



CWT Group

FY 2016 Financial Results

24 February 2017



This presentation should be read in conjunction with CWT Limited's Unaudited Financial Statement for the year ended 31 December 2016 lodged on SGXNET on 24 February 2017

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 : FY 2016

In S\$'000 (unless otherwise specified)	FY 2016	FY 2015	Change
Revenue	9,251,854	9,931,619	-7%
Operating EBITDA ¹	187,364	190,372	-2%
Operating PBT ¹	127,911	141,939	-10%
Operating PBT margin ¹ (%)	1.4	1.4	-
Total PBT	104,801	131,720	-20%
Operating PATNCI ¹	104,635	118,771	-12%
Total PATNCI	73,559	108,911	-32%
Return on shareholders' equity (%) - operating	12.0	14.1	-

Highlights:

- Revenue decreased mainly due to lower naphtha volume traded and weaker commodity prices in 2016.
- Despite stronger warehousing services, weaker earnings from Commodity Marketing, Design and Build projects, Freight and General Logistics drove down the operating profit.
- Exceptional costs and withholding tax incurred on foreign dividend further weighted down total PATNCI to S\$73.6m.

Note:

¹ Operating results excluded exceptional/non-recurring items and withholding tax of S\$7.6m incurred on dividend received from a foreign subsidiary.

FY 2016 segmental breakdown

Business segments

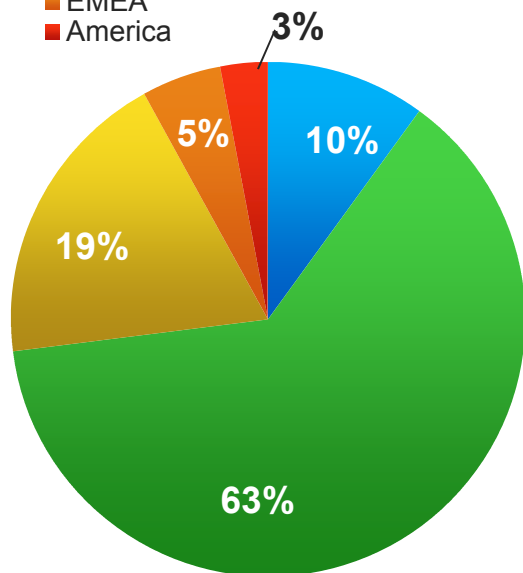
In S\$'000 (unless otherwise specified)	Revenue	In %	Gross Profit	In %	Gross Profit Margin
Logistics	831,800	9%	132,799	45%	16.0%
Commodity Marketing	8,161,343	88%	87,827 [#]	29%	1.1%
Engineering	129,739	2%	16,651	6%	12.8%
Financial Services	128,972	1%	59,448 [#]	20%	46.1%
TOTAL	9,251,854	100%	296,725	100%	3.2%

[#] Gross Profit for Commodity Marketing and Financial Services included trade finance income and trade finance expenses.

FY 2016 segmental contribution

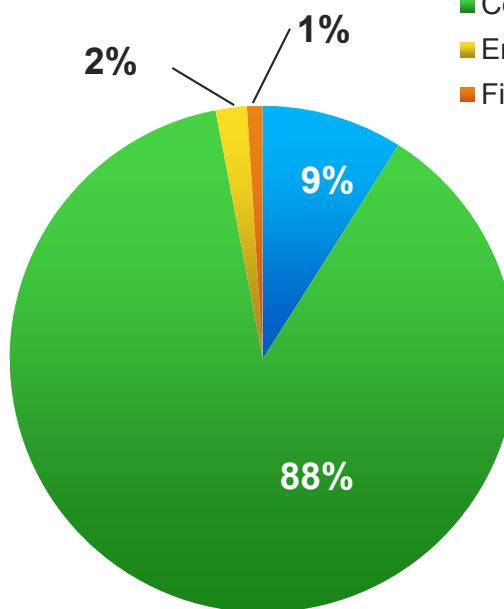
Revenue by Geography
S\$9.3b

- Singapore
- China
- APAC ex. China & Singapore
- EMEA
- America

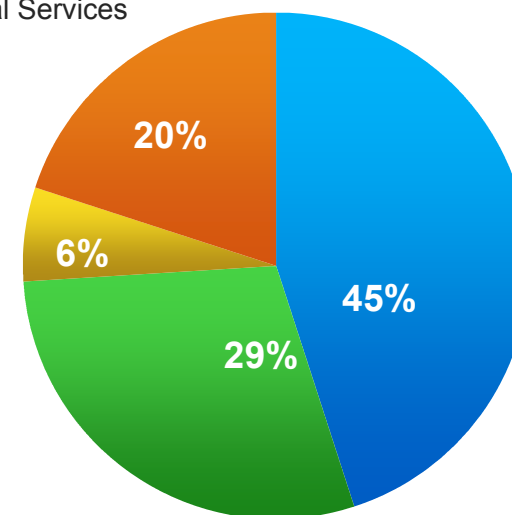


Revenue by Business segment
S\$9.3b

- Logistics
- Commodity Marketing
- Engineering
- Financial Services



Gross Profit by Business segment
S\$297m[#]

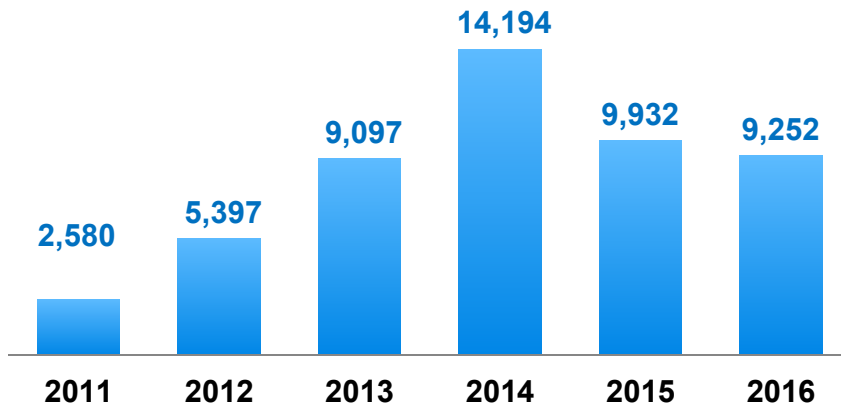


[#] Gross Profit included trade finance income and trade finance expenses.

Performance In S\$m (unless otherwise specified)

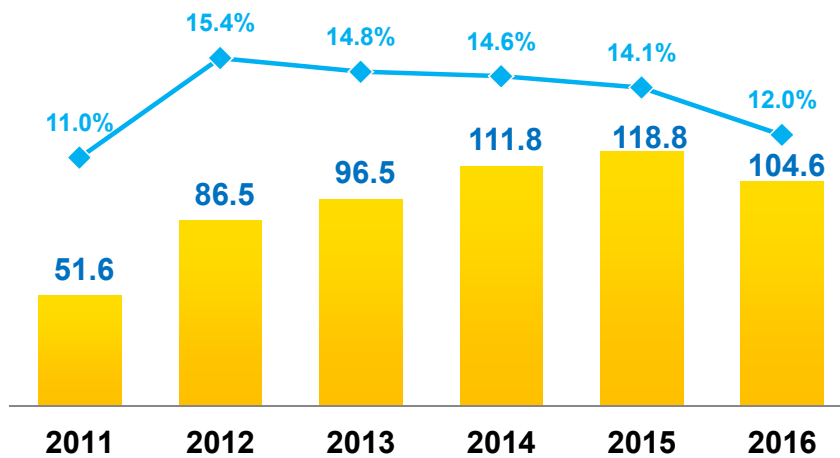


Revenue

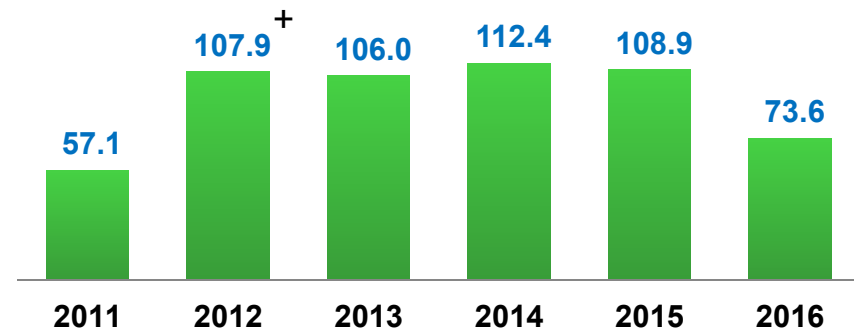


Group revenue and Operating PATNCI decreased in FY 2016 for reasons highlighted in slide 3.

Operating PATNCI



Total PATNCI



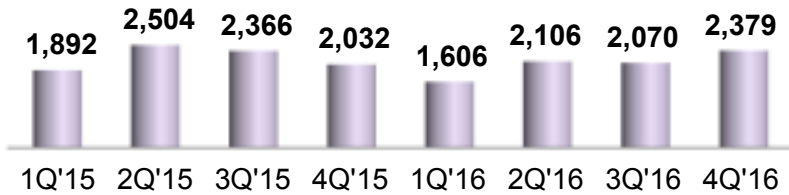
■ Operating PATNCI ◆ Operating ROE

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

Revenue analysis by segment (S\$m)

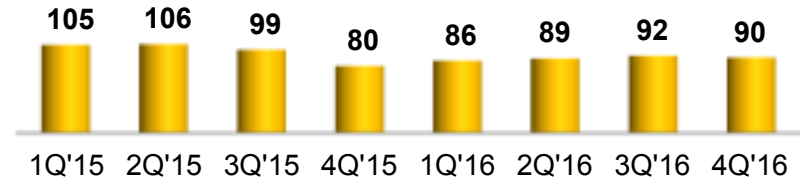


Commodity Marketing



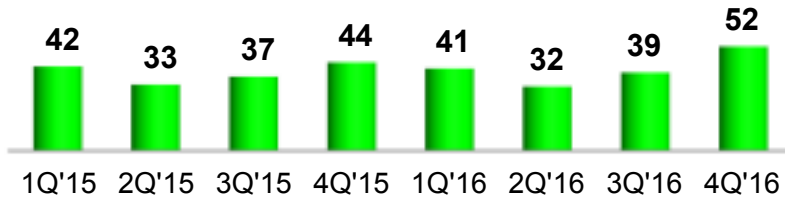
Note: Revenue for 1Q15 to 3Q15 had been restated to better reflect the nature and the underlying substance of certain structured transactions. Generally lower revenue in FY2016 largely due to fall in naphtha trading volumes and prices. Base metal concentrates volumes remained stable but at lower prices.

Freight Logistics



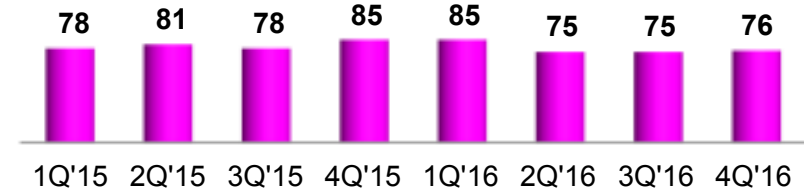
Note: Revenue trended downward since 2nd half of 2015 in line with declining freight rates. Volume increased in 2Q16 & further edged up in 3Q16. Freight rates increased in 3Q16 for certain trade lanes.

Commodity Logistics



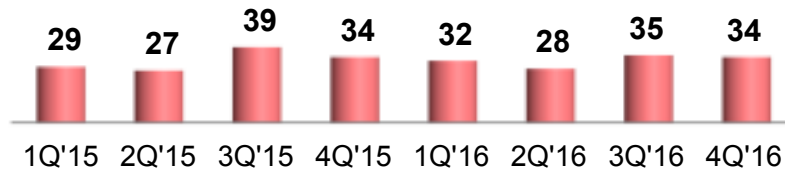
Note: Revenue lower in 2Q and higher in 4Q mainly due to seasonality, as tobacco crop is harvested in second half of the year.

Warehousing and Integrated Logistics



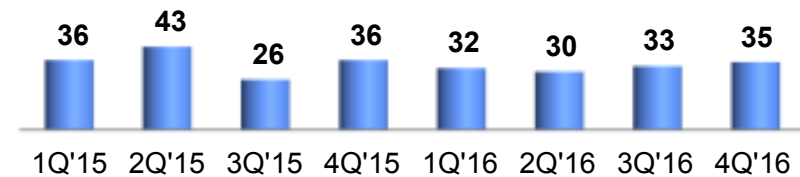
Note: Project billings in 4Q15 & 1Q16 boosted revenue for the two quarters. Generally, 2016 saw softer revenue in line with weaker market conditions.

Financial Services



Note: Increase in revenue for 3Q16 and 4Q16 from increased volume of both Brokerage and Trade Services business.

Engineering Services



Note: Fluctuations in quarterly revenue in 2015 were due to timing of progress billings for Design & Build projects. Despite fewer Design & Build projects handled, steady revenue growth in 2016 attributed to Engineering Maintenance services.

Balance sheet & liquidity position

In S\$'m (unless otherwise specified)	As at 31 Dec 2016	As at 31 Dec 2015
Cash ¹	338	291
Equity	874	839
Collateralised short-term trade facilities ²	(1,397)	(800)
Net debt ³	(147)	(337)
Net debt/Equity (x)	0.17	0.40
Net debt/Operating EBITDA (x)	0.79	1.77
Current ratio (x)	1.07	1.22

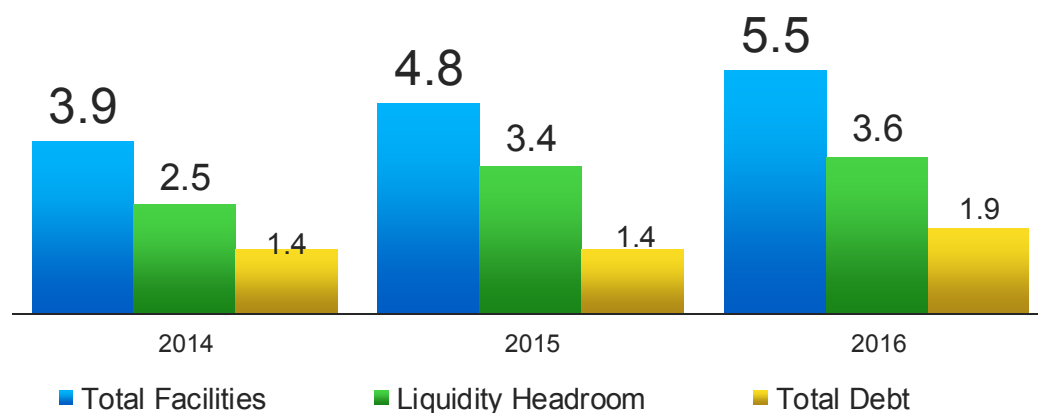
Note:

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

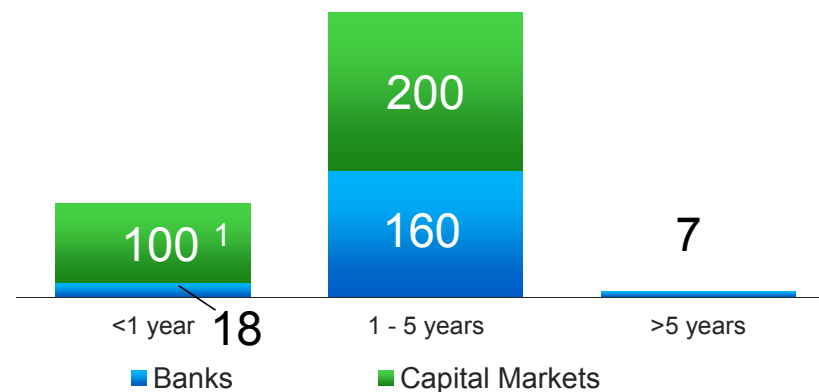
Liquidity and debt profile

- Total bank facilities stood at S\$5.5b.
- Ample liquidity with liquidity headroom of S\$3.6b.

Liquidity profile
(S\$'b)



Debt maturity profile
(Exclude collateralised short-term trade facilities of S\$1,397m)
(S\$'m)



¹ Medium term notes due in March 2017 to be redeemed with planned resources



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Thank You

