

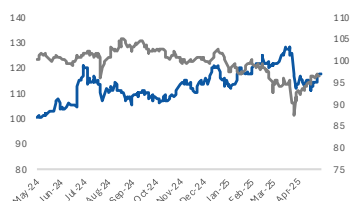
Jayden Tan
 (603) 7890 8888 (ext 2069)
kdtan@apexsecurities.com.my

Recommendation:	BUY
Current Price:	RM4.43
Previous Target Price:	RM5.08
Target Price:	↔ RM5.08
Capital Upside/Downside:	14.7%
Dividend Yield (%):	3.9%
Total Upside/Downside:	18.6%

Stock information	
Board	MAIN
Sector	Logistics
Bursa / Bloomberg Code	5246 / WPRTS MK
Syariah Compliant	Yes
ESGRating	★★★
Shares issued (m)	3,410.0
Market Cap (RM' m)	15,106.3
52-Week Price Range (RM)	4.89-3.94
Beta (x)	0.5
Free float (%)	25.6
3M Average Volume (m)	2.2
3M Average Value (RM' m)	10.0

Top 3 Shareholders	(%)
Pembinaan Redzai Sdn Bhd	42.4
South Port Investment Holdings Ltd	23.6
Employees Provident Fund Board	8.7

Share Price Performance



	1M	3M	12M
Absolute (%)	3.3	-1.8	10.5
Relative (%)	-2.9	1.1	14.5

Earnings summary

FYE (Dec)	FY24	FY25F	FY26F
Revenue (RM'm)	2344	2460	2643
PATAMI (RM'm)	898.0	906.9	943.8
CNP (RM'm)	898.0	906.9	943.8
EPS - core (sen)	26.3	26.6	27.7
P/E(x)	16.8	16.6	16.0

Source: Company, Apex Securities

Westports Holdings Berhad

1Q25 within expectations

- Westports reported 1QFY25 core net profit in line with expectations, accounting for 25% of our and consensus full-year forecasts.
- YoY, CNP rose 9%, aided by lower operational costs (-3%) from weaker oil prices and reduced depreciation (-7%) following the concession period extension. QoQ, CNP fell 13%, reflecting seasonally lower revenue (-4%) and higher administrative costs related to Westport 2 expansion.
- Maintain BUY with an unchanged TP of RM5.08, based on DCF-derived (6.2% discount rate), supported by resilient Intra-Asia trade and potential port tariff hike in 2026.

Results within expectations. 1QFY25 came within expectations, accounting for 25% of our and consensus full-year estimates.

YoY. CNP rose 9% yoy, supported by a 14.4% increase in revenue to RM621.3m. Growth was driven by a 5% yoy rise in container revenue (RM493m), supported by higher storage charges from longer dwell times due to stricter inspections on metal and e-waste, alongside a 7% increase in conventional volume to 2.95m MT, benefiting from liquid bulk and steel cargoes. Profit margins also improved, aided by a 3% decline in operational costs due to lower fuel expenses (-11%), driven by weaker oil prices, and reduced depreciation costs (-7%) following the extension of the concession period.

QoQ. CNP declined 13% qoq, reflecting a seasonally lower revenue base (-4% qoq), primarily due to fewer gateway TEUs (-7%), impacted by stricter import inspections targeting illegal imports, particularly e-waste, as well as seasonal effects from Ramadan and Hari Raya during the period. The decline was also compounded by a high base effect from the front-loading activities in the previous quarter. Gross profit fell 6% qoq to RM381m, reflecting lower cargo handling and storage revenue, alongside higher administrative and operating expenses related to the Westport 2 expansion.

Outlook. We expect moderate volume growth in FY25, underpinned by resilient Intra-Asia trade and supported by Malaysia's commitment to multilateral trade through government initiatives, despite ongoing uncertainties from the Trump tariff negotiations. Additionally, we anticipate that the port tariff rate hike may be finalised by the government later this year, potentially taking effect in 2026, providing a further revenue uplift. The Westport 2 expansion remains on track, with operations expected to commence in 2028, supporting long-term growth potential.

Earnings Revision. We maintain our earnings forecasts for FY25F and FY26F, as current performance aligns with our expectations.

Valuation. We reiterate our **BUY** recommendation on Westports, with an unchanged target price of **RM5.08**, based on the DCF-derived methodology, applying a 6.2% discount rate.

Risk. Key risks include uncertainties surrounding Trump's trade policies, stiff regional competition, and potential delays in the Westport 2 expansion.

Results Note

Tuesday, 13 May, 2025

Results Comparison

FYE Dec (RM m)	1QFY25	1QFY24	yoy (%)	4QFY24	qoq (%)	3MFY25	3MFY24	yoy (%)	Comments
Revenue	621.3	543.2	14.4	675.4	(8.0)	621.3	543.2	14.4	
Operating profit	314.8	270.3	16.5	333.2	(5.5)	314.8	270.3	16.5	
Pre-tax profit	292.5	265.4	10.2	303.7	(3.7)	292.5	265.4	10.2	
Net profit	222.5	204.5	8.8	256.7	(13.3)	222.5	204.5	8.8	
Core net profit	222.5	204.5	8.8	256.7	(13.3)	222.5	204.5	8.8	
Core EPS (sen)	6.5	6.0	8.8	7.5	(13.3)	6.5	6.0	8.8	
EBITDA margin (%)	50.7	49.8		49.3		50.7	49.8		
PBT margin (%)	47.1	48.9		45.0		47.1	48.9		
Core net profit margin (%)	35.8	37.7		38.0		35.8	37.7		

Source: Company, Apex Securities

Financial Highlights

Income Statement

FYE Sep (RM m)	FY22	FY23	FY24	FY25F	FY26F
Revenue	2069.0	2151.9	2344.1	2460.4	2642.6
Gross Profit	1190.0	1235.7	1443.5	1476.2	1506.3
EBITDA	1214.6	1296.4	1449.1	1529.1	1602.4
Depreciation & Amortisation	264.5	258.9	254.6	311.3	336.4
EBIT	950.1	1037.5	1194.5	1217.9	1266.0
Net Finance Income/ (Cost)	-52.3	-41.7	-55.8	-49.3	-50.5
Associates & JV	46.2	10.5	0.0	24.6	26.4
Pre-tax Profit	944.0	1006.2	1138.7	1193.2	1241.9
Tax	-244.4	-226.8	-240.7	-286.4	-298.1
Profit After Tax	699.7	779.4	898.0	906.9	943.8
Minority Interest	0.0	0.0	0.0	0.0	0.0
Net Profit	699.7	779.4	898.0	906.9	943.8
Exceptionals	0.0	0.0	0.0	0.0	0.0
Core Net Profit	699.7	779.4	898.0	906.9	943.8

Key Ratios

FYE Sep	FY22	FY23	FY24	FY25F	FY26F
EPS (sen)	20.5	22.9	26.3	26.6	27.7
P/E (x)	21.5	19.3	16.8	16.6	16.0
P/B (x)	4.6	4.3	4.0	3.7	3.4
EV/EBITDA (x)	12.1	11.4	10.1	9.6	9.1
DPS (sen)	16.2	15.7	17.3	17.3	18.0
Dividend Yield (%)	3.7%	3.5%	3.9%	3.9%	4.1%
EBITDA margin (%)	58.7%	60.2%	61.8%	62.2%	60.6%
EBIT margin (%)	45.9%	48.2%	51.0%	49.5%	47.9%
PBT margin (%)	45.6%	46.8%	48.6%	48.5%	47.0%
PAT margin (%)	33.8%	36.2%	38.3%	36.9%	35.7%
NP margin (%)	33.8%	36.2%	38.3%	36.9%	35.7%
CNP margin (%)	33.8%	36.2%	38.3%	36.9%	35.7%
ROE (%)	21.4%	22.1%	23.8%	22.2%	21.4%
ROA (%)	13.2%	14.6%	15.4%	14.3%	13.8%
Gearing (%)	29.8%	24.1%	26.1%	24.8%	23.7%
Net gearing (%)	12.9%	7.7%	12.6%	11.1%	10.7%

Valuations

DCF
WACC
Fair Value (RM)

Source: Company, Apex Securities

Balance Sheet

FYE Sep (RM m)	FY22	FY23	FY24	FY25F	FY26F
Cash	552.1	577.9	507.6	560.0	576.2
Receivables	210.1	280.7	257.6	269.6	289.6
Inventories	5.3	5.3	5.4	5.4	5.4
Other current assets	70.8	20.4	47.0	49.2	52.9
Total Current Assets	838.4	884.4	817.6	884.2	924.0
Fixed Assets	4282.6	4283.7	4778.0	5223.5	5649.5
Intangibles	0.0	0.0	0.0	0.0	0.0
Other non-current assets	160.7	171.2	251.6	251.6	251.6
Total Non-Current Assets	4443.3	4454.9	5029.6	5475.1	5901.1
Short-term debt	125.0	125.0	127.5	133.9	140.6
Payables	195.3	159.0	180.0	175.3	202.4
Other current liabilities	299.3	332.2	333.6	324.8	375.0
Total Current Liabilities	619.6	616.1	641.1	633.9	717.9
Long-term debt	850.0	725.0	855.5	881.2	907.6
Other non-current liabilities	537.7	478.0	577.8	754.2	779.1
Total Non-Current Liabilities	1387.7	1203.0	1433.3	1635.3	1686.7
Shareholder's equity	3274.4	3520.1	3772.7	4090.1	4420.4
Minority interest	0.0	0.0	0.0	0.0	0.0
Total Equity	3274.4	3520.1	3772.7	4090.1	4420.4

Cash Flow

FYE Sep (RM m)	FY22	FY23	FY24	FY25F	FY26F
Pre-tax profit	944.0	1006.2	1138.7	1193.2	1241.9
Depreciation & amortisation	264.5	258.9	254.6	311.3	336.4
Changes in working capital	34.9	-89.9	-19.0	27.8	-53.7
Others	-344.1	-180.7	-180.7	-180.7	-180.7
Operating cash flow	899.3	994.6	1167.4	1351.6	1343.9
Net capex	-246.1	-226.8	-752.3	-755.3	-760.9
Others	62.4	13.6	13.6	13.6	13.6
Investing cash flow	-183.7	-213.2	-738.7	-741.7	-747.3
Dividends paid	-552.1	-533.7	-589.4	-589.5	-613.5
Others	-268.3	-223.0	133.0	32.0	33.1
Financing cash flow	-820.4	-756.7	-456.4	-557.4	-580.4
Net cash flow	-104.7	24.6	-27.7	52.4	16.2
Forex	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0
Beginning cash	615.3	510.6	535.2	507.6	560.0
Ending cash	510.6	535.2	507.6	560.0	576.2
Pledge deposits for Sukuk programmees	41.53	42.68	0.00	0.00	0.00
Balance sheet figure	552.1	577.9	507.6	560.0	576.2

Results Note

Tuesday, 13 May, 2025

ESG Matrix Framework:

Environment

Parameters	Rating	Comments
Climate	★★★	Commitment to achieving net-zero carbon emissions by 2050, including carbon intensity reduction initiatives and the planting of 10,000 mangrove trees to enhance carbon sequestration.
Waste & Effluent	★★★	Comprehensive waste management, including scheduled waste tracking through eSWIS, hydraulic oil recycling, and water quality monitoring at 25 discharge points.
Energy	★★★	Investment in solar energy, rainwater harvesting, and energy efficiency measures to reduce carbon footprint and enhance operational sustainability.
Water	★★★	Implementation of rain-harvesting systems with a capacity of 3,045 m ³ to mitigate water supply disruptions, supplemented by 2,025 m ³ of vessel tank reserves.
Compliance	★★★	Adherence to ISO 14001 standards and environmental regulations, including proactive pollution control and effluent management.

Social

Diversity	★★★	Promotes an inclusive workplace, supporting freedom of association and collective bargaining, with structured succession planning and gender inclusivity.
Human Rights	★★★	Formal policies prohibiting child and forced labour, with comprehensive human rights training for employees and suppliers.
Occupational Safety and Health	★★★	Regular safety training and risk assessments, including emergency response drills and safety committee oversight to mitigate workplace hazards.
Labour Practices	★★★	Strong commitment to fair wages, decent work hours, and safe working conditions, with ongoing skills development and career growth opportunities.

Governance

CSR Strategy	★★★	Strategic focus on supporting local communities through donations, social programmes, and disaster relief efforts.
Management	★★★	Robust governance framework with a diverse and experienced Board of Directors committed to ethical business practices.
Stakeholders	★★★	Active engagement through annual general meetings, investor briefings, and transparent sustainability reporting.

Overall ESG Scoring: ★★★

Recommendation Framework:

BUY: Total returns* are expected to exceed 10% within the next 12 months.

HOLD: Total returns* are expected to be within +10% to – 10% within the next 12 months.

SELL: Total returns* are expected to be below -10% within the next 12 months.

TRADING BUY: Total returns* are expected to exceed 10% within the next 3 months.

TRADING SELL: Total returns* are expected to be below -10% within the next 3 months.

*Capital gain

Sector Recommendations:

OVERWEIGHT: The industry defined by the analyst is expected to exceed 10% within the next 12 months.

NEUTRAL: The industry defined by the analyst is expected to be within +10% to – 10% within the next 12 months.

UNDERWEIGHT: The industry defined by the analyst, is expected to be below -10% within the next 12 months.

ESG Rating Framework:

★★★★★ : Appraised with 3% premium to fundamental fair value

★★★★ : Appraised with 1% premium to fundamental fair value

★★★ : Appraised with 0% premium/discount to fundamental fair value

★★ : Appraised with -1% discount to fundamental fair value

★ : Appraised with -5% discount to fundamental fair value

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(a) nil.