



Westports Holdings Berhad

2nd Quarter 2022 Financial Report
28th July 2022



- **2Q22** Container revenue +3% despite throughput -6% due to higher VAS and increase in revenue per TEU. On QoQ basis, lesser VAS amount without yard congestion. Conventional revenue increased with break bulk mixed steel and project cargoes and LPG with LBT5
- **YTDJun22** Higher rental with new tenants at the new Westports Logistics Centre and liquid bulk operations that commenced in 1H22

Segmental Revenue (RM million)

Revenue RM million	2Q22	2Q21	% YoY	% Split	1Q22	% QoQ	YTDJun22	YTDJun21	% YoY	% Split
Container	441	429	3%	86.4%	452	-2%	893	861	4%	86.9%
Conventional	39	32	21%	7.6%	36	10%	74	67	11%	7.3%
Marine	18	17	6%	3.6%	17	8%	35	35	1%	3.4%
Rental	12	11	11%	2.4%	12	1%	25	23	7%	2.4%
Op. Revenue[^]	511	490	4%	100%	516	-1%	1,027	985	4%	100%
Construction	0	15	nm	-	0	nm	0	28	nm	-
Total Revenue[^]	511	505	1%	-	516	-1%	1,027	1,013	1%	-

- **2Q22** Fuel cost due to much higher MOPS despite fuel consumption -4%. Electricity cost up with ICPT from Feb22 and more reefers
- **YTDJun22** Manpower cost reflected minimum wage of RM1,500 from Jan22, annual increments and higher headcount. Depreciation charges increased with capitalisation of 21 RTG cranes, 2 units of new replacement QCs from 2Q22 and 100 units of terminal tractors

Cost Of Sales Breakdown (RM million)

Cost RM million	2Q22	2Q21	% YoY	% Split	1Q22	% QoQ	YTDJun22	YTDJun21	% YoY	% Split
Manpower	66	64	4%	29.4%	67	-1%	134	128	4%	31.2%
Depreciation	52	48	8%	23.2%	50	4%	103	97	6%	23.9%
Fuel	59	28	114%	26.2%	40	50%	99	54	84%	23.1%
M&R	20	20	1%	8.9%	19	5%	39	39	0%	9.1%
Electricity	13	12	12%	6.0%	12	12%	25	22	14%	5.9%
Others	14	14	4%	6.4%	14	0%	29	28	4%	6.7%
Op. Cost[^]	226	186	22%	100%	203	12%	429	368	16%	100%
Construction	0	15	nm	-	0	nm	0	27	nm	-
Total Cost[^]	226	201	12%	-	203	12%	429	396	8%	-

Overall Results & Profitability Margins

		2Q22	2Q21	%Chg	1Q22	% QoQ	YTDJun22	YTDJun21	%Chg	On YTD Performance
Container	m TEUs	2.49	2.65	-6%	2.39	4%	4.88	5.30	-8%	Gateway -0%, transshipment -12%. No congestion with average yard occupancy -7%. Liquid bulk-bunker decline offset break and dry bulk growth from project cargo, wheat
Conventional	m MT	2.80	2.71	3%	2.66	5%	5.46	5.74	-5%	
Op. Revenue		511	490	4%	516	-1%	1,027	985	4%	VAS revenue up with storage and reefer. Overall revenue per TEU +13%. Fuel cost +84% with MOPS' up and weaker RM. Electricity up with ICPT charges and +7% reefer TEUs. Minimum wage revised from Jan22 onwards, annual increments and operational headcount +2%
Op. Cost Of Sales		-226	-186	22%	-203	12%	-429	-368	16%	
Gross Profit		285	304	-6%	314	-9%	599	618	-3%	1H21 has non-recurrent insurance recovery of RM20.0m for QC51-52 incident, 5% recovery outstanding. Less Admin. Expenses despite client engagement and travelling activities due to 1H21's RM3.0m donation to MOF-Covid account. Identical Other Expenses amount
EBITDA		300	314	-4%	329	-9%	629	668	-6%	
EBITDA %		58.8%	64.0%		63.7%		61.2%	67.8%		
Results From Op. Act.		233	251	-7%	264	-12%	497	540	-8%	
Profit Before Tax		220	236	-7%	249	-12%	469	509	-8%	Finance Income is lower with lesser cash balance after record semi-annual dividend payment in Feb22 and Sukuk repayment of RM125m. Less Finance Cost after repayment. Sukuk outstanding now RM1,025m. Results of JV is cruise terminal, uses Equity Method Accounting
PBT %		43.0%	48.1%		48.2%		45.6%	51.7%		
Tax		-58	-58	0%	-97	-40%	-155	-123	26%	
Tax %		-26.2%	-24.5%		-39.0%		-33.0%	-24.1%		
Profit After Tax[^]		162	178	-9%	152	7%	314	386	-19%	Adjustment to 2Q22 deferred tax. Expect 32% to 34% for FY2022

May not add up due to rounding

Consolidated Cash Flows					Sukuk Musharakah Medium Term Note (SMTN)	
RM million	2Q22	2Q21	YTDJun22	YTDJun21		
Operating Profit Before Working Capital Changes	302	314	633	668	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	290	265	686	608	Nominal Value	RM2,000 million available for issuance
Net Cash Generated From Operating Activities	230	195	571	472	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	-33	8	-97	-110	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	-23	-72	-488	-367	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 RM125m RM200 mln - 2 tranches, 2019-2020 repaid RM200m RM150 mln - 3 tranches, 2021-2027 repaid RM50m
Net Change In Cash & Cash Equivalents	174	131	-14	-5		
Cash & Cash Equivalents As At Starting Period	427	603	615	739		
Cash & Cash Equivalents As At End Of Period	601	734	601	734		

May not add up due to rounding

- RM103m **capex** in 1H22 mainly for 21 units of RTG cranes, 2 new replacement Quay Cranes and 100 units of new terminal tractors
- Total **cash** deposits of RM642m as at Jun22, of which RM41m are pledged deposits

- Sukuk borrowings** of **RM1,025m** after RM125m repayment in 1Q22. Next repayment of RM50m in Dec22
- RAM** reaffirmed WMSB's AAA rating in its annual review
- Net and gross **debt-to-equity ratios** of 0.12x and 0.33x respectively as at Jun22

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 the 'Land Below The Sea' to industrial use, paid conversion premium
- 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 the conversion premium
- Concession agreement

New facilities and equipment

- +12% ground slots to 52,455 and +58% reefer plugs at 4,132
- 67 QCs, with delivery of 3 new QCs in late-3Q22, plus 3 more by 1Q23 to replace aging QCs
- Total of 218 RTG cranes



Throughput Volume

- **2Q22** YoY decline partly due to 2Q21 base effect but QoQ grew. Trade lanes' volume also incorporated various global supply chain challenges, service changes, blank sailings and the outset of global economic inflationary effects
- **YTDJun22** Some Asia-Africa services stoppages. Break bulk's steel products, project cargo and LPG negated by lower bunker volume

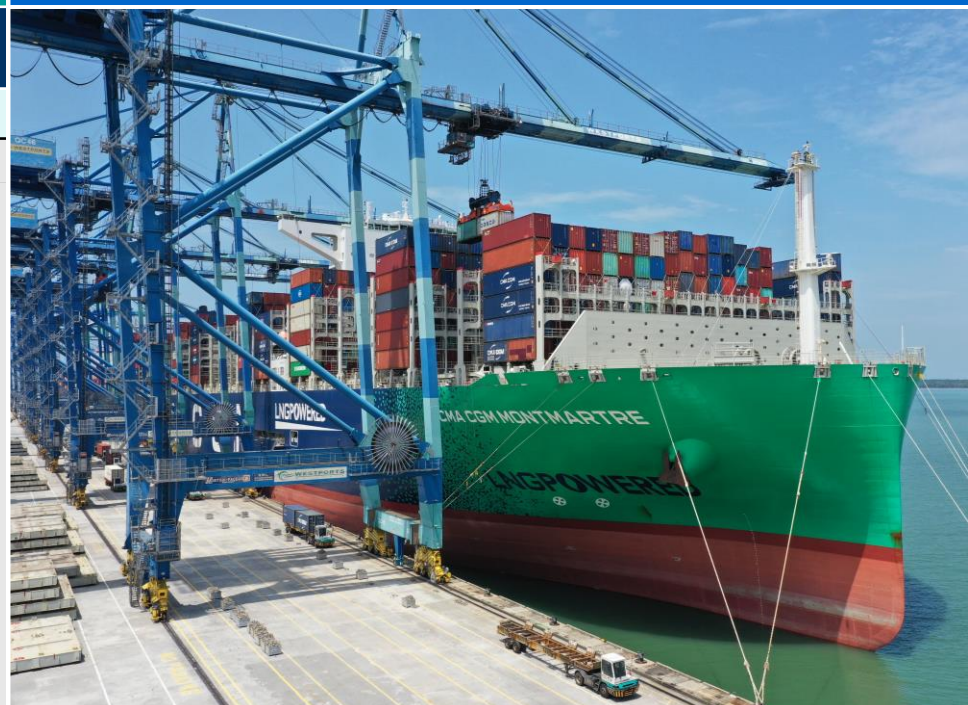
Container & Conventional Throughput

Container m TEU	2Q22	2Q21	% YoY	% Split	1Q22	% QoQ	YTDJun22	YTDJun21	% YoY	% Split
Transshipment	1.55	1.70	-9%	62.1%	1.42	9%	2.97	3.39	-12%	60.8%
Gateway	0.94	0.95	0%	37.9%	0.97	-3%	1.91	1.92	0%	39.2%
Total^	2.49	2.65	-6%	100%	2.39	4%	4.88	5.30	-8%	100%
Intra-Asia	1.49	1.59	-6%	59.8%	1.55	-4%	3.04	3.21	-5%	62.3%
Asia-Europe	0.47	0.44	7%	18.9%	0.37	28%	0.84	0.88	-5%	17.1%
Asia-Australasia	0.24	0.28	-14%	9.7%	0.25	-2%	0.49	0.55	-11%	10.0%
Asia-America	0.19	0.19	-4%	7.5%	0.16	18%	0.35	0.38	-10%	7.1%
Asia-Africa	0.05	0.10	-47%	2.1%	0.03	48%	0.09	0.19	-55%	1.8%
Others	0.05	0.05	3%	2.1%	0.03	60%	0.08	0.09	-9%	1.7%
Total^	2.49	2.65	-6%	100%	2.39	4%	4.88	5.30	-8%	100%
Conventional m MT	2.80	2.71	3%	-	2.66	5%	5.46	5.74	-5%	-

Dividend Distribution Track Record

	Dividend Per Share (RM)	Financial Year	Ex-Date	Payment Date
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
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
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 2022



LNG-powered ULCV calling Westports under the Ocean Alliance's services

- **Dividend payout ratio of 75%**

- Record dividend payout of RM606m in 2021
 - 1-year reduction to 60% in 2020 due to Covid-19 prudent measures
- The timing for equity-Sukuk **fund raising** to finance Westports container terminal expansion would depend on the concession agreement

- Conflict in Europe, higher inflationary pressure, ongoing supply chain challenges, rising interest rate environment and weaker local currencies are all risk factors to economic recovery. Increasingly more difficult to maintain an identical **container throughput** as in the previous year
- Ongoing detailed discussions with authorities on the **new concession**
- Formulating strategic business plan for **Port Klang Cruise Terminal**
- A commitment and aspiration to achieve **net-zero carbon emissions by 2050**

Thank You

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

Annual Report 2021
https://www.westportsholdings.com/wp-content/uploads/files/Westports_Hldgs_Bhd_Annual_Report_2021.pdf

Sustainability Report 2021
<https://www.westportsholdings.com/wp-content/uploads/files/WestportsHldgsSustainabilityReport2021.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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