



**WESTPORTS**  
**PROVEN. TRUSTED. FRIENDLY.**

**Westports Holdings Berhad  
3<sup>rd</sup> Quarter 2016 Financial Report**

**10<sup>th</sup> November 2016**



# Results

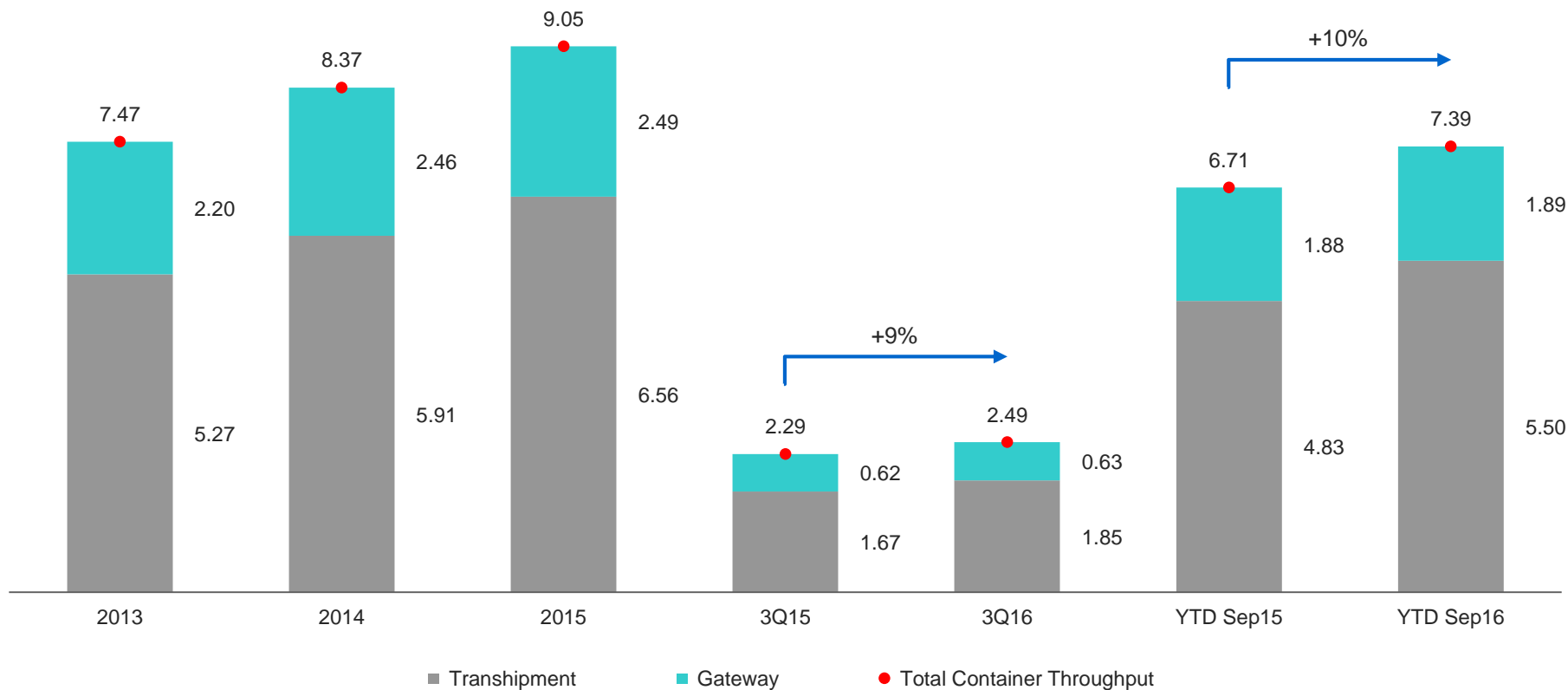
		3Q15	3Q16	%Chg	YTD Sep15	YTD Sep16	%Chg	On YTD Performance
<b>Container</b>	million TEUs	2.29	2.49	9%	6.71	7.39	10%	Transshipment +14% and constituted 74.4% of total TEUs. Gateway volume +1% Dry bulk volume +7%
<b>Conventional</b>	million MT	2.68	3.00	12%	7.74	8.47	10%	
Revenue	RM million	401	474	18%	1,205	1,462	21%	Container revenue +18% with tariff revision and higher volume. Dry bulk revenue +7%, higher grains volume
<b>Operational Revenue</b>		<b>389</b>	<b>450</b>	<b>16%</b>	<b>1,162</b>	<b>1,335</b>	<b>15%</b>	
Cost Of Sales		-182	-230	27%	-552	-720	30%	Fuel cost -17% but lesser reduction at 3Q16 of -3% only. Manpower cost +8% with increased headcount
<b>Operational Costs</b>		<b>-170</b>	<b>-205</b>	<b>21%</b>	<b>-510</b>	<b>-593</b>	<b>16%</b>	
Gross Profit		219	244	12%	652	742	14%	Improved GP and EBITDA levels with higher container volume and revenue per TEU. Benefited from lower fuel cost. Overall PBT margin has improved
EBITDA		218	237	9%	647	753	16%	
Results From Op Activities		179	194	9%	532	628	18%	
<b>Profit Before Tax</b>		<b>162</b>	<b>178</b>	<b>9%</b>	<b>484</b>	<b>581</b>	<b>20%</b>	YTD reported PBT included RM20m investment gain and excluding that, PBT would be +16% to RM560m Lower effective tax rate of 17.0% with ITA
Tax		-32	-27	-18%	-112	-99	-12%	
	Tax %	-19.9%	-15.0%		-23.1%	-17.0%		
<b>Profit After Tax<sup>^</sup></b>		<b>130</b>	<b>151</b>	<b>16%</b>	<b>372</b>	<b>482</b>	<b>30%</b>	Excluding gain, PAT would be +24% to RM462m

<sup>^</sup>May not add up due to rounding

# Container – Transshipment & Gateway Throughput

- **3Q16** transshipment +11% to 1.9m TEUs while gateway improved to +2%
- **YTD Sep16** transshipment constitutes 74.4% of total TEUs, up from 72.0% in the previous period

Total Container Throughput (million TEUs)



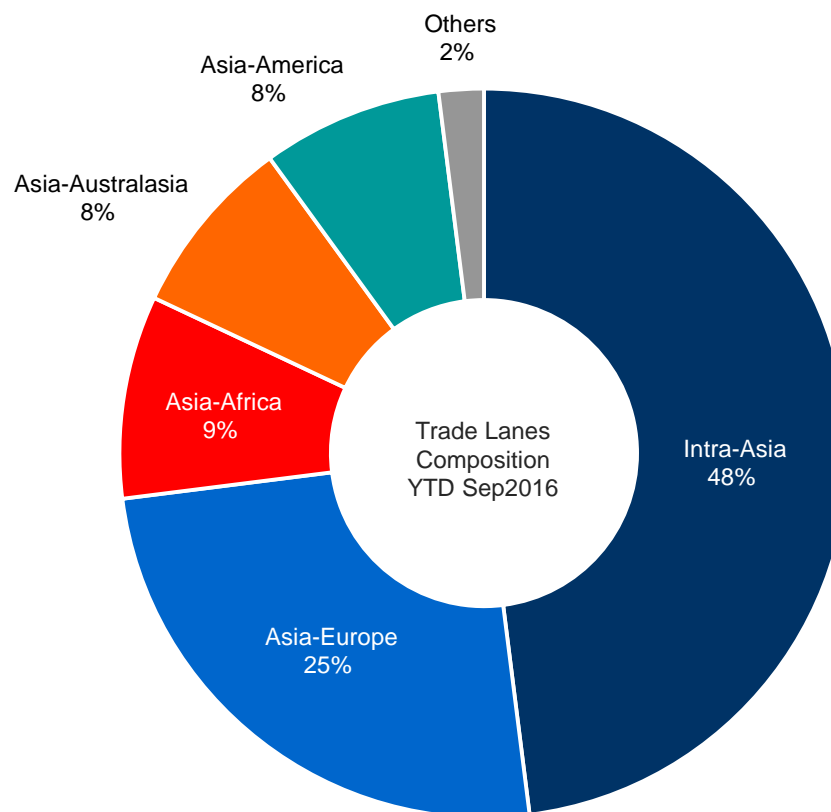
# Container – Throughput By Trade Lane

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- **3Q16** growth at Intra-Asia supported overall growth
- **YTD Sep16** Asia-America growth expected to normalise after establishing a larger base

## Container Throughput By Trade Lanes

Trade Lane	% Changes YoY		TEUs m
	3Q16	YTD Sep16	
Intra-Asia	14.5%	10.6%	3.52
Asia-Europe	1.3%	6.8%	1.84
Asia-Africa	-0.7%	-2.0%	0.69
Asia-Australasia	-6.1%	-3.4%	0.60
Asia-America	41.1%	71.9%	0.60
Others	-13.8%	5.7%	0.14
<b>Total<sup>^</sup></b>	<b>8.5%</b>	<b>10.1%</b>	<b>7.39</b>



<sup>^</sup> May not add up due to rounding

Based on data as of 28th October 2016

# Conventional – Throughput Volume

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- **3Q16** dry bulk volume improved with bulk sugar delivery and higher volume of imported grains
- **YTD Sep16** RORO in-line with automotive industry. Higher liquid bulk volume from bunkering

## Total Conventional Throughput (million tonnes)

	Year			Quarter			Year-To-Date		
	2013	2014	2015	3Q15	3Q16	%	Sep15	Sep16	%
Dry Bulk	3.70	3.99	4.01	0.96	1.08	13%	2.89	3.08	7%
Liquid Bulk	4.30	3.76	3.57	1.04	1.33	28%	2.77	3.37	21%
Break Bulk	1.70	1.66	1.59	0.42	0.48	14%	1.27	1.40	10%
Cement	0.90	0.94	1.06	0.26	0.11	-56%	0.80	0.63	-22%
<b>Total<sup>^</sup></b>	<b>10.60</b>	<b>10.35</b>	<b>10.23</b>	<b>2.68</b>	<b>3.00</b>	<b>12%</b>	<b>7.74</b>	<b>8.47</b>	<b>10%</b>
RORO (k units)	108.4	166.0	162.5	37.5	38.5	3%	125.3	109.2	-13%

<sup>^</sup>May not add up due to rounding

# Revenue

- **3Q16** container revenue +18% with improved volume and tariff revision
- **YTD Sep16** higher non-operational construction revenue reflected progress at CT8 Phase 1

## Segmental Revenue (RM million)

	Year			Quarter			Year-To-Date		
	2013	2014	2015	3Q15	3Q16	%	Sep15	Sep16	%
Container	1,105	1,251	1,317	324	382	18%	964	1,135	18%
Conventional	137	137	144	36	37	3%	110	110	0%
Marine	74	77	81	20	21	4%	61	64	5%
Rental	32	38	35	9	9	3%	27	27	0%
<b>Operational Revenue</b>	<b>1,348</b>	<b>1,503</b>	<b>1,578</b>	<b>389</b>	<b>450</b>	<b>16%</b>	<b>1,162</b>	<b>1,335</b>	<b>15%</b>
Construction	364	59	103	12	25	108%	43	126	197%
<b>Total Revenue<sup>^</sup></b>	<b>1,712</b>	<b>1,562</b>	<b>1,682</b>	<b>401</b>	<b>474</b>	<b>18%</b>	<b>1,205</b>	<b>1,462</b>	<b>21%</b>

<sup>^</sup>May not add up due to rounding

# Cost Of Sales

- **3Q16** container's marketing costs increased with tariff revision. Marginally lower fuel cost
- **YTD Sep16** manpower cost reflected minimum wage since 1Q16 and higher operational headcount

## Cost Of Sales Breakdown (RM million)

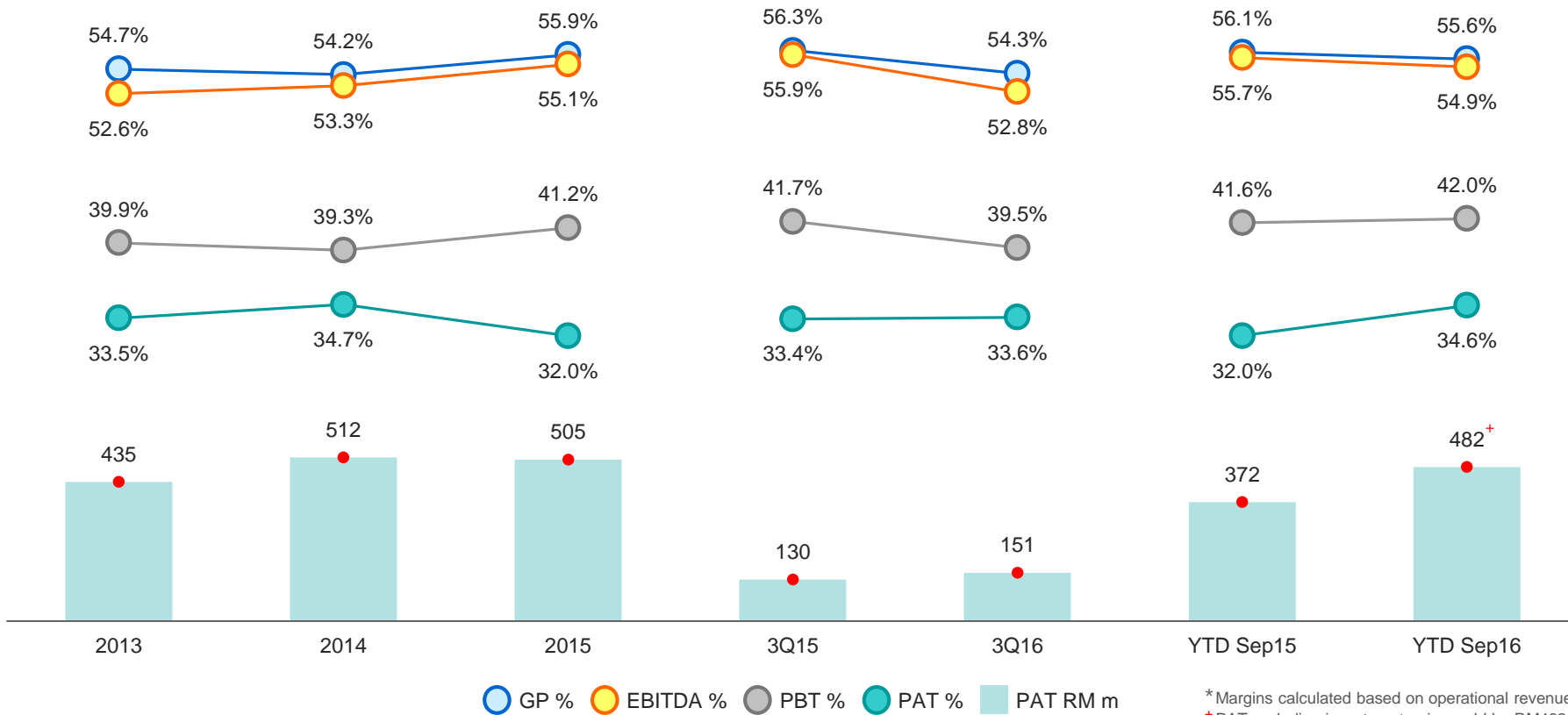
	Year			Quarter			Year-To-Date		
	2013	2014	2015	3Q15	3Q16	%	Sep15	Sep16	%
Container	201	226	242	58	83	42%	171	241	41%
Conventional	19	22	23	6	6	-2%	18	17	-6%
Marine	31	31	31	8	9	21%	23	26	15%
Fuel	88	94	70	17	16	-3%	53	44	-17%
Electricity	21	27	29	7	8	14%	22	25	14%
Manpower	150	164	169	41	46	13%	125	134	8%
Depreciation	101	124	132	33	37	11%	98	107	8%
<b>Operational Cost</b>	<b>611</b>	<b>688</b>	<b>696</b>	<b>170</b>	<b>205</b>	<b>21%</b>	<b>510</b>	<b>593</b>	<b>16%</b>
Construction	364	59	103	12	25	108%	43	126	197%
<b>Total Cost<sup>^</sup></b>	<b>975</b>	<b>747</b>	<b>799</b>	<b>182</b>	<b>230</b>	<b>27%</b>	<b>552</b>	<b>720</b>	<b>30%</b>

<sup>^</sup>May not add up due to rounding

# Profitability Margins

- YTD Sep16 EBITDA, PBT and PAT margins calculated excluded non-recurrent investment gain to reflect underlying operational performance. PAT margin improvement reflected benefits from ITA

Profitability Margins\* (%) And Profit After Tax (RM million)



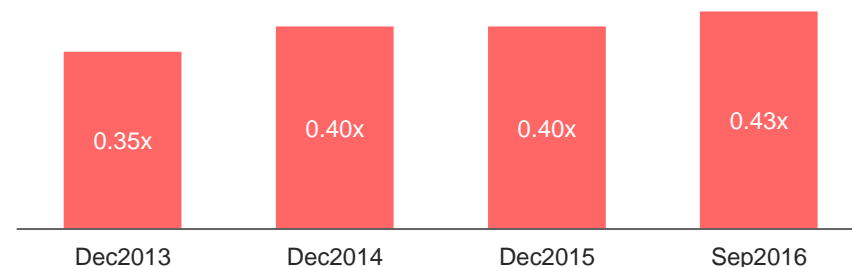
\* Margins calculated based on operational revenue  
<sup>+</sup> PAT excluding investment gain would be RM462m



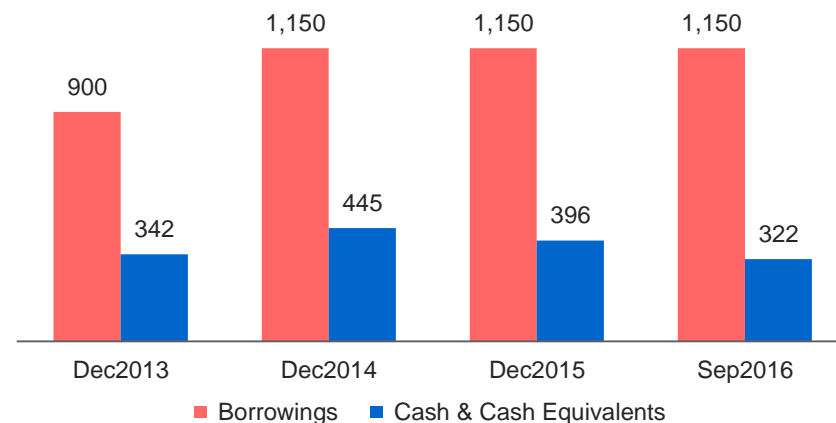
# Debt-To-Equity Ratio

Sukuk Musharakah Medium Term Note (SMTN)	
Tenure	<ul style="list-style-type: none"> <li>20 year Sukuk Musharakah Medium Term Note program obtained on 20 April 2011</li> <li>Valid unless it has been redeemed, cancelled or repurchased by WMSB</li> </ul>
Nominal Value	RM2,000 million available for issuance
Drawdown	<ul style="list-style-type: none"> <li>03 May 2011 of RM450 million</li> <li>01 April 2013 of RM250 million</li> <li>23 Oct 2013 of RM200 million</li> <li>03 April 2014 of RM250 million</li> <li>Total drawdown RM1,150 million</li> </ul>
Utilisation of Proceeds	<ul style="list-style-type: none"> <li>Refinance previous SUKUK programme</li> <li>Capital expenditure</li> <li>Assets acquisition</li> <li>Working capital</li> </ul>
Repayment	<ul style="list-style-type: none"> <li>RM450 million – 6 tranches, 2021-2026</li> <li>RM250 million – 4 tranches, 2025-2028</li> <li>RM200 million – 5 tranches, 2024-2028</li> <li>RM250 million – 4 tranches, 2021-2024</li> </ul>

## Net Debt-To-Equity Ratio



## Total Borrowings And Cash & Equivalents (RM million)



- **Net debt-to-equity ratio** increased to 0.43x in Sep16 – identical gearing ratio as in Mar16 after payout in Feb16
- **Cash balance** declined to RM322m after transfer for the 1<sup>st</sup> interim dividend payment in Aug2016 of RM249m

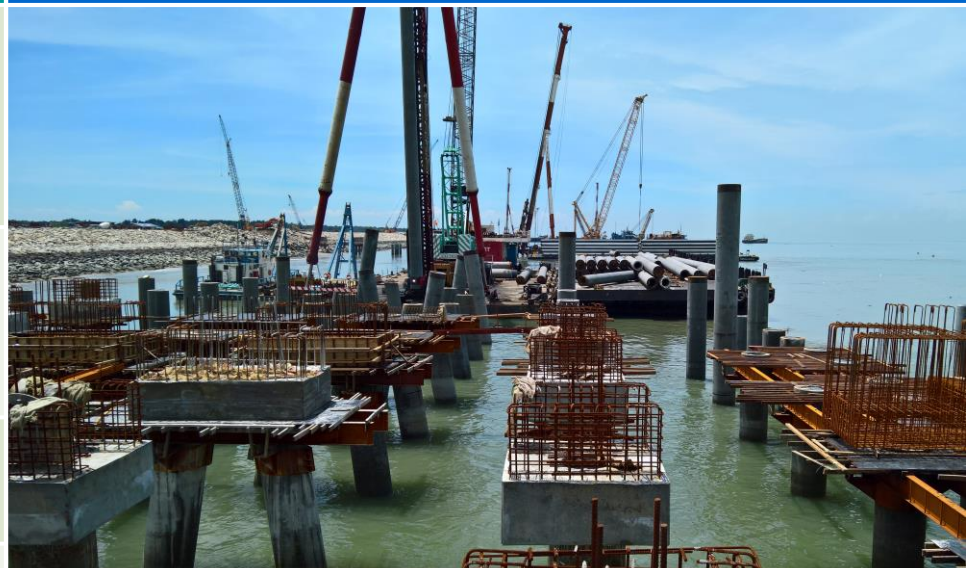
# CT8 & CT9 Expansion

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## Updated Expansion Plan

<b>CT8</b>	Facilities	<ul style="list-style-type: none"> <li>600 metres of <b>wharf</b> and container yard</li> <li>Back-of-the-terminal facilities: <b>2<sup>nd</sup> container gate</b>, marshaling centre and container freight station</li> <li>14 units of <b>Quay Cranes</b></li> <li>15 units of <b>Rubber Tyred Gantry Cranes</b></li> <li>Terminal tractors and trailers</li> </ul>
	Timeline	<ul style="list-style-type: none"> <li>Commenced in January 2015</li> <li><b>Phase 1</b> completed 300-metre wharf. Operational since May2016 with 4 new 52-metre high QCs</li> <li><b>Phase 2</b> additional 300 metres of wharf, CT8 container yard and more TOEs. To be operational by mid-2017</li> </ul>
	Capacity	<ul style="list-style-type: none"> <li>When all terminal handling equipment is delivered, total handling capacity is expected to increase to <b>13.5 million TEUs</b> per annum</li> </ul>
	Capex	<ul style="list-style-type: none"> <li>CT8 capex between 2016-2018 of <b>RM1.1 billion</b></li> <li>Finetuning of expansion &amp; maintenance capex in 2016</li> <li>Funded by internally generated funds and short-term bank borrowings</li> </ul>
<b>CT9</b>	Facilities	<ul style="list-style-type: none"> <li>600 metres of <b>wharf</b></li> <li>2 units of <b>Quay Cranes</b></li> <li>13 units of <b>Rubber Tyred Gantry Cranes</b></li> <li>Terminal tractors and spreaders</li> </ul>
	Timeline	<ul style="list-style-type: none"> <li><b>Phase 1</b> to be completed by Dec2017</li> </ul>
	Capex	<ul style="list-style-type: none"> <li>Wharf construction work and additional TOEs cost <b>RM510 million</b></li> <li>Funded mainly by internally generated funds and short-term bank borrowings</li> </ul>

## Current Construction Work At CT8



Marine piling foundation works in progress for CT8 Phase 2 of the 300-metre wharf

## Capital Expenditure By Components (RM million)

	2015	YTD <sup>Sep16</sup>	2016f	2017f	2018f	3yr proj
Construction	104	127	260	402	18	680
Equipment	117	167	251	267	130	648
<b>CT8 &amp; CT9</b>	<b>221</b>	<b>294</b>	<b>511</b>	<b>669</b>	<b>148</b>	<b>1,328</b>
Maintenance	31	27	45	83	2	130
<b>Total Capex<sup>^</sup></b>	<b>252</b>	<b>321</b>	<b>556</b>	<b>753</b>	<b>149</b>	<b>1,458</b>

<sup>^</sup>May not add up due to rounding

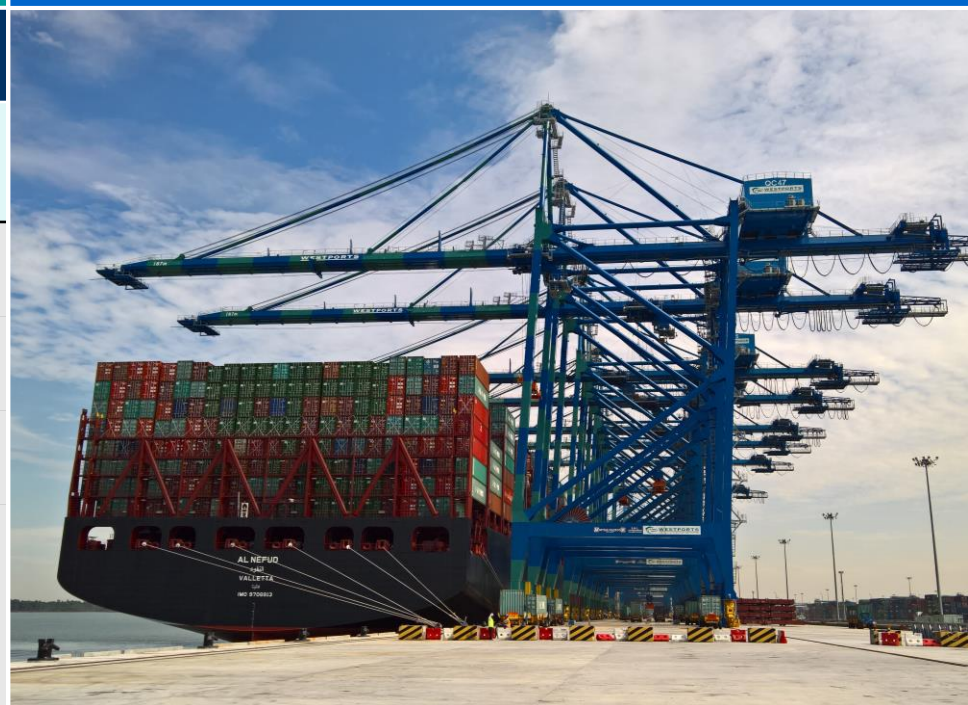
# Dividend And Outlook

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## Dividend Distribution Track Record

	Dividend Per Share (RM)	Financial Year	Ex-Date	Payment Date
1st Interim Dividend	7.30 sen	1H 2016	09 Aug 2016	23 Aug 2016
2nd Interim Dividend	5.78 sen	2H 2015	17 Feb 2016	02 Mar 2016
1st Interim Dividend	5.32 sen	1H 2015	13 Aug 2015	26 Aug 2015
2nd Interim Dividend	6.15 sen	2H 2014	26 Feb 2015	11 Mar 2015
1st Interim Dividend	5.10 sen	1H 2014	07 Aug 2014	20 Aug 2014
2nd Interim Dividend	5.22 sen	2H 2013	26 Feb 2014	11 Mar 2014

## Outlook 2016



- **Target payout ratio of 75%**

- Semi-annual distribution of dividend
- FY2015 dividend payment of 11.1 sen

- **Paid 1<sup>st</sup> interim dividend of RM249m**

- Still maintaining payout ratio with expansion

- **Container volume** – projection revised, to grow by between 7% and 10% for 2016

- **Conventional volume** – expecting low single-digit positive growth

- **Tariff revision** facilitates current container terminal's higher capex requirements

# Thank You

For further information on this presentation kit, please kindly contact:

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