



Westports Holdings Berhad

3rd Quarter 2020 Financial Report
26th November 2020



Revenue

- **3Q20** Container revenue reflected throughput rebound from 2Q20. Improved revenue per TEU with stronger growth in container VAS. Conventional revenue increased with higher volume of bunker and palm oil-related products
- **YTD Sep20** Marine revenue reflected 3% decline in vessel calls. IC12 for construction revenue from liquid bulk jetty and CT9 Yard Zone Z

Segmental Revenue (RM million)

Revenue RM million	3Q20	3Q19	% YoY	% Split	2Q20	% QoQ	YTD Sep20	YTD Sep19	% YoY	% Split
Container	441	399	11%	88.1%	355	24%	1,193	1,147	4%	87.5%
Conventional	30	30	1%	6.0%	22	39%	82	90	-8%	6.0%
Marine	20	21	-7%	4.0%	18	8%	58	62	-7%	4.3%
Rental	10	10	-9%	1.9%	10	-2%	29	31	-5%	2.1%
Op. Revenue[^]	501	460	9%	100%	405	24%	1,363	1,330	2%	100%
Construction	28	0	nm	-	26	5%	71	0	nm	-
Total Revenue[^]	528	460	15%	-	432	22%	1,433	1,330	8%	-

[^]May not add up due to rounding

- **3Q20** Manpower cost normalised and the current quarter's increase is due to headcount and annual increments. Fuel cost eased even with higher fuel consumption due to lower cost per litre. Electricity reflected 3-month cost after eliminating the arrears in 2Q20
- **YTD Sep20**. Increase depreciation with capitalisation of trailers, trucks, forklifts. Lower M&R with less tyres replacement and PPM

Cost Of Sales Breakdown (RM million)

Cost RM million	3Q20	3Q19	% YoY	% Split	2Q20	% QoQ	YTD Sep20	YTD Sep19	% YoY	% Split
Manpower	57	55	4%	34.2%	58	-1%	175	160	10%	35.4%
Depreciation	48	47	3%	28.7%	47	2%	142	139	2%	28.6%
Fuel	21	27	-21%	12.8%	14	52%	58	78	-26%	11.6%
M&R	19	19	-2%	11.1%	17	9%	53	56	-5%	10.6%
Electricity	10	10	-3%	5.7%	14	-31%	33	29	14%	6.7%
Others	13	18	-31%	7.5%	10	22%	35	40	-12%	7.0%
Op. Cost[^]	167	176	-5%	100%	160	4%	496	502	-1%	100%
Construction	27	0	nm	-	26	5%	70	0	nm	-
Total Cost[^]	195	176	11%	-	187	4%	566	502	13%	-

[^]May not add up due to rounding

Overall Results & Profitability Margins

		3Q20	3Q19	%Chg	2Q20	% QoQ	YTDsep20	YTDsep19	%Chg	On YTD Performance
Container	m TEUs	2.93	2.77	6%	2.28	29%	7.73	8.04	-4%	Gateway +5%. Transshipment -8%. Export MT +22% while TS MT +11%. Total empties at 25%, up from 21%. Higher conventional throughput mainly at liquid bulk operations
Conventional	m MT	2.78	2.42	15%	2.14	30%	7.67	7.10	8%	
Op. Revenue		501	460	9%	405	24%	1,363	1,330	2%	Higher container revenue despite lower volume due to gateway TEUs and improved VAS revenue. Higher manpower cost with increased but stabilised headcount. Less fuel cost mainly with lower MOPS fuel price. Small increase in depreciation with capitalisation of trailers and trucks
Op. Cost Of Sales		-167	-176	-5%	-160	4%	-496	-502	-1%	
Gross Profit		333	285	17%	245	36%	868	828	5%	EBITDA improved +3% to RM892m. No additional requirement for general bad-debt provision or Oracle expenses at Administrative Expenses since 2Q20. Meanwhile, the amortisation of right-of-use assets increased due to additional tug boats
EBITDA		354	293	21%	256	38%	892	864	3%	
EBITDA %		70.7%	63.5%		63.2%		65.5%	65.0%		
Results From Op. Act.		288	230	26%	190	51%	696	673	3%	
Profit Before Tax		270	211	28%	175	55%	647	616	5%	PBT margin would have improved even more without the dampening effects of the general provision and Oracle's allocation. YTD reduced finance cost with outstanding Sukuk of RM1,300m after the repayment of RM100m in Aug19 and another RM100m in Aug20
PBT %		54.0%	45.9%		43.1%		47.5%	46.3%		
Tax		-66	-52	28%	-40	65%	-156	-150	4%	
Tax %		-24.6%	-24.6%		-23.1%		-24.1%	-24.4%		
Profit After Tax[^]		204	159	28%	134	52%	491	465	5%	PAT improved by 5% despite lower container volume of 4%

[^]May not add up due to rounding

Cash Flows & Total Borrowings

Consolidated Cash Flows					Sukuk Musharakah Medium Term Note (SMTN)	
RM million	3Q20	3Q19	YTD Sep20	YTD Sep19		
Operating Profit Before Working Capital Changes	355	298	918	872	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	328	435	896	1,002	Nominal Value	RM2,000 million available for issuance
Net Cash Generated From Operating Activities	280	378	726	822	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	-74	-18	-200	-44	Total RM1,500m	
Net Cash Used In Financing Activities	-347	-353	-612	-620	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	-141	7	-86	159	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 RM200m RM150 mln - 3 tranches, 2021-2027
Cash & Cash Equivalents As At Starting Period	712	558	657	407		
Cash & Cash Equivalents As At End Of Period	571	565	571	565		

May not add up due to rounding

- **Capex** for the construction of new liquid bulk jetty LBT5, container yard Zone Z at CT9, terminal trucks and trailers. Expected capex in 1Q21 for RTG cranes
- **Cash** of RM571m of which RM40m are pledged deposits

- **Sukuk borrowings** reduced to **RM1,300m** after RM100m repayment in Aug20. Total repayment of RM150m in 2021
- The net and gross **debt-to-equity ratios** of 0.26x and 0.49x respectively as at Sep20

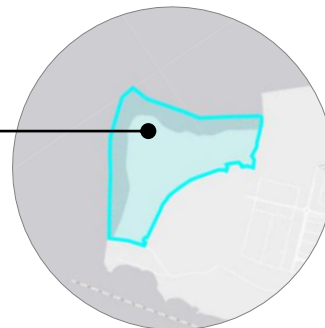
Westports Expansion

Check-list

- **Approval-in-Principle**
- Purchase of **PKNS land**
- **8 detailed studies**
 - Topography & Bathymetric
 - Soil Investigation Works
 - Hydraulic Studies
 - Port Master Planning
 - Preliminary EIA
 - Social Impact Assessment
 - Traffic Impact Assessment
 - Land Value Assessment
- Finalised **port layout** design
- **S&P** to acquire Marina Land
- Detailed **EIA** report
- Finalised concession terms with **Port Klang Authority**
- **UKAS**
- **Ministry of Transport**
- **Government** of Malaysia

Conditions precedent for purchase of Marina Land

- Shareholders **approval** in EGM
- **No objection** from Economic Planning Unit (EPU) under Prime Minister's Department
- Preparing for **land conversion** on the category of land use
- **Concession agreement** with Government of Malaysia



Proposed Acquisition
'Marina Land'
146.4 Hectares / 362 Acres

Throughput Volume

- **3Q20** Rebound from 2Q20 Covid-19 induced slowdown. Transshipment recovery reflected some repositioning of empties while gateway growth is more broad-based with especially notable growth in paper, rubber-related and fertilizer TEUs. Empties constitute 25% of total
- **YTD Sep20** Asia-America reflected consumption rebound and hygienic requirements. Asia-Europe's 3Q20 growth reduced YTD decline

Container & Conventional Throughput

Container m TEU	3Q20	3Q19	% YoY	% Split	2Q20	% QoQ	YTD Sep20	YTD Sep19	% YoY	% Split
Transshipment	1.91	1.85	3%	65.0%	1.46	30%	4.95	5.39	-8%	64.0%
Gateway	1.03	0.92	11%	35.0%	0.82	26%	2.78	2.65	5%	36.0%
Total^	2.93	2.77	6%	100%	2.28	29%	7.73	8.04	-4%	100%
Intra-Asia	1.79	1.76	1%	61.0%	1.40	28%	4.80	5.11	-6%	62.0%
Asia-Europe	0.51	0.46	11%	17.5%	0.39	31%	1.31	1.35	-3%	16.9%
Asia-Australasia	0.26	0.23	16%	9.0%	0.21	27%	0.68	0.66	3%	8.8%
Asia-America	0.20	0.15	36%	6.8%	0.15	35%	0.49	0.43	14%	6.3%
Asia-Africa	0.10	0.13	-17%	3.6%	0.10	6%	0.32	0.34	-8%	4.1%
Others	0.07	0.05	24%	2.2%	0.04	80%	0.15	0.15	-4%	1.9%
Total^	2.93	2.77	6%	100%	2.28	29%	7.73	8.04	-4%	100%
Conventional m MT	2.78	2.42	15%	-	2.14	30%	7.67	7.10	8%	-

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Dividend Distribution Track Record

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

Outlook 2020



Improved container terminal and container yard utilisation in 2H2020

- **Temporarily trimmed** payout ratio to 60%
 - Reduced to **conserve cash** for 2021 when new container terminal **expansion project** is expected to commence with the purchase of Marina Land and land reclamation
- Temporary reduction but still continuing with **semi-annual distribution of dividend** since IPO
- **Container volume** rebound in 3Q20 reduced 2020's overall reduction potentially to a single-digit rate of decline
- Completed detailed EIA study. **Approval from Port Klang Authority** and now in discussion with the Government
- **Container Yard Zone Z** being completed by end-2020 and new liquid bulk jetty by 1Q21

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>

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