



Westports Holdings Berhad

1st Quarter 2023 Financial Report
5th May 2023



- **1Q23** Container revenue -4% despite volume +6% due to lower storage charges as dwell time of transshipment boxes reduced without congestion. Marine revenue +29% with +32% increase in container vessels berthing but boxes handled per vessel -20% to 1.3k per ship
- Higher rental with tenants at Westports Logistics Centre while conventional revenue eased due to lower throughput of break bulk cargo

Segmental Revenue

Revenue RM million	1Q23	1Q22	% YoY	% Split	4Q22	% QoQ	FY2022	FY2021	% YoY	% Split
Container	435	452	-4%	86.4%	440	-1%	1,774	1,735	2%	86.3%
Conventional	34	36	-5%	6.7%	37	-9%	155	134	16%	7.5%
Marine	22	17	29%	4.3%	21	1%	76	65	17%	3.7%
Rental	13	12	3%	2.5%	13	2%	50	43	15%	2.4%
Op. Revenue[^]	503	516	-3%	100%	511	-2%	2,055	1,978	4%	100%
Construction	10	0	nm	-	10	0%	14	44	-69%	-
Total Revenue[^]	513	516	-1%	-	521	-2%	2,069	2,022	2%	-

- **1Q23** Manpower cost reflected higher salaries, EPF, allowances and bonus provision. Lower fuel cost mainly due to lower MOPS price
- Higher electricity cost due to ICPT increasing from 3.7 to 20.0 sen/kWh despite lower electricity consumption and reefer dwelling days. M&R cost hike reflected scheduled preventive/corrective maintenance activities and tyre replacement especially for TTs and trailers

Cost Of Sales Breakdown

Cost RM million	1Q23	1Q22	% YoY	% Split	4Q22	% QoQ	FY2022	FY2021	% YoY	% Split
Manpower	72	67	6%	34.2%	67	7%	267	251	6%	30.9%
Depreciation	51	50	1%	24.3%	52	-2%	206	197	4%	23.8%
Fuel	38	40	-3%	18.3%	48	-20%	201	119	69%	23.2%
M&R	22	19	14%	10.4%	21	1%	81	78	4%	9.4%
Electricity	14	12	20%	6.9%	12	22%	49	45	10%	5.7%
Others	12	14	-15%	5.8%	16	-24%	61	58	6%	7.0%
Op. Cost[^]	209	203	3%	100%	216	-3%	866	747	16%	100%
Construction	10	0	nm	-	10	0%	13	44	-69%	-
Total Cost[^]	219	203	8%	-	226	-3%	879	791	11%	-

Overall Results & Profitability Margins

	1Q23	1Q22	%Chg	4Q22	% QoQ	FY2022	FY2021	%Chg	On 1Q23 Performance
Container m TEUs	2.55	2.39	6%	2.58	-1%	10.05	10.40	-3%	Transshipment and gateway +6% while handling of empties +14%. Yard occupancy and TS dwell time eased. At conventional segment, strong growth of non-bunker liquid
Conventional m MT	2.89	2.66	9%	3.25	-11%	12.12	11.26	8%	
Op. Revenue	503	516	-3%	511	-2%	2,055	1,978	4%	Supply chain normalized, storage revenue gradually converges to pre-pandemic levels. Overall revenue per TEU eased mainly due to lower VAS. Reefer TEUs +2% but lower dwell time. Fuel cost reversed after fastest growth last year. Electricity cost fastest hike with current ICPT
Op. Cost Of Sales	-209	-203	3%	-216	-3%	-866	-747	16%	
Gross Profit	294	314	-6%	295	0%	1,190	1,231	-3%	1Q23 Other Income included final non-recurrent insurance recovery of RM3.7m for QC51 and QC52 (none in 1Q22). Total Finance Costs eased in 1Q23 with a lower total Sukuk outstanding balance of RM900m compared to RM1.025bn during 1Q22 after scheduled repayments
EBITDA	309	329	-6%	286	8%	1,215	1,360	-11%	
EBITDA %	61.5%	63.7%		55.9%		59.1%	68.8%		
Results From Op. Act.	245	264	-7%	221	11%	950	1,102	-14%	
Profit Before Tax	237	249	-5%	251	-6%	944	1,040	-9%	Results of JV is 50% in Port Klang Cruise Terminal, which uses Equity Method Accounting. Turnaround from losses with profit contribution of RM2.5m in 1Q23. An effective tax rate of 22.5% compared to previous corresponding period's much higher tax rate with Cukai Makmur
PBT %	47.1%	48.2%		49.1%		45.9%	52.6%		
Tax	-53	-97	-45%	-16	228%	-244	-231	6%	
Tax %	-22.5%	-39.0%		-6.5%		-25.9%	-22.3%		
Profit After Tax[^]	184	152	21%	235	-22%	700	808	-13%	Net profit +21% and PAT margin of 36.5% for 1Q23

May not add up due to rounding

Consolidated Cash Flows					Sukuk Musharakah Medium Term Note (SMTN)	
RM million	1Q23	1Q22	FY2022	FY2021		
Operating Profit Before Working Capital Changes	310	331	1,238	1,365	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	289	396	1,273	1,366	Nominal Value	RM2,000 million available for issuance
Net Cash Generated From Operating Activities	208	341	899	1,101	Drawdown Total RM1,500m	<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	-64	-184	-471	Utilisation of Proceeds	<ul style="list-style-type: none"> Refinance previous SUKUK programme Capital expenditure & assets acquisition Working capital
Net Cash Used In Financing Activities	-353	-465	-820	-753	Repayment Schedule	<ul style="list-style-type: none"> RM450 mln - 6 tranches, 2021-2026 repaid RM100m RM250 mln - 4 tranches, 2025-2028 RM200 mln - 5 tranches, 2024-2028 RM250 mln - 4 tranches, 2021-2024 repaid RM200m* RM200 mln - 2 tranches, 2019-2020 repaid RM200m RM150 mln - 3 tranches, 2021-2027 repaid RM100m
Net Change In Cash & Cash Equivalents	-216	-188	-105	-124		
Cash & Cash Equivalents As At Starting Period	511	615	615	739		
Cash & Cash Equivalents As At End Of Period	295	427	511	615		

May not add up due to rounding

- **CapEx** in 1Q23 of RM74m included purchase 2 units of autonomous electric terminal trucks and building Liquid Bulk Terminal 4A (LBT 4A)
- **Cash** deposits of RM337m as at Mar23, of which RM42m are pledged deposits

- **Sukuk borrowings** reduced to RM900m after repayment of RM75m.* Another and final scheduled repayment for 2023 of RM50m in 2Q23
- **RAM** reaffirmed WMSB's AAA rating in its 2nd annual review in Jan23
- Net and gross **debt-to-equity ratios** of 0.18x and 0.28x respectively as at Mar23

Expansion check-list

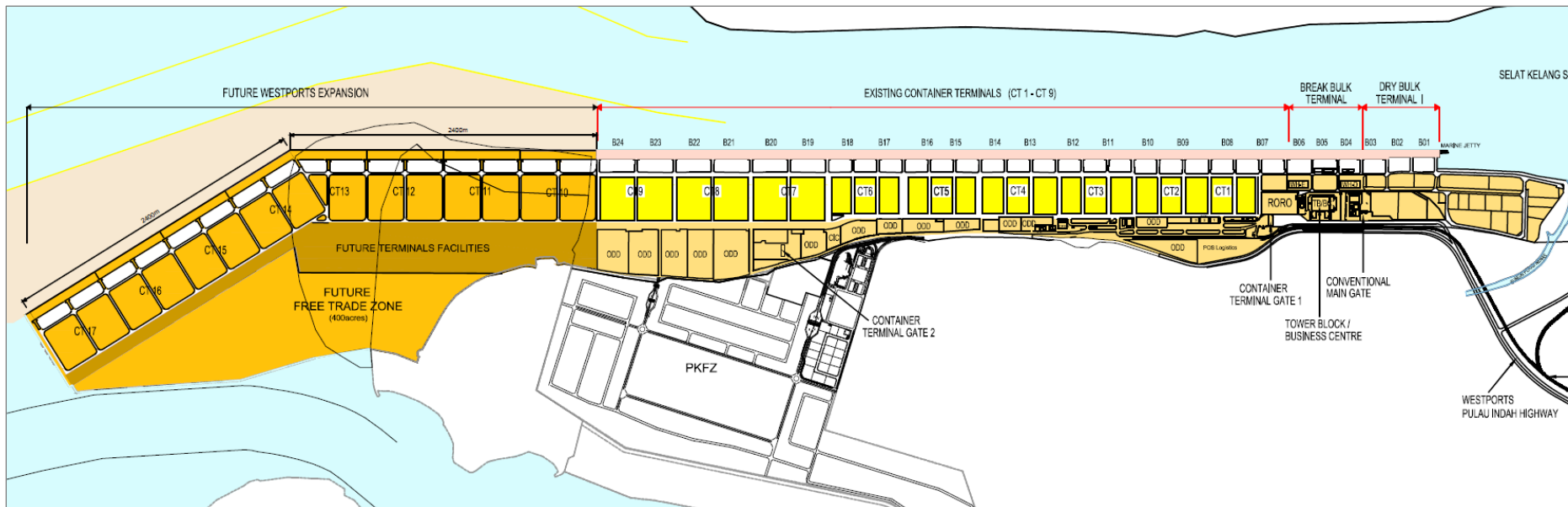
- Approval-in-Principle
- Purchase of PKNS land
- 8 detailed technical studies
- Finalised port layout design
- S&P to acquire Marina Land[@]
- Initial and detailed EIA reports
- Concession terms with PKA
- EIA approval on detailed study
- Approved land conversion for 'Land Below The Sea' to industrial use
- Paid full conversion premium on 'Land Below The Sea'
- UKAS
- Ministry of Transport
- Government of Malaysia

S&P conditions precedent[@]

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

Features of new expansion

- 4,800-metre total quay length
- 260-hectare of total yard area
- 18.0-metre maximum depth
- 13m TEUs container capacity
- Phase 1 from CT10 to CT13
- Phase 2 from CT14 to CT17



Throughput Volume

- **1Q23** was the 2nd highest ever quarterly gateway volume, boosted by competitive exports and FDIs. Some repositioning as empty boxes' growth outpaced laden boxes. Intra-Asia remained resilient, underpinned overall container throughput with more services
- Conventional volume growth supported by non-bunker liquid bulk (LPG and CPO/chemicals) and dry bulk (food-related) cargoes

Container & Conventional Throughput

Container m TEU	1Q23	1Q22	% YoY	% Split	4Q22	% QoQ	FY2022	FY2021	% YoY	% Split
Transshipment	1.52	1.42	6%	59.5%	1.56	-3%	6.08	6.75	-10%	60.5%
Gateway	1.03	0.97	6%	40.5%	1.02	1%	3.97	3.65	9%	39.5%
Total^	2.55	2.39	6%	100%	2.58	-1%	10.05	10.40	-3%	100%
Intra-Asia	1.61	1.55	3%	63.1%	1.63	-1%	6.32	6.29	0%	62.9%
Asia-Europe	0.39	0.37	8%	15.5%	0.46	-15%	1.73	1.69	2%	17.2%
Asia-Australasia	0.24	0.25	0%	9.6%	0.24	2%	0.96	1.08	-11%	9.6%
Asia-America	0.18	0.16	12%	7.0%	0.16	10%	0.68	0.82	-18%	6.7%
Asia-Africa	0.07	0.03	105%	2.8%	0.06	15%	0.20	0.36	-45%	2.0%
Others	0.05	0.03	57%	2.0%	0.03	64%	0.16	0.17	-4%	1.6%
Total^	2.55	2.39	6%	100%	2.58	-1%	10.05	10.40	-3%	100%
Conventional m MT	2.89	2.66	9%	-	3.25	-11%	12.12	11.26	8%	-

Dividend Distribution Track Record

	Dividend Per Share (RM)	Financial Year	Ex-Date	Payment Date
2nd Interim Div	7.46 sen	2H 2022	09 Feb 2023	20 Feb 2023
1st Interim Div	6.91 sen	1H 2022	12 Aug 2022	23 Aug 2022
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
Total Dividend	11.73 sen	FY 2018		
Total Dividend	14.322 sen	FY 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 2023



Handled more empty containers as they are redeployed to Far East ports

- **Dividend payout.** WMSB is paying 75% of its PAT, and WHB is just redistributing all dividends it received
 - Record dividend payout of RM606m in 2021 by WHB
 - 60% payout only in 2020 due to precautionary measure
- If/when required, equity **fundraising** to part-finance the container terminal expansion only after signing the concession agreement and commencement of land reclamation work

- Recessionary risk in developed economies and the normalised durable goods consumption could affect throughput. Relatively stable regional volume. **Container** volume growth could be at a low single-digit rate
- **Liquid Bulk Terminal 4A** should be completed by the end of 4Q23
- A commitment to achieving **net-zero carbon emissions by 2050**. Has commenced testing electric terminal trucks

Thank You

Westports Holdings Berhad

<http://www.westportsholdings.com/>

Annual Report 2022

https://www.westportsholdings.com/wp-content/uploads/files/WPRTS_Annual_Report_04Apr2023@1700.pdf

Sustainability Report 2022

https://www.westportsholdings.com/wp-content/uploads/files/WPRTS_Sustainability_Report.pdf

Corporate Impact Report by Morningstar Sustainalytics

https://www.westportsholdings.com/wp-content/uploads/files/Westport_Sustainalytics_Corporate_Impact_Report.pdf

Westports Climate Change Assessment Report by DHI Water & Environment (M) Sdn Bhd

<https://www.westportsholdings.com/wp-content/uploads/files/WestportsClimateChgAssessmentRep2022.pdf>

Carbon Stock And Sequestration Valuation Of Flora In Westports by FRIM Incorporated Sdn Bhd

<https://www.westportsholdings.com/wp-content/uploads/files/WestportsCarbonStockSequestrationV2022.pdf>

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