



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

**Westports Holdings Berhad**  
**4<sup>th</sup> Quarter Financial Report**

**3<sup>rd</sup> February 2016**



# Results

|                                     |              | 4Q14        | 4Q15        | %Chg       | 2014         | 2015         | %Chg       | On YTD Performance   |
|-------------------------------------|--------------|-------------|-------------|------------|--------------|--------------|------------|--|
| <b>Container</b>                    | million TEUs | 2.19        | 2.34        | 7%         | 8.37         | 9.05         | 8%         | Transshipment +11% and constituted 72.5% of total volume. Gateway +1%<br>Cement volume +13%                                    |
| <b>Conventional</b>                 | million MT   | 2.51        | 2.50        | 0%         | 10.35        | 10.23        | -1%        |  |
| Revenue                             | RM million   | 384         | 477         | 24%        | 1,562        | 1,682        | 8%         | Container revenue +5% while Conventional +5%<br>4Q15 improvement with container tariff revision                                |
| <b>Operational Revenue</b>          |              | <b>386</b>  | <b>416</b>  | <b>8%</b>  | <b>1,503</b> | <b>1,578</b> | <b>5%</b>  |  |
| Cost Of Sales                       |              | -175        | -247        | 41%        | -747         | -799         | 7%         | Fuel cost -26% with lower prices. Operational depreciation +7% mainly due to CT7 expansion                                     |
| <b>Operational Costs</b>            |              | <b>-176</b> | <b>-186</b> | <b>6%</b>  | <b>-688</b>  | <b>-696</b>  | <b>1%</b>  |  |
| Gross Profit                        |              | 210         | 230         | 10%        | 815          | 882          | 8%         | Improved GP and EBITDA levels with improved container volume and lower input fuel cost   |
| EBITDA                              |              | 197         | 222         | 12%        | 789          | 869          | 10%        |  |
| Results From Op Activities          |              | 159         | 182         | 15%        | 643          | 714          | 11%        |  |
| <b>Profit Before Tax</b>            |              | <b>142</b>  | <b>166</b>  | <b>17%</b> | <b>579</b>   | <b>650</b>   | <b>12%</b> | PBT improved further with lower administrative costs<br>Tax amount and tax rate increased with provision at statutory tax rate |
| Tax                                 |              | -2          | -34         | 1320%      | -67          | -145         | 118%       |  |
|                                     | Tax %        | -1.7%       | -20.2%      |            | -11.5%       | -22.3%       |            |  |
| <b>Profit After Tax<sup>^</sup></b> |              | <b>140</b>  | <b>133</b>  | <b>-5%</b> | <b>512</b>   | <b>505</b>   | <b>-1%</b> | Net EPS of 14.8 sen for the year 2015  |

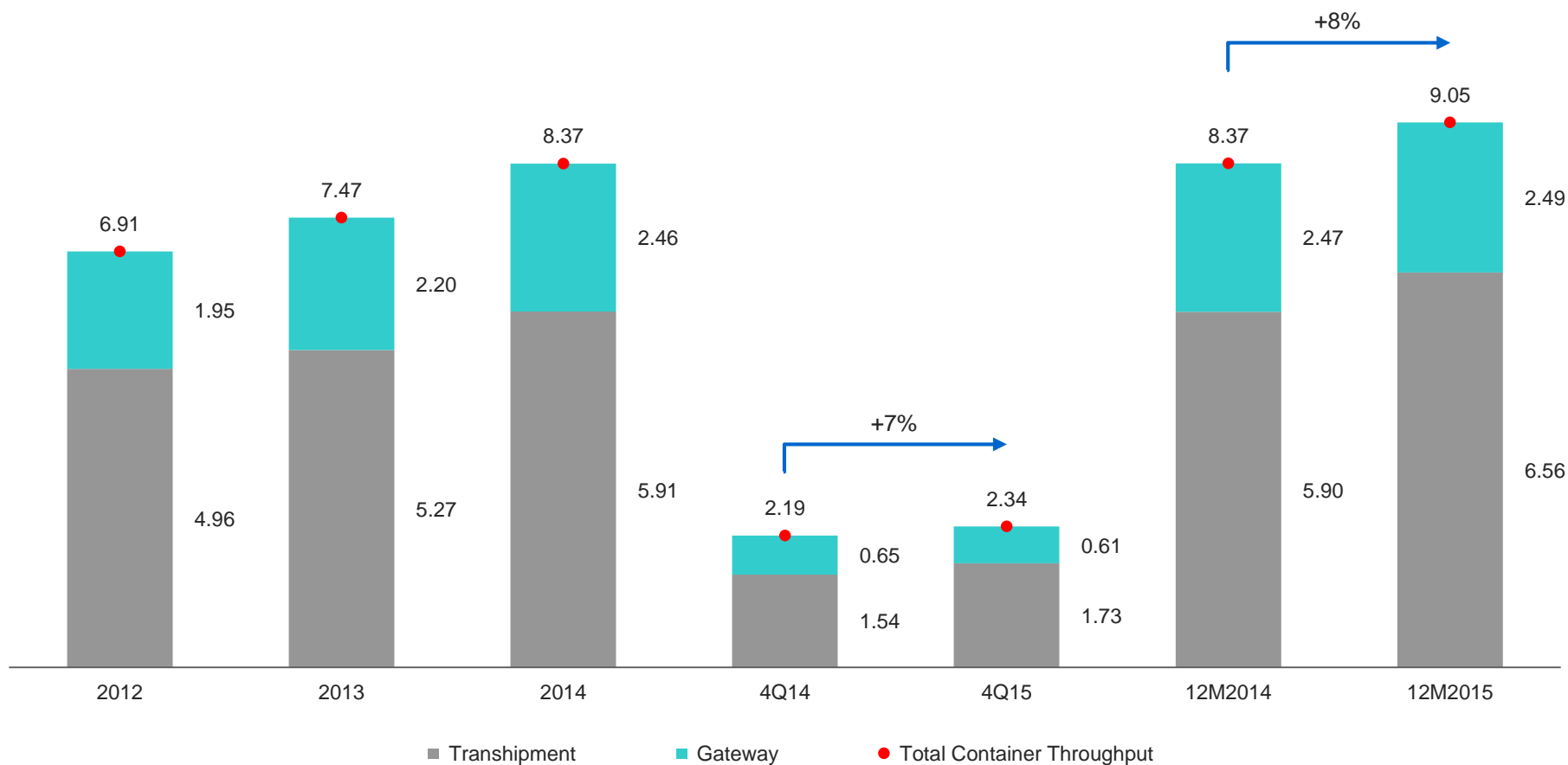
<sup>^</sup>May not add up due to rounding

# Container – Transshipment & Gateway Throughput

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- **4Q15 container throughput +7%**. Transshipment+12% whereas gateway -6%
- **2015 +8% to record-high of 9.05m TEUs**. Transshipment is 72% of total TEUs, up from 71%

Total Container Throughput (million TEUs)



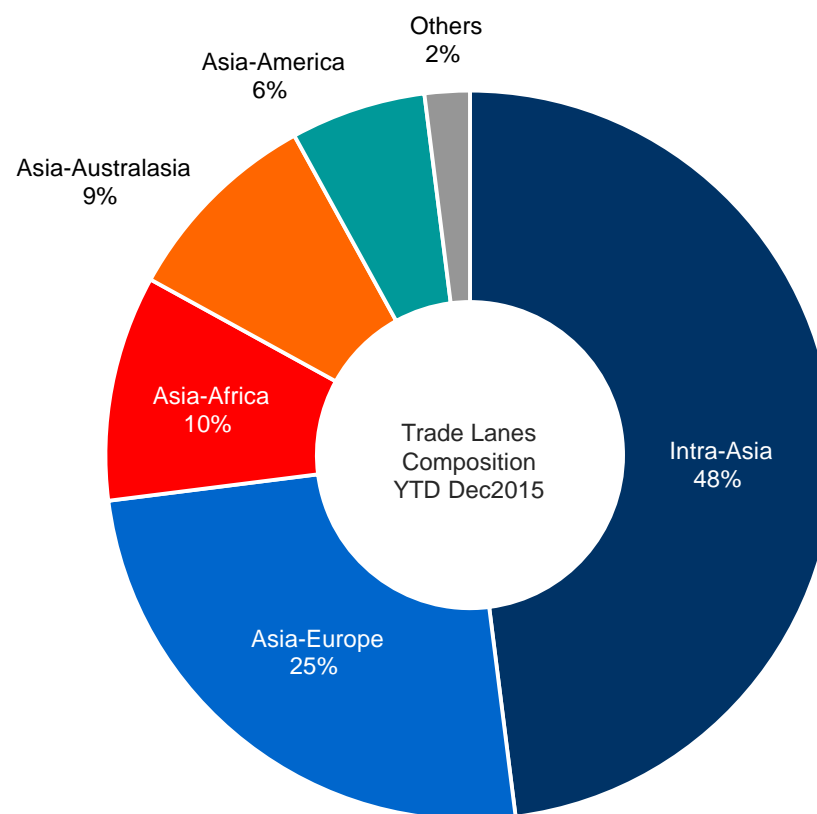
# Container – Throughput By Trade Lane

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- **Asia-Europe** is a quarter of total volume with strong growth of +17% to 2.29m TEUs
- **Asia-America** posted strongest growth and raised total composition to 6% from 3% in 2014

## Container Throughput By Trade Lanes

| Trade Lane               | % Changes YoY |            | TEUs m      |
|--------------------------|---------------|------------|-------------|
|                          | 4Q15          | 2015       |             |
| Intra-Asia               | +1%           | +3%        | 4.30        |
| Asia-Europe              | +7%           | +17%       | 2.29        |
| Asia-Africa              | -10%          | -13%       | 0.93        |
| Asia-Australasia         | +9%           | +14%       | 0.83        |
| Asia-America             | +191%         | +131%      | 0.53        |
| Others                   | -21%          | -9%        | 0.17        |
| <b>Total<sup>^</sup></b> | <b>+7%</b>    | <b>+8%</b> | <b>9.05</b> |



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

Based on data as of 19th January 2016

# Conventional – Throughput Volume

- **4Q15 dry bulk +17%** after lower shipment quantity in 3Q15
- **2015 cement +13%** with ongoing completion of infrastructure-related and property projects

## Total Conventional Throughput (million tonnes)

|                          | Year         |              |              | Quarter     |             |           | Year-To-Date |              |            |
|--------------------------|--------------|--------------|--------------|-------------|-------------|-----------|--------------|--------------|------------|
|                          | 2012         | 2013         | 2014         | 4Q14        | 4Q15        | %         | 2014         | 2015         | %          |
| Dry Bulk                 | 3.60         | 3.70         | 3.99         | 0.95        | 1.12        | 17%       | 3.99         | 4.01         | 1%         |
| Liquid Bulk              | 4.20         | 4.30         | 3.76         | 0.81        | 0.80        | 0%        | 3.76         | 3.57         | -5%        |
| Break Bulk               | 1.60         | 1.70         | 1.66         | 0.46        | 0.32        | -31%      | 1.66         | 1.59         | -4%        |
| Cement                   | 0.80         | 0.90         | 0.94         | 0.28        | 0.26        | -9%       | 0.94         | 1.06         | 13%        |
| <b>Total<sup>^</sup></b> | <b>10.20</b> | <b>10.60</b> | <b>10.35</b> | <b>2.51</b> | <b>2.50</b> | <b>0%</b> | <b>10.35</b> | <b>10.23</b> | <b>-1%</b> |
| RORO (k units)           | 197.1        | 108.4        | 166.0        | 41.5        | 37.2        | -10%      | 166.0        | 162.5        | -2%        |

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

# Revenue

- **4Q15 container revenue +9%** with higher container volume and tariff revision from Nov2015
- **2015 conventional revenue +5%** despite -1% volume. Improvement at cement, dry and break bulk

## Segmental Revenue (RM million)

|                                  | Year         |              |              | Quarter    |            |            | Year-To-Date |              |           |
|----------------------------------|--------------|--------------|--------------|------------|------------|------------|--------------|--------------|-----------|
|                                  | 2012         | 2013         | 2014         | 4Q14       | 4Q15       | %          | 2014         | 2015         | %         |
| Container                        | 1,009        | 1,105        | 1,251        | 323        | 353        | 9%         | 1,251        | 1,317        | 5%        |
| Conventional                     | 123          | 137          | 137          | 34         | 34         | 0%         | 137          | 144          | 5%        |
| Marine                           | 64           | 74           | 77           | 19         | 21         | 8%         | 77           | 81           | 6%        |
| Rental                           | 30           | 32           | 38           | 10         | 8          | -14%       | 38           | 35           | -6%       |
| <b>Operational Revenue</b>       | <b>1,226</b> | <b>1,348</b> | <b>1,503</b> | <b>386</b> | <b>416</b> | <b>8%</b>  | <b>1,503</b> | <b>1,578</b> | <b>5%</b> |
| Construction                     | 266          | 364          | 59           | -1         | 61         | nm         | 59           | 103          | 75%       |
| <b>Total Revenue<sup>^</sup></b> | <b>1,492</b> | <b>1,712</b> | <b>1,562</b> | <b>384</b> | <b>477</b> | <b>24%</b> | <b>1,562</b> | <b>1,682</b> | <b>8%</b> |

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

# Cost Of Sales

- **4Q15 fuel cost** continued to decline. Container's marketing costs increased with tariff revision
- **2015 fuel cost** -26%, now constitute 10% of operational cost, down from 2014 level of 14%

## Cost Of Sales Breakdown (RM million)

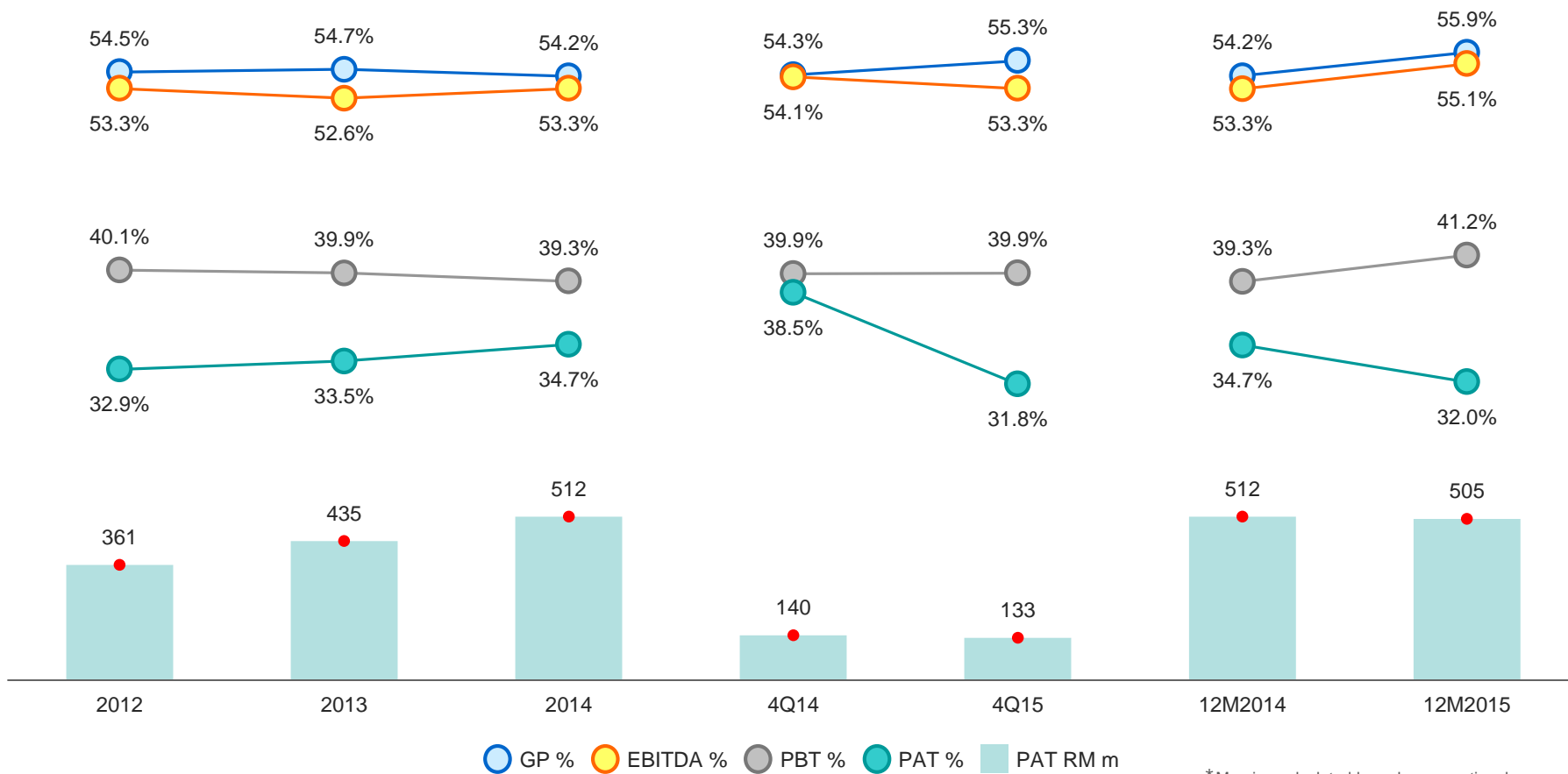
|                               | Year       |            |            | Quarter    |            |            | Year-To-Date |            |           |
|-------------------------------|------------|------------|------------|------------|------------|------------|--------------|------------|-----------|
|                               | 2012       | 2013       | 2014       | 4Q14       | 4Q15       | %          | 2014         | 2015       | %         |
| Container                     | 172        | 201        | 226        | 59         | 71         | 22%        | 226          | 242        | 7%        |
| Conventional                  | 16         | 19         | 22         | 6          | 5          | -12%       | 22           | 23         | 6%        |
| Marine                        | 31         | 31         | 31         | 8          | 8          | 3%         | 31           | 31         | 0%        |
| Fuel                          | 87         | 88         | 94         | 20         | 16         | -19%       | 94           | 70         | -26%      |
| Electricity                   | 19         | 21         | 27         | 7          | 7          | 3%         | 27           | 29         | 7%        |
| Manpower                      | 142        | 150        | 164        | 44         | 44         | 0%         | 164          | 169        | 3%        |
| Depreciation                  | 90         | 101        | 124        | 33         | 34         | 3%         | 124          | 132        | 7%        |
| <b>Operational Cost</b>       | <b>557</b> | <b>611</b> | <b>688</b> | <b>176</b> | <b>186</b> | <b>6%</b>  | <b>688</b>   | <b>696</b> | <b>1%</b> |
| Construction                  | 266        | 364        | 59         | -1         | 61         | nm         | 59           | 103        | 75%       |
| <b>Total Cost<sup>^</sup></b> | <b>823</b> | <b>975</b> | <b>747</b> | <b>175</b> | <b>247</b> | <b>41%</b> | <b>747</b>   | <b>799</b> | <b>7%</b> |

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

# Profitability Margins

- **GP** improved with lower fuel cost. **EBITDA** 4Q14 boosted by normalisation amount of RM11.6m
- **PBT** with higher container volume and lower fuel cost. Marginally lower **PAT** due to tax provision

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



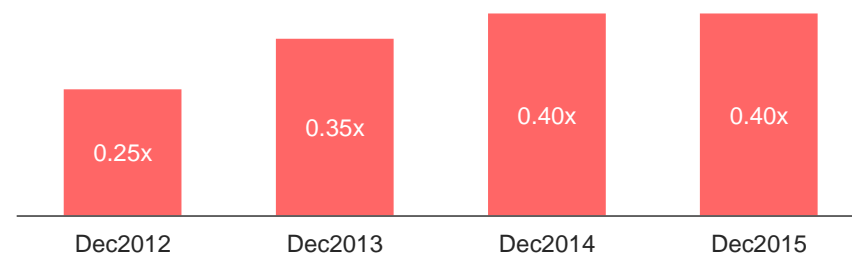
\* Margins calculated based on operational revenue



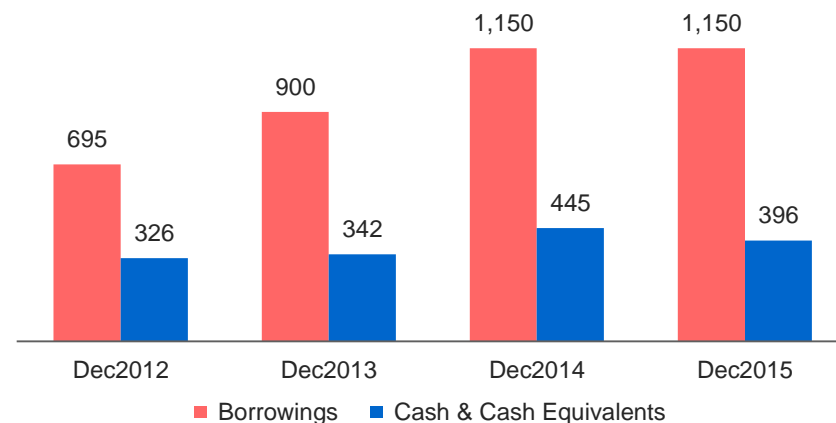
# Debt-To-Equity Ratio

| 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)



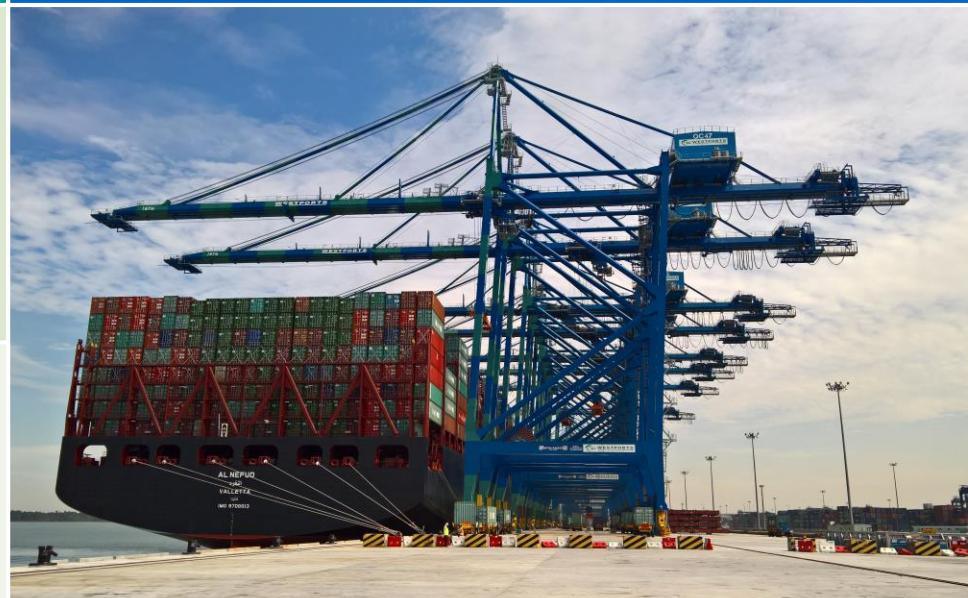
- **Net debt-to-equity ratio** is stable at 0.40x
- **Cash balance** improved to RM396m from RM375m as of Sep2015 after dividend payment in Aug2015

# CT8 Expansion

## CT8 Expansion Plan

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

## Current Construction Work At CT8



Foreground is CT8's 1<sup>st</sup> 300-metre wharf. Followed by 2 newest QCs and others in operation

## Capital Expenditure By Components (RM million)

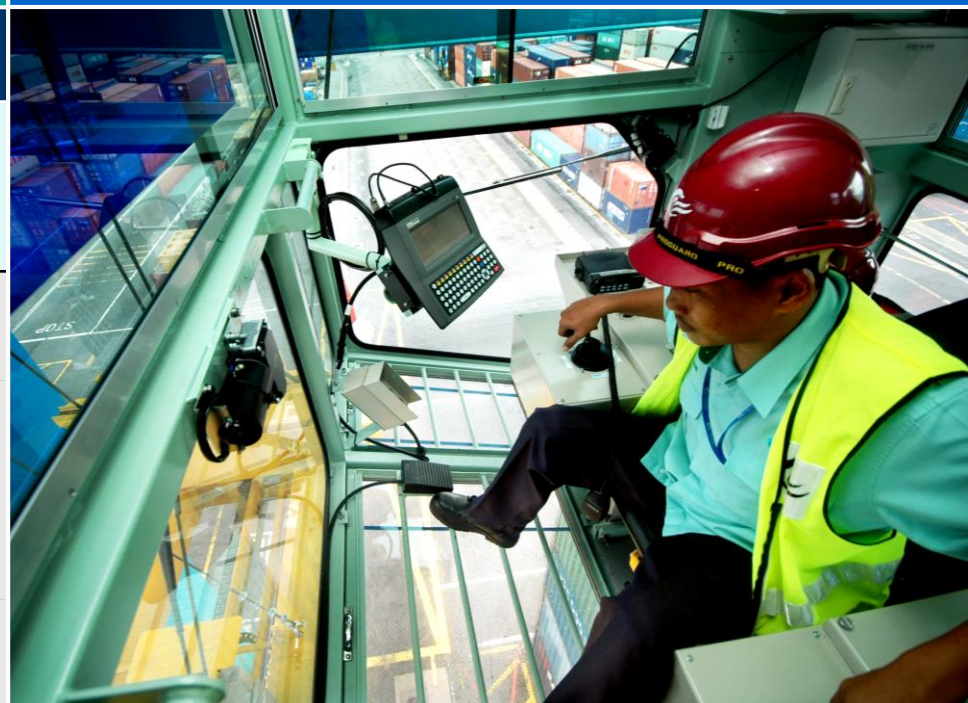
|                              | 2015A      | 2016F      | 2017F      | 2018F     | 3Yr F        |
|------------------------------|------------|------------|------------|-----------|--------------|
| Construction, Infrastructure | 104        | 300        | 40         | 0         | 340          |
| Equipment                    | 117        | 330        | 190        | 30        | 550          |
| <b>CT8 Expansion</b>         | <b>221</b> | <b>630</b> | <b>230</b> | <b>30</b> | <b>890</b>   |
| Maintenance & Others         | 31         | 120        | 20         | 20        | 160          |
| <b>Total Overall Capex</b>   | <b>252</b> | <b>750</b> | <b>250</b> | <b>50</b> | <b>1,050</b> |

# Dividend And Outlook

## Dividend Distribution Track Record

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

- 2<sup>nd</sup> interim dividend for 2H 2015 of RM197m

- **Container volume** projection – expect lower but positive growth compared to the previous year

- **Conventional volume** – expect to be maintained as the previous year's volume

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

# Thank You

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

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