



## Westports Holdings Berhad

2<sup>nd</sup> Quarter 2021 Financial Report  
30<sup>th</sup> July 2021



# Revenue

- **2Q21** Op. revenue shows sizable growth due to 2Q20's low-base. Container revenue +21% mainly due to higher THC and VAS, as container volume +16%. Conventional revenue increased with higher volume across most key segments
- **YTDJun21** Marine revenue reflects lesser calls but average container moves per ship increased. IC12 for LBT5 and Yard 8 construction

## Segmental Revenue (RM million)

Revenue RM million	2Q21	2Q20	% YoY	% Split	1Q21	% QoQ	YTDJun21	YTDJun20	% YoY	% Split
Container	429	355	21%	87.6%	432	-1%	861	752	14%	87.3%
Conventional	32	22	49%	6.6%	35	-8%	67	52	28%	6.8%
Marine	17	18	-7%	3.5%	17	-2%	35	38	-10%	3.5%
Rental	11	10	15%	2.3%	12	-6%	23	20	18%	2.3%
<b>Op. Revenue<sup>^</sup></b>	<b>490</b>	<b>405</b>	<b>21%</b>	<b>100%</b>	<b>496</b>	<b>-1%</b>	<b>985</b>	<b>862</b>	<b>14%</b>	<b>100%</b>
Construction	15	26	-42%	-	12	24%	28	43	-35%	-
<b>Total Revenue<sup>^</sup></b>	<b>505</b>	<b>432</b>	<b>17%</b>	<b>-</b>	<b>508</b>	<b>-1%</b>	<b>1,013</b>	<b>905</b>	<b>12%</b>	<b>-</b>

- **2Q21** Fuel cost up mainly due to higher MOPS price, partly higher fuel consumption. Manpower cost reflected higher op. headcount
- **YTDJun21** M&R cost with cycle of preventive maintenance for Quay Cranes and RTG cranes. Depreciation charges with capitalisation of 12 RTG Cranes and the completed Container Yard Zone Y and Zone Z at CT9 compared to 1H20

## Cost Of Sales Breakdown (RM million)

Cost RM million	2Q21	2Q20	% YoY	% Split	1Q21	% QoQ	YTDJun21	YTDJun20	% YoY	% Split
Manpower	64	58	10%	34.5%	64	0%	128	118	9%	34.9%
Depreciation	48	47	3%	26.0%	49	-1%	97	94	3%	26.4%
Fuel	28	14	98%	14.9%	26	7%	54	36	48%	14.6%
M&R	20	17	17%	10.7%	19	4%	39	34	15%	10.6%
Electricity	12	14	-13%	6.5%	10	17%	22	24	-6%	6.1%
Others	14	10	34%	7.4%	14	0%	28	22	25%	7.5%
<b>Op. Cost<sup>^</sup></b>	<b>186</b>	<b>160</b>	<b>16%</b>	<b>100%</b>	<b>182</b>	<b>2%</b>	<b>368</b>	<b>328</b>	<b>12%</b>	<b>100%</b>
Construction	15	26	-42%	-	12	24%	27	43	-35%	-
<b>Total Cost<sup>^</sup></b>	<b>201</b>	<b>187</b>	<b>8%</b>	<b>-</b>	<b>194</b>	<b>3%</b>	<b>396</b>	<b>371</b>	<b>7%</b>	<b>-</b>

# Overall Results & Profitability Margins

		2Q21	2Q20	%Chg	1Q21	% QoQ	YTDJun21	YTDJun20	%Chg	On YTD Performance
<b>Container</b>	m TEUs	<b>2.65</b>	<b>2.28</b>	<b>16%</b>	<b>2.66</b>	<b>0%</b>	<b>5.30</b>	<b>4.80</b>	<b>11%</b>	Gateway +9%. Transshipment +11%. FCL growth outpaced empties as the latter are mostly fully deployed. 2Q20 low-base, growth in all key segments for Conventional in 1H21
<b>Conventional</b>	m MT	<b>2.71</b>	<b>2.14</b>	<b>27%</b>	<b>3.03</b>	<b>-10%</b>	<b>5.74</b>	<b>4.89</b>	<b>17%</b>	
Op. Revenue		490	405	21%	496	-1%	985	862	14%	Container revenue growth due to higher THC and VAS. Manpower cost up with op. headcount +13%. Much higher fuel cost with rise in MOPS price. Depreciation reflected inclusion of new RTG cranes and CT9 Yard Zone Y and Z. Direct cost for Conventional, up with volume
Op. Cost Of Sales		-186	-160	16%	-182	2%	-368	-328	12%	
Gross Profit		304	245	24%	314	-3%	618	534	16%	1Q21 Other Income has RM20.0m insurance recovery for QC51-52 and Administrative Expenses lessen with absence of general provision. There is no further additional reversal in 2Q21. Adjusting for one-off items* in 1H21, EBITDA was RM636.9m, the EBITDA % will be 64.6% for 1H21
<b>EBITDA</b>		<b>314</b>	<b>256</b>	<b>23%</b>	<b>354</b>	<b>-11%</b>	<b>668</b>	<b>538</b>	<b>24%</b>	
EBITDA %		64.0%	63.2%		71.4%		67.8%	62.4%		
Results From Op. Act.		251	190	32%	288	-13%	540	407	32%	
<b>Profit Before Tax</b>		<b>236</b>	<b>175</b>	<b>35%</b>	<b>274</b>	<b>-14%</b>	<b>509</b>	<b>377</b>	<b>35%</b>	PBT % calculated using operational revenue at denominator (excluding construction revenue) still improved over 1H20 to 48.6% when adjusted for items* mentioned. Finance Cost eased, RM100m Sukuk repayment in 2020 and RM100m in 1H21. The outstanding Sukuk is RM1,200m
PBT %		48.1%	43.1%		55.2%		51.7%	43.7%		
Tax		-58	-40	43%	-65	-12%	-123	-89	37%	
Tax %		-24.5%	-23.1%		-23.9%		-24.1%	-23.8%		
<b>Profit After Tax<sup>^</sup></b>		<b>178</b>	<b>134</b>	<b>32%</b>	<b>208</b>	<b>-15%</b>	<b>386</b>	<b>287</b>	<b>35%</b>	After tax rate of 24.1%, reported PAT +35% to RM386.3m

May not add up due to rounding

# Cash Flows & Total Borrowings

Consolidated Cash Flows					Sukuk Musharakah Medium Term Note (SMTN)	
RM million	2Q21	2Q20	YTDJun21	YTDJun20		
Operating Profit Before Working Capital Changes	314	264	668	563	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	265	211	608	567	Nominal Value	RM2,000 million available for issuance
<b>Net Cash Generated From Operating Activities</b>	<b>195</b>	<b>149</b>	<b>472</b>	<b>446</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	8	-53	-110	-125	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	-72	-26	-367	-266	Repayment Schedule	<ul style="list-style-type: none"> <li>RM450 mln - 6 tranches, 2021-2026 <small>repaid RM50m</small></li> <li>RM250 mln - 4 tranches, 2025-2028</li> <li>RM200 mln - 5 tranches, 2024-2028</li> <li>RM250 mln - 4 tranches, 2021-2024 <small>repaid RM50m</small></li> <li>RM200 mln - 2 tranches, 2019-2020 <small>repaid RM200m</small></li> <li>RM150 mln - 3 tranches, 2021-2027</li> </ul>
<b>Net Change In Cash &amp; Cash Equivalents</b>	<b>131</b>	<b>70</b>	<b>-5</b>	<b>55</b>		
Cash & Cash Equivalents As At Starting Period	603	642	739	657		
Cash & Cash Equivalents As At End Of Period	734	712	734	712		

May not add up due to rounding

- **Capex** of RM119m in 1H21 mainly for new RTG cranes, Quay Cranes, construction of new liquid bulk jetty LBT5 and 19-acre container yard
- **Cash** deposits of RM774m as at Jun21, of which RM40m are pledged deposits

- **Sukuk borrowings** of **RM1,200m** after RM50m repayments each in Mar21 and May21. Remaining RM50m repayment in Dec21 for 2021. Changed rating agency to **RAM**, with AAA rating assigned to WMSB
- Net and gross **debt-to-equity ratios** of 0.14x and 0.40x respectively as at Jun21

## Expansion check-list

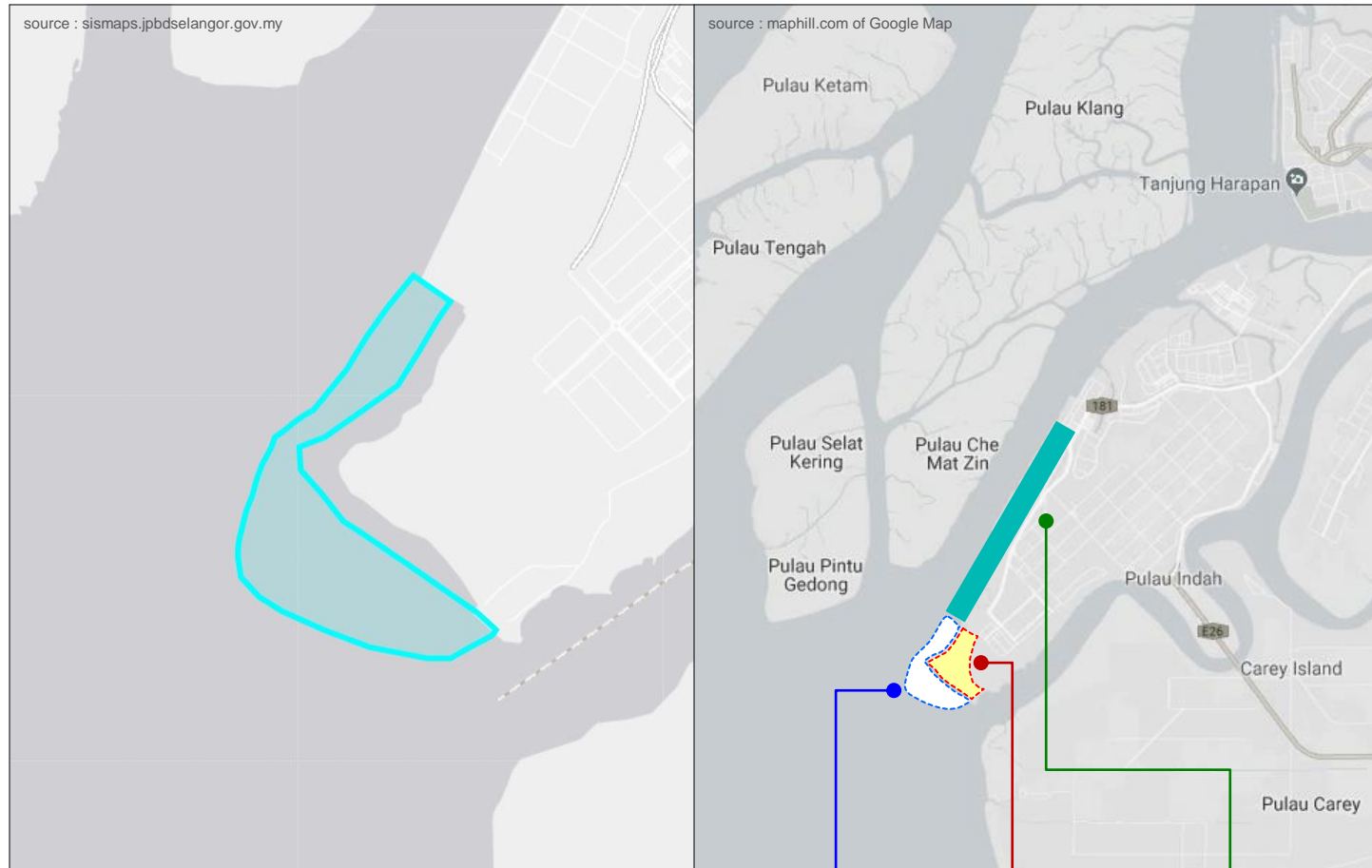
- Approval-in-Principle
- Purchase of PKNS land
- 8 detailed studies
- Finalised port layout design
- S&P to acquire Marina Land^
- Initial and detailed EIA reports
- Concession terms with PKA
- EIA approval on detailed study
- **Approved land conversion for 'Land Below The Sea' to industrial use.** Premium payable within 6 months by Dec21
- **UKAS**
- **Ministry of Transport**
- **Government of Malaysia**

## S&P conditions precedent^

- WHB shareholders approval
- No objection from EPU
- **Land conversion on land use.** Expecting approval by Sep21
- **Concession agreement**

## Adding facilities before 2025

- An additional 19-acre container yard at CT8 by 4Q21
- Ordered 21 RTG cranes for CY
- 2 replacement QCs by 1Q22
- Evaluating new QCs for 2023



Acquired Lot No. 80379  
 NO. H.S.(D) 71881 PT 73171  
 Mukim Klang, Daerah Klang, Negeri Selangor  
**'Land Below The Sea'**  
 154.2 Hectares / 381 Acres

Formerly  
 PKNS Land

Proposed Acquisition  
 Marina Land

CT1 to CT9  
 Container Wharves



# Throughput Volume

- **2Q21** Both transshipment and gateway +16% from 2Q20's low-base. Container yard utilization remained high due to the recent lockdown. Conventional volume recorded growth across all key segments
- **YTDJun21** Asia-America consumption-led and hygienic-need growth continued. Intra-Asia volume improved, keeping split above 60%

## Container & Conventional Throughput

Container m TEU	2Q21	2Q20	% YoY	% Split	1Q21	% QoQ	YTDJun21	YTDJun20	% YoY	% Split
Transshipment	1.70	1.46	16%	64.2%	1.69	1%	3.39	3.04	11%	63.9%
Gateway	0.95	0.82	16%	35.8%	0.97	-2%	1.92	1.76	9%	36.1%
<b>Total^</b>	<b>2.65</b>	<b>2.28</b>	<b>16%</b>	<b>100%</b>	<b>2.66</b>	<b>0%</b>	<b>5.30</b>	<b>4.80</b>	<b>11%</b>	<b>100%</b>
Intra-Asia	1.56	1.40	12%	59.0%	1.63	-4%	3.19	3.01	6%	60.1%
Asia-Europe	0.43	0.39	10%	16.2%	0.44	-2%	0.87	0.79	9%	16.3%
Asia-Australasia	0.27	0.21	32%	10.3%	0.27	2%	0.54	0.41	31%	10.2%
Asia-America	0.19	0.15	32%	7.3%	0.19	2%	0.38	0.29	33%	7.2%
Asia-Africa	0.09	0.10	-5%	3.6%	0.10	-1%	0.19	0.21	-10%	3.6%
Others	0.10	0.04	163%	3.6%	0.04	126%	0.14	0.08	70%	2.6%
<b>Total^</b>	<b>2.65</b>	<b>2.28</b>	<b>16%</b>	<b>100%</b>	<b>2.66</b>	<b>0%</b>	<b>5.30</b>	<b>4.80</b>	<b>11%</b>	<b>100%</b>
<b>Conventional m MT</b>	<b>2.71</b>	<b>2.14</b>	<b>27%</b>	<b>-</b>	<b>3.03</b>	<b>-10%</b>	<b>5.74</b>	<b>4.89</b>	<b>17%</b>	<b>-</b>

## Dividend Distribution Track Record

	Dividend Per Share (RM)	Financial Year	Ex-Date	Payment Date
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
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
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 2021



Sustained active container yard utilisation in 2021

- Reinstating **dividend payout ratio of 75%** for FY2021 after the temporary 1-year reduction to 60% for FY2020
  - The 1<sup>st</sup> interim dividend for FY2021 amounting to RM289.9m
- Evaluating proposals and timing for equity-Sukuk **fund raising** to finance the expansion of CT10 to CT13

- Pandemic induced economic headwinds, repercussions from the canal incident and selective port congestions across the world may influence **container volume**, expected to expand at single-digit rate of increase
- Ongoing negotiations with various authorities for the **new concession**
- New liquid bulk jetty **LBT5** is to be completed by end-2021. Container vessels to berth at repaired wharf 22-23 by end-3Q21
- Awaiting Economic Planning Unit (EPU) approval for **Boustead Cruise Centre**



# Thank You

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

2020 Annual Report  
[https://www.westportsholdings.com/wp-content/uploads/files/WESTPORTS\\_ANNUAL\\_REPORT\\_2020.pdf](https://www.westportsholdings.com/wp-content/uploads/files/WESTPORTS_ANNUAL_REPORT_2020.pdf)

2020 Sustainability Report  
[https://www.westportsholdings.com/wp-content/uploads/files/WestportsHldgs\\_SustainabilityReport\\_2020.pdf](https://www.westportsholdings.com/wp-content/uploads/files/WestportsHldgs_SustainabilityReport_2020.pdf)

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