Westports Holdings Berhad

(5246 | WPRTS MK) Main | Transportation & Logistics

SHARIAH Compliant | ESG 4 Stars | FTSE4Good

Corporate Update

Maintain NEUTRAL

Revised Target Price **RM6.74**
(from RM6.57)

3QFY26 Results Review Slight Beat

Maintain NEUTRAL. Westports Holdings Berhad's (Westports) 9MFY26 core earnings came in slightly ahead of expectations, with container throughput accounting for 74% of our FY26 forecast. Management maintained its low single-digit container volume growth guidance (vs. our +2.0%yoy forecast), with 4QFY26 expected to record the highest quarterly throughput for the year. Yard operations remain uncongested, with vessel waiting times of <1 day (vs. >3 days in Singapore), positioning Westports to accommodate more ad hoc vessel calls. Following our earnings revisions, we raise our DCF-derived target price to **RM6.74** (from RM6.57) but maintain our **NEUTRAL** call, as the stock trades near its 5-year historical mean valuation.

Above expectations. Westports registered core PAT of RM346.1m in 3QFY26, bringing 9MFY26 core PAT to RM1,028.2m, representing 80%/82% of our/consensus full-year forecasts, respectively. Results were slightly ahead of expectations, underpinned by lower operating costs, while revenue remained in line.

Stronger regional transhipment demand. Container revenue rose +21.7%yoy, driven by tariff adjustments, higher throughput (+5.9%yoy) and stronger value-added services (VAS) income (+31.0%yoy). Volume growth was underpinned by higher transhipment throughput (+12.3%yoy), including empty container redeployment, while gateway volumes declined -2.4%yoy on softer imports. Yard occupancy reached a yearly high of 89%, while average container dwell time fell to a yearly low of 19.5 days, albeit skewed by long-staying containers. Conventional revenue grew +27.7%yoy despite marginally lower volumes (-0.3%yoy), supported by tariff adjustments and a higher-value cargo mix. Overall, operating revenue growth of +19.6%yoy translated into a +29.5%yoy increase in core PAT.

VAS income moderating. Container revenue declined -2.5%qoq despite higher throughput (+7.0%qoq), weighed by lower VAS income (-15.0%qoq), in line with guidance. The VAS income ratio moderated to 27% from 31% in 2QFY26. Volume growth was driven by transhipment (+15.2%qoq), while gateway volumes fell -3.2%qoq. Yard occupancy rose to 89% from 74% in 2QFY26 amid higher transhipment volumes, coinciding with the commissioning of additional container yard space in Sep-26. Meanwhile, conventional revenue grew +11.1%qoq on higher volumes (+7.7%qoq). Overall, operating revenue eased -1.3%qoq, with core PAT declining marginally by -2.0%qoq as margins remained stable.

Earnings estimates. We raise our FY26-FY28 earnings forecasts by +2.8% to +3.0%, factoring in lower operating costs (primarily depreciation and electricity expenses). Electricity costs fell -28.9%yoy in 9MFY26, supported by a more favourable tariff classification, green energy tariff exemptions and higher solar self-generation.

RETURN STATISTICS	
Price @ 21st October 2026 (RM)	6.77
Expected share price return (%)	-0.4
Expected dividend yield (%)	+4.3
Expected total return (%)	+3.9

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	0.9	6.0
3months	1.2	10.4
12 months	27.3	27.3

INVESTMENT STATISTICS

FYE Dec	2026E	2027F	2028F
Revenue	3,061.2	3,265.2	3,331.9
Operating profit	1,806.1	1,926.5	1,942.5
PBT	1,696.4	1,807.1	1,819.7
Core PAT	1,323.2	1,409.6	1,419.4
Core EPS	0.39	0.41	0.41
DPS	0.29	0.31	0.31
Dividend yield	4.3%	4.6%	4.6%

KEY STATISTICS	
FBM KLCI	1,602.27
Issued shares (m)	3413.00
Estimated free float (%)	26.06
Market Capitalisation (RM'm)	23,369.80
52-wk price range	RM5.05 - RM7.25
3-mth average daily volume (m)	4.73
3-mth average daily value (RM'm)	32.39
Top Shareholders (%)	
Pembinaan Redzai Sdn Bhd	45.57
South Port Investment Holdings	23.58
Employees Provident Fund	5.37

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WESTPORTS: 3QFY26 RESULTS SUMMARY

FYE Dec (RM'm)	Quarterly					Cumulatively		
Income Statement	**3QFY26**	**2QFY26**	**3QFY25**	**QoQ**	**YoY**	**9MFY26**	**9MFY25**	**YoY**
Operational revenue	797.7	808.2	667.0	-1.3%	19.6%	2,358.9	1,866.1	26.4%
EBITDA	548.7	571.8	450.7	-4.0%	21.8%	1,646.8	1,225.6	34.4%
Depreciation & amortisation	-75.4	-75.1	-74.0	-0.4%	-1.9%	-224.5	-212.5	-5.7%
EBIT	473.3	496.6	376.7	-4.7%	25.7%	1,422.2	1,013.0	40.4%
Net finance costs	-23.0	-25.7	-27.2	10.4%	15.2%	-75.1	-73.4	-2.4%
Share of results of JV	0.1	0.4	-0.9	-64.2%	115.1%	1.1	1.9	-42.3%
PBT	450.4	471.3	348.6	-4.4%	29.2%	1,348.2	941.6	43.2%
Tax expense	-107.9	-110.4	-77.5	2.3%	-39.2%	-318.2	-216.4	-47.1%
PAT	342.6	360.9	271.1	-5.1%	26.4%	1,030.0	725.2	42.0%
Core PAT	346.1	353.1	267.4	-2.0%	29.5%	1,028.2	722.0	42.4%
Container revenue/TEU	RM221	RM243	RM192	-8.9%	14.9%	RM233	RM184	26.6%
				ppts	**ppts**			
EBIT margin	59.3%	61.4%	56.5%	-2.1	2.9	60.3%	54.3%	6.0
PBT margin	56.5%	58.3%	52.3%	-1.8	4.2	57.2%	50.5%	6.7
Effective tax rate	-23.9%	-23.4%	-22.2%	-0.5	-1.7	-23.6%	-23.0%	-0.6
Core PAT margin	43.4%	43.7%	40.1%	-0.3	3.3	43.6%	38.7%	4.9

REVENUE AND COST BREAKDOWN

	Quarterly					Cumulatively		
Revenue (RM'm)	**3QFY26**	**2QFY26**	**3QFY25**	**QoQ**	**YoY**	**9MFY26**	**9MFY25**	**YoY**
Container	672	689	552	-2.5%	21.7%	1,995	1,556	28.2%
Conventional	60	54	47	11.1%	27.7%	169	120	40.8%
Marine	25	26	25	-3.8%	0.0%	76	70	8.6%
Rental	40	39	43	2.6%	-7.0%	118	120	-1.7%
Total revenue	798	808	667	-1.2%	19.6%	2,359	1,866	26.4%
Cost (RM'm)	**3QFY26**	**2QFY26**	**3QFY25**	**QoQ**	**YoY**	**9MFY26**	**9MFY25**	**YoY**
Workforce	83	84	77	-1.2%	7.8%	249	234	6.4%
Fuel	59	57	34	3.5%	73.5%	158	105	50.5%
Depreciation	48	48	49	0.0%	-2.0%	144	144	0.0%
M&R	26	26	25	0.0%	4.0%	76	71	7.0%
Electricity	10	9	11	11.1%	-9.1%	27	38	-28.9%
Others	19	17	17	11.8%	11.8%	54	45	20.0%
Total cost	244	241	214	1.2%	14.0%	708	637	11.1%

OPERATING STATISTICS

	Quarterly					Cumulatively		
Container (m TEU)	**3QFY26**	**2QFY26**	**3QFY25**	**QoQ**	**YoY**	**9MFY26**	**9MFY25**	**YoY**
Transhipment	1.82	1.58	1.62	15.2%	12.3%	4.92	4.82	2.1%
Gateway	1.22	1.26	1.25	-3.2%	-2.4%	3.63	3.62	0.3%
	3.04	**2.84**	**2.87**	7.0%	5.9%	8.55	8.44	1.3%
CT dwell time	19.5 days	20.4 days	16.8 days			20.0 days	15.1 days	
Average yard occupancy	89%	74%	82%			81%	79%	
Conventional (m MT)	3.49	3.24	3.50	7.7%	-0.3%	10.18	9.21	10.5%
Total ships berth	1,959	2,005	2,091	-2.3%	-6.3%	5,887	6,249	-5.8%

Source: Westports, MBSBR

FINANCIAL SUMMARY

Profit or Loss (RM'm)	2024A	2025A	2026E	2027F	2028F
Revenue	2,280.0	2,547.0	3,061.2	3,265.2	3,331.9
Operating profit	1,194.4	1,394.5	1,806.1	1,926.5	1,942.5
PBT	1,138.7	1,292.3	1,696.4	1,807.1	1,819.7
Taxation	-240.7	-294.0	-373.2	-397.6	-400.3
PAT	898.0	998.3	1,323.2	1,409.6	1,419.4
Core PAT	892.4	1,005.8	1,323.2	1,409.6	1,419.4
EPS (RM)	0.26	0.29	0.39	0.41	0.41
PER (x)	26.0	23.1	17.5	16.5	16.4
DPS (RM)	0.20	0.22	0.29	0.31	0.31
Dividend yield (%)	2.9	3.2	4.3	4.6	4.6

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	567.9	605.8	618.1
Cash	780.8	832.0	1,299.5	771.7	1,217.1
Current assets	**1,104.0**	**1,314.5**	**1,867.5**	**1,377.4**	**1,835.3**
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**	**4,408.3**	**4,350.7**	**4,596.0**
Short-term debt	175.0	225.0	125.0	125.0	125.0
Payables	213.1	426.5	474.2	505.8	527.9
Current liabilities	**762.7**	**1,213.1**	**1,160.8**	**1,192.4**	**1,214.4**
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	3,399.8	3,752.2	4,107.0
Equity	**3,817.6**	**4,168.8**	**4,499.6**	**4,851.9**	**5,206.8**

Cash Flow (RM'm)	2024A	2025A	2026E	2027F	2028F
PBT	1,138.7	1,292.3	1,696.4	1,807.1	1,819.7
D&A	254.6	286.9	270.0	289.6	335.7
Changes in WC	46.5	80.7	139.2	55.2	30.0
Operating cash flow	**1,291.4**	**1,468.9**	**1,732.3**	**1,754.3**	**1,785.0**
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	-992.4	-1,057.2	-1,064.5
Financing cash flow	**-514.0**	**-890.4**	**-717.4**	**-782.2**	**-839.5**
Net cash flow	**193.9**	**55.3**	**515.0**	**-527.9**	**445.5**
Beginning cash flow	**535.4**	**729.3**	**784.6**	**1,299.5**	**771.7**
Ending cash flow	**729.3**	**784.6**	**1,299.5**	**771.7**	**1,217.1**

Profitability Ratios	2024A	2025A	2026E	2027F	2028F
EBIT margin	52.4%	54.8%	59.0%	59.0%	58.3%
PBT margin	49.9%	50.7%	55.4%	55.3%	54.6%
PAT margin	39.4%	39.2%	43.2%	43.2%	42.6%
Core PAT margin	39.1%	39.5%	43.2%	43.2%	42.6%
ROA	11.5%	11.3%	13.1%	13.6%	12.9%
ROE	23.4%	24.1%	29.4%	29.1%	27.3%

Growth	2024A	2025A	2026E	2027F	2028F
Revenue	9.2%	11.7%	20.2%	6.7%	2.0%
Operating profit	15.1%	16.7%	29.5%	6.7%	0.8%
PBT	13.2%	13.5%	31.3%	6.5%	0.7%
Core PAT	14.8%	12.7%	31.5%	6.5%	0.7%

Source: Westports, MBSBR

MBSB RESEARCH is part of MBSB Investment Bank Berhad 197501002077 (24878-)

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MBSB INVESTMENT BANK: GUIDE TO RECOMMENDATIONS

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