Westports Holdings Berhad

(5246 | WPRTS MK) Main | Transportation & Logistics

SHARIAH Compliant | ESG 4 Stars | FTSE4Good

Corporate Update

Maintain NEUTRAL

Revised Target Price **RM5.49**
(from RM4.90)

1QFY26 Results Review Deemed in Line

Maintain NEUTRAL. We deemed Westports Holdings Berhad's (Westports) 1QFY26 core earnings to be within expectations. Management maintained its expectation for low single-digit container volume growth in FY26 vs. our +2.0%yoy forecast. Key profitability risk remains diesel costs, which are tied to MOPS pricing. April container volume appeared encouraging, with an estimated growth of +3.0%yoy. Our DCF-derived target price was revised upward to **RM5.49** (WACC: 7%, g: 1%) from RM4.90, following the rollover of our valuation base year. We maintain our **NEUTRAL** call, as the stock is currently trading in line with its 5-year historical mean PER of 17.5x.

Within expectations. Westports reported a core PAT of RM338.6m in 1QFY26, accounting for 33%/30% of our/consensus full-year forecast. We consider the results to be within expectations, given the anticipated increase in fuel costs in the coming quarters.

Earnings were boosted by phased tariff revisions. Container revenue grew +28.4%yoy despite a slight volume decline (-1.1%yoy), driven by phased tariff hikes and higher VAS contribution from longer dwell times. Gateway TEUs fell -3.4%yoy due to weaker exports and temporary congestion-related volume diversion to Northport in Jan-26, though traffic normalised by April. Transhipment TEUs edged up +0.7%yoy, affected by lingering Gemini-related volumes in 1QFY25 and service omissions in 1QFY26 as shipping lines restored schedules. Meanwhile, conventional revenue jumped +48.6%yoy on tariff revisions and stronger throughput (+16.9%yoy) across breakbulk, dry bulk, cement, and RORO units. Overall, core PAT rose +52.2%yoy.

Volumes moderated sequentially due to seasonality. As compared to 4QFY25, container revenue rose +11.8%qoq due to phased tariff revisions despite an -8.3%qoq decline in volumes from seasonality. Transhipment volume fell -11.1%qoq, while gateway volume declined -4.2%qoq. Dwell time increased slightly from 18 days to 20 days, while average yard occupancy remained stable at 81%. Westports is expanding its container yard capacity, adding +500k TEUs/annum, targeted for completion by Jul-26. Meanwhile, conventional revenue grew +14.6%qoq on similar tariff-driven factors despite volumes declining -4.7%qoq. Overall, PAT increased +19.3%qoq.

Earnings estimates. We made no changes to our earnings estimates. Westports is seeking a fuel cost pass-through mechanism with the Ministry of Transport (MOT), though the timing remains uncertain. Management guided that every RM0.10/litre increase in diesel prices would impact annual profit by RM5.0m.

RETURN STATISTICS	
Price @ 15th May 2026 (RM)	5.81
Expected share price return (%)	-5.4
Expected dividend yield (%)	+3.8
Expected total return (%)	-1.6

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	2.8	0.2
3months	-2.0	-6.2
12 months	26.6	14.3

INVESTMENT STATISTICS

FYE Dec	2026E	2027F	2028F
Revenue	2,770.6	2,903.2	2,962.7
Operating profit	1,425.5	1,556.1	1,567.3
PBT	1,298.3	1,425.9	1,434.1
Core PAT	1,012.6	1,112.2	1,118.6
Core EPS	0.30	0.32	0.33
DPS	0.22	0.24	0.25
Dividend yield	3.8%	4.2%	4.2%

KEY STATISTICS	
FBM KLCI	1,740.22
Issued shares (m)	3413.00
Estimated free float (%)	25.59
Market Capitalisation (RM'm)	19,965.87
52-wk price range	RM4.42 - RM6.33
3-mth average daily volume (m)	5.07
3-mth average daily value (RM'm)	29.34
Top Shareholders (%)	
Pembinaan Redzai Sdn Bhd	42.45
South Port Investment Holdings	23.57
Employees Provident Fund	6.62

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WESTPORTS: 1QFY26 RESULTS SUMMARY

FYE Dec (RM'm)	Quarterly					Cumulatively		
Income Statement	**1QFY26**	**4QFY25**	**1QFY25**	**QoQ**	**YoY**	**3MFY26**	**3MFY25**	**YoY**
Operational revenue	753.0	679.8	591.8	10.8%	27.2%	753.0	591.8	27.2%
EBITDA	526.3	397.9	383.4	32.3%	37.3%	526.3	383.4	37.3%
Depreciation & amortisation	-74.0	-19.5	-68.6	-280.0%	-7.8%	-74.0	-68.6	-7.8%
EBIT	452.3	378.4	314.8	19.5%	43.7%	452.3	314.8	43.7%
Net finance costs	-26.4	-28.8	-23.1	8.5%	-14.1%	-26.4	-23.1	-14.1%
Share of results of JV	0.6	1.1	0.8	-45.2%	-25.6%	0.6	0.8	-25.6%
PBT	426.5	350.7	292.5	21.6%	45.8%	426.5	292.5	45.8%
Tax expense	-100.0	-77.6	-70.0	-28.9%	-42.9%	-100.0	-70.0	-42.9%
PAT	326.5	273.1	222.5	19.5%	46.8%	326.5	222.5	46.8%
Core PAT	338.6	283.8	222.4	19.3%	52.2%	338.6	222.4	52.2%
Container revenue/TEU	RM238	RM195	RM183	21.9%	29.8%	RM238	RM183	29.8%
				ppts	**ppts**			
EBIT margin	60.1%	55.7%	53.2%	4.4	6.9	60.1%	53.2%	6.9
PBT margin	56.6%	51.6%	49.4%	5.1	7.2	56.6%	49.4%	7.2
Effective tax rate	-23.4%	-22.1%	-23.9%	-1.3	0.5	-23.4%	-23.9%	0.5
Core PAT margin	45.0%	41.8%	37.6%	3.2	7.4	45.0%	37.6%	7.4

REVENUE AND COST BREAKDOWN

	Quarterly					Cumulatively		
Revenue (RM'm)	**1QFY26**	**4QFY25**	**1QFY25**	**QoQ**	**YoY**	**3MFY26**	**3MFY25**	**YoY**
Container	633	566	493	11.8%	28.4%	633	493	28.4%
Conventional	55	48	37	14.6%	48.6%	55	37	48.6%
Marine	25	25	23	0.0%	8.7%	25	23	8.7%
Rental	40	41	38	-2.4%	5.3%	40	38	5.3%
Total revenue	753	680	592	10.7%	27.2%	753	592	27.2%
Cost (RM'm)	**1QFY26**	**4QFY25**	**1QFY25**	**QoQ**	**YoY**	**3MFY26**	**3MFY25**	**YoY**
Workforce	83	78	78	6.4%	6.4%	83	78	6.4%
Depreciation	48	48	47	0.0%	2.1%	48	47	2.1%
Fuel	42	36	36	16.7%	16.7%	42	36	16.7%
M&R	24	23	22	4.3%	9.1%	24	22	9.1%
Electricity	8	9	13	-11.1%	-38.5%	8	13	-38.5%
Others	18	16	14	12.5%	28.6%	18	14	28.6%
Total cost	224	210	211	6.7%	6.2%	224	211	6.2%

OPERATING STATISTICS

	Quarterly					Cumulatively		
Container (m TEU)	**1QFY26**	**4QFY25**	**1QFY25**	**QoQ**	**YoY**	**3MFY26**	**3MFY25**	**YoY**
Transhipment	1.52	1.71	1.51	-11.1%	0.7%	1.52	1.51	0.7%
Gateway	1.14	1.19	1.18	-4.2%	-3.4%	1.14	1.18	-3.4%
	2.66	**2.90**	**2.69**	**-8.3%**	**-1.1%**	**2.66**	**2.69**	**-1.1%**
CT dwell time	20.0 days	17.7 days	13.3 days			20.0 days	13.3 days	
Average yard occupancy	81%	81%	72%			81%	72%	
Conventional (m MT)	**3.45**	**3.62**	**2.95**	**-4.7%**	**16.9%**	**3.45**	**2.95**	**16.9%**
Total ships berth	1,923	2,031	2,140	-5.3%	-10.1%	1,923	2,140	-10.1%

Source: Westports, MBSBR

FINANCIAL SUMMARY

Profit or Loss (RM'm)	2024A	2025A	2026E	2027F	2028F
Revenue	2,280.0	2,547.0	2,770.6	2,903.2	2,962.7
Operating profit	1,194.4	1,394.5	1,425.5	1,556.1	1,567.3
PBT	1,138.7	1,292.3	1,298.3	1,425.9	1,434.1
Taxation	-240.7	-294.0	-285.6	-313.7	-315.5
PAT	898.0	998.3	1,012.6	1,112.2	1,118.6
Core PAT	892.4	1,005.8	1,012.6	1,112.2	1,118.6
EPS (RM)	0.26	0.29	0.30	0.32	0.33
PER (x)	22.3	19.8	19.6	17.9	17.8
DPS (RM)	0.20	0.22	0.22	0.24	0.25
Dividend yield (%)	3.4	3.8	3.8	4.2	4.2

Balance Sheet (RM'm)	2024A	2025A	2026E	2027F	2028F
PPE	1,686.5	1,635.6	1,585.2	1,530.5	1,471.5
Non-current assets	**6,674.0**	**7,577.1**	**8,201.1**	**9,017.6**	**9,182.0**
Receivables	316.5	472.5	514.0	538.6	549.6
Cash	780.8	832.0	1,210.4	557.9	925.6
Current assets	**1,104.0**	**1,314.5**	**1,724.4**	**1,096.5**	**1,475.3**
Long-term debt	905.0	730.0	1,005.0	1,280.0	1,505.0
Non-current liabilities	**3,197.7**	**3,509.8**	**4,301.4**	**4,216.5**	**4,459.1**
Short-term debt	175.0	225.0	125.0	125.0	125.0
Payables	213.1	426.5	515.6	511.1	532.0
Current liabilities	**762.7**	**1,213.1**	**1,202.1**	**1,197.6**	**1,218.5**
Share capital	1,038.0	1,099.8	1,099.8	1,099.8	1,099.8
Retained earnings	2,779.6	3,069.0	3,322.1	3,600.2	3,879.8
Equity	**3,817.6**	**4,168.8**	**4,421.9**	**4,700.0**	**4,979.6**

Cash Flow (RM'm)	2024A	2025A	2026E	2027F	2028F
PBT	1,138.7	1,292.3	1,298.3	1,425.9	1,434.1
D&A	254.6	286.9	270.0	289.6	335.7
Changes in WC	46.5	80.7	127.7	4.9	27.4
Operating cash flow	**1,291.4**	**1,468.9**	**1,410.3**	**1,406.7**	**1,481.6**
Capex	-609.7	-537.5	-500.0	-1,500.0	-500.0
Investing cash flow	**-583.5**	**-523.2**	**-500.0**	**-1,500.0**	**-500.0**
Debt raised/(repaid)	230.0	-125.0	275.0	275.0	225.0
Dividends paid	-600.5	-647.2	-759.5	-834.2	-838.9
Financing cash flow	**-514.0**	**-890.4**	**-484.5**	**-559.2**	**-613.9**
Net cash flow	**193.9**	**55.3**	**425.8**	**-652.4**	**367.7**
Beginning cash flow	**535.4**	**729.3**	**784.6**	**1,210.4**	**557.9**
Ending cash flow	**729.3**	**784.6**	**1,210.4**	**557.9**	**925.6**

Profitability Ratios	2024A	2025A	2026E	2027F	2028F
EBIT margin	52.4%	54.8%	51.5%	53.6%	52.9%
PBT margin	49.9%	50.7%	46.9%	49.1%	48.4%
PAT margin	39.4%	39.2%	36.5%	38.3%	37.8%
Core PAT margin	39.1%	39.5%	36.5%	38.3%	37.8%
ROA	11.5%	11.3%	10.2%	11.0%	10.5%
ROE	23.4%	24.1%	22.9%	23.7%	22.5%

Growth	2024A	2025A	2026E	2027F	2028F
Revenue	9.2%	11.7%	8.8%	4.8%	2.0%
Operating profit	15.1%	16.7%	2.2%	9.2%	0.7%
PBT	13.2%	13.5%	0.5%	9.8%	0.6%
Core PAT	14.8%	12.7%	0.7%	9.8%	0.6%

Source: Westports, MBSBR

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STOCK RECOMMENDATIONS

BUY	Total return is expected to be >10% over the next 12 months.
TRADING BUY	The stock price is expected to rise by >10% within 3 months after a Trading Buy rating has been assigned due to positive news flow.
NEUTRAL	Total return is expected to be between -10% and +10% over the next 12 months.
SELL	Total return is expected to be <-10% over the next 12 months.
TRADING SELL	The stock price is expected to fall by >10% within 3 months after a Trading Sell rating has been assigned due to negative news flow.

SECTOR RECOMMENDATIONS

POSITIVE	The sector is expected to outperform the overall market over the next 12 months.
NEUTRAL	The sector is to perform in line with the overall market over the next 12 months.
NEGATIVE	The sector is expected to underperform the overall market over the next 12 months.

ESG RECOMMENDATIONS* - source Bursa Malaysia and FTSE Russell

☆☆☆☆	Top 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆☆	Top 26-50% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆	Top 51%- 75% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆	Bottom 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell

* ESG Ratings of PLCs in FBM EMAS that have been assessed by FTSE Russell in accordance with FTSE Russell ESG Ratings Methodology