



Westports Holdings Berhad

4th Quarter 2020 Financial Report
2nd February 2021



Revenue

- **4Q20** Container revenue improved yoy despite lower volume due to higher revenue per TEU with growth in VAS. Conventional revenue increased with higher liquid bulk throughput and dry bulk cargoes while marine revenue declined with lesser recorded berthing vessels
- **YTDDec20** Lower land leased and MFRS16 adjustment at rental. IC12 for construction revenue at liquid bulk jetty and CT9 Yard Zone Z

Segmental Revenue (RM million)

Revenue RM million	4Q20	4Q19	% YoY	% Split	3Q20	% QoQ	YTDDec20	YTDDec19	% YoY	% Split
Container	412	389	6%	87.1%	441	-7%	1,605	1,537	4%	87.4%
Conventional	33	32	4%	7.1%	30	11%	116	122	-5%	6.3%
Marine	17	21	-18%	3.7%	20	-13%	76	83	-9%	4.1%
Rental	10	10	0%	2.2%	10	7%	39	41	-3%	2.1%
Op. Revenue[^]	473	453	4%	100%	501	-6%	1,836	1,783	3%	100%
Construction	69	0	nm	-	28	147%	139	0	nm	-
Total Revenue[^]	542	453	20%	-	528	2%	1,975	1,783	11%	-

[^]May not add up due to rounding

- **4Q20** Manpower cost increased with higher bonus provision, more headcount and annual increments. Fuel cost declined with lower MOPS price and a stronger local currency. Electricity increased with much higher power usage due to more reefers yoy and qoq basis
- **YTDDec20** Lower M&R as maintenance cycles are not triggered yet. Higher depreciation with capitalisation of trailers, trucks, forklifts

Cost Of Sales Breakdown (RM million)

Cost RM million	4Q20	4Q19	% YoY	% Split	3Q20	% QoQ	YTDDec20	YTDDec19	% YoY	% Split
Manpower	63	53	19%	35.3%	57	10%	238	213	12%	35.4%
Depreciation	49	47	3%	27.3%	48	1%	191	187	2%	28.3%
Fuel	21	27	-24%	11.8%	21	-2%	79	105	-25%	11.7%
M&R	20	20	1%	11.2%	19	7%	73	75	-4%	10.8%
Electricity	12	10	19%	6.5%	10	22%	45	39	15%	6.7%
Others	14	12	16%	7.9%	13	12%	49	52	-6%	7.3%
Op. Cost[^]	178	169	5%	100%	167	6%	674	671	0%	100%
Construction	68	0	nm	-	27	147%	138	0	nm	-
Total Cost[^]	246	169	45%	-	195	26%	812	671	21%	-

[^]May not add up due to rounding

Overall Results & Profitability Margins

		4Q20	4Q19	%Chg	3Q20	% QoQ	YTDDec20	YTDDec19	%Chg	On YTD Performance
Container	m TEUs	2.77	2.82	-2%	2.93	-5%	10.50	10.86	-3%	Gateway +3%. Transshipment -7%. Export MT +15% while TS MT +3%. Total empties at 25%, up from 22%. Higher conventional volume mainly due to bunker liquid bulk segment
Conventional	m MT	3.19	2.76	16%	2.78	15%	10.87	9.87	10%	
Op. Revenue		473	453	4%	501	-6%	1,836	1,783	3%	Higher container revenue despite lower volume due to gateway TEUs and improved VAS revenue. Higher manpower cost as headcount +7% and more bonus. Lesser fuel cost with lower MOPS price. Electricity reflected a one-off 13 month bills. M&R cost with lower TEUs moved
Op. Cost Of Sales		-178	-169	5%	-167	6%	-674	-671	0%	
Gross Profit		296	284	4%	333	-11%	1,163	1,112	5%	EBITDA +8% with higher operational revenue while operational cost was stable. Other Income included some insurance recovery on Quay Cranes. Lower Administrative Expenses with Covid-19, no overseas activities or travelling. Lesser costs incurred for external conducted training courses
EBITDA		299	240	24%	354	-16%	1,191	1,105	8%	
EBITDA %		63.1%	53.1%		70.7%		64.9%	62.0%		
Results From Op. Act.		235	175	34%	288	-19%	930	849	10%	
Profit Before Tax		218	158	38%	270	-19%	865	774	12%	PBT % calculated using operational revenue at denominator, excluding construction revenue, improved to 47.1%. Finance Cost declined with the repayment of RM100m Sukuk in Aug19 and also another RM100m in Aug20. Total outstanding Sukuk as of Dec20 is RM1,300m
PBT %		46.1%	34.9%		54.0%		47.1%	43.4%		
Tax		-55	-33	68%	-66	-18%	-211	-183	15%	
Tax %		-25.1%	-20.6%		-24.6%		-24.3%	-23.6%		
Profit After Tax[^]		163	125	30%	204	-20%	654	591	11%	After tax rate of 24.3%, PAT +11% despite lower container volume

[^]May not add up due to rounding

Cash Flows & Total Borrowings

Consolidated Cash Flows					Sukuk Musharakah Medium Term Note (SMTN)	
RM million	4Q20	4Q19	YTDDec20	YTDDec19		
Operating Profit Before Working Capital Changes	310	294	1,228	1,166	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	386	220	1,282	1,221	Nominal Value	RM2,000 million available for issuance
Net Cash Generated From Operating Activities	299	138	1,025	960	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	-156	-20	-356	-64	Total RM1,500m	
Net Cash Used In Financing Activities	26	-26	-587	-645	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	168	92	82	250	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	571	565	657	407		
Cash & Cash Equivalents As At End Of Period	739	657	739	657		

May not add up due to rounding

- **Capex** of RM323m during YTDDec20 for the construction of new liquid bulk jetty LBT5, container yard Zone Z at CT9, and terminal trucks and trailers
- **Cash** deposits increased to RM739m in Dec20, of which RM40m are pledged deposits

- **Sukuk borrowings** reduced to **RM1,300m** after RM100m repayment in Aug20. Total repayment of RM150m in 2021
- Net and gross **debt-to-equity ratios** was 0.18x and 0.46x respectively as at Dec20

Expansion check-list

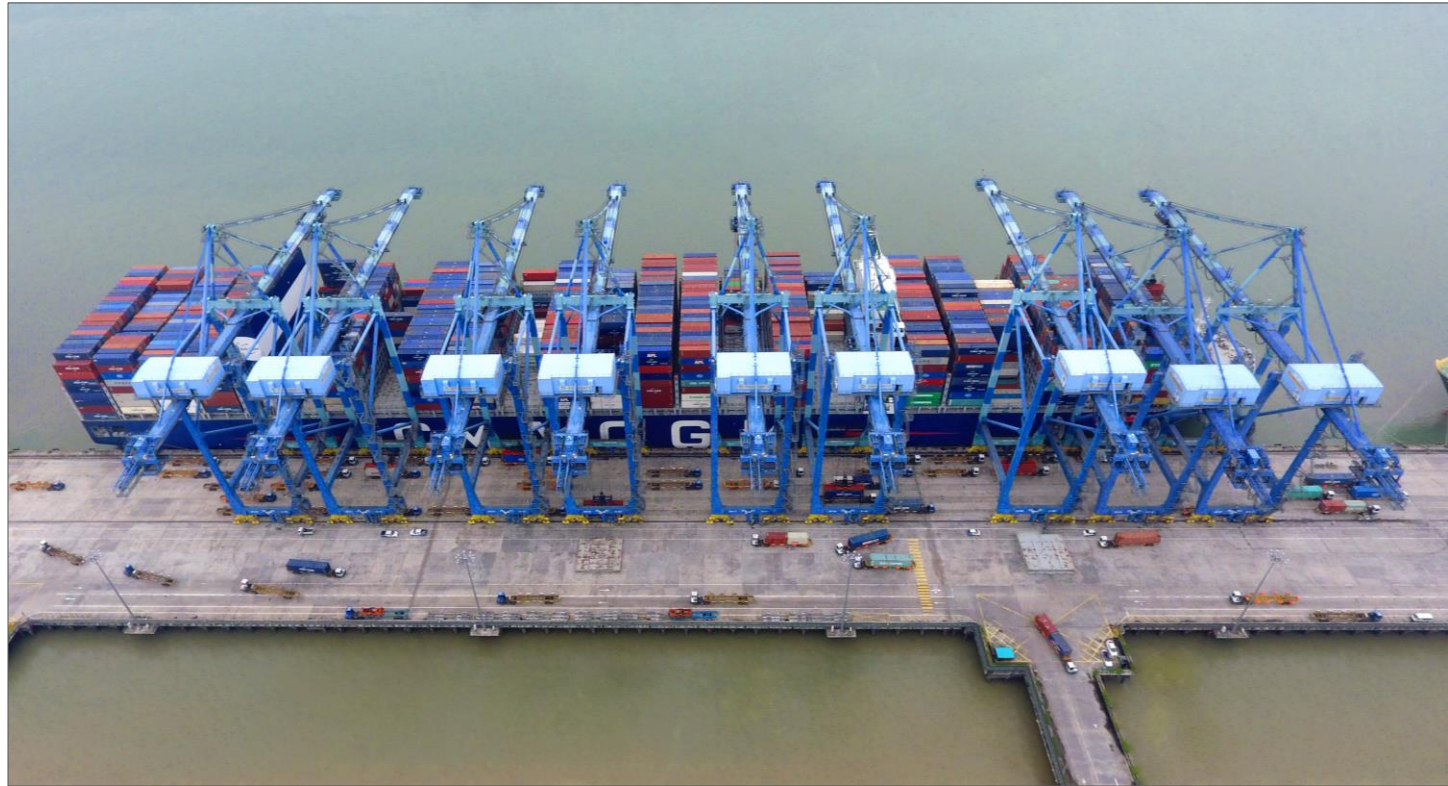
- Approval-in-Principle
- Purchase of PKNS land
- 8 detailed studies
- Finalised port layout design
- S&P to acquire Marina Land
- Detailed EIA report
- Finalised concession terms with Port Klang Authority
- UKAS
- Ministry of Transport
- Government of Malaysia

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

More facilities before 2025

- CT9 Container Yard Zone Z just completed. Total ground slots +9% to 51,123 and reefer plugs +20% to 3,532
- Yard, ordering 21 RTG cranes
- 2 replacement QCs by 1Q22
- Budgeting for new QCs to be operational from 2023



Throughput Volume

- **4Q20** Empties repositioning ended after the surge in 3Q20. Above-average container yard utilization and yard congestion in the latter part of the quarter affected throughput efficiency as volume eased yoy and qoq basis. However, reefer units moved grew yoy and qoq
- **YTDDec20** Asia-America TEUs, rebound in consumption and for hygienic needs. Intra-Asia volume decline with one-off service change

Container & Conventional Throughput

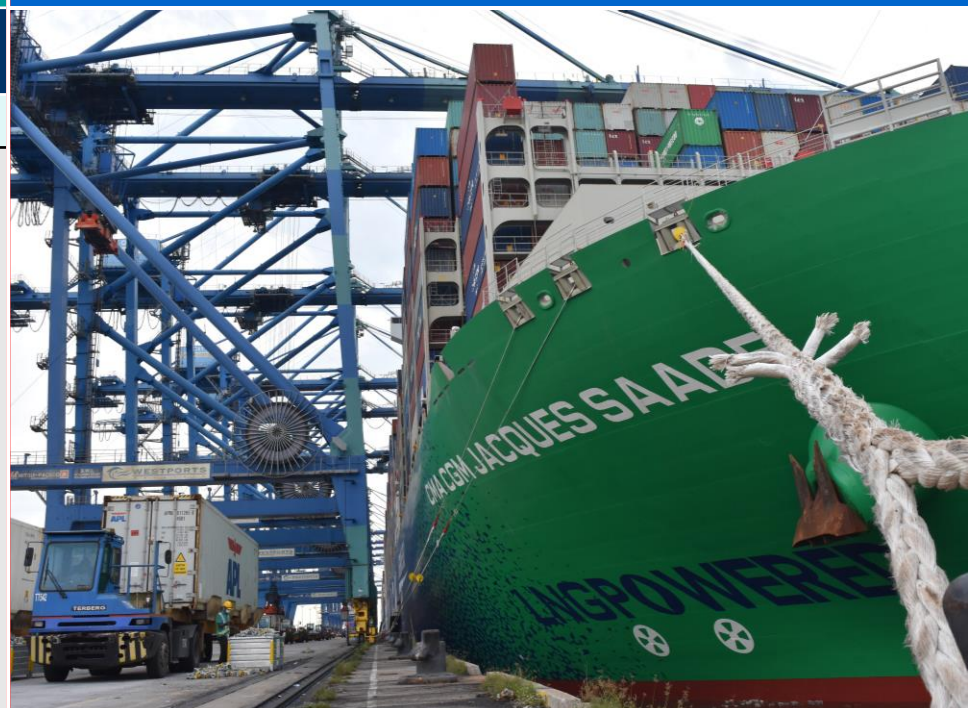
Container m TEU	4Q20	4Q19	% YoY	% Split	3Q20	% QoQ	YTDDec20	YTDDec19	% YoY	% Split
Transshipment	1.80	1.84	-2%	65.0%	1.91	-5%	6.75	7.23	-7%	64.3%
Gateway	0.97	0.98	-1%	35.0%	1.03	-5%	3.75	3.63	3%	35.7%
Total^	2.77	2.82	-2%	100%	2.93	-5%	10.50	10.86	-3%	100%
Intra-Asia	1.63	1.77	-8%	58.7%	1.80	-9%	6.43	6.89	-7%	61.2%
Asia-Europe	0.48	0.48	-1%	17.1%	0.51	-8%	1.78	1.82	-2%	17.0%
Asia-Australasia	0.25	0.23	6%	8.8%	0.26	-7%	0.92	0.89	4%	8.8%
Asia-America	0.21	0.15	39%	7.7%	0.20	7%	0.70	0.58	21%	6.7%
Asia-Africa	0.10	0.11	-12%	3.6%	0.11	-4%	0.42	0.46	-9%	4.0%
Others	0.11	0.07	69%	4.0%	0.05	119%	0.24	0.22	11%	2.3%
Total^	2.77	2.82	-2%	100%	2.93	-5%	10.50	10.86	-3%	100%
Conventional m MT	3.19	2.76	16%	-	2.78	15%	10.87	9.87	10%	-

^May not add up due to rounding

Dividend Distribution Track Record

	Dividend Per Share (RM)	Financial Year	Ex-Date	Payment Date
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
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
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 2021



Maiden call by the world's largest Liquefied Natural Gas-powered container vessel

- Temporarily trimmed payout ratio to 60% for FY2020
 - Conserved cash for 2021 when expansion of the new container terminal is expected to commence in 2H21
- Dividend payout ratio reverts **back to 75% for FY2021**

- Some pandemic induced economic headwinds but **container volume** expected to expand organically at a single-digit rate of increase in 2021
- After approval from the Port Klang Authority, in discussion with Government for the new **concession**
- New **liquid bulk jetty LBT5** to commence operations by end-2Q21. Vessels to berth at repaired part of wharf 22-23 by 3Q21

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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