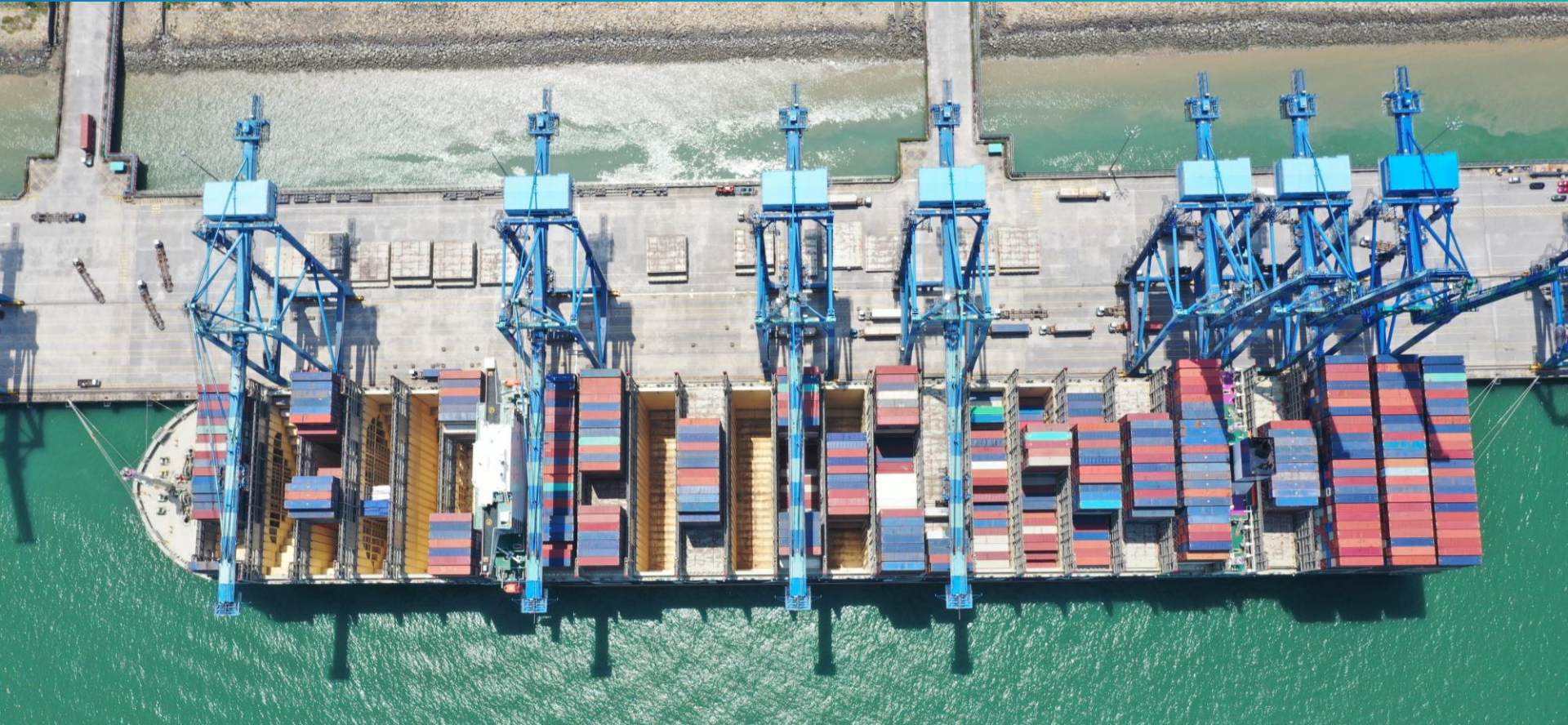




WESTPORTS
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Westports Holdings Berhad

4th Quarter 2022 Financial Report
20th January 2023



- **4Q22** Container revenue +1% despite volume +5% due to lower VAS/storage charges, lesser dwell time of boxes without congestion. Marine revenue +39% with increase in container vessels berthing of +34%, but boxes handled per vessel -22% to about 1.4k per vessel
- **YTDDec22** Conventional growth at non-bunker liquid bulk (CPO, LPG, gasoline). Rental with new tenants at Westports Logistics Centre

Segmental Revenue

Revenue RM million	4Q22	4Q21	% YoY	% Split	3Q22	% QoQ	YTDDec22	YTDDec21	% YoY	% Split
Container	440	434	1%	86.1%	441	0%	1,774	1,735	2%	86.3%
Conventional	37	35	7%	7.3%	43	-13%	155	134	16%	7.5%
Marine	21	15	39%	4.2%	20	7%	76	65	17%	3.7%
Rental	13	10	25%	2.4%	12	1%	50	43	15%	2.4%
Op. Revenue[^]	511	494	4%	100%	517	-1%	2,055	1,978	4%	100%
Construction	10	10	-2%	-	4	145%	14	44	-69%	-
Total Revenue[^]	521	504	3%	-	521	0%	2,069	2,022	2%	-

- **4Q22** Stable total headcount as higher cost reflected higher salaries, EPF, bonuses, allowances. Fuel cost growth rate moderated QoQ
- **YTDDec22** RM1,500 minimum wage from Jan22 and annual increments. Fuel cost due to MOPS and weaker RM despite fuel use of -3%. Depreciation included LBT5, 21 RTG cranes, 5 new QCs and 100 TTs. Electricity cost due to ICPT resuming from Feb22 and more reefers

Cost Of Sales Breakdown

Cost RM million	4Q22	4Q21	% YoY	% Split	3Q22	% QoQ	YTDDec22	YTDDec21	% YoY	% Split
Manpower	67	60	13%	31.1%	66	2%	267	251	6%	30.9%
Depreciation	52	51	2%	24.0%	52	0%	206	197	4%	23.8%
Fuel	48	34	40%	22.2%	54	-11%	201	119	69%	23.2%
M&R	21	19	10%	9.9%	20	4%	81	78	4%	9.4%
Electricity	12	11	8%	5.5%	12	-1%	49	45	10%	5.7%
Others	16	16	-2%	7.4%	16	-2%	61	58	6%	7.0%
Op. Cost[^]	216	192	13%	100%	221	-2%	866	747	16%	100%
Construction	10	10	-2%	-	4	145%	13	44	-69%	-
Total Cost[^]	226	201	12%	-	225	1%	879	791	11%	-

Overall Results & Profitability Margins

	4Q22	4Q21	%Chg	3Q22	% QoQ	YTDDec22	YTDDec21	%Chg	On YTD Performance
Container m TEUs	2.58	2.47	5%	2.59	0%	10.05	10.40	-3%	+9% and record 4m gateway TEUs. Transshipment -10%. No congestion with average yard occupancy -13%. Growth at all notable conventional segments with RORO +29%
Conventional m MT	3.25	2.94	10%	3.41	-5%	12.12	11.26	8%	
Op. Revenue	511	494	4%	517	-1%	2,055	1,978	4%	As our yard occupancy and broader supply chain constraints normalize, quarterly VAS eased to near 2020-levels. However, YTD revenue per TEU for gateway and transshipment still improved. Fuel cost +69% but Brent and RM eased from the peak. Full year effect of minimum wage.
Op. Cost Of Sales	-216	-192	13%	-221	-2%	-866	-747	16%	
Gross Profit	295	303	-2%	296	0%	1,190	1,231	-3%	YTDDec21 included non-recurrent insurance recovery of RM73.1m for QC51-52 at Other Income. Higher Administrative Expenses and Other Expenses after pandemic, increased spending for travelling, marketing, client engagement activities, and also staff engagement programmes
EBITDA	286	347	-18%	299	-4%	1,215	1,360	-11%	
EBITDA %	55.9%	70.3%		57.9%		59.1%	68.8%		
Results From Op. Act.	221	281	-21%	233	-5%	950	1,102	-14%	
Profit Before Tax	251	265	-5%	224	12%	944	1,040	-9%	Slightly lower Finance Income with lesser cash after record semi-annual dividend in Feb22 and total Sukuk repayment of RM175m in 2022. The results of JV is 50% in Port Klang Cruise Terminal, uses Equity Method Accounting, reversal of impairment and recognized RM42.86m
PBT %	49.1%	53.7%		43.4%		45.9%	52.6%		
Tax	-16	-42	-62%	-74	-78%	-244	-231	6%	
Tax %	-6.5%	-15.9%		-32.9%		-25.9%	-22.3%		
Profit After Tax[^]	235	223	5%	150	56%	700	808	-13%	Cukai Makmur in 2022 but lower tax in 4Q22 with ITA on the TOE CapEx

May not add up due to rounding

Cash Flows & Total Borrowings

Consolidated Cash Flows					Sukuk Musharakah Medium Term Note (SMTN)	
RM million	4Q22	4Q21	YTDDec22	YTDDec21		
Operating Profit Before Working Capital Changes	303	350	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	194	399	1,273	1,366	Nominal Value	RM2,000 million available for issuance
Net Cash Generated From Operating Activities	64	329	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	-59	-120	-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	-73	-73	-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 RM125m RM200 mln - 2 tranches, 2019-2020 repaid RM200m RM150 mln - 3 tranches, 2021-2027 repaid RM100m
Net Change In Cash & Cash Equivalents	-68	136	-105	-124		
Cash & Cash Equivalents As At Starting Period	579	479	615	739		
Cash & Cash Equivalents As At End Of Period	511	615	511	615		

May not add up due to rounding

- YTDDec22 RM246m **capex** mainly for 21 units of RTG cranes, 5 new Quay Cranes, 100 new terminal tractors-trailers, the initial payment for another 3 new Quay Cranes and initial work on LBT4A
- **Cash** deposits of RM552m as at Dec22, of which RM41m are pledged deposits

- **Sukuk borrowings** of **RM975m** after the total repayment of RM175m in 2022. The total scheduled repayment for 2023 is RM125m
- **RAM** reaffirmed WMSB's AAA rating in its 2nd annual review in Jan23
- Net and gross **debt-to-equity ratios** of 0.13x and 0.30x respectively as at Dec22

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

Facilities and equipment

- 52,455 ground slots
- 4,132 reefer plugs
- Dismantled 7 old QCs by 4Q22. As at Dec22, with 63 QCs and 3 new QCs to be in service Mar23
- Test 2 electric trucks from 1Q23



Throughput Volume

- **4Q22** 4th consecutive quarter of improved YoY %. Gateway +14% with more competitive local exports and FDIs. Transshipment improved as supply chain constraints eased with lower normalizing demand. Blank sailings increased with some repositioning of empty boxes
- **YTDDec22** Intra-Asia regional resilience. Record conventional throughput of 12m MT, driven by break bulk and liquid bulk throughput

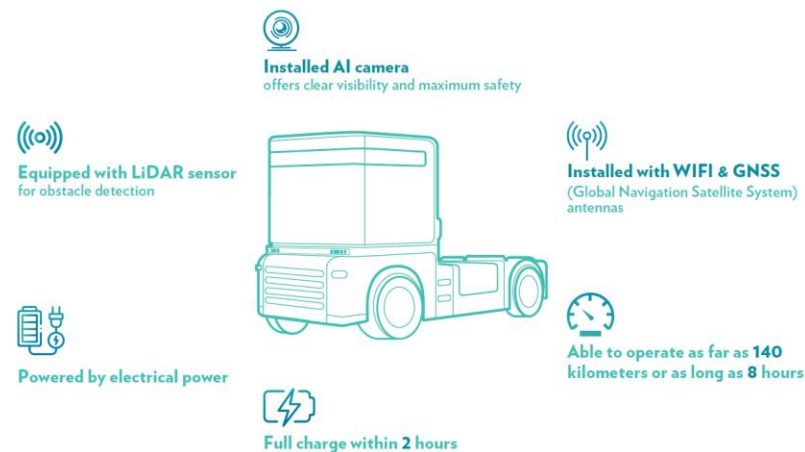
Container & Conventional Throughput

Container m TEU	4Q22	4Q21	% YoY	% Split	3Q22	% QoQ	YTDDec22	YTDDec21	% YoY	% Split
Transshipment	1.56	1.57	0%	60.5%	1.55	1%	6.08	6.75	-10%	60.5%
Gateway	1.02	0.89	14%	39.5%	1.04	-2%	3.97	3.65	9%	39.5%
Total^	2.58	2.47	5%	100%	2.59	0%	10.05	10.40	-3%	100%
Intra-Asia	1.61	1.52	6%	62.2%	1.65	-3%	6.32	6.29	0%	62.9%
Asia-Europe	0.46	0.38	20%	17.7%	0.43	5%	1.73	1.69	2%	17.2%
Asia-Australasia	0.23	0.26	-9%	9.0%	0.24	-4%	0.96	1.08	-11%	9.6%
Asia-America	0.16	0.20	-19%	6.2%	0.17	-5%	0.68	0.82	-18%	6.7%
Asia-Africa	0.06	0.08	-23%	2.3%	0.05	17%	0.20	0.36	-45%	2.0%
Others	0.06	0.03	86%	2.5%	0.03	81%	0.16	0.17	-4%	1.6%
Total^	2.58	2.47	5%	100%	2.59	0%	10.05	10.40	-3%	100%
Conventional m MT	3.25	2.94	10%	-	3.41	-5%	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	08 Feb 2023	17 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



Autonomous electric terminal trucks to be tested at Westports container terminal

- **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
 - 1-year reduction to 60% in 2020 due to pandemic concerns and precautionary measures. Reverted to a payout ratio of 75% in 2021
- Equity **fundraising** to part-finance Westports container terminal expansion is only after signing the concession agreement and also the commencement of land reclamation work

- Heightened recessionary risk in many economies and normalised durable goods consumption could affect throughput growth while regional-local volume could be relatively more resilient. **Container volume** is expected to grow at a low single-digit rate
- **Liquid Bulk Terminal 4A (LBT 4A)** should be completed by end-4Q23
- Finalising the strategic business plan for **Port Klang Cruise Terminal**
- A commitment to achieving **net-zero carbon emissions by 2050**. To commence testing proof-of-concept electric terminal trucks in 1Q23

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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