



## Westports Holdings Berhad

4<sup>th</sup> Quarter 2021 Financial Report  
27<sup>th</sup> January 2022



# Revenue

- **4Q21** Container revenue +5% despite throughput -11% mainly due to higher VAS and marginally with incremental increase in revenue per TEU. Conventional revenue increased with higher break bulk-ingot volume and RORO units after movement restriction ended in 3Q
- **YTDDec21** Marine revenue reflected lesser container vessel calls but with vessel upsizing, average container moves per ship up by 23%

## Segmental Revenue (RM million)

Revenue RM million	4Q21	4Q20	% YoY	% Split	3Q21	% QoQ	YTDDec21	YTDDec20	% YoY	% Split
Container	434	412	5%	87.8%	441	-2%	1,735	1,605	8%	87.7%
Conventional	35	33	4%	7.1%	32	10%	134	116	15%	6.8%
Marine	15	17	-11%	3.1%	15	-1%	65	76	-13%	3.3%
Rental	10	10	-2%	2.0%	10	-1%	43	39	10%	2.2%
<b>Op. Revenue<sup>^</sup></b>	<b>494</b>	<b>473</b>	<b>4%</b>	<b>100%</b>	<b>498</b>	<b>-1%</b>	<b>1,978</b>	<b>1,836</b>	<b>8%</b>	<b>100%</b>
Construction	10	69	-86%	-	7	48%	44	139	-68%	-
<b>Total Revenue<sup>^</sup></b>	<b>504</b>	<b>542</b>	<b>-7%</b>	<b>-</b>	<b>505</b>	<b>0%</b>	<b>2,022</b>	<b>1,975</b>	<b>2%</b>	<b>-</b>

- **4Q21** Fuel cost up with much higher MOPS price while fuel consumption eased. Lower M&R cost in-line with throughput's direction
- **YTDDec21** Growth rate of manpower cost stabilized after previous quarters increase. Operational headcount +12%. The depreciation charges increased with capitalisation of 12 RTG cranes, back-of-terminal Container Yard CT8 and a new jetty at LBT5 for LPG volume

## Cost Of Sales Breakdown (RM million)

Cost RM million	4Q21	4Q20	% YoY	% Split	3Q21	% QoQ	YTDDec21	YTDDec20	% YoY	% Split
Manpower	60	63	-5%	31.1%	63	-6%	251	238	5%	33.6%
Depreciation	51	49	5%	26.6%	50	3%	197	191	4%	26.4%
Fuel	34	21	63%	17.9%	31	11%	119	79	51%	15.9%
M&R	19	20	-2%	10.1%	19	1%	78	73	7%	10.4%
Electricity	11	12	-6%	5.7%	11	-4%	45	45	-1%	6.0%
Others	16	14	16%	8.5%	14	21%	58	49	18%	7.7%
<b>Op. Cost<sup>^</sup></b>	<b>192</b>	<b>178</b>	<b>8%</b>	<b>100%</b>	<b>188</b>	<b>2%</b>	<b>747</b>	<b>674</b>	<b>11%</b>	<b>100%</b>
Construction	10	68	-86%	-	7	48%	44	138	-68%	-
<b>Total Cost<sup>^</sup></b>	<b>201</b>	<b>246</b>	<b>-18%</b>	<b>-</b>	<b>194</b>	<b>4%</b>	<b>791</b>	<b>812</b>	<b>-3%</b>	<b>-</b>

# Overall Results & Profitability Margins

		4Q21	4Q20	%Chg	3Q21	% QoQ	YTDDec21	YTDDec20	%Chg	On YTD Performance
<b>Container</b>	m TEUs	<b>2.47</b>	<b>2.77</b>	<b>-11%</b>	<b>2.63</b>	<b>-6%</b>	<b>10.40</b>	<b>10.50</b>	<b>-1%</b>	Gateway -3%, cumulative effects of lockdowns. Transshipment 0% due to high yard utilisation that hampered peak terminal productivity. Break bulk growth, higher ingot volume
<b>Conventional</b>	m MT	<b>2.94</b>	<b>3.19</b>	<b>-8%</b>	<b>2.58</b>	<b>14%</b>	<b>11.26</b>	<b>10.87</b>	<b>4%</b>	
Op. Revenue		494	473	4%	498	-1%	1,978	1,836	8%	Container VAS revenue with reefer and storage needs. Manpower cost up, operational headcount +12%. Higher fuel cost with +62% hike in MOPS price. Posted depreciation for 12 new RTG cranes, LBT5 wharf for LNG vessels, and back-of-terminal container yard at CT8
Op. Cost Of Sales		-192	-178	8%	-188	2%	-747	-674	11%	
Gross Profit		303	296	2%	310	-3%	1,231	1,163	6%	Other income has one-off RM73m insurance recovery for QC51-QC52, only 5% recovery is outstanding. The Administrative Expenses had a significant reduction from previous year which had bad debt provisions, assets written-off and also Covid-19 related donations
<b>EBITDA</b>		<b>347</b>	<b>299</b>	<b>16%</b>	<b>346</b>	<b>0%</b>	<b>1,360</b>	<b>1,191</b>	<b>14%</b>	
EBITDA %		70.3%	63.1%		69.4%		68.8%	64.9%		
Results From Op. Act.		281	235	20%	281	0%	1,102	930	18%	
<b>Profit Before Tax</b>		<b>265</b>	<b>218</b>	<b>22%</b>	<b>265</b>	<b>0%</b>	<b>1,040</b>	<b>865</b>	<b>20%</b>	Finance Cost reduced, total Sukuk repayment of RM150m in 2021. The total outstanding now is RM1,150m. 'Share of results of a joint venture' is the 50% investment in the Boustead Cruise Centre Sdn Bhd, acquisition completed on 23 September 2021, use Equity Method Accounting
PBT %		53.7%	46.1%		53.2%		52.6%	47.1%		
Tax		-42	-55	-23%	-66	-36%	-231	-211	10%	
Tax %		-15.9%	-25.1%		-24.9%		-22.3%	-24.3%		
<b>Profit After Tax<sup>^</sup></b>		<b>223</b>	<b>163</b>	<b>36%</b>	<b>199</b>	<b>12%</b>	<b>808</b>	<b>654</b>	<b>23%</b>	Lower current effective tax rate due to higher deferred tax assets

May not add up due to rounding

# Cash Flows & Total Borrowings

Consolidated Cash Flows					Sukuk Musharakah Medium Term Note (SMTN)	
RM million	4Q21	4Q20	YTDDec21	YTDDec20		
Operating Profit Before Working Capital Changes	350	310	1,365	1,228	Tenure	<ul style="list-style-type: none"> <li>20 year Sukuk Musharakah Medium Term Note program obtained on 20 April 2011</li> <li>Valid unless it has been redeemed, cancelled or repurchased by WMSB</li> </ul>
Cash Generated From Operations	399	386	1,366	1,282	Nominal Value	RM2,000 million available for issuance
<b>Net Cash Generated From Operating Activities</b>	<b>329</b>	<b>299</b>	<b>1,101</b>	<b>1,025</b>	Drawdown Total RM1,500m	<ul style="list-style-type: none"> <li>03 May 2011 of RM450 million</li> <li>01 April 2013 of RM250 million</li> <li>23 Oct 2013 of RM200 million</li> <li>03 April 2014 of RM250 million</li> <li>07 August 2017 of RM200 million</li> <li>13 December 2017 of RM150 million</li> </ul>
Net Cash Used In Investing Activities	-120	-156	-471	-356	Utilisation of Proceeds	<ul style="list-style-type: none"> <li>Refinance previous SUKUK programme</li> <li>Capital expenditure &amp; assets acquisition</li> <li>Working capital</li> </ul>
Net Cash Used In Financing Activities	-73	26	-753	-587	Repayment Schedule	<ul style="list-style-type: none"> <li>RM450 mln - 6 tranches, 2021-2026 repaid RM50m</li> <li>RM250 mln - 4 tranches, 2025-2028</li> <li>RM200 mln - 5 tranches, 2024-2028</li> <li>RM250 mln - 4 tranches, 2021-2024 repaid RM50m</li> <li>RM200 mln - 2 tranches, 2019-2020 repaid RM200m</li> <li>RM150 mln - 3 tranches, 2021-2027 repaid RM50m</li> </ul>
<b>Net Change In Cash &amp; Cash Equivalents</b>	<b>136</b>	<b>168</b>	<b>-124</b>	<b>82</b>		
Cash & Cash Equivalents As At Starting Period	479	571	739	657		
Cash & Cash Equivalents As At End Of Period	615	739	615	739		

May not add up due to rounding

- RM371m **capex** during YTDDec21 for new RTG cranes, Quay Cranes, construction of new liquid bulk jetty LBT5 and 19-acre container yard
- Cash** deposits of RM656m as at Dec21, of which RM41m are pledged deposits

- Sukuk borrowings** of **RM1,150m** after RM50m repayments each in Mar21, May21 and Dec21
- RAM** reaffirmed WMSB's AAA rating in its annual review
- Net and gross **debt-to-equity ratios** of 0.16x and 0.37x respectively as at Dec21

## Expansion check-list

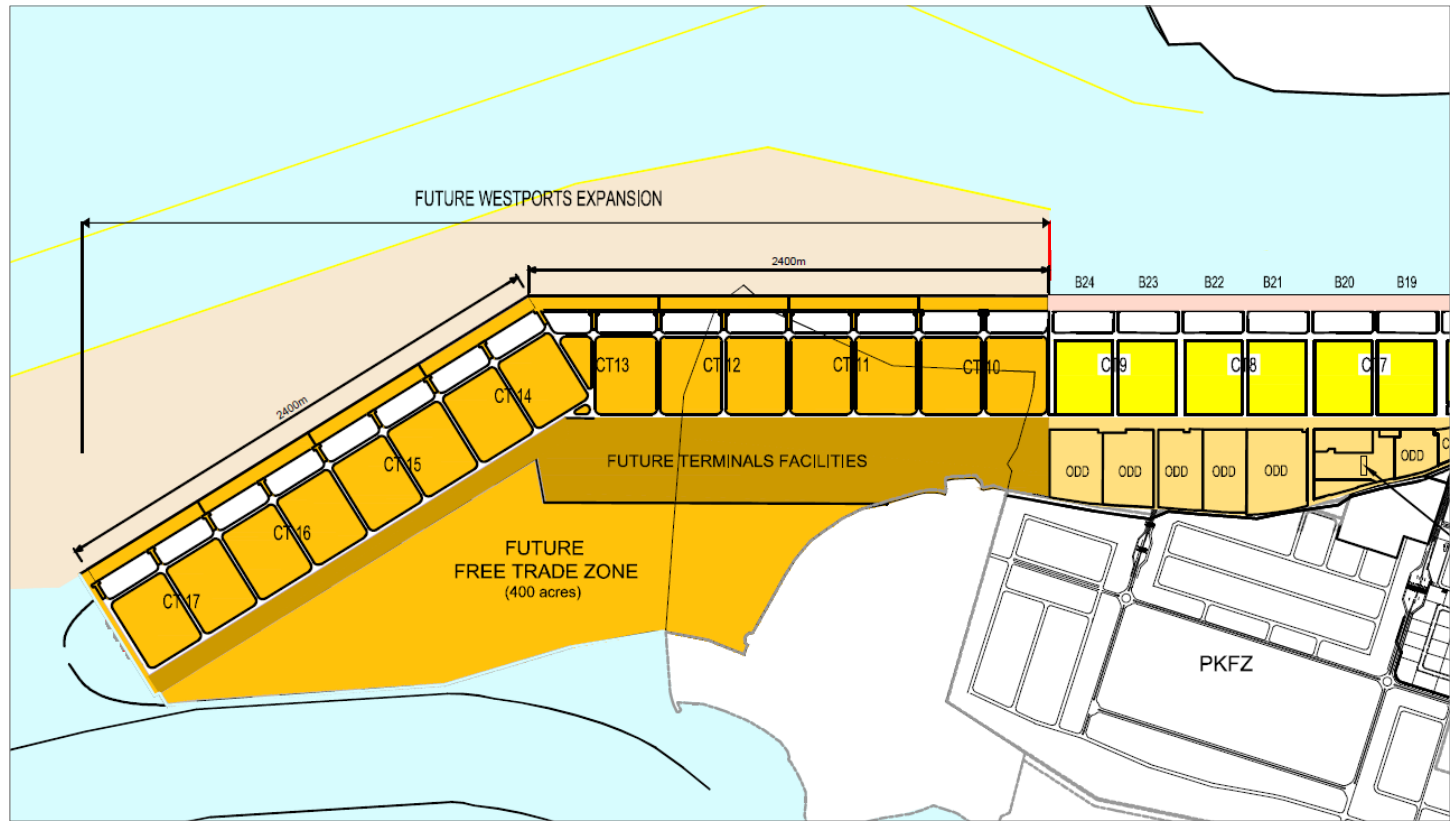
- Approval-in-Principle
- Purchase of PKNS land
- 8 detailed studies
- Finalised port layout design
- S&P to acquire Marina Land<sup>1</sup>
- Initial and detailed EIA reports
- Concession terms with PKA
- EIA approval on detailed study
- Approved land conversion for the 'Land Below The Sea' to industrial use, paid conversion premium
- UKAS
- Ministry of Transport
- Government of Malaysia

## S&P conditions precedent<sup>1</sup>

- WHB shareholders approval
- No objection from EPU
- Approved land conversion for 'Marina Land' to industrial use. Paid the conversion premium
- Concession agreement

## Additional facilities before 2025

- 2020-21, invested +12% more total ground slots to 52,455, with +58% more reefer plugs at 4,132
- 2 new QCs from Jan22 onwards
- Ordered 21 RTG cranes, and 12 are delivered already
- Ordered 6 new QCs, by Dec22



Proposed Acquisition  
**'Marina Land'**  
 146.4 Hectares / 362 Acres



# Throughput Volume

- **4Q21** Volume affected by high yard utilization and supply chain challenges. Dec21, 2-week productivity affected by surrounding floods
- **YTDDec21** Asia-America consumption-led growth continued. Intra-Asia volume reflected some of the regional supply chain disruptions and port congestions. Break bulk, ingots, and RORO contributed to the overall improvement in Conventional throughput

## Container & Conventional Throughput

Container m TEU	4Q21	4Q20	% YoY	% Split	3Q21	% QoQ	YTDDec21	YTDDec20	% YoY	% Split
Transshipment	1.57	1.80	-13%	63.7%	1.79	-12%	6.75	6.75	0%	64.9%
Gateway	0.89	0.97	-8%	36.3%	0.84	6%	3.65	3.75	-3%	35.1%
<b>Total^</b>	<b>2.47</b>	<b>2.77</b>	<b>-11%</b>	<b>100%</b>	<b>2.63</b>	<b>-6%</b>	<b>10.40</b>	<b>10.50</b>	<b>-1%</b>	<b>100%</b>
Intra-Asia	1.48	1.66	-11%	60.2%	1.56	-5%	6.25	6.46	-3%	60.1%
Asia-Europe	0.37	0.49	-23%	15.2%	0.43	-14%	1.68	1.80	-6%	16.2%
Asia-Australasia	0.25	0.25	0%	10.1%	0.27	-9%	1.07	0.93	15%	10.3%
Asia-America	0.19	0.22	-12%	7.8%	0.24	-20%	0.82	0.71	16%	7.9%
Asia-Africa	0.08	0.11	-28%	3.1%	0.09	-12%	0.36	0.42	-15%	3.4%
Others	0.09	0.06	56%	3.6%	0.04	117%	0.22	0.19	18%	2.1%
<b>Total^</b>	<b>2.47</b>	<b>2.77</b>	<b>-11%</b>	<b>100%</b>	<b>2.63</b>	<b>-6%</b>	<b>10.40</b>	<b>10.50</b>	<b>-1%</b>	<b>100%</b>
<b>Conventional m MT</b>	<b>2.94</b>	<b>3.19</b>	<b>-8%</b>	<b>-</b>	<b>2.58</b>	<b>14%</b>	<b>11.26</b>	<b>10.87</b>	<b>4%</b>	<b>-</b>

## Dividend Distribution Track Record

	Dividend Per Share (RM)	Financial Year	Ex-Date	Payment Date
2nd Interim Div	9.28 sen	2H 2021	15 Feb 2022	24 Feb 2022
1st Interim Div	8.50 sen	1H 2021	17 Aug 2021	26 Aug 2021
2nd Interim Div	6.47 sen	2H 2020	18 Feb 2021	01 Mar 2021
1st Interim Div	5.05 sen	1H 2020	11 Aug 2020	21 Aug 2020
2nd Interim Div	6.26 sen	2H 2019	20 Feb 2020	03 Mar 2020
1st Interim Div	6.74 sen	1H 2019	14 Aug 2019	23 Aug 2019
2nd Interim Div	6.33 sen	2H 2018	18 Feb 2019	01 Mar 2019
1st Interim Div	5.40 sen	1H 2018	07 Aug 2018	20 Aug 2018
2nd Interim Div	7.95 sen	2H 2017	21 Feb 2018	06 Mar 2018
1st Interim Div	6.372 sen	1H 2017	01 Aug 2017	15 Aug 2017
Total Dividend	14.00 sen	FY 2016		
Total Dividend	11.10 sen	FY 2015		
Total Dividend	11.25 sen	FY 2014		
Total Dividend	^5.22 sen	FY 2013	^October 2013 IPO. Only one payment	

## Outlook 2022



The trend towards larger vessels is expected to continue with greater TEUs moved per ship call

- Reinstated **dividend payout ratio of 75%** for FY2021 after the temporary 1-year reduction to 60% for 2020
  - 1<sup>st</sup> interim dividend of RM289.9m
  - 2<sup>nd</sup> interim dividend amounting to RM316.4m
- The timing for equity-Sukuk **fund raising** to finance expansion of CT10 to CT13 would depend on the concession agreement

- Port congestions, supply chain issues, uneven inflationary pressures and Covid-19 new variants are risk factors to stronger recovery. Projecting a low single-digit growth for **container throughput** in 2022
- Ongoing detailed discussions with authorities on the **new concession**
- New liquid bulk jetty **LBT5** is operational in 1Q22. Container vessels can now berth at the repaired **wharf 22-23**
- Formulating strategic business plan for **Port Klang Cruise Terminal**



# Thank You

Westports Holdings Berhad  
<http://www.westportsholdings.com/>

2020 Annual Report  
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2020 Sustainability Report  
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