



20th Annual General Meeting

Forward Thinking

A New Strategy for the Future

Neil McGregor
Group President & CEO
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Disclaimer



This presentation may contain certain forward-looking statements that are not statements of historical fact. Investors can identify some of these statements by forward-looking terms such as 'expect', 'believe', 'plan', 'intend', 'estimate', 'anticipate', 'may', 'will', 'would', and 'could' or similar words. However, please note that these words are not the exclusive means of identifying forward-looking statements.

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FY2017 Performance Round-up



2017 was a challenging year for Sembcorp Industries

- Turnover at S\$8.3 billion, up 6%
- Profit from Operations at S\$795.3 million, down 13%
- Net Profit at S\$230.8 million, down 42%
- EPS at 10.5 cents
- ROE at 3.2%

By Business

Net Profit Change, 2017 vs 2016

Utilities	↓ 60%
- before exceptional items	↓ 25%
Marine	↓ 86%
Urban Development	↑ 150%

FY2017 Dividend

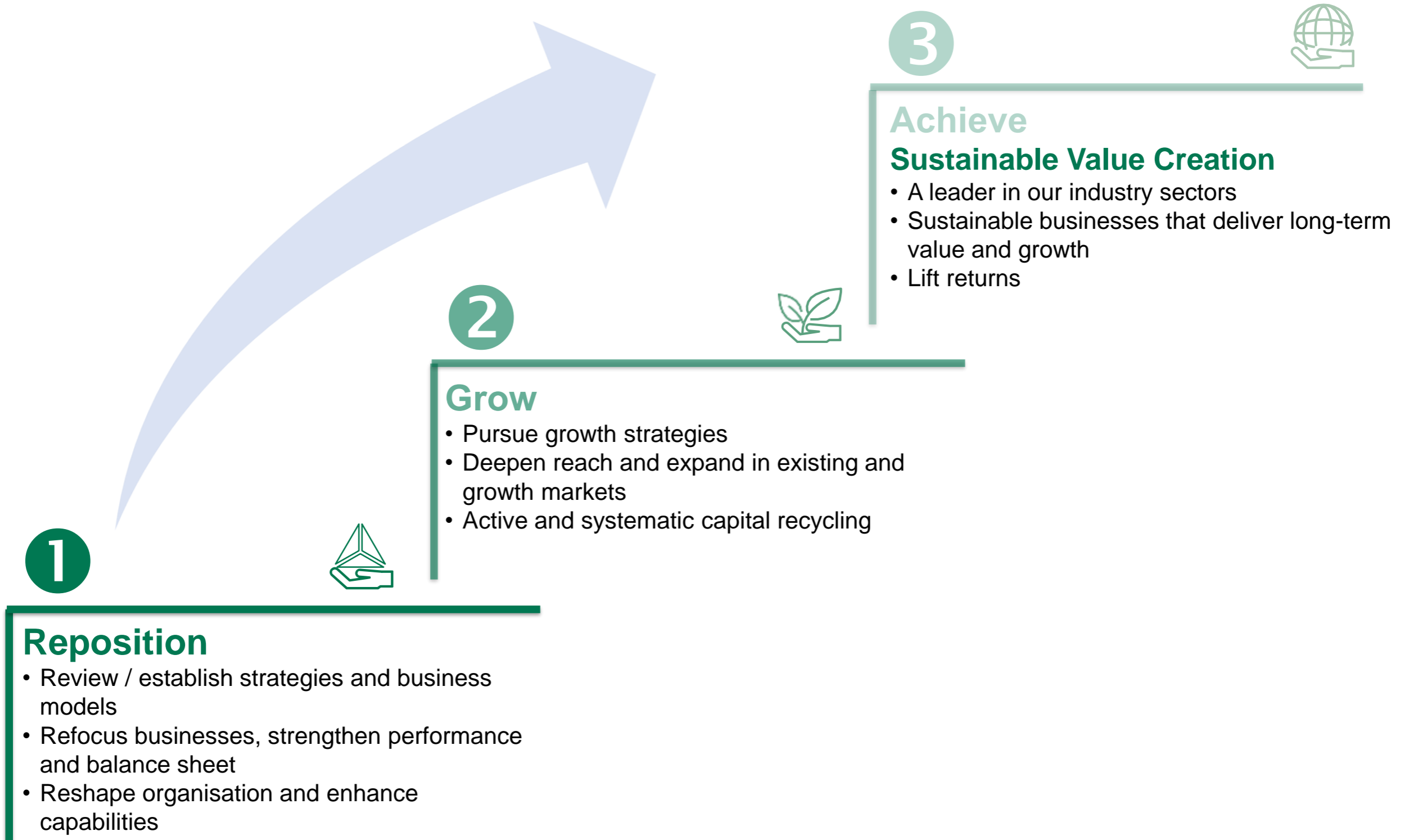
- Proposing a final dividend of 2.0 cents per share. If approved, to be paid on May 15, 2018
- This will bring FY2017 dividend to 5.0 cents per share or a dividend payout ratio of 48%

In line with these challenging times, the directors are taking a voluntary 15% reduction in directors' fees for FY2017. Group President & CEO and senior management are taking a voluntary pay reduction of 15% and 10% respectively

Looking Ahead: Addressing challenges head-on. Taking decisive steps to reposition Sembcorp for success in a rapidly changing world

- Undertook a strategic review of our businesses in 2017
- Charted a clear roadmap for the way forward

Snapshot: Transformation Roadmap towards Sustainable Value Creation



3 Strategic Pillars

underpin our journey towards sustainable value creation

1. Performance Lift performance, strengthen balance sheet

HOW? Reposition Utilities. Ensure strong business models in Utilities, Marine and Urban Development

HOW? Capital recycling, e.g. India IPO, S\$0.5 billion targeted Utilities divestment proceeds

2. Sustainability Manage risks, leverage opportunities, make a positive impact

HOW? Double renewables capacity. Reduce carbon emission intensity. Support UN's sustainable development goals

3. Dynamic Organisation Drive performance, support growth

HOW? Enhance capability development & leadership, governance & culture



Our Businesses

Lift performance, strengthen balance sheet

- Strong business models and industry positions
- In sectors with long-term growth opportunities, e.g. clean energy, urbanisation, gas solutions
- Proven capabilities, strong track record and a valued partner to customers and governments

Macro themes	Global energy transition, low-carbon and cleaner energy	Urbanisation and sustainable development in Asia	Well-positioned to benefit from the O&M industry recovery
Our Businesses	Sembcorp Utilities 100%	Sembcorp Development 100%	Sembcorp Marine 60.9%
Competitive Position	<p>Owner-operator of a balanced portfolio of high-efficiency thermal and renewable assets</p> <p>Proven deep integration expertise in the provision of energy, water and on-site logistics</p>	<p>Solid track record in transforming raw land into self-sufficient urban developments</p> <p>Strong franchise in Asia. Delivers the economic engine to support industrialisation & urbanisation</p>	<p>Offers solutions across the O&M value chain, both within and beyond the oil & gas sector</p> <p>Best-in-class integrated facilities. Investments in new technologies and solutions</p>
Conclusions from the review	Reposition as an integrated energy player	Move up the value chain to business hubs & smart cities	Support the business through the cycle

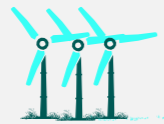
Repositioning Utilities as an Integrated Energy Player

Lift performance, strengthen balance sheet

Fundamental shifts in the global energy landscape

Decarbonisation

Changing global energy mix to more gas and renewables, less coal



Decentralisation

Shift to distributed energy systems opening up opportunities for merchant & retail power



Digitalisation

Deployment of digital technologies to enhance operations and capture new opportunities



Demand disruptions

Energy efficiency
Distributed generation
Electrification of vehicles



Integrated Energy Player

Expanding and deepening our presence across the energy and utilities value chain.

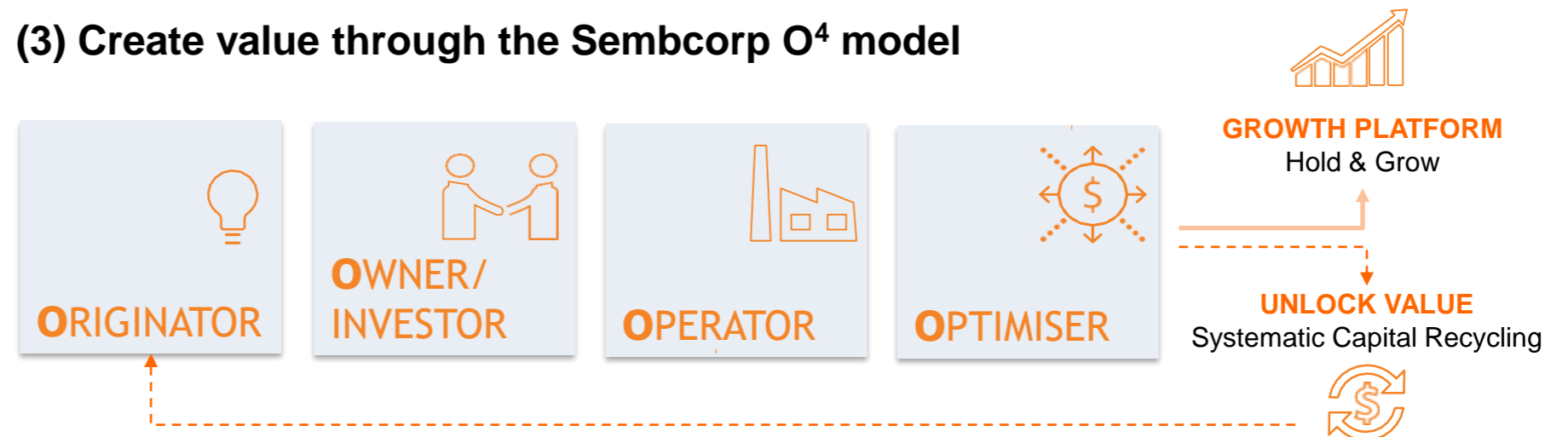
(1) Focus on 3 business lines



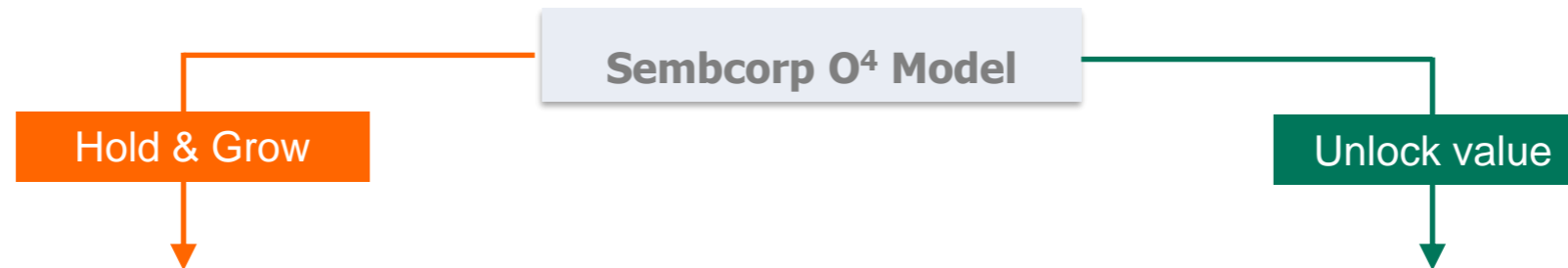
(2) Balanced portfolio in certain developing and developed markets
Deepen presence in 4 key markets



(3) Create value through the Sembcorp O⁴ model



Creating value through the Sembcorp O⁴ Model



Growth Platform



INTEGRATED ENERGY PLATFORM
Multiple offerings around anchor assets



BENEFITS

Returns uplift

Additional offerings enhance services and products while providing upside to earnings

Deepens relationship with customers

Insights into customer requirements provide scope for additional tailored solutions with minimal investments

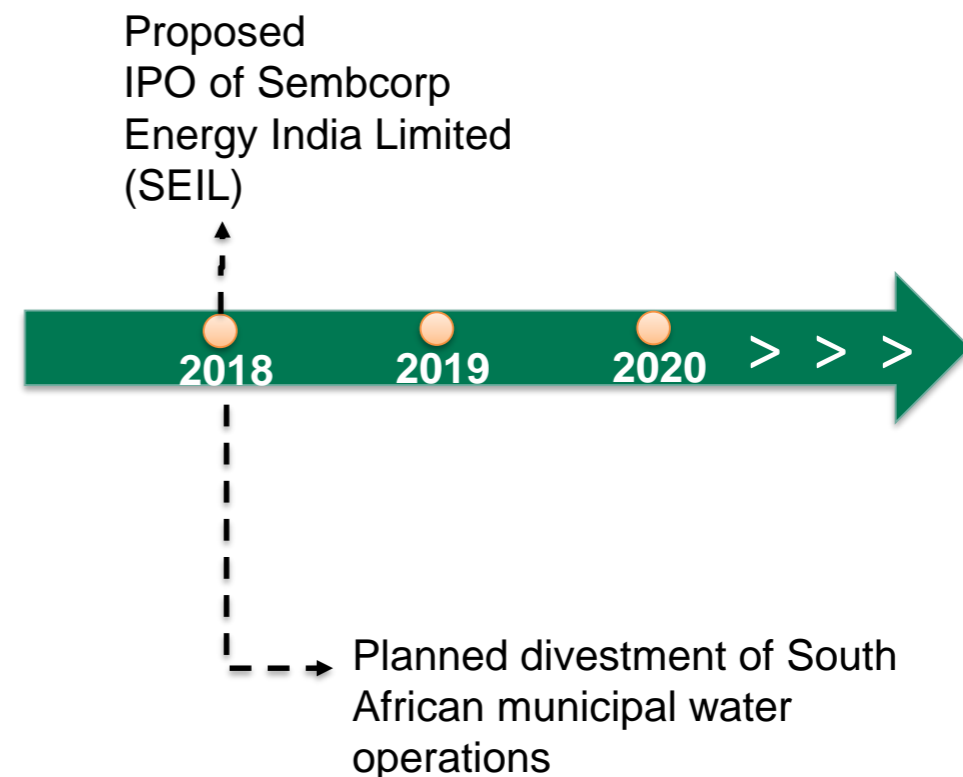
Provides growth while lowering development risk

Leverages knowledge of stakeholders and markets to gain further access and scale up

Systematic Capital Recycling



Target utilities divestments of up to S\$0.5 billion over the next two years (excluding proposed IPO of SEIL)





Sustainability

Manage risks, leverage opportunities, make a positive impact

Double renewables capacity to ~4,000MW by 2022

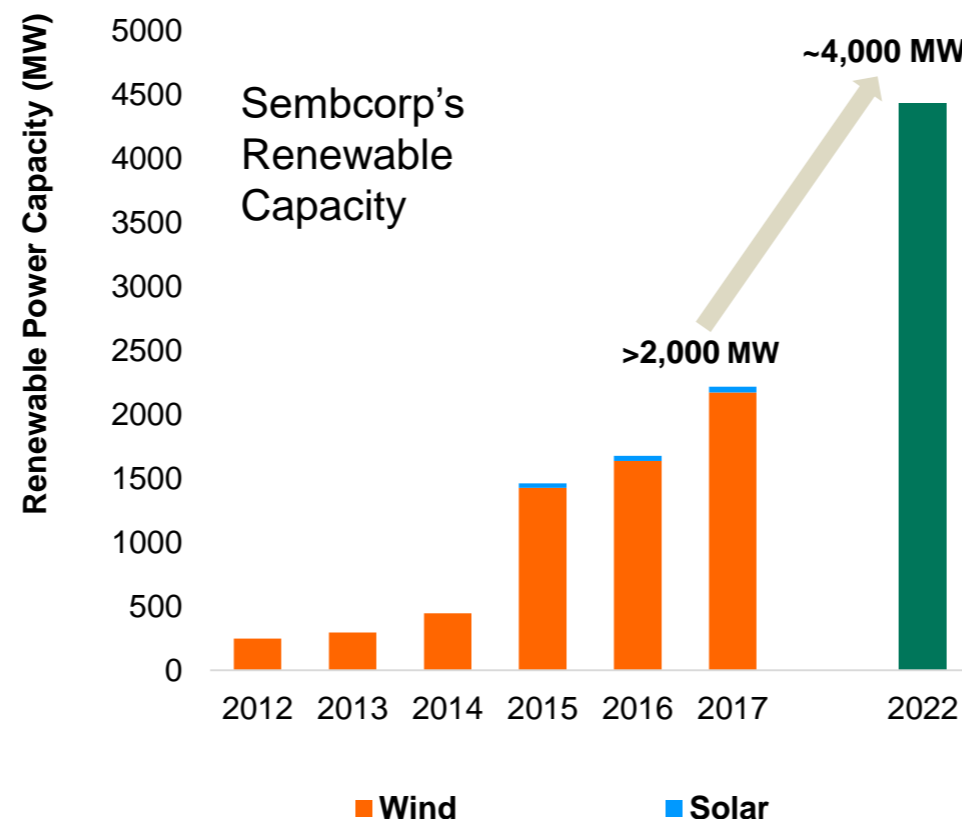
- To create one of the region's leading independent renewable energy players

Reduce carbon emission intensity by close to 25%

- From 0.55tCO₂e/MWh to 0.42tCO₂e/MWh by 2022, and to less than 0.40tCO₂e/MWh by 2030

Play a part in furthering the UN Sustainable Development Goals (SDGs)

- Priority SDGs: 6 & 7



Potential growth opportunities for renewables in the region



Dynamic Organisation

Drive performance, support growth

Capability development and leadership

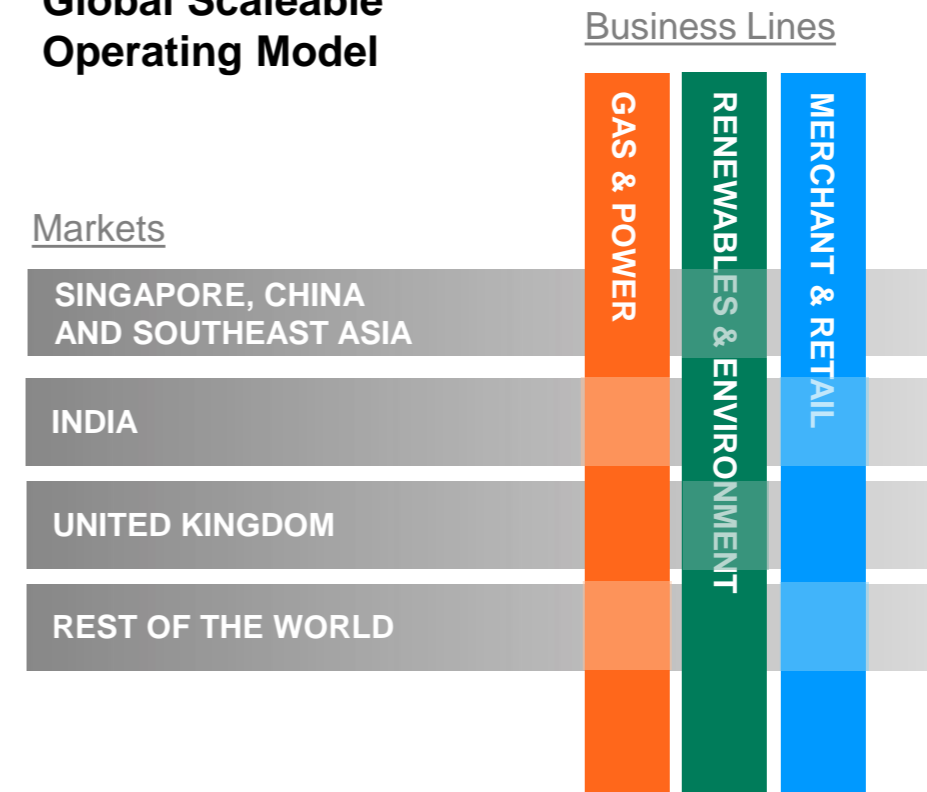
- Augment capabilities in new business lines, e.g. merchant & risk, retail & downstream
- Accelerate technology adoption and deployment of digital technologies
- Performance scorecard includes specific ESG KPIs

Governance and culture

- Moving towards an Integrated Audit Framework (Finance, IT, Operations, HSSE)
- Integrity at core of culture
 - New ethics & compliance function
 - Revised code of conduct and enhanced anti-bribery & corruption programme



Global Scaleable Operating Model



Risk & Governance Ecosystem





sembcorp