

**Kristian Sørensen**
CEO | BW LPG

Hi. Thanks for the questions. The ships are BW Elm, BW Tyr and BW Loyalty from the Indian flag fleet. When it comes to further expansion of the Indian flag fleet, that is something we are considering. It depends also on the employment that we see and how we can and where we can employ our ships most efficiently to ensure, like, you know, a solid and robust shareholder value creation. It's definitely something we are considering, but it remains to be seen if we decide to do so.

**Analyst**

Okay. Thanks.

**Kristian Sørensen**
CEO | BW LPG

Yeah.

**Aline Anliker**
Head of Corporate Communications | BW LPG

Thank you. Let's move on to some questions from the chat. We have a question posed by Kevin: Is there an option to delay dry docking to take advantage of current high charter rates?

**Kristian Sørensen**
CEO | BW LPG

Yeah. This is something we're always considering. It should be said that these, you know, immediate spikes that we experience now, for instance, are difficult to plan for. You know, these dry dockings, they have to take place within a certain time. We can we try to optimize depending on the market view, and so on, but it also needs to fit into the commercial program. Of course, we also need to have available space at the docking yards. The question is, yes, we try to plan around this. Usually, you know, the first quarter is the weakest quarter of the year. We had, if you look back in time several years where the rates are softening considerably in January, February.

**Analyst**

Yeah.

**Kristian Sørensen**
CEO | BW LPG

... this was not the case this time. Of course, we plan around optimizing the fleet positioning so that we can hopefully have all the vessels in position at the best point in time of the cycle in the market.

**Aline Anliker**
Head of Corporate Communications | BW LPG

Thanks, Kristian. Another question from the chat. Has the current war disruption led to higher long-term charter rates?

**Kristian Sørensen**

CEO | BW LPG

So far we haven't seen that and again, this is, you know, very recent developments, so there hasn't been any serious talks about time charters as so far.

**Aline Anliker**

Head of Corporate Communications | BW LPG

Another one from Kevin. Have scrappings increased recently, and will that continue or be delayed in 2026 due to the elevated spot rates?

**Kristian Sørensen**

CEO | BW LPG

Yeah. Well, scrappings is, like you allude to, very much dependent on the underlying freight market. As long as we see, you know, the freight market, operating at the current levels, we don't really see much scrapping activity, if anything at all. You know, these ships, they can technically trade for many more years, after they turn even 30 years of age. So technically, if they are well-maintained, they can still, sail, across the seven seas.

**Aline Anliker**

Head of Corporate Communications | BW LPG

The last one from Kevin. Will the three ships in the Gulf region of conflict be at risk for lower revenue than currently expected?

**Kristian Sørensen**

CEO | BW LPG

For time being, that's not the case. Two of the ships are like mentioned, on time charter, in accordance with their time charter parties. For the ship in dry dock, we'll see when she gets out of the dry dock. We have, you know, we see there are certain needs in the region to employ ships as well. We'll see what happens, but it's because the spot market and the freight market is evolving day by day here. So far, no impact as far as we can see.

**Aline Anliker**

Head of Corporate Communications | BW LPG

Thank you, Kristian. There's still some time for some more questions if you either want to type into the chat or raise your hand. I see one hand up. Carl, if you would like to unmute yourself. Carl, can you hear us?

**Analyst**

Yes. Yes.

**Aline Anliker**

Head of Corporate Communications | BW LPG

Yes.

**Analyst**

Can you hear me?

**Aline Anliker**

Head of Corporate Communications | BW LPG

Yes, we can.

**Analyst**

Could you comment a little bit about the capacity expansion in the U.S. Energy Transfer Enterprise Products Partners? I read that it's about the 250,000-300,000 barrels a day in new export capacity. Probably not all of it will go on VLGCs.

**Kristian Sørensen**

CEO | BW LPG

Carl, we can't really hear you that well, to be honest.

**Analyst**

You cannot hear me? Hello?

**Aline Anliker**

Head of Corporate Communications | BW LPG

If you just speak up a bit louder, if that's possible.

**Analyst**

Yes. I wanted you to comment on the capacity expansion in the U.S., the exports, and how many ships you will need to cover that expansion.

**Kristian Sørensen**

CEO | BW LPG

Yeah, this depends on the trade pattern, like I also mentioned in the presentation. Also how the Panama Canal is congested or not congested in the time ahead. Because it's a very big difference if the ships are sailing through the Panama Canal to Northeast Asia, or like we have seen recently, more and more ships sailing around South Africa into India and Southeast Asia, which is absorbing more shipping capacity actually than if you sail the milk run from the U.S. through Panama to Northeast Asia, a quick turnaround and back again. I think it's hard on the spot to simulate that exactly, but we can.

**Analyst**

A high, low number.

**Kristian Sørensen**

CEO | BW LPG

we can do that. Sorry, how many ships?

**Analyst**

No, I said you can, you can just provide a high and a low.

**Kristian Sørensen**

CEO | BW LPG

Sorry, a high number of ships needed for the exports. Is that what you're asking for?

**Analyst**

Yeah, you can just give a spectrum-

**Kristian Sørensen**

CEO | BW LPG

Are you?

**Analyst**

... from low to high.

**Kristian Sørensen**

CEO | BW LPG

Yeah, sure. Yeah. Are you talking up until 2028 or is it within this year?

**Analyst**

I was thinking first and foremost this year, but, I could get both answers, please.

**Kristian Sørensen**

CEO | BW LPG

Yeah. I need to get back to you on that, exactly, to be honest, because I don't have that number in front of me. I'll get back to you on that when I, when I have looked at the numbers.

**Analyst**

These two projects, when do you think they will come online in 2026?

**Kristian Sørensen**

CEO | BW LPG

You mean Enterprise, the 2 Enterprise, expansions, right?

**Analyst**

Yes. Energy Transfer.

**Kristian Sørensen**

CEO | BW LPG

Yeah. Yes, Energy Transfer is already ramping up as of beginning of this or end of last year, beginning of this year. Enterprise is expanding their flex capacity first and then secondly, the LPG specific capacity, which is later this year. You will see in our previous investor presentation, we have it stacked up on slide number six, isn't it? Yeah.

**Aline Anliker**

Head of Corporate Communications | BW LPG

All right. Thank you. Any more questions before we round up? If not, thank you, Kristian. Thank you, Samantha. Hold on. I just see another hand. Okay, we have a couple of minutes. Troy, if you would like to unmute yourself, please.

**Analyst**

Yes. Thanks very much. I make this quick. Going back to the three vessels, Indian flag in the risky zone. Can't get the names. I think I heard two names. One Elm, BW Tyr, one is Loyalty, and what is the dry docking vessel's name?

**Kristian Sørensen**

CEO | BW LPG

Yeah. BW Elm, BW Tyr and BW Loyalty are the ships' names.

**Analyst**

Sorry, bw Elm, BW Tyr, bw Loyalty, and one more?

**Kristian Sørensen**

CEO | BW LPG

No, that's the 3 name, vessel names.

**Analyst**

Okay. Okay, thanks.

**Kristian Sørensen**

CEO | BW LPG

Okay. Thank you.

**Aline Anliker**

Head of Corporate Communications | BW LPG

Well, thanks a lot to all our key stakeholders for joining us for today's call. Thank you, Kristian. Thank you, Samantha. This will conclude BW LPG's quarter 4 2025 earnings presentation. The call transcript and the recording will be available on our website shortly. Again, thanks for dialing in. We wish you a good rest of your day and look forward to see you again next quarter. Thank you.

