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BW LPG

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QUARTR



Speakers



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Samantha Xu

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Climent Molins

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Prepared Remarks


Aline Anliker

Head of Corporate Communications | BW LPG

Good morning, good afternoon, good evening, everyone, and thank you for joining us today. My name is Aline Anliker, and I'm the Head of Corporate Communications at BW LPG. On behalf of the management team, I'd like to extend a warm welcome to all of our shareholders, investors, analysts, and valued stakeholders joining us for our quarterly earnings presentation. We appreciate you taking the time to be with us and for your continued interest and confidence in our company. Joining me today are our CEO, Kristian Sørensen, and our CFO, Samantha Xu, who will walk you through the quarter's performance, key market developments, and our strategic priorities moving forward. Following the presentation, we will open the floor for a Q&A session. You are welcome to submit questions throughout the Q&A chat, throughout the presentation, or alternatively, raise your hand to ask your question directly during the Q&A part.


Aline Anliker

Head of Corporate Communications | BW LPG

Before we begin, I would like to draw your attention to the legal disclaimers shown on the current slide. Please also note that today's presentation is being recorded. With that, it is my pleasure to hand over to our CEO, Kristian.


Kristian Sørensen

CEO | BW LPG

Thanks, Aline. Hi, everyone. Thanks for dialing in as we review our first quarter financial results and recent developments, including our announced newbuildings and the Middle East situation, which is still overshadowing the market. Let's turn to slide four, please. The first quarter was another one with significant geopolitical volatility, marked by increased inefficiencies from the Middle East conflict, driving higher shipping demand from the U.S., and resulting in extraordinarily high freight rates, which we will cover in more detail in the market overview section. As disclosed over the weekend, we are pleased to announce that we have signed a contract for eight 90,000 cu m Panamax newbuildings with HHI, with expected delivery from start 2029 until the second quarter of 2030. Further details will be covered on the next page. Moving on to the Q1 results.


Kristian Sørensen

CEO | BW LPG

We reported a TC income of \$55,500 per available day, above our guidance of \$54,000 per day, and \$51,300 per calendar day. The Q1 profit after minority interests was \$164 million, equivalent to an EPS of \$1.08. Our trading branch, BW Product Services, reported a gross profit of \$127 million and a profit after tax of \$98 million for the quarter. The extraordinarily high results are mainly driven by large unrealized mark-to-market valuation gain over the portfolio. Provided no delays, we expect a large part of this to be realized by end of Q2. For the second quarter 2026, we're guiding on about \$81,000 per day, fixed for 85% of our available days. These are solid levels above our all-in cash breakeven of \$24,500 per day. The figure includes the fixed time charter coverage in the second quarter of 40% of our available days at \$44,000 per day.


Kristian Sørensen

CEO | BW LPG

Please see in the appendix in this presentation for the full breakdown of time charter days and levels. The board of directors has declared a dividend of \$0.67 per share, with \$0.56 representing 100% of our shipping and PAT in Q1 and \$0.11 per share from product services' final dividend from 2025. Following the front-heavy drydocking activity in 2026, with 257 days related to drydocking in Q1 alone, the majority of the drydocking is now behind us. We expect off-hire days to reduce to approximately 105 days in the second quarter. In other subsequent events during the first quarter, we fixed the BW Brage and the BW Gemini for five and three-year time charter out agreements in the low \$40,000 per day.


Kristian Sørensen

CEO | BW LPG

We also fixed the BW Pampero, which is part of our India fleet, for a one-year time charter out at high \$60,000 per day, with delivery in August. As the Middle East tensions have persisted and the Strait of Hormuz remains closed, we still have one vessel from our India fleet inside the Persian Gulf on time charter. The two other vessels transited the Strait of Hormuz safely back in April. Turn to slide five, please. Okay. During the weekend, we announced that we had signed a contract for the construction of eight 90,000 cu Panamax VLEC's, with an average new building price of approximately \$117.5 million per vessel. This is subject to final technical specifications of the respective vessels. The new buildings are expected to be delivered from start 2029 until the second quarter of 2030.

**Kristian Sørensen**

CEO | BW LPG

This new building series underpins our ongoing fleet renewal program, reducing the average age of the current fleet by about three years after the last new building delivery. Furthermore, the Panamax new buildings represent the most flexible design, future-proofing our fleet composition. New building prices have eased from peak levels around \$125 million some years ago, while shipyard capacity remains constrained for the foreseeable future in a high energy price environment. This is likely to increase the inflationary pressure the way we see it. Against this backdrop, the timing of the new building order is supported by a strong balance sheet, enabling fleet renewal and capital structure optimization by balancing shareholder returns with long-term value creation. Furthermore, the new building deliveries follow the peak of the order book in 2027 and 2028, coinciding with additional U.S. and Middle East LPG export capacity coming online.

**Kristian Sørensen**

CEO | BW LPG

Various financing options are currently being considered, with 30% of total new building price to be paid within the next six months. Next slide, please. Now, let's take a look at the market. Increasing inefficiencies are reshaping LPG shipping economics and driving a historically strong VLGC market. The LPG shipping market entered 2026 on a strong footing, supported by solid U.S. LPG production growth and accelerated ramp-up in export capacity. Following the geopolitical disruptions, the market has experienced simultaneous reactions that are reshaping trade dynamics, increasing inefficiencies, absorbing shipping capacity, and ultimately supporting higher freight rates. Heading into 2026, U.S. propane inventories stood well above historical norms at around 100 million barrels, versus 85 million barrels a year earlier. Strong production, combined with stable domestic demand, created a persistent export surplus.

**Kristian Sørensen**

CEO | BW LPG

At the same time, infrastructure developments added further momentum with the Energy Transfer, Targa and Enterprise terminal expansions ramping up VLGC loading capacity in the U.S. Gulf. The outbreak of the U.S.-Iran war end of February and the effective closure of the Strait of Hormuz introduced a structural disruption to Middle East LPG exports. This removed a significant portion of VLGC loading volumes almost immediately and triggered a forced relocation of trade flows with longer sailing distances as vessels increasingly sought cargoes from the U.S. Gulf. With Middle Eastern exports remaining constrained, the U.S. Gulf has effectively become the supplier of LPG to Asia, operating close to maximum utilization as it compensates for the loss of Middle Eastern export volumes. At the same time, high spot fixture activity in the U.S. has tightened vessel availability and supported elevated freight rates.

**Kristian Sørensen**

CEO | BW LPG

A larger number of VLGCs than expected has remained idle in the Arabian Sea, waiting for the Strait of Hormuz to reopen rather than seeking U.S. cargoes. This has further tightened shipping supply. As other shipping segments with higher willingness to pay also experience change in trade flows, the traffic and congestion in the Panama Canal have increased. This has resulted in more VLGCs sailing via the Cape of Good Hope, significantly extending voyage distances between the U.S. and Asia, and thereby absorbing additional shipping capacity from the global fleets. This long-haul trade pattern via Cape of Good Hope has been bolstered even further as India and Southeast Asian countries are now importing basically all their LPG from the U.S. Next slide, please.

**Kristian Sørensen**

CEO | BW LPG

Looking at the North American exports, the expansion is taking place somewhat earlier than anticipated, as U.S. exporters are racing to replace lost Middle East volumes. Consequently, North American exports forecast is raised significantly for 2026 on the back of high oil and gas activity and demand for Middle East replacement volumes. Provided a reopening of the Middle East exports market, volumes from the region will contribute more to overall growth in global shipping volumes. In our forecast, we assume reopening of the Hormuz during second quarter 2026, and then a gradual normalization. This is obviously hard to know for sure. More U.S. exports capacity is set to come online the coming years. While we conservatively anticipate most of Energy Transfer and Enterprise Flex exports capacity being allocated for ethane exports when the very large ethane carriers are delivered over the next years. Next slide, please.


Kristian Sørensen

CEO | BW LPG

Looking at the current fleet and order book, we can see that the fleet has grown in the last three months and now stands at 429 VLGCs on the water. The order book is made up of 130 VLGCs currently under construction, with delivery stretching all the way to the beginning of 2030. While we expect more new buildings to be delivered going forwards, we also keep in mind that 9% of the fleet is older than 25 years. As a summary, there are several factors driving the VLGC freight market to unprecedented heights. Sharp increase in U.S. LPG exports coinciding with the Middle East exports being choked has created a long-haul trade pattern where the sailing distances are compensating for the lost Middle Eastern volumes.


Kristian Sørensen

CEO | BW LPG

As mentioned, it's impossible to have a clear view on when the Strait of Hormuz is reopened, but when it does open, we expect repairs or production export infrastructure to take time before the LPG exports reach pre-war levels. As said before, the Panama Canal remains a wildcard in our markets, and we believe the congestion will increase as several shipping segments are competing for the limited number of transit slots. While the order book is substantial, the fleet continues to age, with more than 40 vessels, equivalent to 9% of the fleet, already exceeding 25 years of age. Also keep in mind that 53 VLGCs are considered part of the shadow fleet. That concludes our market segment. Over to you, Samantha.


Samantha Xu

CFO | BW LPG

Thank you, Kristian. Hello, everyone. Let's zoom in on our financial performance for the quarter. Start with our shipping performance. We deliver a quarter with a TC at \$51,300 per calendar day or \$55,500 per available day. The fleet utilization was 92% after deducting technical off-hire and waiting time. The healthy performance was underpinned by a strong spot market full of uncertainties and a continuous disciplined execution of our commercial strategy bid on time charter portfolios and FFA at a healthy level. In Q1, we have fixed the time charter portfolio at 53%, out of which 41% was fixed rate time charters. Looking ahead for Q2, we have fixed 85% of the available fleet dates at an average rate of about \$81,000 per day. This also included index-linked time charter contracts, which could fluctuate with the spot market changes.


Samantha Xu

CFO | BW LPG

Looking at full year 2026, we have secured 42% of our portfolio with fixed-rate time charter and FFA hedges at \$44,800 and \$48,100 per day respectively. Altogether, our time charter out portfolio is expected to generate around \$245 million. Next slide, please. Product services posted a realized loss of \$10 million in Q1. Separately, Product services also reported a \$145 million increase in mark-to-market on our cargo position, offset by a \$8 million decrease in paper position. After accounting for general and administrative cost and other expenses, product services reported a net profit after tax of \$98 million for the quarter, with net asset value of \$150 million at quarter end. As we highlighted previously, this mark-to-market movement, which fluctuate regularly, 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 value adjustment are significant, they reflect a delta between the balance sheet dates, and we'll continue to see fluctuations before the positions are realized. We will continue to report our future trading performance, including the mark-to-market changes, via our quarterly trading updates. It's also important to note that trading gains and losses are realized across different financial periods. They cannot be extrapolated from past performance, as unrealized position will vary depending on the end period valuations. 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 the unrealized physical shipping position of \$69 million, which is based on our internal valuation.


Samantha Xu

CFO | BW LPG

In Q1, our average VaR, value at risk, was \$6 million U.S., reflecting a well-balanced trading book, including cargo, shipping, and derivatives. The VaR is expected to increase as we continue to account for the increased term contract volumes that will start from the end of 2026 and continue to accumulate into mid 2027 and beyond, while this also reflects a volatile market in the meantime. Next slide, please. Okay. Going on to our financial highlights. We reported a net profit after tax of \$187 million U.S., including a profit of \$9 million from BW LPG India and \$98 million profit from BW Product Services. Profit attributable to equity holders of the company was \$164 million U.S., which translates into earnings per share of \$1.08 per share for the quarter, and an annualized earning yield of 25% when compared against our share price at the end of March.

**Samantha Xu**

CFO | BW LPG

We reported a net leverage ratio of 26.3% in Q1, down from 28.4% at the end of 2025. The reduction reflects principal repayments made during the quarter. The board declared a dividend of \$0.67 per share, representing 100% payout of our quarterly shipping profits and \$0.11 per share 2025 final dividends from BW product services. The 100% shipping profit payout is beyond the 75% payout ratio as guided by our dividend policy, obey the newly announced fleet renewal program to invest up to \$940 million for eight Panamax vessels. The dividend decision is a reflection of a continuous forward leaning principle to give back to our shareholders in a good market. We are also pleased to see such principle is supported by a healthy liquidity and positive market outlook. For the period end, our balance sheet reported shareholders' equity of \$2 billion.

**Samantha Xu**

CFO | BW LPG

The annualized return on equity and on capital employed for Q1 were 38% and 30% respectively. Our Q1 2026 OPEX was concluded at \$7,300 per day, a reduction than previously reported. For 2026, we expect our own fleets operating cash breakeven to be about \$19,000, and \$21,300 for the whole fleet, including time charter vessels. The all-in cash breakeven is estimated to be \$24,500, slightly up from last reported, due to pre-delivery funding cost for the newbuildings. Next slide, please. Finally, as of end Q1, we maintain a healthy liquidity position of \$680 million, which consists of \$176 million in cash and \$442 million undrawn credit facilities, providing a strong base to support our new building project. Looking ahead, our liquidity stays strong. Repayment profile remains sustainable, with major repayment starting from 2030. We're confident of maintaining a healthy liquidity and repayment profile to support our new building project.

**Samantha Xu**

CFO | BW LPG

On Product Services, trade finance utilizations stood at \$161 million, or 22% of our available credit line, leaving ample headroom for future trading needs. With that, I would like to conclude my update. Thank you for listening, get 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 either 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 participants have been muted automatically, so kindly press unmute before speaking. We will start with the verbal questions first, before then moving on to the chat. Let's see if we have anyone in the call who would like to ask a question. Yes, we have Jostein Aschjem, if you can please unmute yourself. Jostein, we can't hear you yet.

**Jostein Aschjem**

Analyst | DNB Carnegie

Yeah, hopefully you can hear me now.

**Aline Anliker**

Head of Corporate Communications | BW LPG

Yeah. All good. Thank you.

**Jostein Aschjem**

Analyst | DNB Carnegie

Yeah.

**Aline Anliker**

Head of Corporate Communications | BW LPG

Go ahead.

**Jostein Aschjem**

Analyst | DNB Carnegie

Perfect. This is Jostein Aschjem from DNB Carnegie. I just had a question regarding product services. As Samantha also mentioned during the presentation, you had very strong Q1 figures, which was also driven by the mark-to-market effect on the contract portfolio. Currently it looks like the FOB premium has come down somewhat. Have you taken any actions in order to secure some of the profits, or how should we think about the Product Services results going forward?

**Kristian Sørensen**

CEO | BW LPG

Hi, Jostein. Thanks for the question. I can start. Like you say, the arbitrage is somewhat narrower than it was at the peak. As you may know, the business model that Product Services is having is based very much on the hedging positions and ensuring that you can actually capture the profit through the paper market by locking in the margins. As mentioned by me in the presentation, we do hope and expect that a large part of the mark-to-market gain will come to realization in the second and probably also into the third quarter. We will come back with the trading update as per normal in between the earnings presentations and can shed some more light on it then. Samantha, anything you'd like to add?

**Samantha Xu**

CFO | BW LPG

No, that's correct, Kristian, I think it's also about where the portfolio's positions in the curve. Although the positions have changed as we speak, we do expect there's some realization or the reclassification from open position to be realized to come through by Q2.

**Jostein Aschjem**

Analyst | DNB Carnegie

Yeah, the realized position should be good going forward as well. How about the mark-to-market? Should that be more normal or potentially negative as the terminal fees has come somewhat down?

**Kristian Sørensen**

CEO | BW LPG

Well, since you're coming from a very high level, it's a little bit like the freight market as well. I don't think it's completely unnatural if you see a correction in the market reflected in the mark-to-market and the valuation in the portfolio, because you're coming in from a very high level. Relatively, there could be a correction on the back of that. If that answers your question.

**Jostein Aschjem**

Analyst | DNB Carnegie

Yeah. Thank you very much. If I just have one last question. I saw the charter hire expenses come up some \$7 million from last quarter. Is it any sort of profit sharing mechanism on the charter hire contracts or anything else explaining the difference? It doesn't look like you have added any time charter vessels into your portfolio.

**Kristian Sørensen**

CEO | BW LPG

It sounds like you have covered shipping long enough, and you are spot on.

**Jostein Aschjem**

Analyst | DNB Carnegie

Would it be possible to give any indication on the mechanism?

**Kristian Sørensen**

CEO | BW LPG

It's a profit split on some of the time charters. I prefer not to go into detail on the specific deals that we have done.

**Jostein Aschjem**

Analyst | DNB Carnegie

Totally understand. Thank you very much for your time.

**Aline Anliker**

Head of Corporate Communications | BW LPG

Thank you. Next up we have Climent Molins. Please, if you want to proceed.

**Climent Molins**

Analyst | Value Investor's Edge

Hi. Good afternoon, and thank you for taking my questions. I wanted to start by asking a follow-up on the vessel that is trapped inside the strait. The vessel is on a time charter, but when does the contract end? Secondly, should the vessel still be trapped when the contract end date arrives, how would you proceed? Would you still receive a daily hire, or how would that work?

**Kristian Sørensen**

CEO | BW LPG

Hi, Climent. The ship is on time charter. It's with a cargo on board. Of course, the charters would like to sell and discharge the cargo before redelivering the ship. That's something we'll have to get back on. The situation is that the ship is still on time charter, and when the Strait of Hormuz opens, we hope that we can ensure a safe transit for the ship so she can finally discharge her cargo.

**Climent Molins**

Analyst | Value Investor's Edge

Okay. Makes sense. Thanks for the color. I also wanted to ask about your assumptions for Middle Eastern volumes on slide nine. Kristian, you show 2027 volumes down a bit relative to 2025, I was wondering, what are the key assumptions behind that? Is it damage to infrastructure facilities in the region?

**Kristian Sørensen**

CEO | BW LPG

Yeah. Well, as you know, there isn't much LPG flowing out of the Middle East at the moment. Of course, you will then have a reduction simply because there isn't any exports from the Middle East taking place as we speak. If you go back to some of our previous presentations, we had forecasted about 44 million tons, up from 39, 40 last year, to be exported from the Middle East. Obviously this is reduced now that there is basically no exports taking place. Yeah.

**Climent Molins**

Analyst | Value Investor's Edge

Kristian, I meant 2027, not 2026.

**Kristian Sørensen**

CEO | BW LPG

Yeah, sorry. Sorry, I misunderstood you. That's the ramp-up, which is gradually taking place as we believe it will take probably a year, even longer, to finalize repairs on production and export infrastructure.

**Climent Molins**

Analyst | Value Investor's Edge

Okay. That's what I was looking for. Thank you for the call.

**Kristian Sørensen**

CEO | BW LPG

Yeah.

**Climent Molins**

Analyst | Value Investor's Edge

I'll bring it.

**Kristian Sørensen**

CEO | BW LPG

Okay.

**Climent Molins**

Analyst | Value Investor's Edge

Thanks.

**Aline Anliker**

Head of Corporate Communications | BW LPG

Thank you. Any more questions verbally before we move on to the Q&As in the chat? If not, maybe let's turn to the written Q&As. The first one would be from Arne. Can you provide some color on TC fixings going forward? For example, is the plus/minus 30% coverage in 2027 meant to remain stable, or will the company aim to maintain about 40% coverage as in Q1 2026?

**Kristian Sørensen**

CEO | BW LPG

Thanks for the question, Arne. We have more or less an outspoken aim to have approximately 40%, at least on time charters. You should expect us to increase that cover ratio as we get closer to 2027. It also depends on what time charter levels we can see in the market, because obviously we also need to fix vessels for period business at the level we find attractive. Provided the time charter level is attractive, we will work to increase that cover ratio up towards the 40% we are talking about.

**Aline Anliker**

Head of Corporate Communications | BW LPG

There is a follow-up question from Arne.

**Kristian Sørensen**

CEO | BW LPG

Could you provide some additional information regarding the decrease in cargo and delivery expenses, as well as voyage expenses? Could you elaborate on the factors driving the increase in charter-in expenses during the period? Yeah, Samantha, I think this is probably one for you.

**Samantha Xu**

CFO | BW LPG

Arne, can you point in a little bit closer which part you're referring to? Just before you come up with a more specific reference of numbers, I could say that some of the voyage related costs could also be because the BW Product Services, as part of a risk management process, have a reduced CFR cargoes, and they increased the sum of the FOB.

**Samantha Xu**

CFO | BW LPG

Deals which then naturally reduced the voyage expenses. In the meantime, if you can follow up with more details in terms of a specific what numbers you're looking at, that would be very helpful.

**Aline Anliker**

Head of Corporate Communications | BW LPG

Meanwhile, let's move on to a question from Anders. With respect to the currently very elevated VLGC rates and LPG inventories seemingly plateauing in the U.S., could you offer some views on future arb situation?

**Kristian Sørensen**

CEO | BW LPG

Well, I think I also replied somewhat along the same lines earlier. Of course, the arb was wide, wider than ever, probably back some weeks and months ago. It's not unnatural that the arbitrage is narrowing as people have filled up their storage, at least for a short period of time, and then the arb typically widens again. This is typically what we see when you also have a normal market functioning, where you have periods with wide arbitrage, followed by more narrower arbitrage, simply because people have, in the consuming market, stocked up, and they are not as willing to pay up for additional cargoes any longer. I don't know if that answered the question, but yeah.

**Aline Anliker**

Head of Corporate Communications | BW LPG

Thanks, Kristian. We have another question from Gregory regarding the VLGCs waiting off Hormuz. Do you expect some to migrate to the U.S. market after receiving U.S. Coast Guard regulatory approval, and if so, to what extent?

**Kristian Sørensen**

CEO | BW LPG

Yes, we do see more of the ships ballasting to the U.S. for cargoes, more of the Indian-controlled tonnage, for instance. The answer to this is yes. It's a number which is hard to specify here and now on the spot, but it's clear that there are more ships which have the U.S. Coast Guard approval for loading in the States and have also taken the decision to ballast into the Atlantic Basin for cargoes out of the U.S.

**Aline Anliker**

Head of Corporate Communications | BW LPG

Thank you. We have a couple of more questions, actually. Someone is referring to page nine. Are the new Enterprise and AltaGas terminals already at full run rates, and when did this start? How much more do they have to ramp up? Why do you show minimal growth in U.S. exports in your 2027-2028 forecast despite the new terminal startups?

**Kristian Sørensen**

CEO | BW LPG

Yeah, the flattish growth that we are showing is due to our, like I said, rather conservative assumption that most of the flex capacity, which is currently going at full steam for allocated to LPG exports, will be allocated to ethane exports from Energy Transfer and Enterprise as more of the VLEC ethane carriers are delivered in the coming years. You will see that on the same slide, there is another expansion taking place with a pure LPG export terminal facility from Enterprise and AltaGas, which is going to take place somewhat later this year. You have Targa and ONEOK also expanding towards the end of the decade.

**Kristian Sørensen**

CEO | BW LPG

Some may say we are a little bit conservative in this assumption, but we like to take that approach since we also see that this is linked to the deliveries of all the ethane carriers in the coming years.

**Aline Anliker**

Head of Corporate Communications | BW LPG

We have a follow-up from Arne on his earlier question directed to Samantha. It's regarding the voyage expenses. He was referring to the decrease from \$92.9 million in Q1 2025 to \$59 million in Q1 2026. The difference in charter-in expenses has already been addressed. Thank you for that clarification as well. Is there anything you would like to add here, Samantha?

**Samantha Xu**

CFO | BW LPG

I think part of it's some of our savings on the bunkering, due to we have very much increased the bunkering to use our LPG fuel for like basis. Excuse me. Especially in a day like this, it's a cheaper alternative than a conventional fuel. Separately, we also make some savings on the port charge side, as well as other vessel-related cost as captured in the line of voyage cost. That pretty much reflects the major change of the voyage cost, Arne.

**Aline Anliker**

Head of Corporate Communications | BW LPG

Arne comments, "Thank you for the helpful responses as always." Thank you, Samantha.

**Samantha Xu**

CFO | BW LPG

Thank you.

**Aline Anliker**

Head of Corporate Communications | BW LPG

Another question from Anders, "Could you share some further views on Panama congestion, the situation as of now, but also considering the fairly high chances of El Niño this year?"

**Kristian Sørensen**

CEO | BW LPG

Sure. The Panama Canal congestion is basically varying from day to day, so it's hard to give an exact picture today. Just to illustrate, we have, over the last couple of weeks, had auctions for available transit slots reaching as high as \$4 million just to have access to the Panama Canal, and this is before the canal fees. Suddenly, two days later, you could see in the next auction that it drops down to maybe \$400,000 or \$300,000, and then two days later, it's up to \$3 million again. This is simply speaking a supply-demand situation on the day of the auctions. The trend is pretty clear, and especially if you are stuck on the wrong side of the canal, you have to make a transit to not lose the cargo dates in Houston.

**Kristian Sørensen**

CEO | BW LPG

Of course, people are willing to pay up quite substantially to get through the canal. Please also keep in mind that the competition from other shipping segments is increasing as more ships are being delivered in the container segments, VLGC from the ethane side, VLGCs, and so on. It's something we believe is going to continue and even strengthen in the years to come. When it comes to El Niño, I can see everyone is talking about 80% chance of El Niño and the lower water levels in the Panama Canal this year. If that plays out, it would be very similar situation to what we saw in 2023, I think. Obviously, that would push more VLGCs and also other ships from other segments around the Cape of Good Hope to and from the U.S. and Asia.

**Aline Anliker**

Head of Corporate Communications | BW LPG

There's a follow-up from Anders. "Could you elaborate a little on which type of ships tend to bid their way through the canal when it congests?" Dry, LPG, et cetera. Guessing it varies, but please, just some further color on the topic.

**Kristian Sørensen**

CEO | BW LPG

LPG vessels definitely have had the high willingness to pay up because the freight levels have been as elevated as they are. Tankers have also, from time to time, paid up. We know, for instance, that Australia was almost running out of diesel. That's at least what the chatter in the market was saying at one point. Of course then, the tankers heading that direction were also willing to pay up quite a lot to secure transit slots. Ethane carriers, container ships are always there also to compete. It's a good mix, I would say.

**Aline Anliker**

Head of Corporate Communications | BW LPG

Follow-up, El Niño again. "Will this have a lagging effect, or is it coincidentally, typically?"

**Kristian Sørensen**

CEO | BW LPG

Not entirely sure what you refer to on that one, Anders. Could you be a bit more specific, please?

**Aline Anliker**

Head of Corporate Communications | BW LPG

Maybe let's continue with Kris'. When you say that 85% of available fleet days fixed at \$81,000, is that number of available days including or excluding the TC days fixed at \$44,000?

**Kristian Sørensen**

CEO | BW LPG

Yeah. As mentioned, it's including the time charter portfolio.

**Aline Anliker**

Head of Corporate Communications | BW LPG

All right. The next one would be, "Does the bookings data of 85% fixed at \$81,000 per day just correspond to the spot bookings, or does that also include the TC bookings of 39% at \$41,800? Does it also factor in the FFAs or not?"

**Samantha Xu**

CFO | BW LPG

Yeah, I think Kristian has previously mentioned basically the 85% has included both of the fixed rate TC coverage as well as the FFA.

**Aline Anliker**

Head of Corporate Communications | BW LPG

Another one on a different topic. "Given strength on earnings, is there any consideration for stock repurchases in the open market?" This one is from Kevin.

**Kristian Sørensen**

CEO | BW LPG

Hi, Kevin. As you know, we have a share repurchase program, which we activate from time to time. It's typically when we see our share trading quite well below NAV. It's not something we find attractive and creative or shareholder value-creating at the moment because our share price is trading at the levels above NAV at the moment.

**Aline Anliker**

Head of Corporate Communications | BW LPG

Thank you, Kristian. Anders specifies on the El Niño. His question was related to if El Niño will drive lower water levels in the canal immediately, or does it take some time from the higher temperature until it starts affecting water levels that drives congestion and long-haul effects for transporters?

**Kristian Sørensen**

CEO | BW LPG

Anders, this is must meet At the level of detail, I'm not sure I can reply here and now. I think what we could do is to get back to you after having looked at that with the research team here in our company. We'll get back to you.

**Aline Anliker**

Head of Corporate Communications | BW LPG

Thanks, Kristian. Let me check. Do we have any more verbal questions, someone who has raised his or her hands? Then quickly in the chat again. I don't see any more questions right now. All right. If no more questions, then I would like to say thank you to everyone for joining us today and for your continued interest and support of BW LPG. We really greatly value your time you've spent with us. This concludes BW LPG's Q1 2026 earnings presentation. A replay of the webcast and together with the call transcript will be made available on our website shortly. On behalf of the entire BW LPG team, thank you once again for participating. We wish you a great rest of your day. Thanks and bye