



Westports Holdings Berhad

1st Quarter 2020 Financial Report
6th May 2020



Revenue

- **1Q20** Container revenue reflected tariff revision implemented on 1st March 2019 and gateway volume growth of 14%. Meanwhile VAS percentage contribution to container revenue remained identical. Lower conventional revenue with lesser steel products in break bulk
- Lower rental with residual impact of MFRS16. Construction revenue in accordance with IC12 for liquid bulk jetty and CT9 Yard Zone Z

Segmental Revenue (RM million)

Revenue RM million	1Q20	1Q19	% YoY	% Split	4Q19	% QoQ	2019	2018	% YoY	% Split
Container	396	354	12%	86.7%	389	2%	1,537	1,350	14%	86.2%
Conventional	31	31	-1%	6.7%	32	-4%	122	143	-15%	6.8%
Marine	20	20	1%	4.4%	21	-4%	83	77	8%	4.7%
Rental	10	10	-1%	2.2%	10	-4%	41	45	-9%	2.3%
Op. Revenue[^]	457	415	10%	100%	453	1%	1,783	1,615	10%	100%
Construction	17	0	nm	-	0	nm	0	0	nm	-
Total Revenue[^]	473	415	14%	-	453	5%	1,783	1,615	10%	-

[^]May not add up due to rounding

- **1Q20** Manpower cost reflected higher headcount and salary increments. Depreciation included new terminal trucks' engines. Fuel cost declined despite weaker Ringgit with lower MOPS. Lower container M&R cost with newer TTs. Others: outsourcing, conventional, marine
- The construction cost is now marginally lesser than construction revenue with accounting treatment which is in accordance to IC12

Cost Of Sales Breakdown (RM million)

Cost RM million	1Q20	1Q19	% YoY	% Split	4Q19	% QoQ	2019	2018	% YoY	% Split
Manpower	60	52	14%	35.7%	53	13%	213	196	8%	31.7%
Depreciation	48	47	2%	28.4%	47	1%	195	187	4%	29.0%
Fuel	22	23	-4%	13.3%	27	-19%	105	103	3%	15.7%
M&R	17	18	-5%	10.1%	20	-14%	75	70	8%	11.2%
Electricity	10	9	9%	6.0%	10	4%	39	35	11%	5.8%
Others	11	10	14%	6.5%	12	-9%	44	69	-37%	6.5%
Op. Cost[^]	168	159	5%	100%	169	-1%	671	660	2%	100%
Construction	16	0	nm	-	0	nm	0	0	nm	-
Total Cost[^]	184	159	16%	-	169	9%	671	660	2%	-

[^]May not add up due to rounding

Overall Results & Profitability Margins

		1Q20	1Q19	%Chg	4Q19	% QoQ	2019	2018	%Chg	On 1Q20 Performance
Container	m TEUs	2.52	2.53	0%	2.82	-11%	10.86	9.52	14%	Gateway +14%. Transshipment -8% as TS FCL -13% while TS MT +14%. Total empties at 24%, up from 21%. Higher throughput by dry bulk and liquid bulk operations
Conventional	m MT	2.75	2.36	17%	2.76	0%	9.87	10.69	-8%	
Op. Revenue		457	415	10%	453	1%	1,783	1,615	10%	Container revenue growth reflected gateway volume, tariff revision and VAS growth. Higher manpower cost with higher headcount and annual increments. Minimal depreciation hike as there were no major new assets being capitalised. Weaker RM but still lower fuel cost, lower MOPS
Op. Cost Of Sales		-168	-159	5%	-169	-1%	-671	-660	2%	
Gross Profit		289	256	13%	284	2%	1,112	954	16%	The lower EBITDA margin is mainly due to general provision made at Administrative Expenses, which has increased to RM25.1m. Otherwise, EBITDA % would only be marginally lower than the previous year's ratio. Administrative Expenses included also right-of-use assets depreciation
EBITDA		273	260	5%	231	18%	1,076	998	8%	
EBITDA %		59.7%	62.7%		50.9%		60.3%	61.8%		
Results From Op. Act.		217	206	6%	175	24%	849	782	8%	
Profit Before Tax		202	186	9%	158	28%	774	701	10%	Marginally lower calculated PBT margin of 44.2%, reflected mainly the dampening effect of general provision. Lower finance cost with reduced total outstanding Sukuk of RM1,400m after the repayment of RM100m in Aug19. No additional drawdown of Sukuk since Jun17
PBT %		44.2%	44.7%		34.9%		43.4%	43.4%		
Tax		-49	-46	7%	-33	51%	-183	-168	9%	
Tax %		-24.3%	-24.7%		-20.6%		-23.6%	-23.9%		
Profit After Tax[^]		153	140	9%	125	22%	591	533	11%	Bottom-line PAT increase of 9% despite container volume at 0%

[^]May not add up due to rounding

Cash Flows & Total Borrowings

Consolidated Cash Flows					Sukuk Musharakah Medium Term Note (SMTN)	
RM million	1Q20	1Q19	2019	2018		
Operating Profit Before Working Capital Changes	300	270	1,166	1,005	Tenure	<ul style="list-style-type: none"> 20 year Sukuk Musharakah Medium Term Note program obtained on 20 April 2011 Valid unless it has been redeemed, cancelled or repurchased by WMSB
Cash Generated From Operations	357	242	1,221	738	Nominal Value	RM2,000 million available for issuance
Net Cash Generated From Operating Activities	297	183	960	588	Drawdown	<ul style="list-style-type: none"> 03 May 2011 of RM450 million 01 April 2013 of RM250 million 23 Oct 2013 of RM200 million 03 April 2014 of RM250 million 07 August 2017 of RM200 million 13 December 2017 of RM150 million
Net Cash Used In Investing Activities	-71	-12	-64	-198	Total RM1,500m	
Net Cash Used In Financing Activities	-240	-241	-645	-508	Utilisation of Proceeds	<ul style="list-style-type: none"> Refinance previous SUKUK programme Capital expenditure & assets acquisition Working capital
Net Change In Cash & Cash Equivalents	-15	-70	250	-118	Repayment Schedule	<ul style="list-style-type: none"> RM450 mln - 6 tranches, 2021-2026 RM250 mln - 4 tranches, 2025-2028 RM200 mln - 5 tranches, 2024-2028 RM250 mln - 4 tranches, 2021-2024 RM200 mln - 2 tranches, 2019-2020 repaid RM100m RM150 mln - 3 tranches, 2021-2027
Cash & Cash Equivalents As At Starting Period	657	407	407	524		
Cash & Cash Equivalents As At End Of Period	642	337	657	407		

May not add up due to rounding

- **Capex** for construction of liquid bulk jetty, Container Yard Zone Z and terminal trucks. Later in 2020, for RTG cranes
- **Cash** of RM681m of which RM39m are pledged deposits

- **Sukuk borrowings of RM1,400m** after 1st repayment of RM100m in Aug19. Next RM100m repayment in Aug2020
- Net and gross **debt-to-equity ratio** 0.29x and 0.56x as at Mar20 respectively

Westports Expansion

Proposed acquisition

- Conditional S&P Agreement to acquire Marina Land for a total cash consideration of **RM393,958,900** from PRSB

Key details of the land

- 146.4 hectares or 361.762 acres
- Tenure of 99 years. **Leasehold** expiring on 24 March 2096

Basis of the purchase price

- Appraised by PPC International Sdn Bhd with a **market value of RM394.0 million** (or RM25 per square foot)
- Comparison method of valuation

Payment terms

- 10% of the purchase price of RM39,395,890 being the deposit
- 90% of the purchase price of RM354,563,010 within **3 months** from the date of fulfilling the last **conditions precedent**

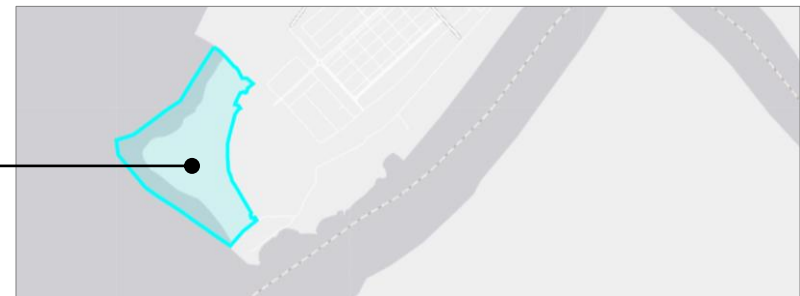
Key conditions precedent

- **Approval** by shareholders of Westports in an EGM
- **Conversion** of category of land use
- Ministry of Economic Affairs' approval or confirmation
- **Concession agreement** with Government of Malaysia



Land Below
The Sea
Already Acquired
'Land Below The Sea'
154.2 Hectares / 381 Acres

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



Throughput Volume

- **1Q20** Gateway growth not really affected by Covid-19 yet. Port is designated as essential services under MCO, operations continued as usual. Transshipment declined after six consecutive quarters of strong growth averaging 16%, and in 1Q19 empties +14% while FCL -13%
- Key trade lanes, including intra-Asia, declined while Asia-America grew. Higher conventional volume with bunker-liquid bulk operations

Container & Conventional Throughput

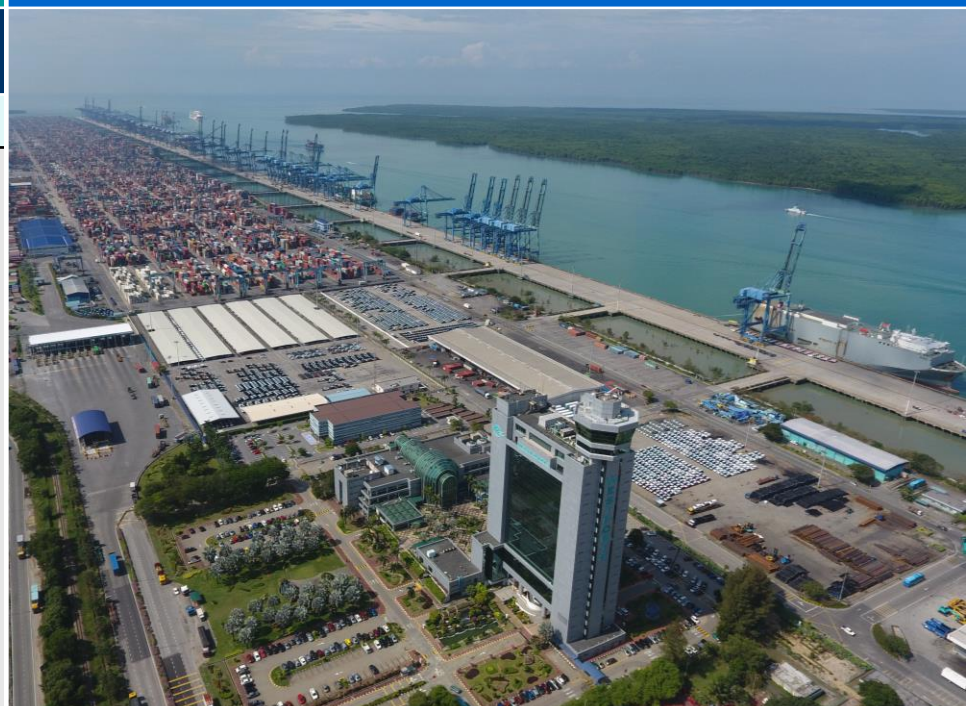
Container m TEU	1Q20	1Q19	% YoY	% Split	4Q19	% QoQ	2019	2018	% YoY	% Split
Transshipment	1.58	1.71	-8%	62.7%	1.84	-14%	7.23	6.23	16%	66.6%
Gateway	0.94	0.82	14%	37.3%	0.98	-4%	3.63	3.30	10%	33.4%
Total^	2.52	2.53	0%	100%	2.82	-11%	10.86	9.52	14%	100%
Intra-Asia	1.58	1.62	-2%	62.8%	1.77	-11%	6.89	5.89	17%	63.4%
Asia-Europe	0.40	0.41	-3%	15.7%	0.48	-17%	1.82	1.37	33%	16.8%
Asia-Australasia	0.20	0.21	-5%	8.0%	0.23	-12%	0.89	0.95	-6%	8.2%
Asia-America	0.14	0.13	5%	5.5%	0.15	-9%	0.58	0.80	-28%	5.3%
Asia-Africa	0.11	0.10	5%	4.2%	0.11	-7%	0.46	0.32	42%	4.2%
Others	0.09	0.05	80%	3.7%	0.07	40%	0.22	0.19	13%	2.0%
Total^	2.52	2.53	0%	100%	2.82	-11%	10.86	9.52	14%	100%
Conventional m MT	2.75	2.36	17%	-	2.76	0%	9.87	10.69	-8%	-

^May not add up due to rounding

Dividend Distribution Track Record

	Dividend Per Share (RM)	Financial Year	Ex-Date	Payment Date
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
2nd Interim Div	6.70 sen	2H 2016	22 Feb 2017	08 Mar 2017
1st Interim Div	7.30 sen	1H 2016	09 Aug 2016	23 Aug 2016
2nd Interim Div	5.78 sen	2H 2015	17 Feb 2016	02 Mar 2016
1st Interim Div	5.32 sen	1H 2015	13 Aug 2015	26 Aug 2015
2nd Interim Div	6.15 sen	2H 2014	26 Feb 2015	11 Mar 2015
1st Interim Div	5.10 sen	1H 2014	07 Aug 2014	20 Aug 2014
2nd Interim Div	5.22 sen	2H 2013	26 Feb 2014	11 Mar 2014

Outlook 2020



All container terminal facilities would be developed once Container Yard Zone Z is completed

- **Payout ratio of 75%**
 - Semi-annual distribution of dividend **since IPO**
 - **Unchanged** payout ratio even with heavy capex during 2015-2017 container terminal expansion

- **Container volume** is expected to be **negative** with the Covid-19 pandemic
- Commenced detailed EIA and commercial negotiations on **concession agreement**
- New **liquid bulk jetty** and Container Yard Zone Z to be completed by end-2020

Thank You

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

2019 Annual Report
<http://westportsholdings.com/wp-content/uploads/files/Westports%20Hldgs%20Bhd%20Annual%20Report%202019.pdf>

2019 Sustainability Report
<http://westportsholdings.com/wp-content/uploads/files/Westports%20Hldgs%20Sustainability%20Report%202019hr.pdf>

Chang Kong Meng
Email: chang@westports.com.my
Contact: +6 03 3169 4047
Mobile No: +6 012 5123 813

This document contains certain forward-looking statements with respect to Westports Holdings Berhad's ("Westports") financial condition, results of operations and business, and management's strategy, plans and objectives for Westports. These statements include, without limitation, those that express forecasts, expectations and projections such as forecasts, expectations and projections in relation to new products and services, revenue, profit, cash flow, operational metrics etc. These statements (and all other forward-looking statements contained in this document) are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond Westports' control, are difficult to predict and could cause actual results to differ materially from those expressed or implied or forecast in the forward-looking statements. All forward-looking statements in this presentation are based on information known to Westports on the date hereof. Westports undertakes no obligation publicly to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. This presentation has been prepared by Westports. The information in this presentation, including forward-looking statements, has not been independently verified. Without limiting any of the foregoing in this disclaimer, no representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy or completeness of such information. Westports and its subsidiaries, affiliates, representatives and advisers shall have no liability whatsoever (whether in negligence or otherwise) for any loss, damage, costs or expenses howsoever arising out of or in connection with this presentation.