



# CWT Group

## 1Q 2017 Financial Results

*9 May 2017*



This presentation should be read in conjunction with  
CWT Limited's Unaudited Financial Statement  
for the year ended 31 March 2017 lodged on SGXNET  
on 9 May 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 : 1Q 2017

In S\$'000 (unless otherwise specified)	1Q 2017	1Q 2016	Change
Revenue	2,606,166	1,875,521	39%
Operating EBITDA <sup>1</sup>	49,300	50,373	-2%
Operating PBT <sup>1</sup>	36,922	35,358	4%
Operating PBT margin <sup>1</sup> (%)	1.4	1.9	-
Total PBT	36,448	34,136	7%
Operating PATNCI <sup>1</sup>	30,687	29,578	4%
Total PATNCI	30,213	23,690	28%
Annualised return on shareholders' equity (%) - operating	12.5	12.0 <sup>2</sup>	-

## Highlights:

- Revenue increased mainly due to higher trading volume notably in naphtha and significant increase in commodity prices.
- Operating profits increased mainly contributed by Commodity Marketing and Logistics Services, partly offset by softer Engineering Services and Financial Services due to fewer structured trade opportunities despite stronger brokerage services.

Note:

<sup>1</sup> Operating results excluded exceptional/non-recurring items and withholding tax of S\$Nil (2016: S\$4.2m) incurred on dividend received from a foreign subsidiary.

<sup>2</sup> Operating ROE for FY2016

# 1Q 2017 segmental breakdown

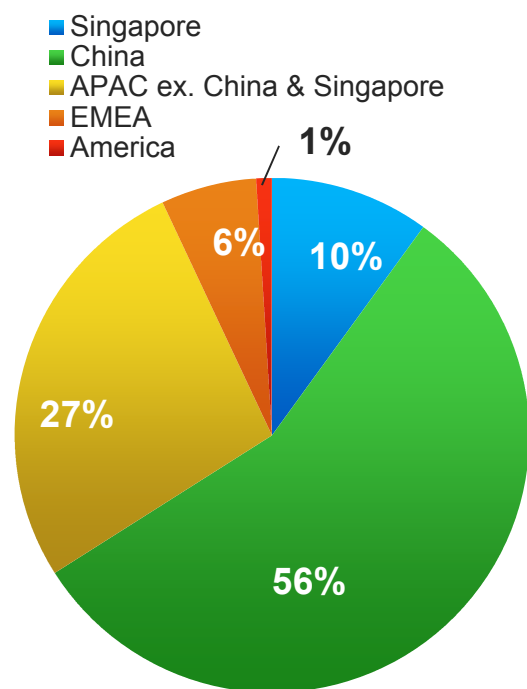
## Business segments

In S\$'000 (unless otherwise specified)	Revenue	In %	Gross Profit	In %	Gross Profit Margin
Logistics	215,532	8%	33,869	45%	15.7%
Commodity Marketing	2,340,302	90%	32,593 <sup>#</sup>	43%	1.4%
Engineering	29,499	1%	2,950	4%	10.0%
Financial Services	20,833	1%	6,360 <sup>#</sup>	8%	30.5%
<b>TOTAL</b>	<b>2,606,166</b>	<b>100%</b>	<b>75,772</b>	<b>100%</b>	<b>2.9%</b>

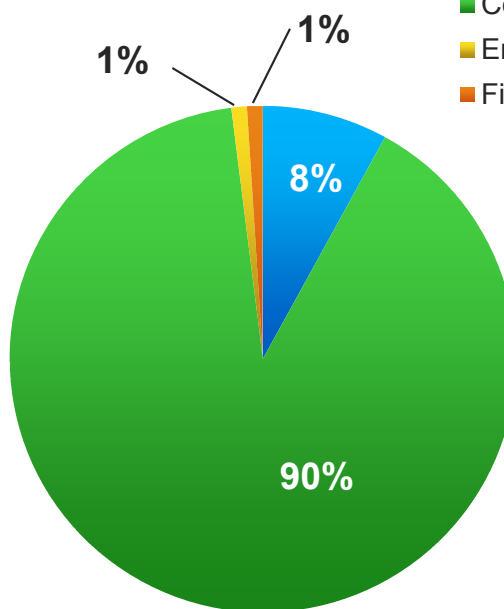
<sup>#</sup> Gross Profit for Commodity Marketing and Financial Services included trade finance income and trade finance expenses.

# 1Q 2017 segmental contribution

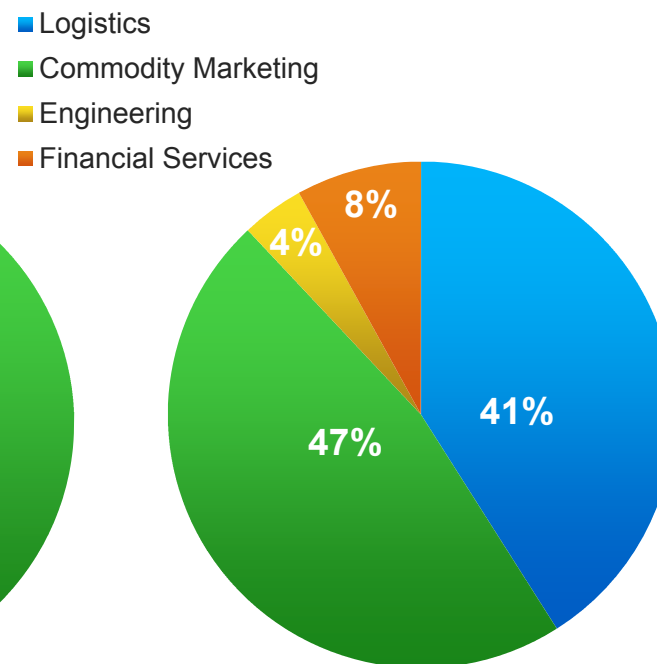
Revenue by Geography  
S\$2.6b



Revenue by Business segment  
S\$2.6b



Gross Profit by Business segment  
S\$76m<sup>#</sup>

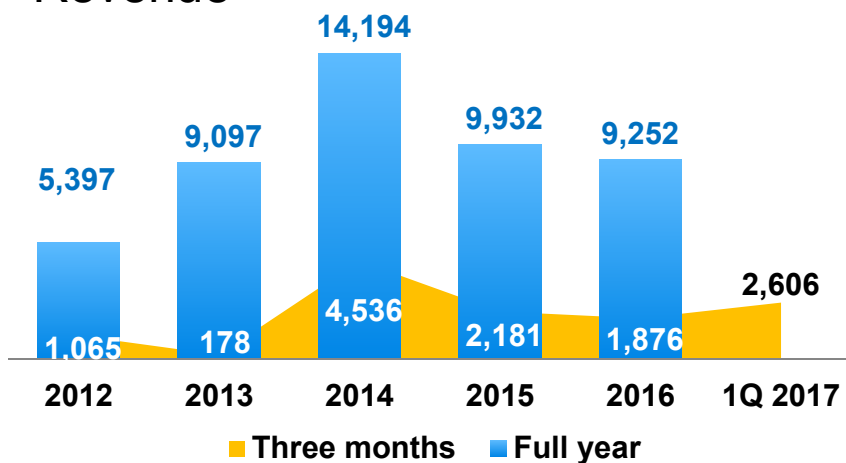


<sup>#</sup> Gross Profit included trade finance income and trade finance expenses.

# Performance In S\$m (unless otherwise specified)

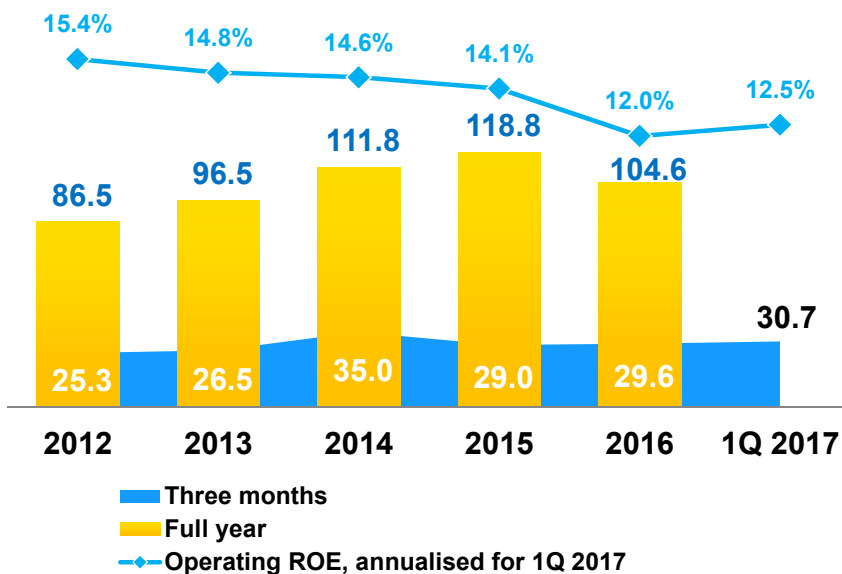


## Revenue

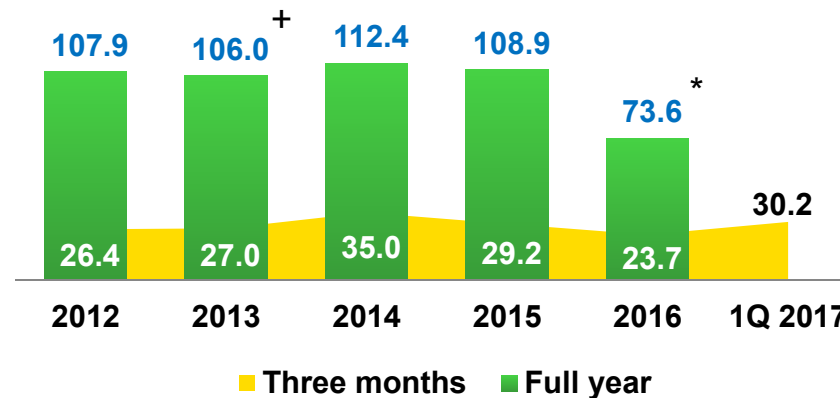


Group revenue and Operating PATNCI increased in 1Q 2017 for reasons highlighted in slide 3.

## Operating PATNCI



## Total PATNCI



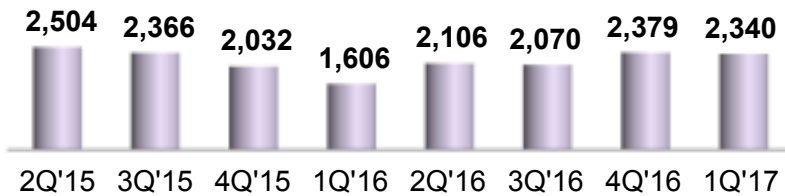
<sup>+</sup> Including gain on sale and leaseback of a logistics property of S\$23m in 2012.

<sup>\*</sup> Included exceptional non-operating expenses.

# Revenue analysis by segment (S\$m)

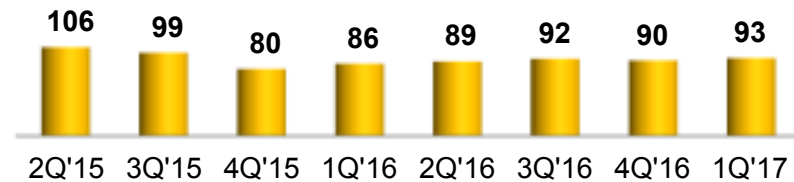


## Commodity Marketing



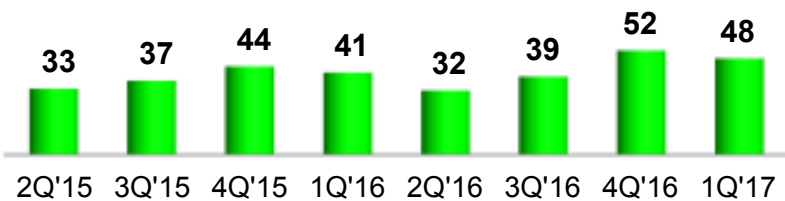
Note: Revenue for 2Q15 to 3Q15 had been restated to better reflect the nature and the underlying substance of certain structured transactions. 1Q17 revenue increased due to higher trading volume and significant increase in commodity price while 1Q16 revenue was lower largely due to fall in naphtha trading volumes and commodity prices.

## Freight Logistics



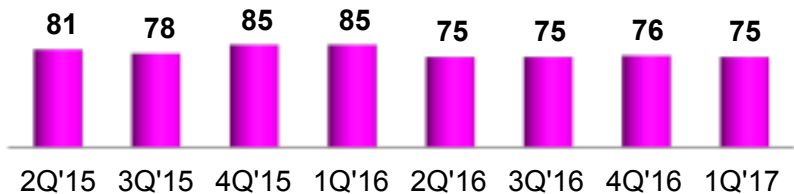
Note: Revenue trended downward since 2<sup>nd</sup> half of 2015 in line with declining freight rates. Volume increased in 2Q16 & further edged up in 3Q16. Freight rates increased in 3Q16 and 1Q17 for certain trade lanes.

## Commodity Logistics



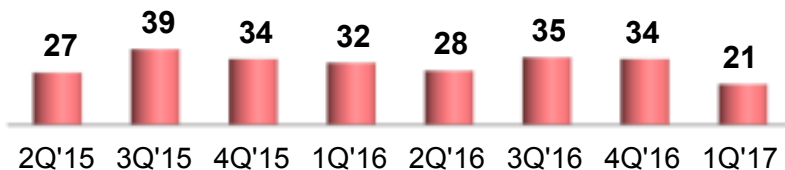
Note: Revenue lower in 2Q16 and higher in 4Q16 mainly due to seasonality, as tobacco crop is harvested in second half of the year.

## Warehousing and Integrated Logistics



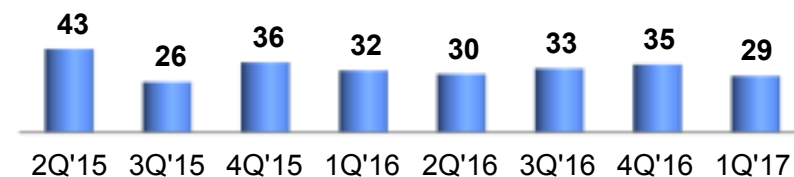
Note: Project billings in 4Q15 & 1Q16 boosted revenue for the two quarters. Generally, 2016 and 1Q17 saw softer revenue in line with weaker market conditions.

## Financial Services



Note: Increase in revenue in 3Q16 and 4Q16 from increased volume of both Brokerage and Trade Services business. Revenue lower in 1Q17 mainly due to fewer structured trade opportunities.

## 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. Revenue fell in 1Q17 due to completion of a design and build project in 4Q16.

# Balance sheet & liquidity position

In S\$'m (unless otherwise specified)	As at 31 Mar 2017	As at 31 Dec 2016
Cash <sup>1</sup>	337	328
Equity	889	874
Collateralised short-term trade facilities <sup>2</sup>	(596)	(1,386)
Net debt <sup>3</sup>	(174)	(157)
Net debt/Equity (x)	0.19	0.18
Net debt/Annualised operating EBITDA (x)	0.88	0.84
Current ratio (x)	1.19	1.07

Note:

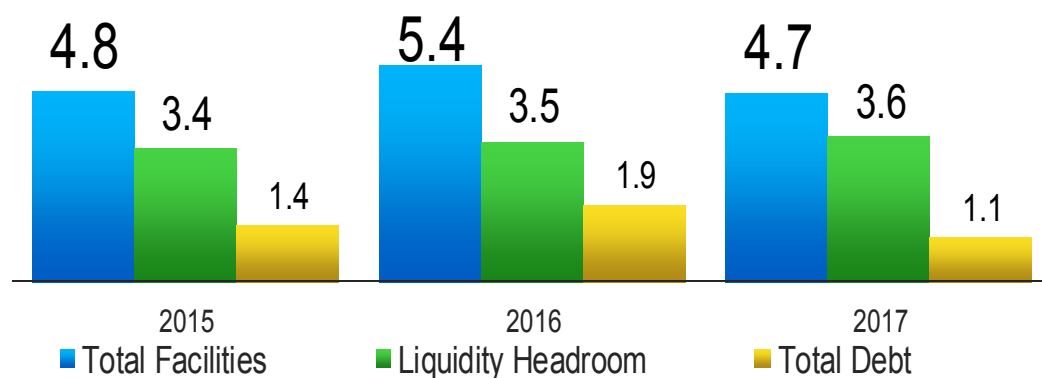
1. Excluding cash pledged/earmarked to bank
2. Collateralised by inventories and trade & other receivables. The facilities are self-liquidating.
3. Excluding collateralised short-term trade facilities and bill payables (secured)



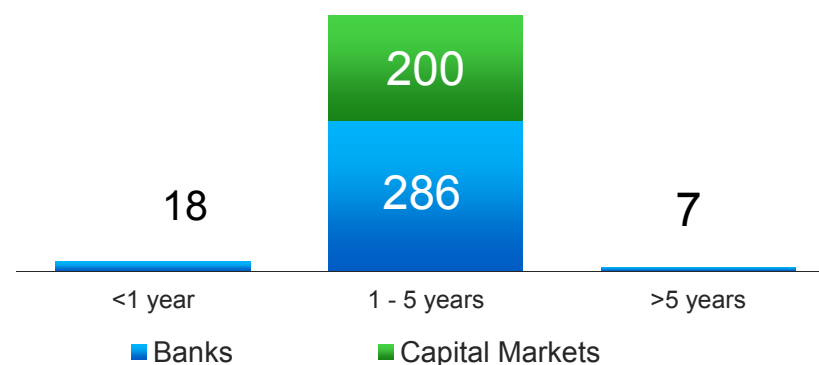
# Liquidity and debt profile

- Total bank facilities stood at S\$4.7b.
- Ample liquidity with liquidity headroom of S\$3.6b.

Liquidity profile  
(S\$'b)



Debt maturity profile  
(Exclude collateralised short-term trade facilities of S\$596m)  
(S\$m)





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Thank You

