

Steven Chong

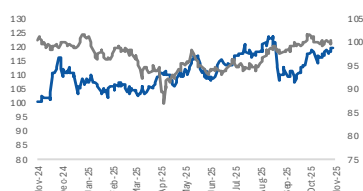
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Recommendation:	HOLD
Current Price:	RM 5.10
Previous Target Price:	RM 5.36
Target Price:	↔ RM 5.36
Capital Upside/ Downside:	5.1%
Dividend Yield (%):	3.9%
Total Upside/ Downside:	9.0%

Stock information	
Board	MAIN
Sector	Logistics
Bursa / Bloomberg Code	5246 / WPRTS MK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	3,422.4
Market Cap (RM' m)	17,454.0
52-Week Price Range (RM)	5.87-4.05
Beta (x)	0.6
Free float (%)	25.6
3M Average Volume (m)	5.9
3M Average Value (RM' m)	32.4

Top 3 Shareholders	(%)
Pembinaan Redzai Sdn Bhd	42.4
South Port Investment Holdings Ltd	23.6
Employees Provident Fund Board	9.2

Share Price Performance

	1M	3M	12M
Absolute (%)	-3.8	-9.4	21.4
Relative (%)	-3.1	-14.8	20.9

Earnings summary

FYE (Dec)	FY24	FY25F	FY26F
Revenue (RM'm)	2344	2510	2691
PATAMI (RM'm)	898.0	928.6	967.5
CNP (RM'm)	898.0	928.6	967.5
EPS - core (sen)	26.3	27.2	28.4
P/E(x)	19.5	18.8	18.1

Source: Company, Apex Securities

Westports Holdings Berhad

Slight Earnings Beat on Strong Transshipment Traffic

- **9MFY25 CNP of RM725.2m came in slightly above our expectations at 78.1% but was within consensus full-year forecast at 76.3%. The variance was mainly driven by stronger-than-expected transshipment volumes due to restow activities from the repositioning of empty containers back to the Far East.**
- **Keep our earnings forecasts unchanged for now after taking into account the uncertainty in trade flows and the normalisation of storage income.**
- **Reiterate our HOLD call on Westports with an unchanged target price of RM5.36, based on a DCF methodology applying a 6.2% discount rate.**

Results slightly higher than expectations. 9MFY25 CNP of RM725.2m came in slightly above our expectations at 78.1% but was within consensus full-year forecast at 76.3%. The variance was mainly driven by stronger-than-expected transshipment volumes as restow activities surged from the repositioning of empty containers back to the Far East.

YoY. CNP rose 16.3% YoY in tandem with a 31.3% YoY increase in revenue. The solid performance was underpinned by higher container throughput (+6.2%), the 15% port tariff hike, and better storage income from longer-staying metal-laden containers following government's crackdown on e-waste. As backlogged e-waste-related cargoes are being cleared and no new inflows are expected, storage income is anticipated to normalise in the coming quarters. Meanwhile, the conventional segment also benefited from the tariff adjustment and stronger demand for liquid bulk (marine fuel oil) and dry bulk cargoes.

QoQ. Both revenue and CNP grew by 8.8% QoQ and 17.0% QoQ respectively, supported by strong growth across all segments (Container +8% QoQ, Conventional +33% QoQ, Marine +12% QoQ, Rental +9% QoQ and Construction +1% QoQ). The improvement in container revenue, despite flattish throughput, was mainly attributed to the port tariff hike which took effect in 3QFY25.

Outlook. The recent US-China trade talks concluded with a temporary truce, easing near-term tensions. Nonetheless, management maintained a neutral stance on this development, noting no material impact on volumes thus far. Regarding the WP2 expansion, dredging and land reclamation works are c.35% completed. Earthworks for CT10 are expected to be completed by 4QFY26, enabling wharf construction to commence in 1QFY27. The first 300-meter wharf at CT10 is targeted for completion by 2QFY28, followed by the second 300-meter wharf by 4QFY28.

Earnings Revision. We maintain our earnings forecast for now, taking into account the uncertainty in trade flows and the normalisation of storage income.

Valuation. We reiterate our **HOLD** call on Westports with an unchanged target price of **RM5.36**, based on a DCF 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

Wednesday, 05 Nov, 2025

Results Comparison

FYE Dec (RM m)	3QFY25	3QFY24	yoy (%)	2QFY25	qoq (%)	9M FY25	9M FY24	yoy (%)
Revenue	752.0	572.6	313	6911	8.8	2,064.3	1668.7	23.7
Operating profit	376.7	316.3	19.1	3216	17.1	1013.0	8613	17.6
Pre-tax profit	348.6	303.7	14.8	300.5	16.0	9416	835.0	12.8
Net profit	271.1	233.1	16.3	2316	17.0	725.2	6413	13.1
Core net profit	271.1	233.1	16.3	2316	17.0	725.2	6413	13.1
Core EPS (sen)	8.0	6.8	16.3	6.8	17.0	213	18.8	13.1
EBITDA margin (%)	50.1	55.2		46.5		49.1	516	
PBT margin (%)	46.4	53.0		43.5		45.6	50.0	
Core net profit margin (%)	36.1	40.7		33.5		35.1	38.4	

Source: Company, Apex Securities

Financial Highlights

Income Statement

FYE Dec (RM m)	FY22	FY23	FY24	FY25F	FY26F
Revenue	2069	2152	2344	2510	2691
Gross Profit	1190	1236	1444	1506	1534
EBITDA	1215	1296	1449	1554	1645
Depreciation & Amortisation	265	259	255	311	336
EBIT	950	1037	1194	1242	1309
Net Finance Income/ (Cost)	-52	-42	-56	-49	-51
Associates & JV	46	11	0	29	16
Pre-tax Profit	944	1006	1139	1222	1273
Tax	-244	-227	-241	-293	-306
Profit After Tax	700	779	898	929	967
Minority Interest	0	0	0	0	0
Net Profit	700	779	898	929	967
Exceptionals	0	0	0	0	0
Core Net Profit	700	779	898	929	967

Key Ratios

FYE Dec	FY22	FY23	FY24	FY25F	FY26F
EPS (sen)	20.5	22.9	26.3	27.2	28.4
P/E (x)	25.0	22.4	19.5	18.8	18.1
P/B (x)	5.3	5.0	4.6	4.1	4.0
EV/EBITDA (x)	14.1	13.3	11.9	11.2	10.5
DPS (sen)	14.4	16.9	19.8	20.2	21.0
Dividend Yield (%)	2.8%	3.3%	3.8%	3.9%	4.1%
EBITDA margin (%)	58.7%	60.2%	61.8%	61.9%	61.2%
EBIT margin (%)	45.9%	48.2%	51.0%	49.5%	48.6%
PBT margin (%)	45.6%	46.8%	48.6%	48.7%	47.3%
PAT margin (%)	33.8%	36.2%	38.3%	37.0%	36.0%
NP margin (%)	33.8%	36.2%	38.3%	37.0%	36.0%
CNP margin (%)	33.8%	36.2%	38.3%	37.0%	36.0%
ROE (%)	21.4%	22.1%	23.5%	21.8%	22.2%
ROA (%)	13.2%	14.6%	11.5%	11.2%	11.0%
Gearing (%)	29.8%	24.1%	28.3%	23.8%	24.0%
Net gearing (%)	12.9%	7.7%	7.8%	2.8%	3.1%

Valuations	DCF
WACC	6.2%
Fair Value (RM)	5.36

Source: Company, Apex Securities

Balance Sheet

FYE Dec (RM m)	FY22	FY23	FY24	FY25F	FY26F
Cash	552	578	781	896	912
Receivables	210	281	316	275	295
Inventories	5	5	7	5	5
Other current assets	71	20	0	0	0
Total Current Assets	838	884	1104	1175	1212
Fixed Assets	4283	4284	6503	6950	7377
Intangibles	0	0	0	0	0
Other non-current assets	161	171	171	171	171
Total Non-Current Assets	4443	4455	6674	7121	7548
Short-term debt	125	125	175	134	141
Payables	195	159	213	178	206
Other current liabilities	299	332	375	331	382
Total Current Liabilities	620	616	763	643	728
Long-term debt	850	725	905	881	908
Other non-current liabilities	538	478	2293	2509	2758
Total Non-Current Liabilities	1388	1203	3198	3390	3666
Shareholder's equity	3274	3520	3818	4086	4367
Minority interest	0	0	0	0	0
Total Equity	3274	3520	3818	4263	4367

Cash Flow

FYE Dec (RM m)	FY22	FY23	FY24	FY25F	FY26F
Pre-tax profit	944	1006	1139	1222	1273
Depreciation & amortisation	265	259	255	311	336
Changes in working capital	35	-90	47	19	-54
Others	-344	-181	148	-148	-148
Operating cash flow	899	995	1291	1404	1407
Net capex	-246	-227	-610	-757	-762
Others	62	14	26	26	26
Investing cash flow	-184	-213	-584	-730	-736
Dividends paid	-490	-577	-601	-660	-687
Others	-330	-180	87	153	33
Financing cash flow	-820	-757	-514	-507	-654
Net cash flow	-105	25	194	166	17
Forex	0	0	0	0	0
Others	0	0	0	0	0
Beginning cash	615	511	535	729	896
Ending cash	511	535	729	896	912
Pledge deposits for Sukuk programees	42	43	52	0	0
Balance sheet figure	552	578	781	896	912

Results Note

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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 + dividend yield

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.