



WESTPORTS
PROVEN. TRUSTED. FRIENDLY.

**Westports Holdings Berhad
2nd Quarter 2016 Financial Report**

28th July 2016



Results

		2Q15	2Q16	%Chg	YTD J15	YTD J16	%Chg	On YTD Performance
Container	million TEUs	2.16	2.50	16%	4.42	4.90	11%	Transshipment +15% and constituted 74.3% of total TEUs. Gateway +1k TEUs Liquid bulk volume +18%
Conventional	million MT	2.50	2.90	16%	5.06	5.47	8%	
Revenue	RM million	405	523	29%	804	987	23%	Container revenue +17% with tariff revision and higher volume. Liquid bulk revenue +13% with bunker operation
Operational Revenue		386	449	16%	773	885	15%	
Cost Of Sales		-187	-272	46%	-371	-490	32%	YTD fuel cost -24% and moderating as 2Q16 was -14%. Manpower +5% with minimum wage since 1Q16
Operational Costs		-168	-199	18%	-340	-388	14%	
Gross Profit		218	250	15%	433	498	15%	Improved GP and EBITDA levels with higher container volume and revenue per TEU. Benefited from lower fuel cost. Margins improved even without investment gain
EBITDA		216	249	15%	430	516	20%	
Results From Op Activities		178	208	17%	353	434	23%	
Profit Before Tax		162	192	18%	322	403	25%	Reported PBT included RM20m investment gain and excluding that, PBT would be +19% to RM383m Lower effective tax rate of 17.9% with ITA
Tax		-40	-32	-20%	-79	-72	-9%	
	Tax %	-24.7%	-16.7%		-24.7%	-17.9%		
Profit After Tax[^]		122	160	31%	242	331	37%	Excluding gain, PAT would be +28% to RM311m

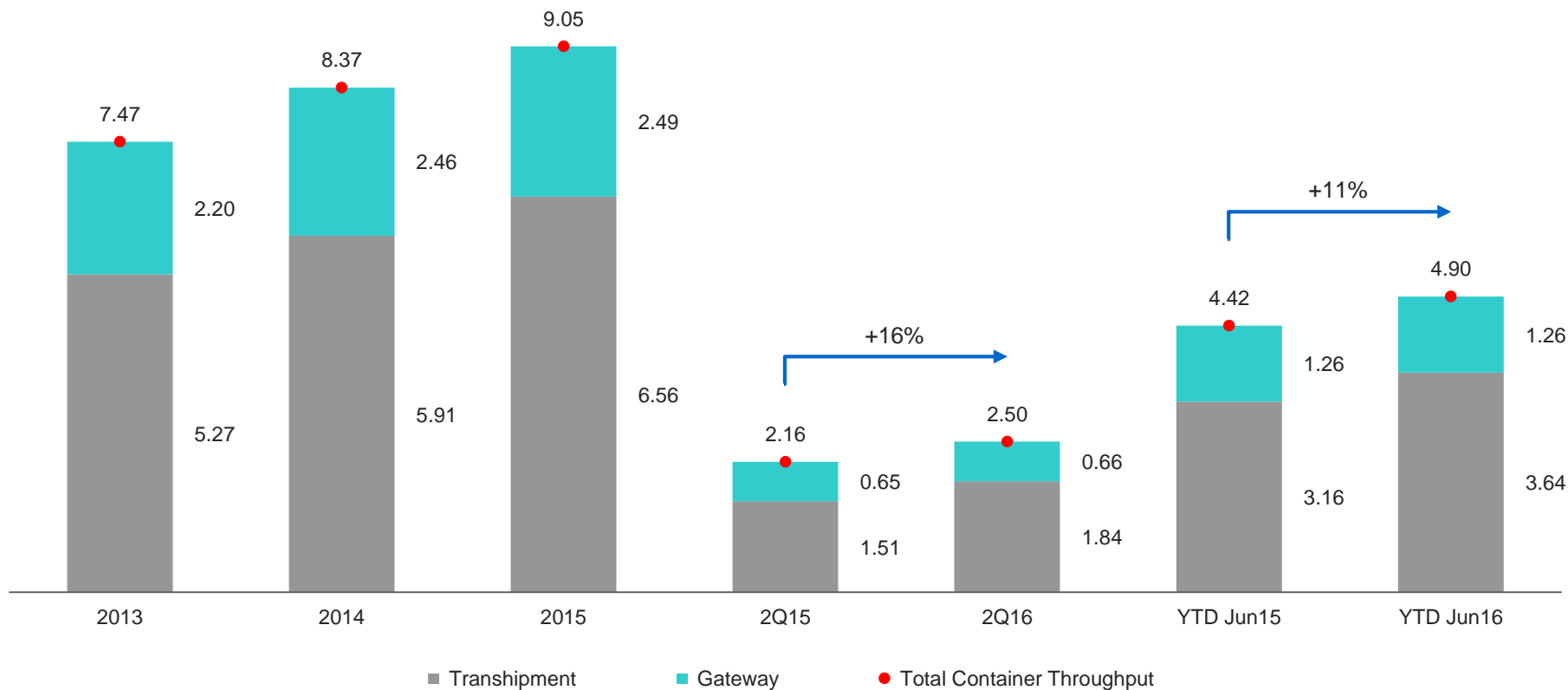
[^]May not add up due to rounding

Container – Transshipment & Gateway Throughput

3

- **2Q16** transshipment +22% to 1.8m TEUs (record quarterly volume) whereas gateway +1%
- **YTD Jun16** transshipment 74.3% of total TEUs, up from 71.5% in the previous period

Total Container Throughput (million TEUs)



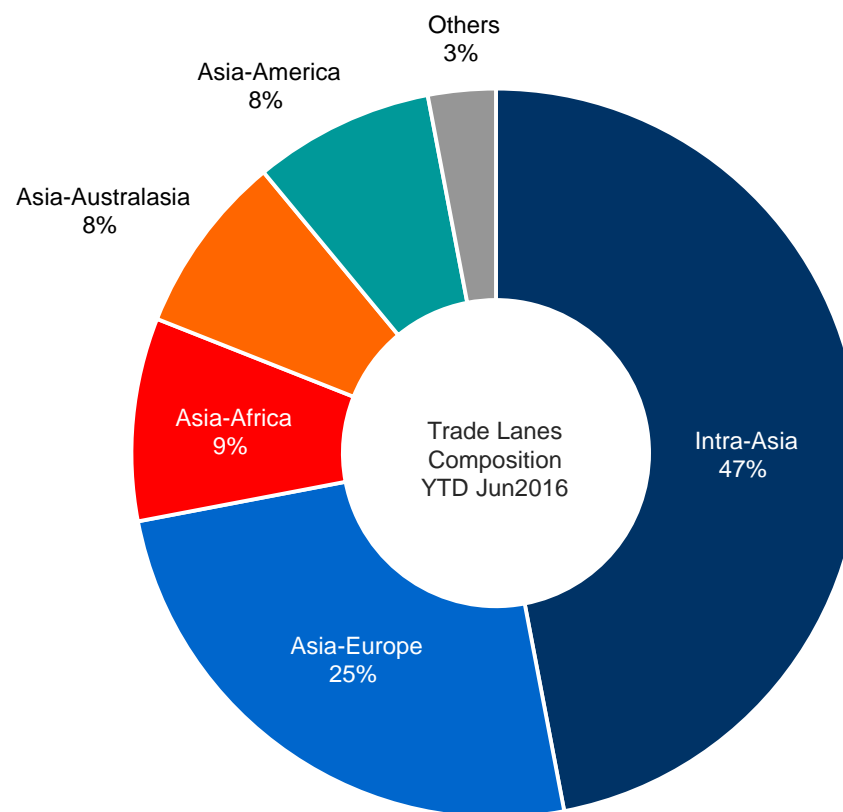
Container – Throughput By Trade Lane

4

- **2Q16** growth resumed for Asia-Africa and Asia-Australasia – reversed from contraction in 1Q16
- **YTD Jun16** strong volume increase of 11% with positive growth at all trade lanes

Container Throughput By Trade Lanes

Trade Lane	% Changes YoY		TEUs m
	2Q16	YTD J16	
Intra-Asia	12.9%	8.5%	2.32
Asia-Europe	17.2%	9.8%	1.23
Asia-Africa	3.1%	-2.8%	0.44
Asia-Australasia	3.8%	-2.1%	0.40
Asia-America	65.5%	91.5%	0.41
Others	33.0%	21.4%	0.11
Total[^]	15.6%	11.0%	4.90



[^] May not add up due to rounding

Based on data as of 20th July 2016

Conventional – Throughput Volume

- **2Q16** liquid bulk posted significant growth of +44% with commencement of bunker operations
- **YTD Jun16** RORO decline in-line with industry while dry and break bulk expanded moderately

Total Conventional Throughput (million tonnes)

	Year			Quarter			Year-To-Date		
	2013	2014	2015	2Q15	2Q16	%	Jun15	Jun16	%
Dry Bulk	3.70	3.99	4.01	0.89	0.85	-4%	1.93	2.00	4%
Liquid Bulk	4.30	3.76	3.57	0.92	1.32	44%	1.73	2.04	18%
Break Bulk	1.70	1.66	1.59	0.41	0.52	25%	0.85	0.92	8%
Cement	0.90	0.94	1.06	0.28	0.21	-26%	0.55	0.51	-6%
Total[^]	10.60	10.35	10.23	2.50	2.90	16%	5.06	5.47	8%
RORO (k units)	108.4	166.0	162.5	46.2	31.4	-32%	87.8	70.7	-19%

[^]May not add up due to rounding

Revenue

- **2Q16** container revenue +20% with improved volume and tariff revision
- **YTD Jun16** non-operational construction revenue accelerated, reflecting progress at CT8 Phase 1

Segmental Revenue (RM million)

	Year			Quarter			Year-To-Date		
	2013	2014	2015	2Q15	2Q16	%	Jun15	Jun16	%
Container	1,105	1,251	1,317	319	382	20%	640	752	17%
Conventional	137	137	144	37	36	-4%	74	72	-2%
Marine	74	77	81	21	22	3%	40	42	5%
Rental	32	38	35	9	9	-1%	19	18	-2%
Operational Revenue	1,348	1,503	1,578	386	449	16%	773	885	15%
Construction	364	59	103	19	74	290%	31	102	231%
Total Revenue[^]	1,712	1,562	1,682	405	523	29%	804	987	23%

[^]May not add up due to rounding

Cost Of Sales

- **2Q16** container's marketing costs increased with tariff revision. Fuel cost declining but at lesser rate
- **YTD Jun16** manpower cost +5% inclusive of new minimum wage structure implemented since 1Q16

Cost Of Sales Breakdown (RM million)

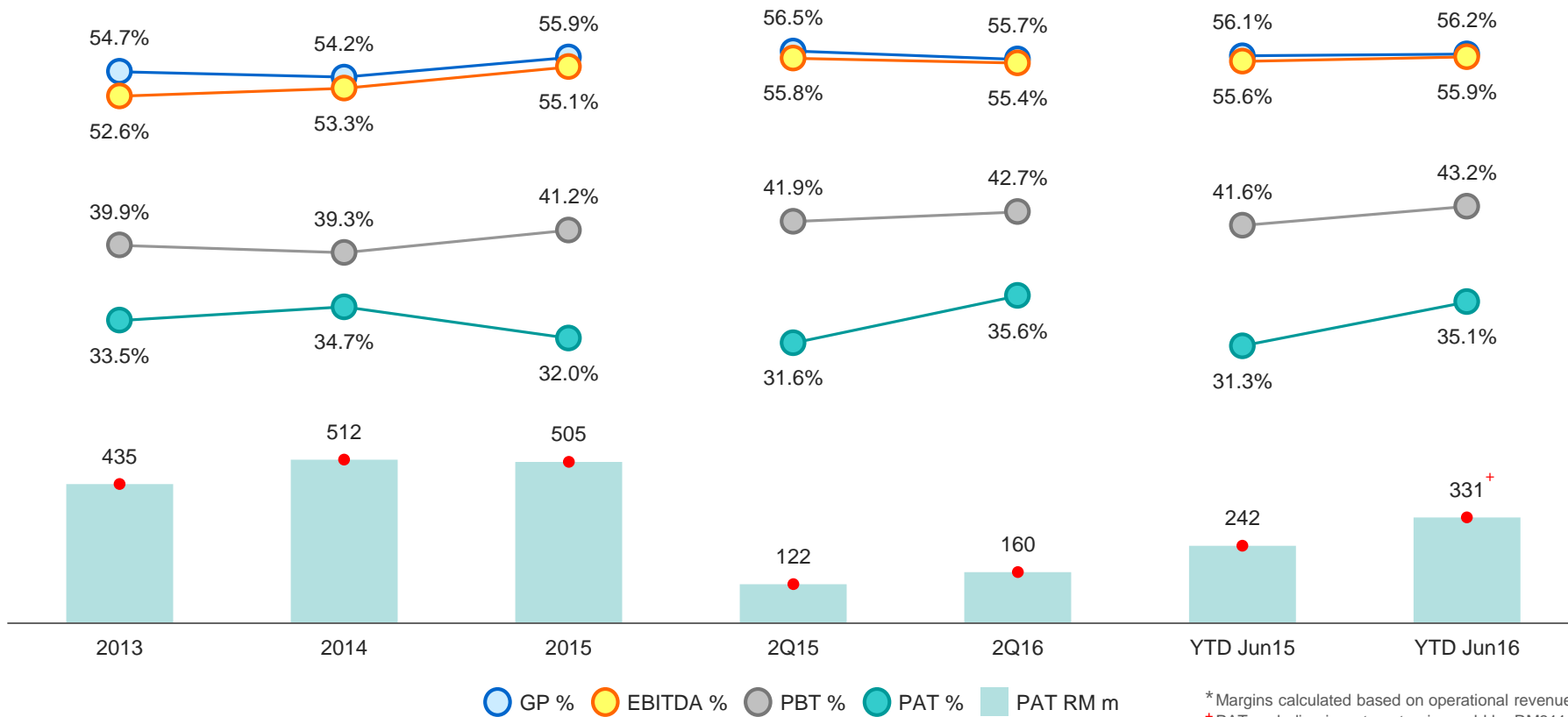
	Year			Quarter			Year-To-Date		
	2013	2014	2015	2Q15	2Q16	%	Jun15	Jun16	%
Container	201	226	242	55	81	47%	113	158	40%
Conventional	19	22	23	6	6	-9%	12	11	-8%
Marine	31	31	31	8	9	12%	15	17	12%
Fuel	88	94	70	18	16	-14%	36	28	-24%
Electricity	21	27	29	7	8	16%	14	16	13%
Manpower	150	164	169	41	44	7%	84	88	5%
Depreciation	101	124	132	32	35	9%	65	70	7%
Operational Cost	611	688	696	168	199	18%	340	388	14%
Construction	364	59	103	19	74	290%	31	102	231%
Total Cost[^]	975	747	799	187	272	46%	371	490	32%

[^]May not add up due to rounding

Profitability Margins

- YTD Jun16 EBITDA and PBT margins calculation excluded non-recurrent investment gain to reflect underlying operational performance. PAT margin improvement included benefits from ITA

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

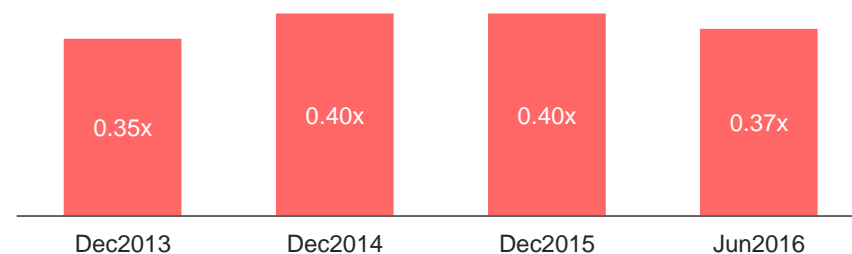


* Margins calculated based on operational revenue
 + PAT excluding investment gain would be RM311m

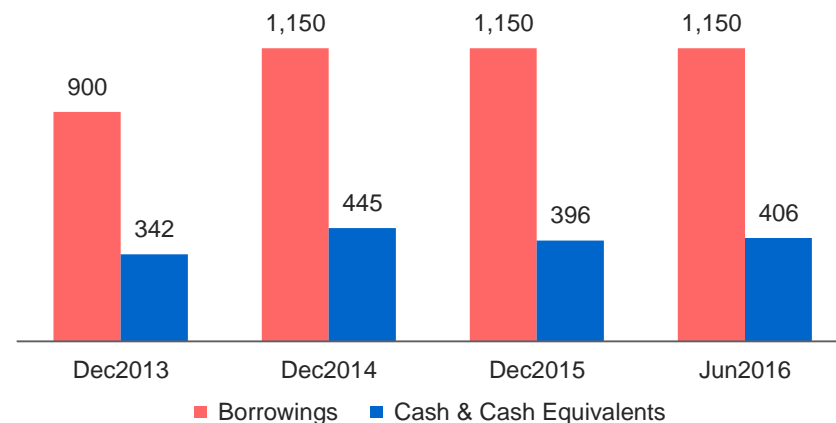
Debt-To-Equity Ratio

Sukuk Musharakah Medium Term Note (SMTN)	
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
Nominal Value	RM2,000 million available for issuance
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 Total drawdown RM1,150 million
Utilisation of Proceeds	<ul style="list-style-type: none"> Refinance previous SUKUK programme Capital expenditure Assets acquisition Working capital
Repayment	<ul style="list-style-type: none"> RM450 million – 6 tranches, 2021-2026 RM250 million – 4 tranches, 2025-2028 RM200 million – 5 tranches, 2024-2028 RM250 million – 4 tranches, 2021-2024

Net Debt-To-Equity Ratio



Total Borrowings And Cash & Equivalents (RM million)



- **Net debt-to-equity ratio** eased from 0.43x in Mar16 to 0.37x in Jun16
- **Cash balance** improved from RM347m in Mar16 to RM406m before transfer for the 1st interim dividend payment in Aug2016

CT8 Expansion

CT8 Expansion Plan	
Facilities	<ul style="list-style-type: none"> • 600 metres of wharf and container yard • Back-of-the-Terminal facilities <ul style="list-style-type: none"> • 2nd container gate • Marshaling centre • Container freight station • 14 units of ship-to-shore quay cranes • 15 units of rubber tyred gantry cranes • Terminal tractors and trailers
Timeline	<ul style="list-style-type: none"> • Commenced in January 2015 • Phase 1 <ul style="list-style-type: none"> • Completed 300 metres of wharf. Already operational with 4 new 52-metre high QCs • Phase 2 <ul style="list-style-type: none"> • An additional 300 metres of wharf, CT8 yard, 2nd container gate and more TOEs being delivered. Schedule to be operational by 2017
Capacity	<ul style="list-style-type: none"> • When all terminal handling equipment is delivered, the total handling capacity is expected to increase to 13.5 million TEUs
Capital Expenditure	<ul style="list-style-type: none"> • Revised CT8 cost of RM1.1 billion due to currency fluctuations • Projected total CT8 expansion and maintenance capex of RM750 million for 2016 • To be funded by internally generated funds and short-term bank borrowing

Current Construction Work At CT8



The 2nd container terminal gate is being completed with 14 lanes for exiting haulier trucks

Capital Expenditure By Components (RM million)

	2015	YTDJ16	2016f	2017f	2018f	3yr proj
Construction	104	102	300	40	0	340
Equipment	117	145	330	190	30	550
CT8 Expansion	221	247	630	230	30	890
Maintenance	31	14	120	20	20	160
Total Capex	252	261	750	250	50	1,050

Dividend And Outlook

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

- **1st interim dividend for 1H 2016 of RM249m**

- Maintaining payout ratio with CT8 expansion

- **Container volume** – projected to grow by between 5% 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:

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

Chang Kong Meng
Email: chang@westports.com.my
Contact: +6 03 3169 4047
Mobile No: +6 012 5123 813

This document contains certain forward-looking statements with respect to Westports Holdings Berhad's ("Westports") financial condition, results of operations and business, and management's strategy, plans and objectives for Westports. These statements include, without limitation, those that express forecasts, expectations and projections such as forecasts, expectations and projections in relation to new products and services, revenue, profit, cash flow, operational metrics etc. These statements (and all other forward-looking statements contained in this document) are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond Westports' control, are difficult to predict and could cause actual results to differ materially from those expressed or implied or forecast in the forward-looking statements. All forward-looking statements in this presentation are based on information known to Westports on the date hereof. Westports undertakes no obligation publicly to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. This presentation has been prepared by Westports. The information in this presentation, including forward-looking statements, has not been independently verified. Without limiting any of the foregoing in this disclaimer, no representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy or completeness of such information. Westports and its subsidiaries, affiliates, representatives and advisers shall have no liability whatsoever (whether in negligence or otherwise) for any loss, damage, costs or expenses howsoever arising out of or in connection with this presentation.