



Westports Holdings Berhad

3rd Quarter 2022 Financial Report

4th November 2022



- **3Q22** Container revenue was identical while throughput -2% due to higher revenue per TEU arising from gateway volume growth. On QoQ and YoY basis, VAS normalized downward without congestion. Conventional revenue up with break bulk and liquid bulk volume
- **YTD Sep22** Rental up with new tenants at Westports Logistics Centre. Marine revenue up with much increased vessel calls during 3Q22

Segmental Revenue (RM million)

Revenue RM million	3Q22	3Q21	% YoY	% Split	2Q22	% QoQ	YTD Sep22	YTD Sep21	% YoY	% Split
Container	441	441	0%	85.4%	441	0%	1,334	1,302	3%	86.4%
Conventional	43	32	36%	8.3%	39	11%	118	99	19%	7.6%
Marine	20	16	29%	3.9%	18	10%	55	50	10%	3.6%
Rental	12	10	22%	2.4%	12	0%	37	33	12%	2.4%
Op. Revenue[^]	517	498	4%	100%	511	1%	1,544	1,484	4%	100%
Construction	4	7	-41%	-	0	nm	4	34	-89%	-
Total Revenue[^]	521	505	3%	-	511	2%	1,548	1,518	2%	-

- **3Q22** Fuel cost due to MOPS and weaker RM despite fuel use -4%. Electricity cost, ICPT from Feb22, more reefers but less days at yard
- **YTD Sep22** RM1,500 minimum wage from Jan22 and annual increments. Depreciation included capitalisation of LBT5, 21 RTG cranes, 2 new replacement QCs, and 100 units terminal tractors/trailers. Others cost up due to conventional volume and marine

Cost Of Sales Breakdown (RM million)

Cost RM million	3Q22	3Q21	% YoY	% Split	2Q22	% QoQ	YTD Sep22	YTD Sep21	% YoY	% Split
Manpower	66	63	5%	30.0%	66	0%	200	192	4%	30.8%
Depreciation	52	50	4%	23.4%	52	-1%	154	147	5%	23.8%
Fuel	54	31	75%	24.5%	59	-9%	153	85	81%	23.5%
M&R	20	19	6%	9.3%	20	2%	60	58	2%	9.2%
Electricity	12	11	5%	5.4%	13	-12%	37	34	11%	5.8%
Others	16	14	21%	7.4%	14	14%	45	41	9%	6.9%
Op. Cost[^]	221	188	17%	100%	226	-2%	649	556	17%	100%
Construction	4	7	-41%	-	0	nm	4	34	-89%	-
Total Cost[^]	225	194	15%	-	226	-1%	653	590	11%	-

Overall Results & Profitability Margins

	3Q22	3Q21	%Chg	2Q22	% QoQ	YTD Sep22	YTD Sep21	%Chg	On YTD Performance
Container m TEUs	2.59	2.63	-2%	2.49	4%	7.47	7.93	-6%	Gateway +7%, transshipment -13%. No congestion as the average yard occupancy -11%. Key conventional segments all reported throughput growth, with RORO +33%
Conventional m MT	3.41	2.58	32%	2.80	22%	8.87	8.32	7%	
Op. Revenue	517	498	4%	511	1%	1,544	1,484	4%	YTD VAS +growth rate moderated as yard occupancy normalized but overall revenue per TEU still +9%. Fuel cost +81% with higher MOPS and weaker RM. Conventional cost in-line with higher volume. Marine cost with +9% vessel calls. Electricity with ICPT charges and more reefers
Op. Cost Of Sales	-221	-188	17%	-226	-2%	-649	-556	17%	
Gross Profit	296	310	-5%	285	4%	895	928	-4%	YTD Sep21 included non-recurrent insurance recovery of RM41.6m for QC51-52, outstanding 5% recovery. Higher Administrative Expenses and Other Expenses with increased post-Covid19 travelling, marketing, client engagement activities and resuming staff engagement programmes
EBITDA	299	346	-13%	300	0%	928	1,013	-8%	
EBITDA %	57.9%	69.4%		58.8%		60.1%	68.3%		
Results From Op. Act.	233	281	-17%	233	0%	729	821	-11%	
Profit Before Tax	224	265	-16%	220	2%	693	774	-11%	Finance Income is lower with lesser average cash balance after record semi-annual dividend in Feb22 and 1Q22 Sukuk repayment of RM125m. Less Finance Cost after repayment. Results of JV is 50% in Port Klang Cruise Terminal, uses Equity Method Accounting, it is now profitable
PBT %	43.4%	53.2%		43.0%		44.9%	52.2%		
Tax	-74	-66	11%	-58	28%	-228	-189	21%	
Tax %	-32.9%	-24.9%		-26.2%		-32.9%	-24.4%		
Profit After Tax[^]	150	199	-24%	162	-7%	465	585	-21%	1-year Cukai Makmur in 2022. Expect tax rate of 32% to 34%

May not add up due to rounding

Cash Flows & Total Borrowings

Consolidated Cash Flows					Sukuk Musharakah Medium Term Note (SMTN)	
RM million	3Q22	3Q21	YTD Sep22	YTD Sep21		
Operating Profit Before Working Capital Changes	302	346	935	1,014	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	393	359	1,079	967	Nominal Value	RM2,000 million available for issuance
Net Cash Generated From Operating Activities	264	299	835	771	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	-27	-242	-124	-352	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	-259	-312	-747	-680	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	-22	-255	-36	-260		
Cash & Cash Equivalents As At Starting Period	601	734	615	739		
Cash & Cash Equivalents As At End Of Period	579	479	579	479		

May not add up due to rounding

- YTD Sep22 RM183m **capex** mainly for 21 units of RTG cranes, 2 new replacement Quay Cranes for QC51-QC52, 100 new terminal tractors-trailers, initial payment 6 new Quay Cranes and initial work on LBT4A
- Cash** deposits of RM620m as at Sep22, 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 1st annual review in Dec21
- Net and gross **debt-to-equity ratios** of 0.13x and 0.34x respectively as at Sep22

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. Received 3 new QCs in 3Q22 and being commissioned, 3 more QCs by 1Q23
- Total of 218 RTG cranes



Throughput Volume

- **3Q22** Strongest gateway quarterly growth since 1Q18. Transshipment volume reflected easing of global supply chain challenges but increased blank sailings, demand contraction, and global inflationary effects. Some Asia-Africa services stoppages from late-2021
- **YTDsep22** Container % rate improved from -10% in 1Q22. Conventional growth from break bulk's project cargo, gasoline/diesel, LPG

Container & Conventional Throughput

Container m TEU	3Q22	3Q21	% YoY	% Split	2Q22	% QoQ	YTDsep22	YTDsep21	% YoY	% Split
Transshipment	1.55	1.79	-14%	60.0%	1.55	0%	4.52	5.18	-13%	60.5%
Gateway	1.04	0.84	23%	40.0%	0.94	10%	2.95	2.76	7%	39.5%
Total^	2.59	2.63	-2%	100%	2.49	4%	7.47	7.93	-6%	100%
Intra-Asia	1.64	1.56	5%	63.3%	1.50	9%	4.69	4.77	-2%	62.8%
Asia-Europe	0.43	0.43	-1%	16.7%	0.47	-9%	1.27	1.31	-3%	17.0%
Asia-Australasia	0.23	0.27	-15%	9.0%	0.24	-3%	0.72	0.82	-12%	9.7%
Asia-America	0.17	0.24	-30%	6.5%	0.19	-10%	0.52	0.63	-18%	6.9%
Asia-Africa	0.05	0.09	-43%	1.9%	0.05	-4%	0.14	0.28	-51%	1.8%
Others	0.06	0.04	60%	2.5%	0.03	88%	0.13	0.13	-1%	1.8%
Total^	2.59	2.63	-2%	100%	2.49	4%	7.47	7.93	-6%	100%
Conventional m MT	3.41	2.58	32%	-	2.80	22%	8.87	8.32	7%	-

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



To commence construction of Liquid Bulk Terminal 4A (LBT 4A) in 4Q22

- **Dividend payout ratio of 75%**

- Record dividend payout of RM606m in 2021
- 1-year reduction to 60% in 2020 due to Covid-19 precautionary measures and resumed the payout ratio of 75% in 2021
- Equity **fund raising** to part-finance Westports container terminal expansion is only after signing the concession agreement and also commencement of land reclamation work

- Broadening economic impact of conflict in Europe, higher inflation, easing consumption/container demand, higher interest rates and a weaker mostly non-US Dollar currencies are risk factors to economic growth. **Container volume** could ease by a single-digit decline rate
- Construction of **Liquid Bulk Terminal 4A (LBT 4A)** to start in 4Q22
- Finalising the strategic business plan for **Port Klang Cruise Terminal**
- A commitment and aspiration to achieve **net-zero carbon emissions by 2050**. Testing proof-of-concept electric terminal trucks in 2023

Thank You

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

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>

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>

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