400-metre LOA vessel berthing at Westports container terminal CT9

WESTPORTS
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Results Conference Call

4th Quarter 2024 Financial Results

Throughput Volume

Container m TEU	4Q24	4Q23	% YoY	% Split	3Q24	% QoQ	YTDDec24	YTDDec23	% YoY	% Split
Transhipment	1.61	1.64	-2%	56.0%	1.45	11%	6.07	6.35	-4%	55.3%
Gateway / OD	1.27	1.23	3%	44.0%	1.25	1%	4.91	4.53	8%	44.7%
Total TEUs^	**2.87**	**2.87**	**0%**	**100%**	**2.70**	**6%**	**10.98**	**10.88**	**1%**	**100%**
Intra-Asia	1.86	1.92	-3%	64.8%	1.79	4%	7.25	7.11	2%	65.9%
Asia-Europe	0.41	0.34	20%	14.4%	0.39	7%	1.52	1.48	2%	13.8%
Asia-America	0.26	0.28	-8%	8.9%	0.25	5%	1.00	0.92	9%	9.1%
Asia-Australasia	0.22	0.21	4%	7.7%	0.20	11%	0.77	0.90	-14%	7.0%
Asia-Africa	0.05	0.08	-34%	1.9%	0.04	30%	0.26	0.33	-23%	2.3%
Others	0.06	0.03	92%	2.3%	0.05	35%	0.20	0.14	46%	1.8%
Conventional m MT	**3.17**	**3.45**	**-8%**	**-**	**3.33**	**-5%**	**12.19**	**11.60**	**5%**	**-**

- **4Q24** was marginally higher by 0.2% or 6k TEUs as gateway container volume continues to achieve a new quarterly record of 1.27m TEUs. Import FCL for the quarter was +4% and would have included Lunar New Year cargoes.
- Transhipment volume was lower than 4Q23, but the decline rate was the least in 2024 at -2% for 4Q24. Most of the transhipment reduction is at the intra-Asia trade lane.
- **YTDDec24** container volume posted growth of +1% to a record of 10.98m TEUs. Underpinned by gateway volume growth of +8%, it is also a yearly record at 4.91m TEUs. The gateway-to-transhipment ratio increased to a record high of 45% from the previous year's 42%.
- Transhipment TEUs eased by -4% for the year. Compliance with the regulatory directive would have accounted for all transhipment-reduced TEUs.
- Container wharf utilisation for the year was an average of 80%, whereas the average annual container yard occupancy (which peaked at 100% in the middle of the year) was 83%.
- The Conventional segment also achieved a record throughput volume of 12.19m MT, underpinned by the increase in break bulk (project cargoes and mixed steel) and dry bulk (soybean, maise, clinker/slag, and fertiliser) volume.

^may not add up due to rounding

Revenue

Throughput	**4Q24**	**4Q23**	**% YoY**	**% Split**	**3Q24**	**% QoQ**	**YTDDec24**	**YTDDec23**	**% YoY**	**% Split**
Container m TEU	2.87	2.87	0%	100%	2.70	6%	10.98	10.88	1%	100%
Conventional m MT	3.17	3.45	-8%	-	3.33	-5%	12.19	11.60	5%	-

Revenue RM million	**4Q24**	**4Q23**	**% YoY**	**% Split**	**3Q24**	**% QoQ**	**YTDDec24**	**YTDDec23**	**% YoY**	**% Split**
Container	511	460	11%	83.2%	488	5%	1,950	1,805	8%	85.5%
Conventional	41	39	7%	6.7%	43	-3%	156	139	13%	6.9%
Marine	23	24	-4%	3.7%	20	13%	86	91	-6%	3.8%
Rental	39	14	173%	6.3%	22	79%	88	54	63%	3.9%
Op. Revenue^	**613**	**537**	**14%**	**100%**	**573**	**7%**	**2,280**	**2,089**	**9%**	**100%**
Construction	62	17	258%	-	0	nm	64	63	1%	-
Total Revenue^	675	554	22%	-	573	18%	2,344	2,152	9%	-

- **4Q24** container revenue increased by +11% even though TEUs handled were +0.2% as Value-Added Services (VAS) revenue grew by +63%, driven predominantly by higher storage revenue arising from metal commodities staying in the port for a longer-than-expected duration due to regulatory reasons.
- Reefer TEU growth of +17% also contributed to higher VAS revenue. This led to a higher VAS ratio of 25% for the quarter, but this is still lower than the highest of about 28% during the 4Q21-1Q22 quarters.
- With much higher VAS revenue, 4Q24's container revenue per TEU improved by 11% to RM178 per box.
- Conventional revenue improved by +7% even though overall throughput declined by -8% due to much higher breakbulk revenue as the segment handles steel products, ingots and project cargoes.
- Marine revenue eased by -4%, with fewer overall vessel calls of -11%. Container ships were lesser by -12%, but the boxes moved per ship increased by +13% to 1.6k TEUs. At the conventional segment, vessel calls were reduced by -5%, which mirrored the conventional throughput reduction of -8%.
- **YTDDec24** rental revenue increased by a sizeable +63% due to higher sublease renewal rates and the significant impact from adjustment under MFRS 16, an accounting standard for leases that front-loaded revenue recognition at the early phases of rental agreements.

^may not add up due to rounding

Cost Of Sales

Throughput	4Q24	4Q23	% YoY	% Split	3Q24	% QoQ	YTDDec24	YTDDec23	% YoY	% Split
Container m TEU	2.87	2.87	0%	100%	2.70	6%	10.98	10.88	1%	100%
Conventional m MT	3.17	3.45	-8%	-	3.33	-5%	12.19	11.60	5%	-

Cost RM million	4Q24	4Q23	% YoY	% Split	3Q24	% QoQ	YTDDec24	YTDDec23	% YoY	% Split
Op. Workforce	70	70	0%	33.5%	71	-2%	287	286	0%	34.3%
Depreciation	48	51	-5%	23.0%	35	37%	185	203	-9%	22.1%
Fuel	38	46	-17%	18.0%	37	3%	155	164	-5%	18.6%
M&R	27	23	15%	12.8%	22	20%	95	91	4%	11.3%
Electricity	13	14	-13%	6.0%	12	1%	54	59	-8%	6.5%
Others	14	14	2%	6.7%	16	-13%	60	51	18%	7.2%
Op. Cost^	**210**	**218**	**-4%**	**100%**	**194**	**8%**	**837**	**853**	**-2%**	**100%**
Construction	61	17	259%	-	0	nm	63	63	1%	-
Total Cost Of Sales^	271	235	15%	-	194	39%	901	916	-2%	-

- **4Q24** fuel costs declined by -17%, even though container volume was identical to 4Q23. The litres of diesel used was identical to 4Q23. The reduction in fuel cost came from a lower MOPS price of -18% and a stronger Ringgit. These contributed to a lower cost per litre for diesel by -13%.
- Electricity costs have eased by -13% with Tenaga Nasional's marginal downward revision in Imbalance Cost Pass-Through (ICPT) charges from RM0.17 to RM0.16 per kWh since Jul24 and full 3-month contribution from renewable solar power installations at Petikemas warehouse.
- **YTDDec24** depreciation eased by -9% with the extension of the useful life of existing concession assets from 2054 to 2070 under the new concession agreement. Operational workforce costs were nearly identical to the previous year despite annual salary increments as headcount eased by -3%.
- Maintenance and repair (M&R) costs increased by +4%, with overall preventive maintenance for Quay Cranes and wire rope changes for RTG Cranes. The Other cost increase was due to higher direct costs at the conventional segment, which has a higher volume handled for the year.

^may not add up due to rounding

Profitability & Margins

Profitability RM million	4Q24	4Q23	% YoY	3Q24	% QoQ	YTDDec24	YTDDec23	% YoY	YTDDec24 % YoY
Gross Profit	404	319	27%	378	7%	1,444	1,236	17%	Other Income -62% Administrative Exp +11% Other Expenses +14%
EBITDA	403	337	20%	368	9%	1,449	1,296	12%	
EBITDA %	65.7%	62.8%		64.3%		63.6%	62.1%		
Results From Op. Act.	333	272	23%	316	5%	1,194	1,037	15%	
Profit Before Tax	**304**	**263**	**15%**	**304**	**0%**	**1,139**	**1,006**	**13%**	Finance Income +63% Finance Costs +40% Share JV Results -100%
PBT %	49.5%	49.0%		53.0%		49.9%	48.2%		
Tax	-47	-57	-18%	-71	-33%	-241	-227	6%	
Tax %	-15.5%	-21.7%		-23.2%		-21.1%	-22.5%		
Profit After Tax^	**257**	**206**	**25%**	**233**	**10%**	**898**	**779**	**15%**	

- **4Q24** Other Income was only RM1.3m in 4Q24 as there were insurance claims recoveries related to QC51 and QC52 and proceeds from the sale of scrapped Quay Cranes in 4Q23.
- Administrative Expenses increases of +11% included one-off costs related to Westports' 30th-anniversary programme, Westports 2 ground-breaking event, and higher donations, such as assistance to the affected flood victims.
- Other Expenses reflected entries under the new concession agreement, which saw a higher supplementary lease from Sep24 and the updated amount for the amortisation of lease assets.
- **YTDDec24** Finance Income increased due to higher cash balances and short-term investments, which earned improved returns from the higher prevailing interest rate environment.
- Finance Costs increased mainly due to the higher finance costs arising from the added service concession obligation of RM1.9bn under the new concession agreement. This upwardly revised cost offset the lower Sukuk interest cost despite the total redemption of RM125m in 2024.
- The Share of Results of a Joint Venture is 50% in Port Klang Cruise Terminal, which uses equity method accounting. The results reflected the lower and more normalised number of cruise ships and passengers after the post-pandemic cruise demand spike but higher professional fees and workforce expenses during the year as the company invested in preparation and studies before undertaking the proposed facility expansion.
- The effective tax rate of 21% is slightly lower than the corporate tax rate of 24%, as the Company claimed Investment Tax Allowance (ITA) for the 99 units of terminal trucks purchased at the end of 2024. The Company's 10-year ITA is valid till the 31st December 2031.

^may not add up due to rounding

Cash Flows & Total Borrowings

Cash Flows RM million	**4Q24**	**4Q23**	**YTD Dec24**	**YTD Dec23**
Op. Profit Before Working Capital	404	339	1,452	1,303
Cash Generated From Operations	379	325	1,498	1,213
Net Cash From Op. Activities	**292**	**311**	**1,291**	**995**
Net Cash Used In Investing Activities	-100	-42	-584	-213
Net Cash Used In Financing	-11	-25	-514	-757
Net Chg Cash & Cash Equivalents	**181**	**244**	**194**	**25**
Cash & Cash Eq. Starting Period	548	292	535	511
Cash & Cash Eq. End Of Period^	729	535	729	535

Sukuk Musharakah Medium Term Note Programme	▪ 20 year Sukuk Musharakah Medium Term Note program obtained on 20 April 2011 ▪ Valid unless it has been redeemed, cancelled or repurchased by WMSB
Nominal **Value**	▪ RM2,000m available for issuance
Drawdown Total RM1,500 million	▪ 03 May 2011 of RM450m ▪ 01 Apr 2013 of RM250m ▪ 23 Oct 2013 of RM200m ▪ 03 Apr 2014 of RM250m ▪ 07 Aug 2017 of RM200m ▪ 13 Dec 2017 of RM150m
Utilisation Of Proceeds	▪ Refinance previous Sukuk programme ▪ Capital expenditure & assets acquisition ▪ Working capital
Repayment Schedule	▪ RM450m – 6T, 2021-2026 repaid RM200m ▪ RM250m – 4T, 2025-2028 ▪ RM200m – 5T, 2024-2028 repaid RM25m ▪ RM250m – 4T, 2021-2024 repaid RM250m ▪ RM200m – 2T, 2019-2020 repaid RM200m ▪ RM150m – 3T, 2021-2027 repaid RM100m

Sukuk Wakalah Medium Term Note Programme	▪ Perpetual tenure ▪ Lodgement date on 7 March 2024 and announcement made on 18 April 2024 ▪ Flexibility to issue sustainability and sustainability-linked Sukuk Wakalah
Nominal **Value**	▪ RM5,000m, based on Shariah Principle of Wakalah Bi Al-Istithmar
Drawdown Total RM355 million	▪ The tenure of each Sukuk Wakalah shall be more than one (1) year ▪ 15 May 2024 of RM355m
Utilisation Of Proceeds	▪ To finance capital expenditure, assets acquisition, general corporate purposes and general working capital requirements ▪ To refinance Shariah-compliant financing ▪ To provide Shariah-compliant intercompany financings and/or advances ▪ To fund Finance Service Reserve Account
Repayment Schedule	▪ RM355m – 1T, 2039

- The **CapEx** for the year of RM610m included the final payment for Marina Land, completion of LBT4A, building 132kV substation, monsoon drain rerouting to support WP2 expansion, and 99 units of terminal trucks.
- **Cash and equivalent deposits** increased to RM781m, before excluding pledged deposits with licensed banks of RM52m.

- All borrowings are in Ringgit Malaysia. The **Sukuk Musharakah** total repayment in 2024 was RM125m. The remaining outstanding borrowings amounted to RM725m, and the scheduled repayment in 2025 is RM175m. Westports will maintain the Sukuk Musharakah Programme until its full redemption in 2028.
- The RM5.0bn **Sukuk Wakalah Programme** saw the first drawdown of RM355m in May24 to refinance the Marina Land's acquisition.
- RAM has reaffirmed the **AAA/Stable rating** to both WMSB's RM5.0bn Sukuk Wakalah Programme and the RM2.0bn Sukuk Musharakah Programme.
- With total borrowings of RM1,080m under WMSB, the **net gearing and gross debt-to-equity ratios** were 0.08x and 0.28x, respectively.

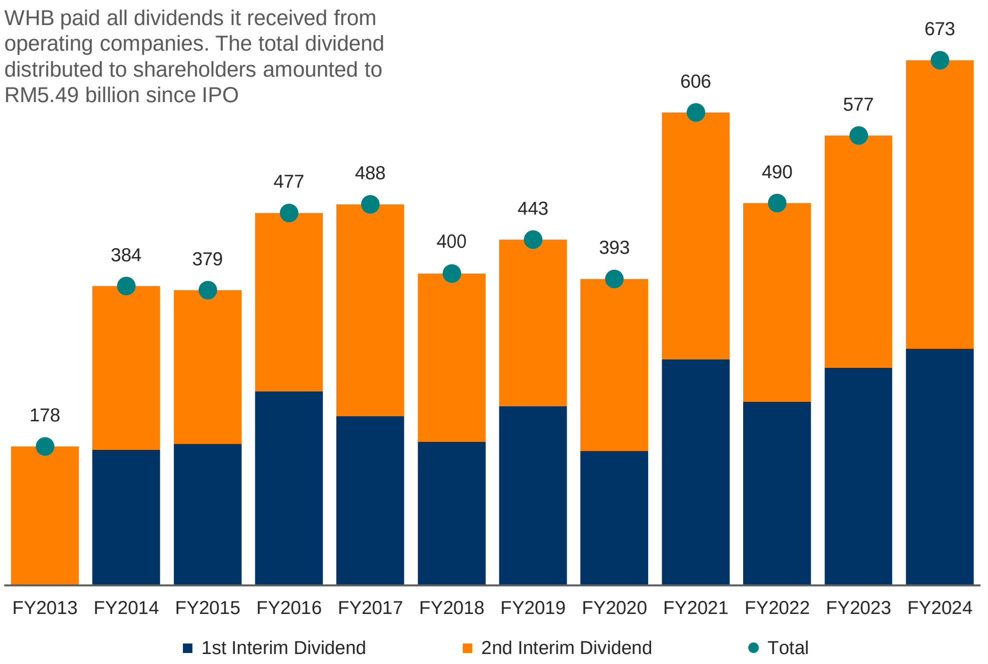
^may not add up due to rounding

Dividend & Outlook

Dividend Distribution Track Record	Dividend Per Share (RM)	Financial Year	Ex-Date	Payment Date
2nd Interim Dividend	**10.86 sen**	**2H 2024**	**12 Feb 2025**	**21 Feb 2025**
1st Interim Dividend	8.89 sen	1H 2024	12 Aug 2024	21 Aug 2024
2nd Interim Dividend	8.72 sen	2H 2023	20 Feb 2024	29 Feb 2024
1st Interim Dividend	8.19 sen	1H 2023	11 Aug 2023	22 Aug 2023
2nd Interim Dividend	7.46 sen	2H 2022	09 Feb 2023	20 Feb 2023
1st Interim Dividend	6.91 sen	1H 2022	12 Aug 2022	23 Aug 2022
Total Dividend	17.78 sen	FY 2021		
Total Dividend	11.52 sen	FY 2020		
Total Dividend	13.00 sen	FY 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		

IPO in Oct 2013. Only one dividend payment

Semi-Annual Dividend Distribution To Shareholders Since IPO (RM million)



WHB paid all dividends it received from operating companies. The total dividend distributed to shareholders amounted to RM5.49 billion since IPO

- **Dividend payout**. Westports Malaysia is paying 75% of its PAT, and WHB is just redistributing all dividends it received. The total dividend for FY2024 amounted to 19.75 sen per share. With a total dividend payout of RM673m, it will be the highest ever since the Company's IPO in 2013.
- Westports will propose a **5-year Dividend Reinvestment Plan (DRP)** to facilitate part-financing WP2 expansion while strengthening its total equity position to retain the most favourable credit rating assigned by the credit rating agency. Shareholders who subscribe to the DRP will reinvest a portion of the distributable dividend for new issuance of shares at the prevailing market price. Shareholders who opt not to participate will receive the entire dividend declared in cash.
- At **WP2 expansion**, the land clearing is in progress. Dredging and land reclamation will commence soon, so the required earthworks at CT10 can be completed by 4Q26. The construction of CT10's wharf is scheduled to start in 1Q27 so that the 1st 300-metre wharf at CT10 can commence operations by 2Q28.
- On operational carbon emissions reduction and GHG target-setting, Westports will now focus on **reducing its overall energy intensity**, measured by **net CO2e per TEU**, by 30% in 2035 from the 2021 base year. Decarbonisation is expensive and usually has poor ROI. For broad and rapid adoption, relevant external stakeholders must start sharing the transition and mitigation costs.

The view of site clearance at Marina Land for the upcoming reclamation work. Actual work progress as of 31st December 2024

Thank You

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

Available for download from the corporate website
- Sustainability Report 2023
- Annual Report 2023
- Westports Climate Change Assessment Report
- Carbon Stock And Sequestration Valuation Of Flora In Westports
- Corporate Impact Report

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