

# Headwinds 'on the horizon' for Westports

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KUALA LUMPUR: [Westports Holdings Bhd](#) could face earnings headwinds over the short-term as a result of various supply chain disruptions and inflationary pressures. In light of this, UOB Kay Hian Research in a report yesterday trimmed its earnings forecast for Westports for 2022 (by 4%), 2023 (4%) and 2024 (2%).

"Our forecast, now 15% below consensus, assumes there will be a 4% year-on-year volume contraction in 2022, after factoring in various supply chain disruptions and inflationary impact, and results in a downward revision of 2022 and 2023 20-foot equivalent unit (TEU) figures."

The research house cut the port operator's value-added service income, in tandem with lower utilisation of 70% for 2022 and higher fuel costs.

"We continue to assume a high tax rate of 37% for 2022, until there are further updates on the actual one-off Prosperity Tax treatment," it added, noting that Westports' second quarter 2022 results are due to be released in July.