KEPPEL INFRASTRUCTURE TRUST

SGX-MKE Singapore Corporate Day 2020

18 August 2020

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Overview



Ixom

Overview of KIT



- The largest diversified Business Trust listed in Singapore with a portfolio of **strategic businesses and assets** that **provide essential products and services**
- Assets under Management of $5.0b as at 30 June 2020
- **Long-term sustainable cash flows** supported by AAA Singapore Government-linked off-takers, creditworthy counterparties and a large well-diversified customer base
- **Stable distributions** of 3.72 cents every year since FY 2016

Difference between Business Trusts and REITs

	Business Trusts	REITs
Asset Class	• No restriction	• Real estate
Depreciation/Revaluation	• No impact on distribution payout	• No impact on distribution payout
Gearing Limit	• None	• 50%
Taxation	• Subject to income tax • Exemption for income from Qualifying Project Debt Securities (QPDS)	• Tax transparent

Overview of KIT

Portfolio of strategic businesses and assets across a broad range of highly defensive industries that delivers long-term sustainable cash flows to Unitholders

Distribution & Network
- City Gas
- Ixom
- Basslink



Strategic businesses and assets with potential for long-term growth supported by favourable demand dynamics

Energy
- Keppel Merlimau Cogen



Stable and resilient infrastructure assets anchored by concession contracts that are backed by government and government-linked corporations

Waste & Water
- Senoko Waste-to-Energy Plant
- Tuas Waste-to-Energy Plant
- Ulu Pandan NEWater Plant
- SingSpring Desalination Plant



All business and assets are classified as essential services by governments in Singapore, Australia and New Zealand.

No impact to operations during the COVID-19 pandemic.

Geographical Presence



SINGAPORE

Distribution & Network
- City Gas

Energy
- Keppel Merlimau Cogen

Waste & Water
- Senoko WTE Plant
- Keppel Seghers Tuas WTE Plant
- Keppel Seghers Ulu Pandan NEWater Plant
- SingSpring Desalination Plant

AUSTRALIA & NEW ZEALAND

Distribution & Network
- Ixom
  - New South Wales
  - New Territories
  - Queensland
  - South Australia
  - Victoria
  - Western Australia
  - North Island
  - South Island
- Basslink
  - Tasmania
  - Victoria

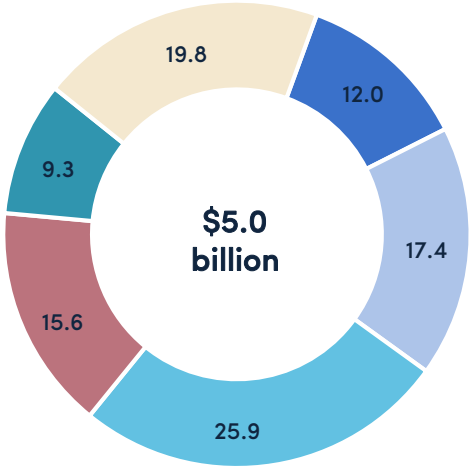
Well-Diversified Customer Base and Reputable Off-takers

		Customers & Off-takers	Highlights
City Gas		More than 860,000 residential, commercial and industrial customers	✓ Sole producer and retailer of town gas in Singapore
Ixom		>8,000 customers, including blue chip companies and municipalities	✓ Sole manufacturer and provider of liquefied chlorine in Australia, as well as a leading provider of manufactured caustic soda and a wide range of essential chemicals ✓ Market leading position supported by an extensive network strategically located across Australia and New Zealand
Basslink		Hydro Tasmania	✓ Only electricity interconnector between Tasmania and mainland Australia ✓ Off-taker is owned by the Australian state of Tasmania
KMC		Keppel Electric	✓ A competitive gas-fired power plant in Singapore ✓ Off-take supported by availability and capacity payments from Keppel Electric ✓ Keppel Electric is owned by Keppel Corporation
Waste & Water		National Environment Agency (NEA) and Public Utilities Board (PUB) of Singapore	✓ Responsible for meeting water demand and waste treatment requirements in Singapore ✓ NEA and PUB are statutory bodies under the Government of Singapore

Portfolio Breakdown

By Businesses and Assets (%)

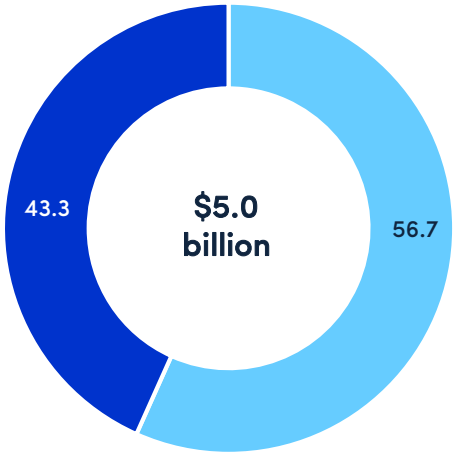
As at 30 June 2020



- City Gas
- Basslink
- Ixom
- KMC
- Waste & Water
- Trust assets and non-controlling interest

By Geography (%)

As at 30 June 2020



- Singapore
- Australia, New Zealand and other countries

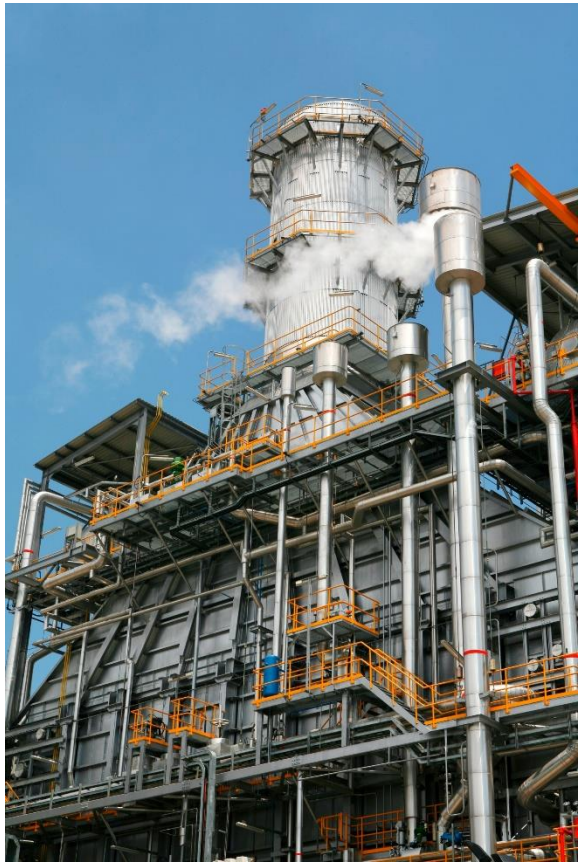
2Q & 1H 2020 Key Business and Operational Updates



City Gas

KIT KEPPEL INFRASTRUCTURE TRUST

Key Highlights



All businesses and assets are classified as essential services

No operational disruption throughout lockdowns; business continuity measures were implemented to ensure health & safety of staff

Resilient Distributable Cash Flows

$62.2m

2Q 2020 DCF of $62.2m, bringing 1H 2020 DCF to $113.3m, a 20.3% YoY increase over 1H 2019

Stable DPU

1.86 cents

Defensive cash flows from a diversified portfolio of businesses and assets saw 2Q 2020 DPU of 0.93 cents, bringing 1H 2020 DPU to 1.86 cents

Weighted Average Term to Maturity

3.2 years

KMC secured a $700 sustainability-linked loan that improved WATM to 3.2 years

Low Gearing

33.6%

Comfortable debt headroom to pursue growth opportunities

Information as at 30 June 2020.

2Q 2020 Business Updates

Distribution & Network
- City Gas
- Ixom
- Basslink







City Gas
- Customer base grew 1.2% YoY to 862,000 as at end-June 2020
- Achieved 100% availability
- Town gas demand from Commercial & Industrial customers was lower in 2Q 2020 during the circuit breaker, partially offset by higher usage from residential customers
- Higher DCF for 2Q 2020 was a result of a timing difference inherent in the fuel price pass through gas tariff mechanism
- City Gas has no exposure to fuel price risk over time

Ixom
- Continued to deliver healthy and sustained performance in 2Q 2020, supported by its diversified business
- Life science segment delivered a strong performance from increased demand for cleaning and hygiene products, offsetting weaker demand from the pulp & paper and metals & mining segments
- Diary segment saw pick-up in volumes due to improving drought conditions in New Zealand
- Continue to ensure supplies of essential chemicals are readily available for key industries and essential services that support the economies and communities in Australia and New Zealand

Basslink
- The Commercial Risk Sharing Mechanism was neutral in 2Q 2020 (+6.3% for 1H 2020)

Resilient Distributable Cash Flows

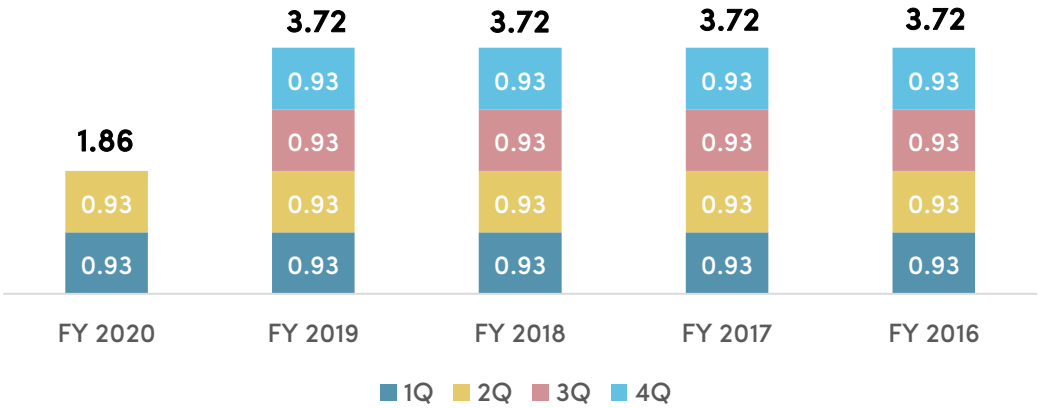
	2Q 2020 S$'000	2Q 2019 S$'000	+/(-) %	1H 2020 S$'000	1H 2019 S$'000	+/(-) %
Distribution & Network	**40,230**	21,889	83.8	**68,437**	44,950	52.3
City Gas	**17,154**	10,421	64.6	**29,011**	26,262	10.5
Ixom	**23,076**	10,156	>100.0	**39,426**	16,034	>100.0
DC One[1]	**-**	1,312	n.m.	**-**	2,654	n.m.
Energy	**10,405**	11,234	(7.4)	**21,607**	22,950	(5.9)
Waste & Water	**18,081**	18,133	(0.3)	**36,219**	35,993	0.6
Others[2]	**(6,541)**	(5,487)	(19.2)	**(12,945)**	(9,694)	(33.5)
Distributable Cash Flows	**62,175**	**45,769**	**35.8**	**113,318**	**94,199**	**20.3**

1. KIT's divested its 51% stake in DC One on 31 October 2019
2. Comprises Trust expenses and distribution paid/payable to perpetual securities holders, management fees and financing costs

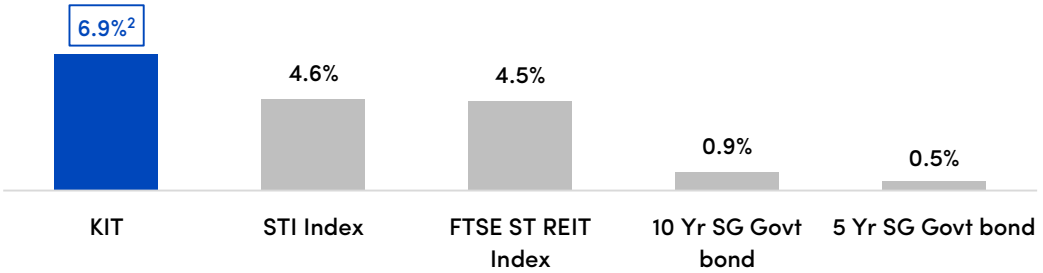
Regular and Stable Distributions



Stable Distribution (cents)



Comparative Yields[1]



1. Sources: Bloomberg and Monetary Authority of Singapore. Comparative yield based on preceding 12-month data as at 14 August 2020
2. Based on the market price per Unit of $0.540 as at 14 August 2020

KIT KEPPEL INFRASTRUCTURE TRUST

Balance Sheet

Sustainable gearing supported by:

- Long term concession contracts expiring between 2024 and 2034
- Creditworthy off-takers backed by government and government-linked corporations
- City Gas' and Ixom's large and well-diversified customer base
- Recurring and resilient revenue streams
- Basslink borrowing is non-recourse

As at 30 June 2020 (S$'m)

	Total
Cash	499
Borrowings	2,169
Net debt	1,670
Total assets	4,965
Total liabilities	3,355
Annualised EBITDA[1]	401
Net gearing	33.6%
Net debt / EBITDA	4.2x

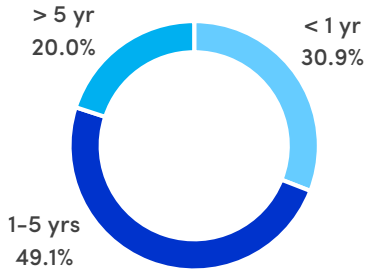
1. Annualised based on 1H 2020 EBITDA performance

Capital Management

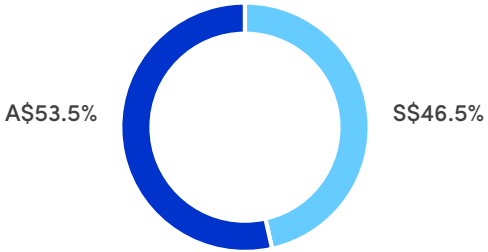
Overview:

- Hedged ~81% of total loans (excludes the sustainability-linked loan for KMC, which is in the process of being fully hedged)
- Stable interest rate of 4-5%
  - Singapore average: 1-4%
  - Australia average: 2-7%
- S$700.0m KMC loan due in June 2020 successfully refinanced with a 7-year sustainability linked loan
- Weighted average term to maturity improved to 3.2 years
  - Excluding the Basslink loan, weighted average term to maturity would be 4.3 years
- Initiated Unit buybacks in 1H 2020 as part of proactive capital management efforts[1]
  - Repurchased and cancelled 4,750,000 Units as at 3 April 2020
- S$615.2m (A$654.4m)[2] Basslink loan
  - Interest rate substantially hedged
  - Natural currency hedge for A$ cash flows
  - All residual cash flows used for debt service
  - Not dependent on Basslink's cash flows for distribution

Debt Repayment Profile



Debt Breakdown by Currency



Loan Profile	Amount ($'m)	Maturity/ Call Date	Repayment
Basslink	A$654.4m	November 2020	Amortising*
KIT	S$100.0m	February 2022	Bullet*
City Gas	S$178.0m	February 2024	Bullet*
Ixom	A$587.4m	February 2024	Bullet*
SingSpring	S$36.9m	December 2024	Amortising
KMC	S$700.0m	June 2027	Amortising*

1. Pursuant to the mandate obtained at KIT's Annual General Meeting in April 2019
2. Based on exchange rate of A$1.00 = S$0.9402

* To be refinanced upon maturity

Three-pronged Growth Strategy

The Trustee-Manager will harness the synergies of its **three-pronged growth strategy** to achieve its goal of **long-term value creation**

Value Creation

- Generate sustainable cash flows from the Trust's well-diversified portfolio of businesses and assets
- Drive organic growth from existing going concern businesses, including City Gas and Ixom that are supported by long-term favourable demand trends
- Drive strong operational performance and efficiencies, as well as fulfil all contractual requirements to ensure stable cash flows

Operational Excellence

- Achieve operational excellence and asset optimisation to extract further value
- Maintain an optimal capital structure to support growth initiatives, and maximise returns for Unitholders
- Implement sustainable practices, where feasible, to support a sustainable future for KIT and its stakeholders
- Achieve strong regulatory compliance and excellent safety record

Focused Acquisition

- Seek leading businesses and assets with the following investment characteristics:
  - ✓ Generate defensive cash flows and revenues that are inflation-linked and/or GDP-linked with potential for growth
  - ✓ Possess high barriers to entry
  - ✓ Are key providers of essential products and services
- Potential bolt-on acquisitions at City Gas and Ixom
- Undertake co-investment and incubation opportunities with Keppel Capital and/or the Sponsor
- Partner with experienced operators on greenfield investments with limited construction exposure

Thank You

www.kepinfratrust.com

Connect with us on:



Keppel Merlimau Cogen Plant

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Additional Information



Tuas WTE Plant

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Driving Sustainable Growth

KIT's strategic goal is to deliver sustainable returns to its Unitholders, through a combination of recurring distributions and capital growth over the long term

Anchored

By a growing portfolio of strategic businesses and assets across a broad range of highly defensive industries

Benchmarks

- Long-term, mature and defensive cash flows
- Creditworthy off-takers and/or a large, diversified and stable customer base
- Jurisdictions with well-developed legal frameworks
- High barriers to entry with a dominant or leading market position
- Provider of essential products or services with potential for long-term growth
- Strong regulatory compliance and excellent safety record

Portfolio Overview

		Description	Customers and contract terms	Primary source of cash flows
Distribution & Network	City Gas – Singapore 	Sole producer and retailer of piped town gas	Over 860,000 commercial and residential customers	Fixed margin per unit of gas sold, with fuel and electricity costs passed through to consumer
	Ixom – Australia 	Industrial infrastructure business in Australia and New Zealand, supplying and distributing key water treatment chemicals, as well as industrial and specialty chemicals	Over 8,000 customers comprising municipals and blue-chip companies	Payments from customers for delivery of products and provision of services based on agreed terms.
	Basslink – Australia 	Basslink subsea interconnector that transmits electricity and telecoms between Victoria and Tasmania in Australia	Service agreement with Hydro Tasmania (owned by Tasmania state government) until 2031, with option for 15-year extension	Fixed payments for availability of Basslink subsea cable for power transmission
Energy	Keppel Merlimau Cogen – Singapore 	1,300MW combined cycle gas turbine power plant	Capacity Tolling Agreement with Keppel Electric until 2030 with option for 10-year extension (land lease till 2035, with 30-year extension)	Fixed payments for meeting availability targets
Waste & Water	Senoko WTE Plant – Singapore 	Waste-to-energy plant with 2,310 tonnes/day waste incineration concession	NEA, Singapore government agency – concession until 2024	Fixed payments for availability of incineration capacity
	Tuas WTE Plant – Singapore 	Waste-to-energy plant with 800 tonnes/day waste incineration concession	NEA, Singapore government agency – concession until 2034	Fixed payments for availability of incineration capacity
	Ulu Pandan NEWater Plant – Singapore 	One of Singapore's largest NEWater plants, capable of producing 148,000m^3/day[1]	PUB, Singapore government agency – concession until 2027	Fixed payments for the provision of NEWater production capacity
	SingSpring Desalination Plant – Singapore 	Singapore's first large-scale seawater desalination plant, capable of producing 136,380m^3/day of potable water	PUB, Singapore government agency – concession until 2025 (land lease till 2033)	Fixed payments for availability of output capacity

1. Keppel Seghers Ulu Pandan has an overall capacity of 162,800m^3/day, of which 14,800m^3/day is undertaken by Keppel Seghers Engineering Singapore.

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