



CWT Group

1H 2017 Financial Results

1 August 2017



This presentation should be read in conjunction with
CWT Limited's Unaudited Financial Statement
for the year ended 30 June 2017 lodged on SGXNET on
1 August 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 : 1st Half 2017

| In S\$'000 (unless otherwise specified) | 1H2017 | 1H2016 | Change |
|---|-----------|-------------------|--------|
| Revenue | 5,192,226 | 4,242,016 | 22% |
| Operating EBITDA ¹ | 123,538 | 83,488 | 48% |
| Operating PBT ¹ | 97,577 | 55,734 | 75% |
| Operating PBT margin ¹ (%) | 1.9 | 1.3 | - |
| Total PBT | 96,616 | 52,312 | 85% |
| Operating PATNCI ¹ | 81,109 | 45,431 | 79% |
| Total PATNCI | 80,161 | 37,343 | 115% |
| Annualised return on shareholders' equity (%) - operating | 16.4 | 12.0 ² | - |

Highlights:

- Revenue increased mainly due to general increase in commodity prices and higher volume of naphtha traded.
- Operating income surged in 1H 2017 contributed by Commodity Marketing and Engineering Services which finalised a Design and Build project in 2Q 2017. Logistics Services and Financial Services softened in 1H 2017 due to weaker market conditions.

Note:

¹ 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.

² Operating ROE for FY2016

Key financial indicators : 2nd Quarter 2017



| In S\$'000 (unless otherwise specified) | 2Q 2017 | 2Q 2016 | Change |
|---|-----------|-------------------|--------|
| Revenue | 2,586,060 | 2,366,495 | 9% |
| Operating EBITDA ¹ | 74,238 | 33,115 | 124% |
| Operating PBT ¹ | 60,655 | 20,376 | 198% |
| Operating PBT margin ¹ (%) | 2.3 | 0.9 | - |
| Total PBT | 60,168 | 18,176 | 231% |
| Operating PATNCI ¹ | 50,422 | 15,853 | 218% |
| Total PATNCI | 49,948 | 13,653 | 266% |
| Annualised return on shareholders' equity (%) - operating | 16.4 | 12.0 ² | - |

Highlights:

- Revenue increase derived mainly from Commodities Marketing due to general increase in commodity prices and higher volume of naphtha traded.
- The surge in 2Q 2017 earnings derived mainly from better showings by Commodity Marketing and the finalisation of a Design and Build project.

Note:

¹ Operating results excluded exceptional/non-recurring items.

² Operating ROE for FY2016

1H 2017 segmental breakdown

Business segments

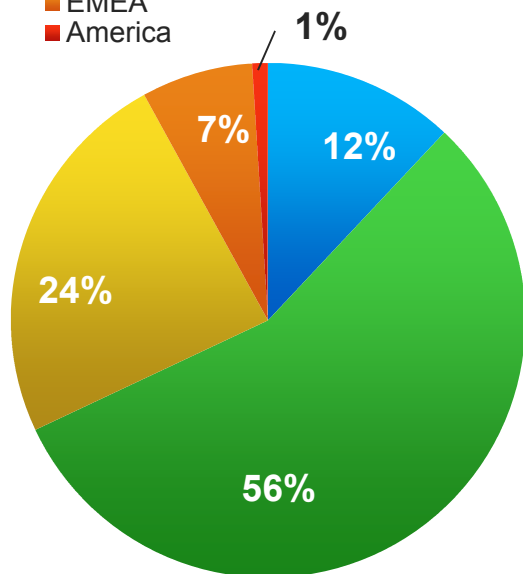
| In S\$'000 (unless otherwise specified) | Revenue | In % | Gross Profit | In % | Gross Profit Margin |
|---|------------------|-------------|---------------------|-------------|---------------------|
| Logistics | 435,409 | 8% | 61,461 | 40% | 14.1% |
| Commodity Marketing | 4,598,897 | 89% | 60,736 [#] | 39% | 1.3% |
| Engineering | 113,375 | 2% | 15,503 | 10% | 13.7% |
| Financial Services | 44,545 | 1% | 16,533 [#] | 11% | 37.1% |
| TOTAL | 5,192,226 | 100% | 154,233 | 100% | 3.0% |

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

1H 2017 segmental contribution

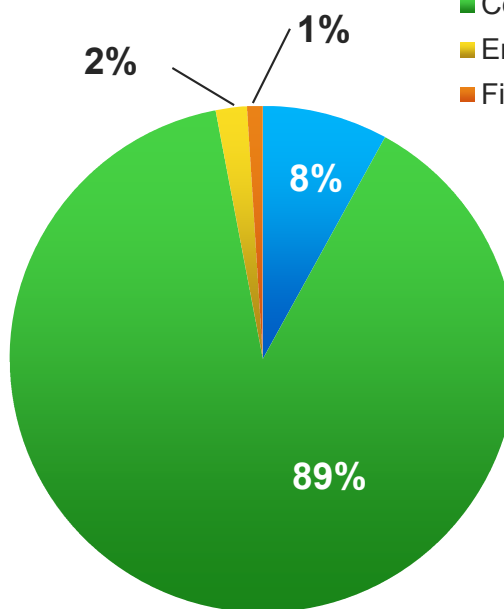
Revenue by Geography
S\$5.2b

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

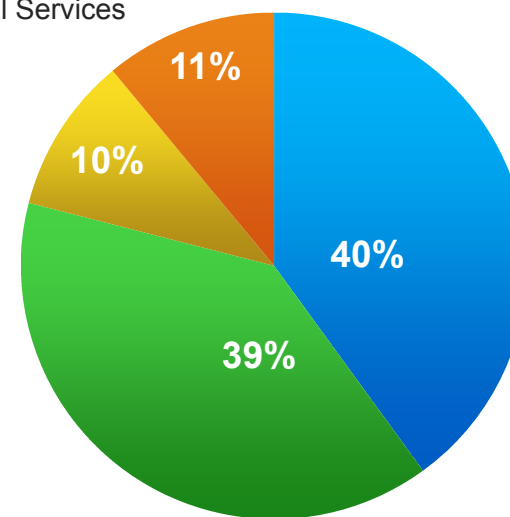


Revenue by Business segment
S\$5.2b

- Logistics
- Commodity Marketing
- Engineering
- Financial Services



Gross Profit by Business segment
S\$154m[#]

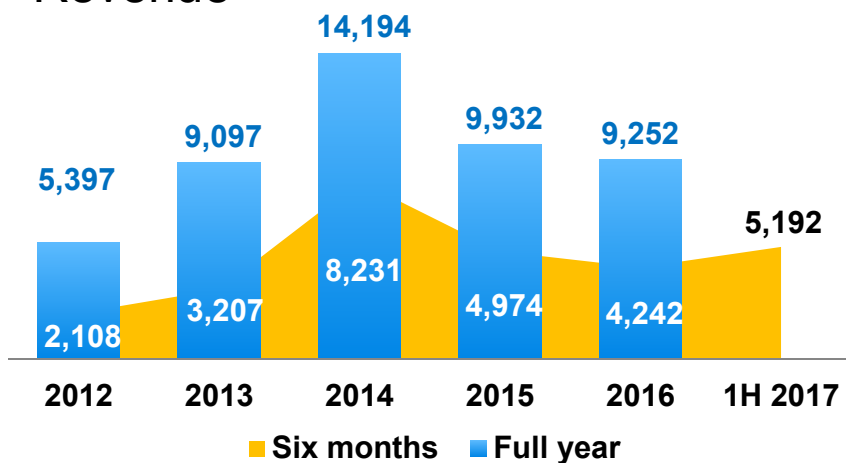


[#] Gross Profit included trade finance income and trade finance expenses.

Performance In S\$m (unless otherwise specified)

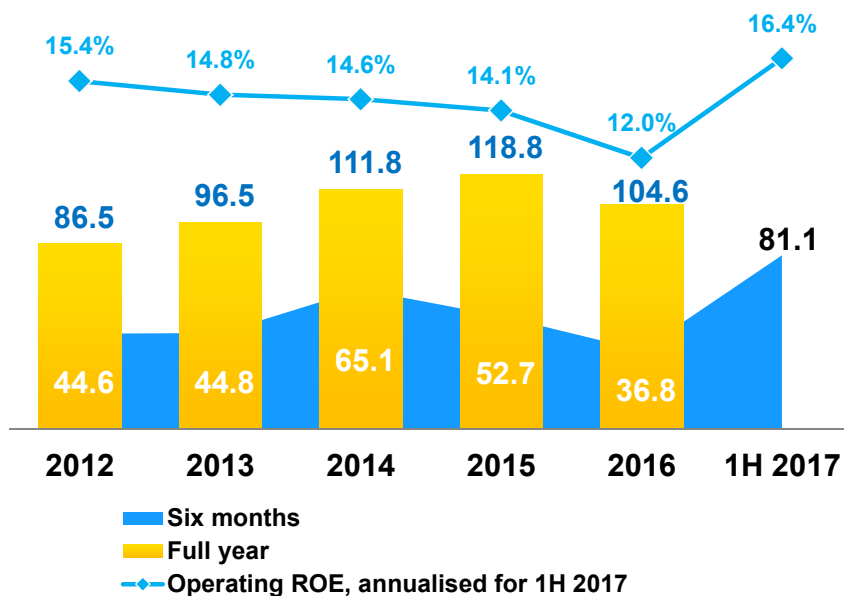


Revenue

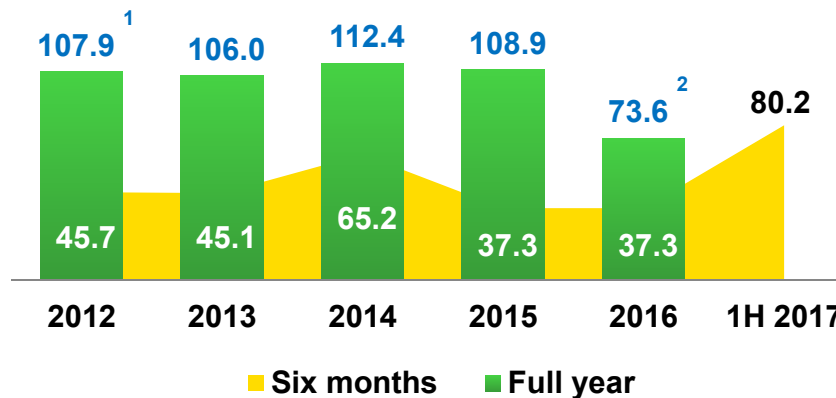


Group revenue and Operating PATNCI increased in 2Q 2017 for reasons highlighted in slide 4.

Operating PATNCI



Total PATNCI



¹ Included gain on sale and leaseback of a logistics property of S\$23m in 2012.

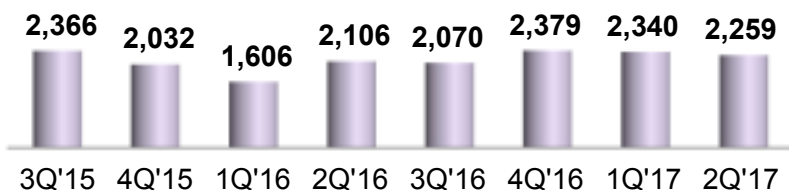
² Included exceptional non-operating expenses.

³ Included profit from the finalisation of a Design and Build project.

Revenue analysis by segment (S\$m)



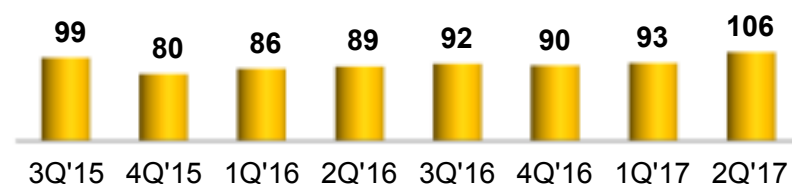
Commodity Marketing



Note: Revenue for 3Q15 had been restated to better reflect the nature and the underlying substance of certain structured transactions.

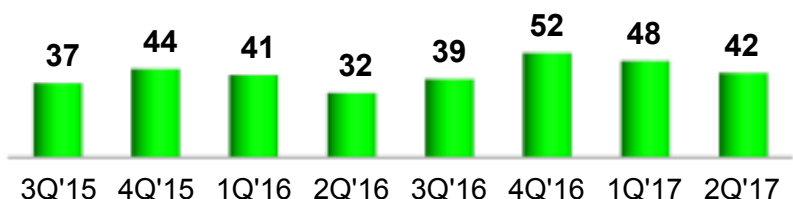
2017 revenue increased due to higher trading volume of energy products and general increase in commodity prices while 1Q16 revenue was dragged down by a fall in naphtha trading volumes and commodity prices.

Freight Logistics



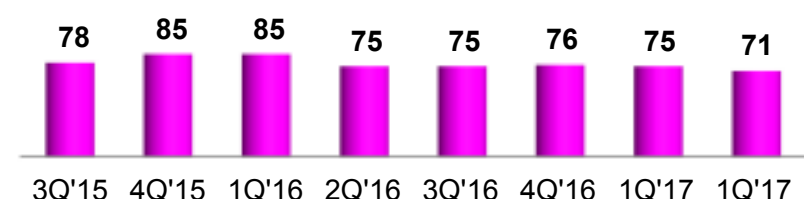
Note: Revenue trended downward since 2nd half of 2015 in line with declining freight rates. Volume increased in 2Q16, 3Q16 & further edged up in 2Q17. Freight rates increased in 3Q16 and 1Q17 for certain trade lanes.

Commodity Logistics



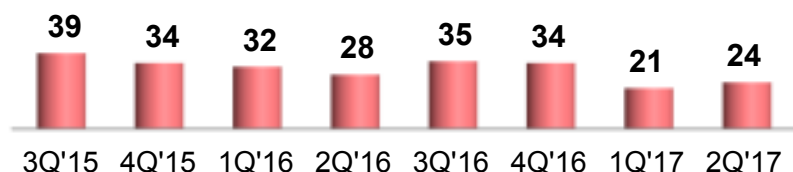
Note: Revenue fluctuations were mainly due to seasonality of the tobacco crop, which contributed to the higher revenue in Q1 and Q4 each year, coupled with the increased metals storage in Vietnam business which had boosted revenue in 4Q16 and 1Q17.

Warehousing and Integrated Logistics



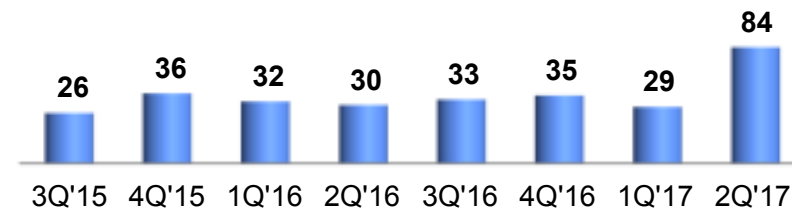
Note: Project billings in 4Q15 & 1Q16 boosted revenue for the two quarters. Generally, 2016 and 2017 saw softer revenue in line with weaker market conditions.

Financial Services



Note: Increase in revenue in 3Q16 and 4Q16 from increased volume of both Brokerage and Trade Services business. Revenue lower in 2017 mainly due to fewer structured trade services opportunities.

Engineering Services



Note: Fluctuations in quarterly revenue in 2015 were due to timing of progress billings for Design and Build projects. Steady revenue growth in 2016 attributed to Engineering Maintenance services. Revenue surged in 2Q17 resulted from the finalisation of a Design and Build project.

Balance sheet & liquidity position

| In S\$'m (unless otherwise specified) | As at 30 Jun 2017 | As at 31 Dec 2016 |
|---|----------------------|----------------------|
| Cash ¹ | 262 | 328 |
| Equity | 909 | 874 |
| Collateralised short-term trade facilities ² | (564) | (1,386) |
| Net debt ³ | (227) | (157) |
| Net debt/Equity (x) | 0.25 | 0.18 |
| Net debt/Annualised operating EBITDA (x) | 0.92 | 0.84 |
| Current ratio (x) | 1.18 | 1.07 |

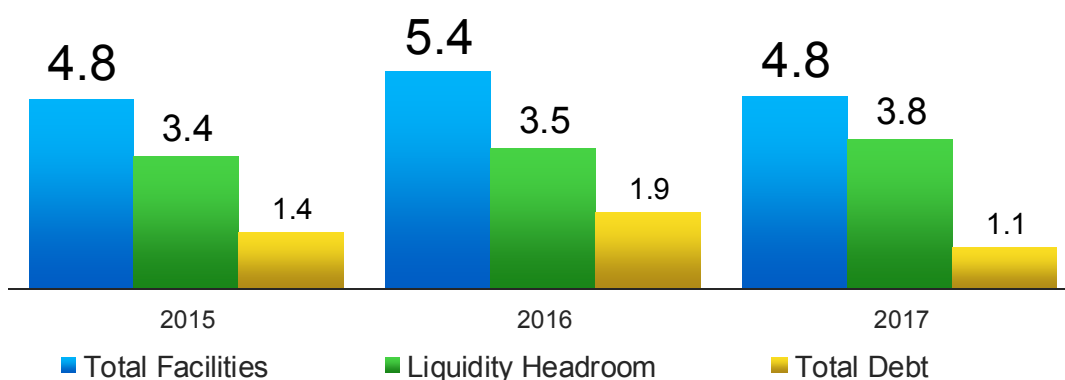
Note:

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)

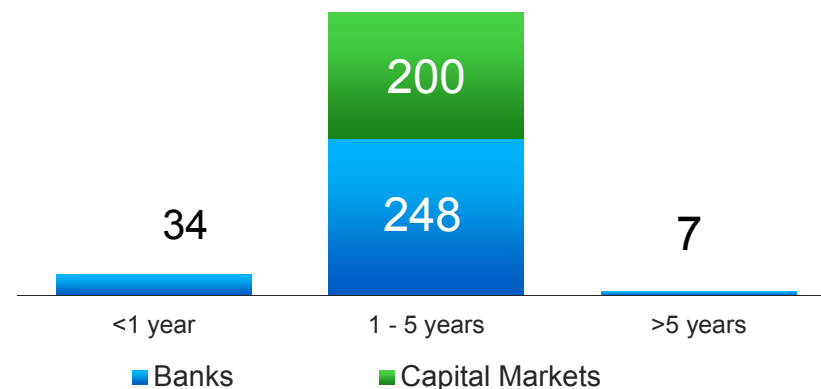
Liquidity and debt profile

- Total bank facilities stood at S\$4.8b.
- Ample liquidity with liquidity headroom of S\$3.8b.

Liquidity profile
(S\$'b)



Debt maturity profile
(Exclude collateralised short-term trade facilities of S\$564m)
(S\$'m)





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Thank You

