

A photograph of two young boys sitting on a grassy hill under a clear blue sky. Both boys are wearing bright green t-shirts and blue jeans. They are both smiling and pointing their right index fingers towards the sky. The boy on the left is looking towards the boy on the right, who is looking upwards.

CWT Group

3Q 2016 Financial Results

2 November 2016

This presentation should be read in conjunction with
CWT Limited's Unaudited Financial Statement
for the third quarter and nine months ended 30 Sep 2016
lodged on SGXNET on 2 November 2016

Disclaimer

This presentation may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

Key financial indicators : Jan - Sep 2016

In S\$'000 (unless otherwise specified)	Jan - Sep		Change
	2016	2015	
Revenue	6,585,747	7,619,484	-14%
Operating EBITDA	134,188	141,719	-5%
Operating PBT	89,013	107,013	-17%
Operating PBT margin (%)	1.4	1.4	-
Total PBT*	82,520	103,835	-21%
Operating PATNCI	66,804	85,828	-22%
Total PATNCI*	59,973	82,650	-27%
Annualised return on shareholders' equity (%) - operating	10.3	13.6 ⁺	-

Highlights:

- Revenue decreased mainly due to lower naphtha volume traded and a significant drop in commodity prices.
- Operating profits declined mainly due to:-
 - (a) unrealised mark-to-market accounting loss of S\$7.9m on hedges taken up to cover commodity price risk (under Commodity Marketing), for which the corresponding accounting gain on inventory revaluation was not recognised;
 - (b) withholding tax of S\$4.2m on dividend up-streamed from a foreign subsidiary;
 - (c) higher administrative expenses for expansion of brokerage business;
- Total PATNCI included provision for anticipated expenses for the on-going corporate transaction

* Total PBT and Total PATNCI included non-recurring items.

+ Operating ROE for FY2015

Key financial indicators : 3rd Quarter 2016

In S\$'000 (unless otherwise specified)	3Q 2016	3Q 2015	Change
Revenue	2,343,731	2,645,105	-11%
Operating EBITDA	52,437	59,002	-11%
Operating PBT	37,216	42,917	-13%
Operating PBT margin (%)	1.6	1.6	
Total PBT	30,208	37,029	-18%
Operating PATNCI	29,976	33,127	-10%
Total PATNCI	22,630	27,239	-17%
Annualised return on shareholders' equity (%) - operating	10.3	12.4 ⁺	-

Highlights:

- Revenue decreased mainly due to lower naphtha trading volume and a general drop in commodity prices.
- Operating profits declined mainly due to:-
 - (a) lower contribution from trade services;
 - (b) translation losses arose in 3Q2016 against translation gain in last year same quarter; and
 - (c) higher administrative expenses on expansion of brokerage business;
- Total PATNCI was weighed down by provision made in anticipation of expenses relating to the on-going corporation transaction

+ FY2015 operating ROE

Jan - Sep 2016 segmental breakdown

Business segments

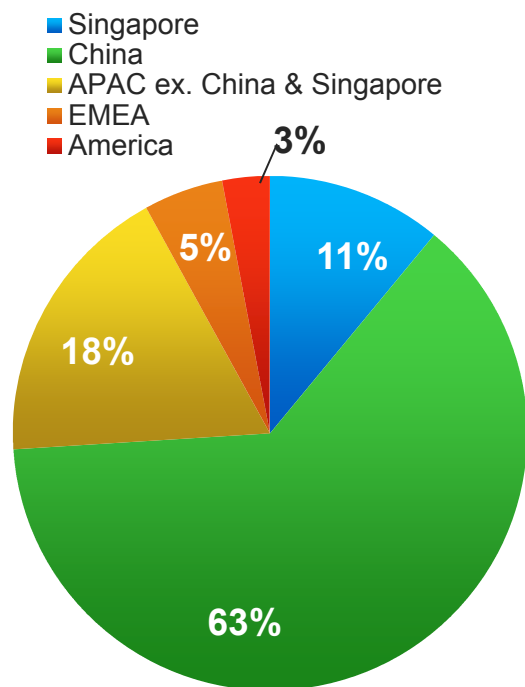
In S\$'000 (unless otherwise specified)	Revenue	In %	Gross Profit	In %	Gross Profit Margin
Logistics	614,140	9%	98,214	43%	16.0%
Commodity Marketing	5,782,049	89%	72,398 *	32%	1.3%
Engineering	94,946	1%	12,718	6%	13.4%
Financial Services	94,612	1%	44,658 #	19%	47.2%
TOTAL	6,585,747	100%	227,988	100%	3.5%

Gross Profit for Financial Services included trade finance income and trade finance expenses.

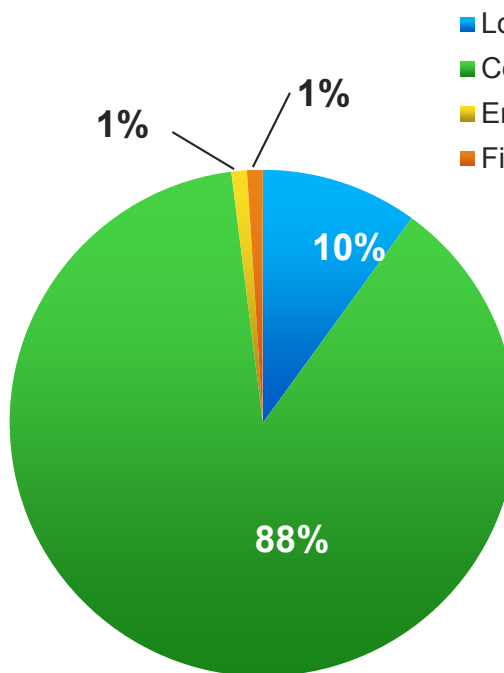
* Gross Profit for Commodity Marketing included:-
 - trade finance income and trade finance expenses and,
 - an unrealised mark-to-market accounting loss of S\$7.9m.

Jan - Sep 2016 segmental contribution

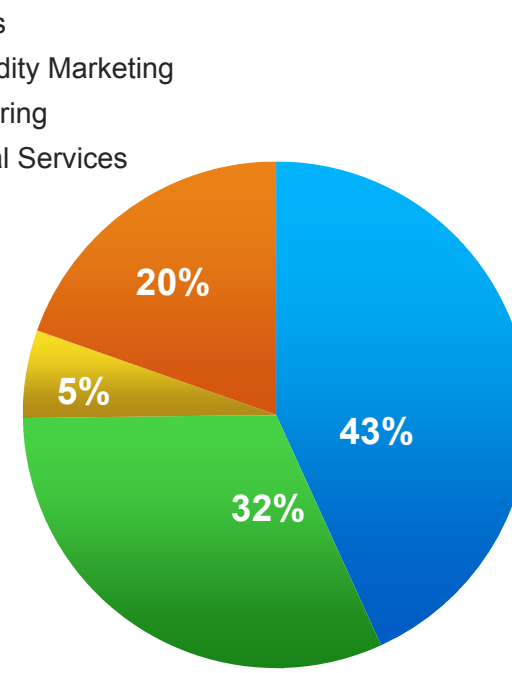
Revenue by Geography
S\$6.6b



Revenue by Business segment
S\$6.6b



Gross Profit by Business segment
S\$227m[#]

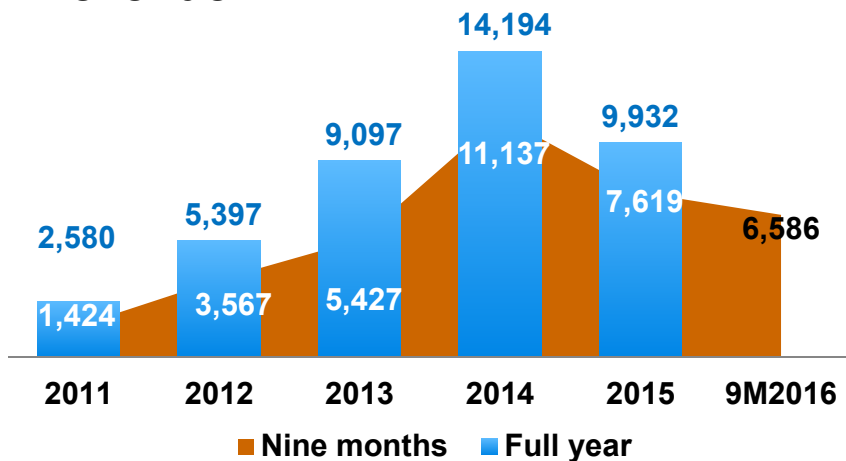


[#] Gross Profit included trade finance income and trade finance expenses.

Performance In S\$m (unless otherwise specified)

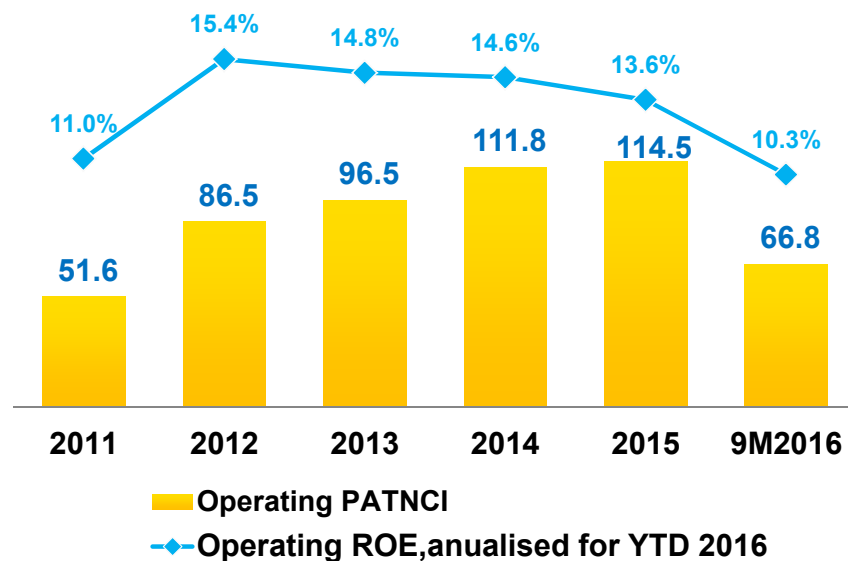


Revenue

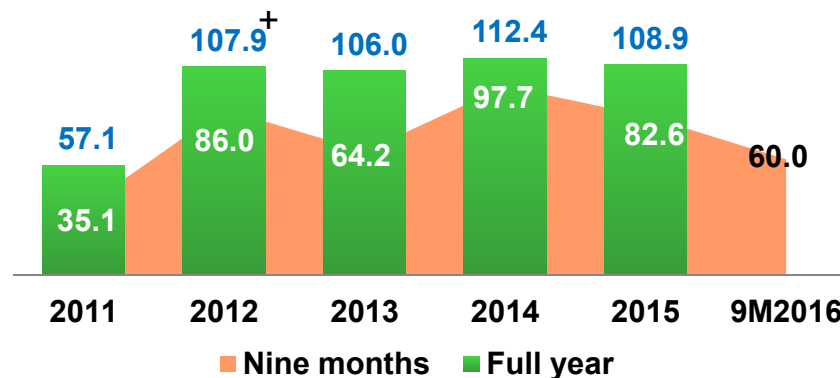


Group revenue and Operating PATNCI decreased in Jan - Sep 2016 for reasons highlighted in slide 3.

Operating PATNCI



Total PATNCI

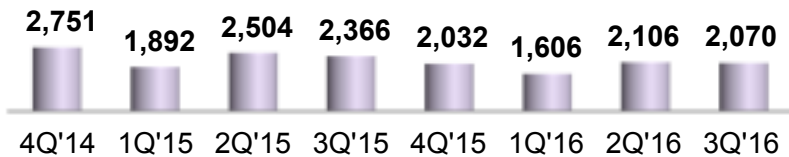


+ Including gain on sale and leaseback of a logistics property of S\$23m in 2012.

Revenue analysis by segment (S\$m)

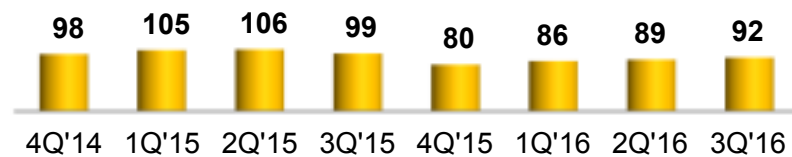


Commodity Marketing



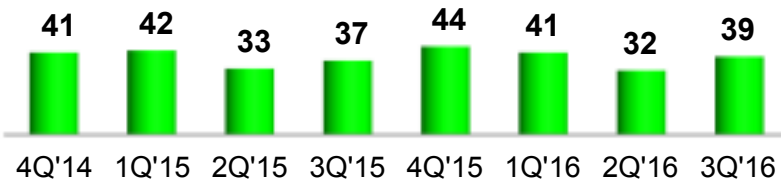
Note: Revenue for 4Q'14 to 3Q'15 had been restated to better reflect the nature and the underlying substance of certain structured transactions. Revenue increased in 2Q'16 against 1Q'16 mainly due to an increase in metal concentrates volume and increase in prices of certain commodities.

Freight Logistics



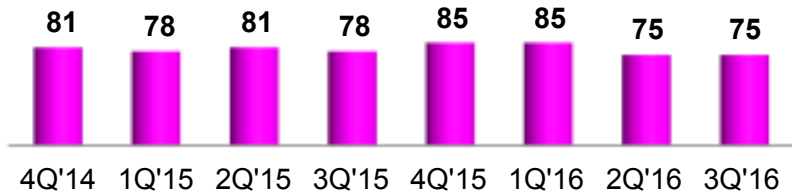
Note: Revenue trended downward since 2nd half of 2015 in line with declining freight rates. Volume increased in 2Q16 & further edged up in 3Q16. Freight rates increased in 3Q16 for certain trade lanes.

Commodity Logistics



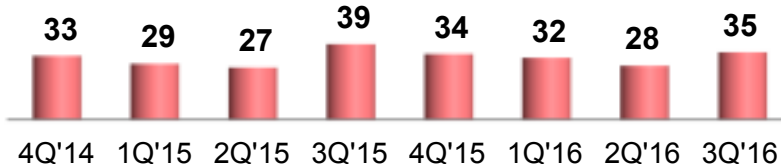
Note: Revenue decreased in 2Q mainly due to seasonality, as tobacco crop only harvested in second half of the year.

Warehousing and Integrated Logistics



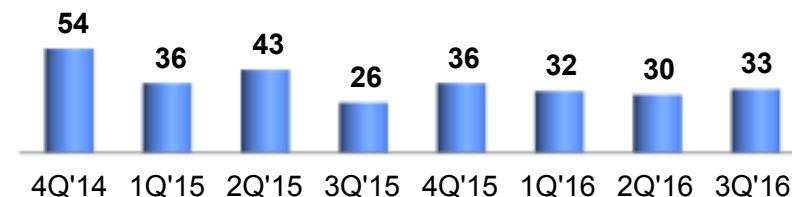
Note: Project billings in 4Q15 & 1Q16 boosted revenue for the two quarters. Generally, 1st 9-month this year saw softer revenue in line with weaker market conditions.

Financial Services



Note: Increase in revenue for 3Q16 from increased volume of both Brokerage and Trade Services business.

Engineering Services



Note: Business stable for first 3 quarters. Higher revenue seen in 4Q'14 and 2Q'15 due to more progress billings for Design & Build projects.

Balance sheet & liquidity position

In S\$m (unless otherwise specified)	As at 30 Sep 2016	As at 31 Dec 2015
Cash ¹	291	291
Equity	837	839
Revolving short-term trade facilities ²	(1,103)	(751)
Net debt ³	(195)	(385)
Net debt/Equity (x)	0.23	0.46
Net debt/ Annualised operating EBITDA (x)	1.09	2.07
Current ratio (x)	1.10	1.22

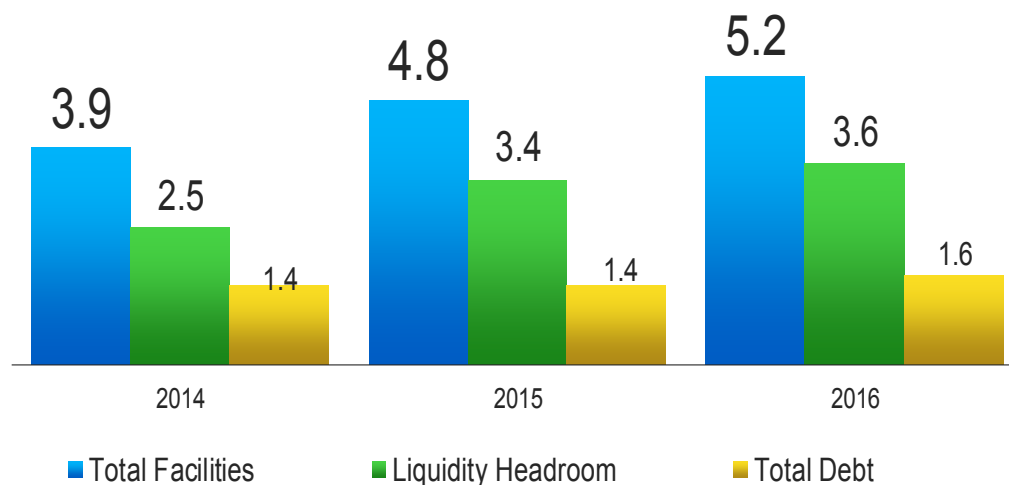
Note:

1. Excluding cash pledged/earmarked to bank
2. Collateralised by inventories and trade & other receivables
3. Excluding collateralised short-term trade finance facilities and bill payables (secured)

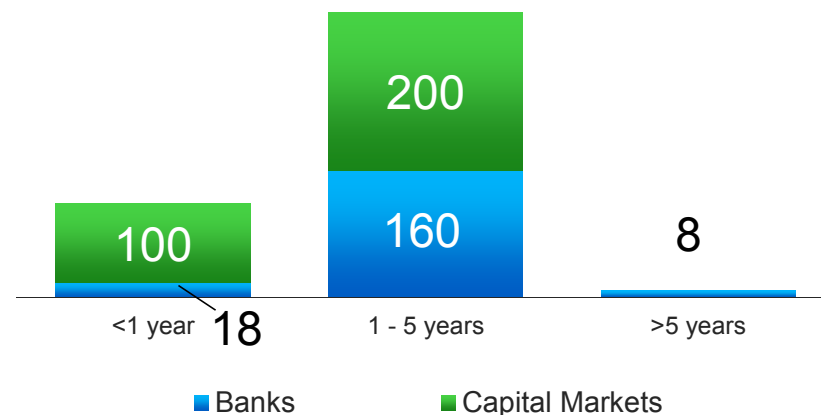
Liquidity and debt profile

- Total bank facilities stood at S\$5.2b.
- Ample liquidity with liquidity headroom of S\$3.6b.

Liquidity profile
(S\$'b)



Debt maturity profile
(Exclude collateralised short-term trade facilities of S\$1,103m)
(S\$'m)





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Thank You

