

1H 2023 Financial Results

26 July 2023



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Constituent of:



MSCI Singapore
Small Cap Index



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Awards and Accreditations¹:

Signatory of:



1. Keppel Infrastructure Fund Management Pte Ltd is a signatory to the United Nations-supported Principles for Responsible Investment, under the membership of Keppel Capital.

1H 2023 Highlights

Philippine Coastal



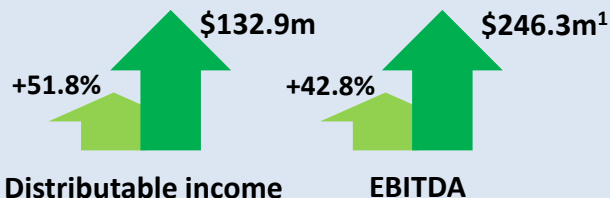
1H 2023 Highlights

Continued gradual increase of 1% y-o-y growth in DPU to 1.93 cents with steady portfolio performance

- **Strong financial performance**, supported by steady portfolio performance and new acquisitions in FY 2022 which contributed \$68.6m or 38.5% of Asset Distributable Income for 1H 2023
- **Continued growth**: Growing exposure in the renewable energy sector with wind farm acquisition in Sweden
- **Positive business sentiments**: stable performance at Ixom; higher contributions from Philippines Coastal with increased tank utilisation rate
- **Fulfilled contractual obligations** for KMC and the Singapore waste and water assets

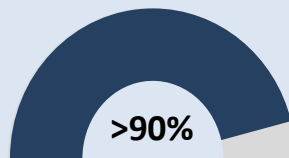
Strong Financial Performance

Stronger DI and EBITDA supported by higher contributions from City Energy and new acquisitions completed in FY 2022



Well insulated from inflation

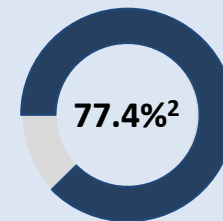
Approx. 65% of portfolio with costs pass through mechanisms / CPI-linked; approx. 30% in businesses with leading position and price-setting capabilities



Inflation protection

Loans significantly hedged

77.4% of debt are fixed and hedged as at 30 Jun 2023



Fixed and hedged debt

1. Excludes one-off acquisition related cost incurred (-\$51.9m), unrealised exchange gains (\$50.9m) and fair value loss on the investment in AGPC (-\$22.1m). Group adjusted EBITDA would be \$223.2m without the adjustments.

2. Excluding the equity bridge loans utilised in 2022 to partially fund the acquisitions of EMK and BKR2, fixed and hedged debt as at 30 Jun 2023 would have been 82.1%.

Announced Acquisition of Fäbodliden II

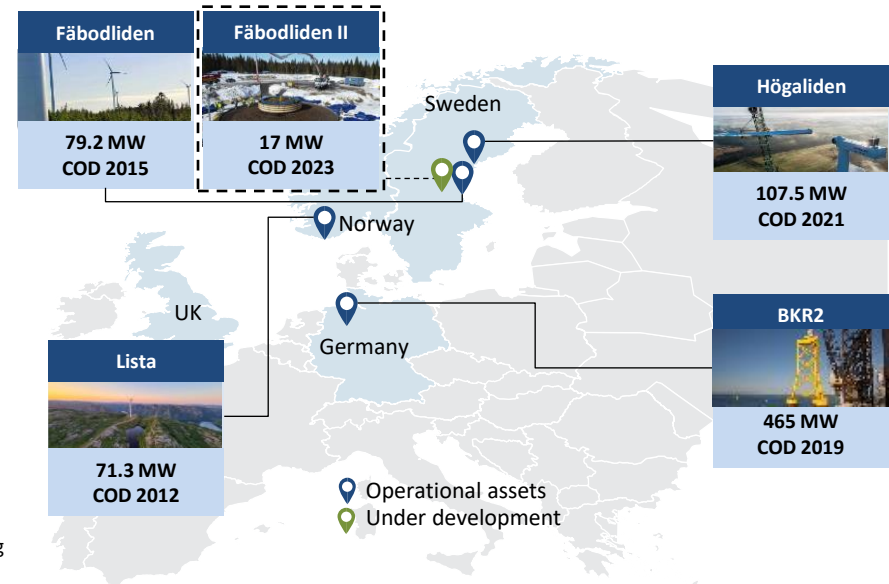
Growing exposure in the renewable energy sector with wind farm acquisition in Sweden

- Part of the European Onshore Wind Platform with 5-year exclusive rights to FORAS eligible pipeline
- Increase KIT's exposure to the green infrastructure segment: higher exposure to renewable energy sector with 740 MW of operating capacity

5 wind farms across Europe with 740 MW of operating capacity; another 1.2 GW of pipeline opportunities in Sweden and the UK

Key Terms of Investment

Seller	Fred. Olsen Renewables AS (FORAS)
Equity Commitment	Commitment of €4.7m (S\$6.9m) for KIT and KRI ¹
Expected Commercial Operations Date (COD)	4Q 2023



1. KIT co-invested with Keppel Renewable Investments Pte. Ltd. (KRI), a wholly-owned subsidiary of Keppel Corporation Limited through a JV company, with KIT holding an 82% stake and KRI holding the remaining 18% stake.

Business Updates

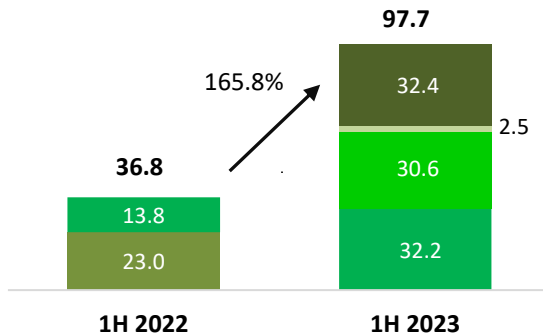
Aramco Gas
Pipelines Company



Energy Transition

- Higher DI mainly due to the favourable fuel over recovery at City Energy, contributions from AGPC and the wind farm assets
- KMC's full year computed DI negated by the mandatory debt amortisation in Jun 2023

Distributable Income (\$S\$m)



- Borkum Riffgrund 2 (BKR2)
- European Onshore Wind Platform
- Aramco Gas Pipelines Company (AGPC)
- City Energy
- Keppel Merlimau Cogen (KMC)

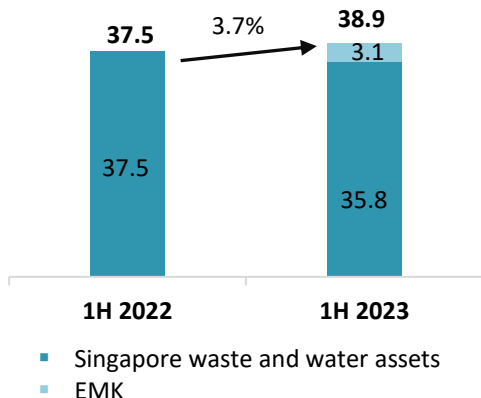
City Energy

- Customer base grew 1.5% YoY to 894,000 as at end-Jun 2023 with continued recovery from the Commercial and Industrial sector
 - Expanded its EV charging business with 34 sites secured as at end-Jun 2023
 - Partnered Gentari to explore (i) hydrogen importation from Malaysia to Singapore, and (ii) promote seamless cross-border EV charging experience across Singapore and Malaysia
 - Continued to grow its residential town gas penetration by securing Blossoms by the Park as first condo development with fully integrated smart kitchen solutions from Küche
- KMC:** Achieved 100% contracted availability as at end-Jun 2023
 - European renewable energy investments:** The wind farms continue to operate at high availability in 1H2023; announced acquisition of first dropdown asset, Fäbodliden II, in Sweden in May 2023 as part of the FORAS eligible pipeline
 - Aramco Gas Pipelines Company:** Stable gas demand underpinned by economic growth and favourable demographics as part of the Kingdom of Saudi Arabia's efforts to reduce carbon emissions

Environmental Services

- Higher DI supported by the positive contribution from EMK with higher volume for landfill business
- Lower DI from Singapore waste and water assets due mainly to lower availability fees from Senoko WTE Plant which is expected to be recovered from the Operator in 2H 2023

Distributable Income (S\$m)

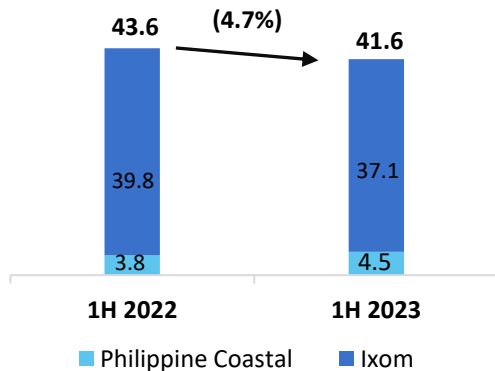


- **Eco Management Korea Holdings (EMK)**
 - Maintained high availability and full utilisation of incineration business
 - Higher volume for landfill business with new contracts secured from blue chip customers
 - Seeking growth opportunities through accretive bolt-on acquisitions
- **Singapore waste and water assets:**
 - Fulfilled all contractual obligations
 - Ongoing discussions with regulators to explore the extension of the concessions for the Senoko WTE and Singspring Desalination plants

Distribution & Storage

- Lower DI from Ixom due mainly to the weaker AUD. DI was slightly higher in AUD terms
- Higher DI from Philippine Coastal due mainly to higher tank utilisation rate

Distributable Income (S\$m)



▪ Ixom

- Strong performance from its manufactured chemicals business due to higher coagulant and chlorine volumes in Australia, and contributions from its new bolt-on acquisitions
- Increased volume from its New Zealand business with favourable weather conditions contributing to a strong dairy season
- Embarking on next phase of growth: (i) growing core businesses through M&A, (ii) driving performance of new acquisitions, (iii) further streamlining of the business, and (iv) exploring debt recapitalisation

▪ Philippine Coastal

- Maintained steady tank utilisation rate of 86% as at end-Jun 2023; secured additional storage volume from an anchor customer which commenced in Jul 2023
- Commenced planned expansion in Subic Bay to meet increasing demand from customers

Finance and Capital Management

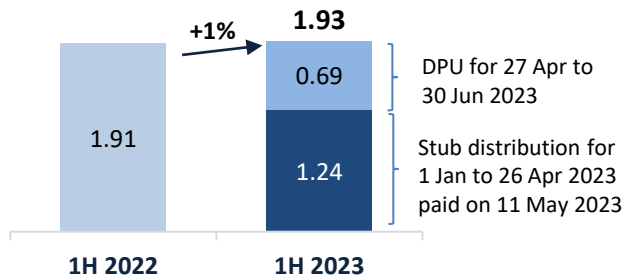
City Energy



Distributable Income

Total DPU of 1.93 cents for 1H 2023, 1% higher year-on-year

Distribution Per Unit (cents)



Distribution

for the period from 27 Apr to 30 Jun 2023

DPU 0.69 cents

Ex-Date 2 Aug 2023

Record Date 3 Aug 2023

Payment Date 11 Aug 2023

- KMC's full year computed DI is expected to be negated by the mandatory debt repayment in June 2023.
- Comprises Trust expenses and distribution paid/payable to perpetual securities holders, management fees and financing costs. The higher costs were due to the issuance of the Series 4 Medium Term Notes on 5 May 2022 and draw down of equity bridge loans to fund the acquisitions of EMK and BKR2 in 2H 2022.

S\$'000	1H 2023	1H 2022	+ / (-) %
Energy Transition	97,672	36,751	165.8
- City Energy	32,185	13,768	133.8
- Aramco Gas Pipelines Company	30,617	-	NM
- KMC ¹	-	22,983	NM
- European Onshore Wind Platform	2,504	-	NM
- BKR2	32,366	-	NM
Environmental Services	38,867	37,464	3.7
- Singapore waste and water assets	35,750	37,464	(4.6)
- EMK	3,117	-	NM
Distribution & Storage	41,571	43,630	(4.7)
- Ixom	37,102	39,837	(6.9)
- Philippine Coastal	4,469	3,793	17.8
Asset Subtotal	178,110	117,845	51.1
Corporate²	(45,219)	(30,277)	(49.4)
Distributable Income	132,891	87,568	51.8

Balance Sheet

Building a strong balance sheet to support growth plans

- Comfortable debt headroom for growth: Approx. \$658m to 45% net gearing level
- Mitigating impact of currency fluctuations: 69.2% foreign distributions hedged
- Approx. 77.4% of debt are fixed and hedged¹ as at 30 Jun 2023, 82.1% excluding the bridge facilities
 - a 100bps change in interest rate would have a approx. 2% impact to 1H 2023's Distributable Income; approx. 1.5% impact excluding bridge facilities

Balance Sheet (\$\$'m)	30 Jun 2023	31 Dec 2022
Cash	335	536
Borrowings	2,476	2,907
Net debt	2,141	2,371
Total assets	5,554	5,963
Total liabilities	3,521	4,056



Net gearing

38.5%



Undrawn committed credit facilities

\$306m



Fixed and hedged debt

77.4%

1. Based on a consolidated group debt, including the bridge facilities.

Capital Management

Well-diversified debt maturity profile

- Raised approx. \$300m in gross proceeds through private placement and preferential offering of approx. 633.3m new Units
- Paid down \$436m bridge facilities with net proceeds from the equity fund raise and via a longer-term debt with City Energy’s loan facility; obtained a \$130m loan to repay the remaining \$144m bridge facilities, terming out to 2026
- Commenced amortization of KMC’s \$700m sustainability-linked loan: Paid down \$88m (\$45m based on KIT’s share) in Jun 2023; reviewing KMC’s capital structure



Weighted average interest rate⁴:

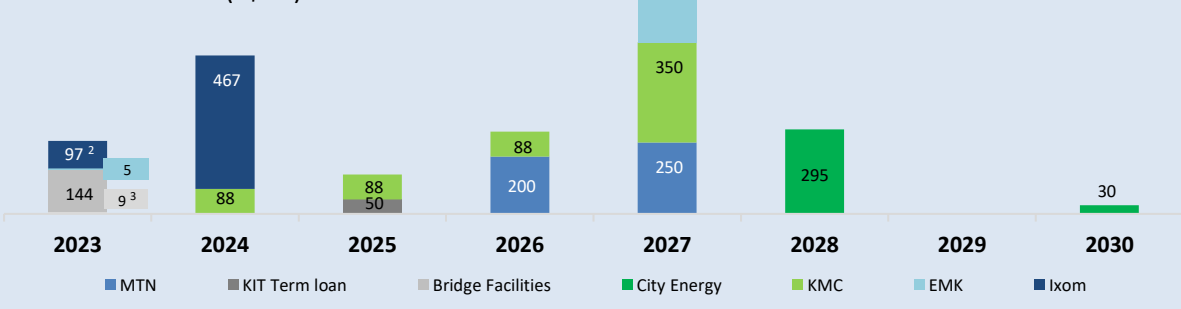
3.8%



Weighted average term to maturity:

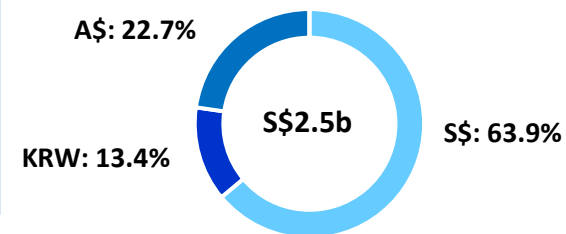
Approx. 2.8 years for debt profile

Debt Maturity Profile¹
as at 30 Jun 2023 (\$\$’m)



Debt Breakdown by Currency

as at 30 Jun 2023



1. Debt maturity profile is based on KIT consolidated balance sheet. KIT’s share of the repayments is based on its interest held in the assets.
 2. The maturity of Ixom’s Revolving Credit Facility is in Feb 2024.
 3. The maturity of KIT’s Revolving Credit Facility is in Feb 2025.
 4. Excludes capitalized borrowing costs.

Commitment to Sustainability

European Onshore
Wind Platform



Championing Innovative Green Energy solutions

On track to achieve ESG targets



- Completed the installation of solar PV system with a generation capacity of 0.2 MWp at City Energy in Feb 2023, increasing KIT's total solar capacity to 2.2MWp for operational needs



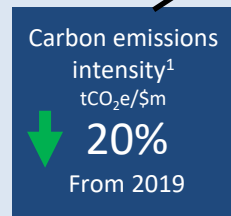
- City Energy announced collaborations to accelerate the commercial usage of hydrogen in Singapore and study the development of off-grid hydrogen fuel cell solutions, using hydrogen extracted from town gas



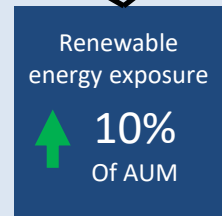
- Signed MOU with Keppel Infrastructure to explore low carbon water solutions at the SingSpring Desalination Plant and the Ulu Pandan NEWater Plant
- Collaborated with the School of Science and Technology Singapore to showcase the SingSpring Desalination Plant in Feb 2023

Progressing towards ESG targets

- 30% carbon emissions intensity¹ reduction by 2030 from 2019 levels
- Increase exposure to renewable energy by up to 25% of AUM by 2030



FY 2022



FY 2022

1. Carbon emissions intensity is calculated based on Distributable Income and includes latest available full year Scopes 1 and 2 carbon emissions data.

Supporting Community Initiatives

Making a positive impact to the community

- Established the KIT Responsible Investment Policy, which is in line with the United Nations-supported Principles for Responsible Investment, of which Keppel Capital is a signatory
- Keppel Capital dedicated over 270 hours to support community outreach efforts in 1H 2023

Organised a bento-making session with Muscular Dystrophy Association (Singapore) (MDAS). Beneficiaries assembled bento sets with volunteers and presented them to their caregivers as a gesture of appreciation



Volunteers picked up litter and participated in an educational sharing on single-use plastic, marine biodiversity and sustainable living

Thank You

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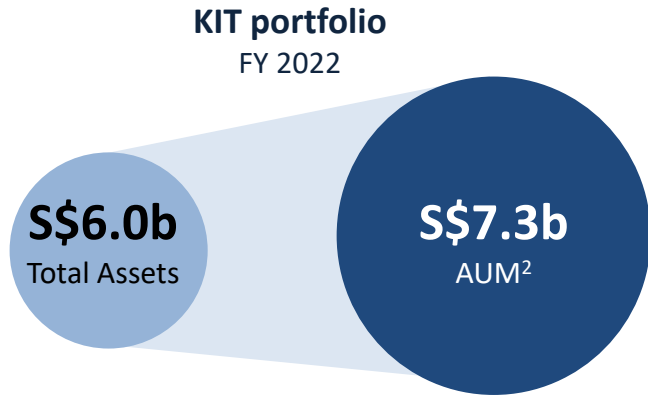
Additional Information



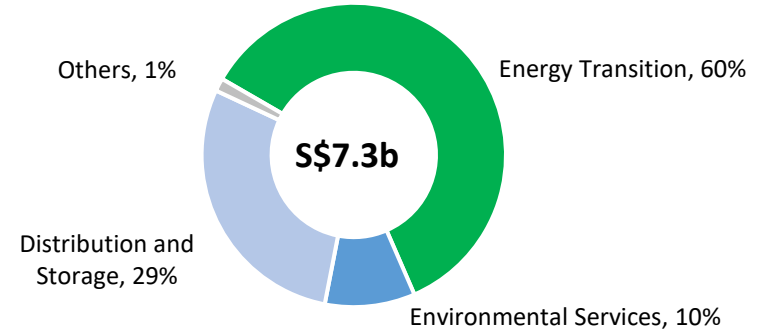
Inaugural Portfolio Valuation

AUM of S\$7.3b for FY 2022

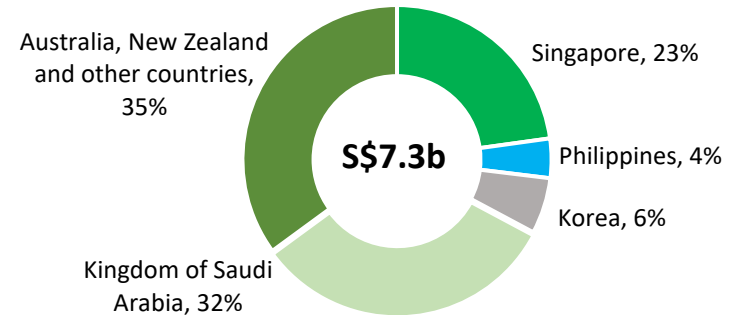
- Improve portfolio transparency and better reflect asset values
- Conducted by independent third-party valuer, Ernst & Young¹
- Reflects enlarged portfolio AUM of \$7.3b for FY 2022



By Business and Assets








By Geography



1. Ixom's valuation is based on KIT's internal valuation, while valuations of the European Onshore Wind Platform, BKR2 and EMK are based on the enterprise value of the acquisitions.








2. Represents KIT's equity stake in the enterprise value of its investments plus cash held at the Trust.

Portfolio Overview as at 30 Jun 2023

		Description	Customer and contract terms	Primary source of cash flows	Total Assets ¹ (\$\$'m)
Energy Transition		City Energy Sole producer and retailer of piped town gas	Over 886,000 commercial and residential customers	Fixed margin per unit of gas sold, with fuel and electricity costs passed through to consumer	2,888.5
		Keppel Merlimau Cogen 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	
		Aramco Gas Pipelines Company Holds a 20-year lease and leaseback agreement over the usage rights of Aramco's gas pipelines network	20 years quarterly tariff from Aramco, one of the largest listed companies globally (A1 credit rating)	Quarterly tariff payments backed by a minimum volume commitment for 20 years with built in escalation	
		European Onshore Wind Platform Initial Portfolio of three wind farm assets in Sweden and Norway with a combined capacity of 258 MW	All electricity produced sold to local grid	Sale of electricity to the local grid	
		BKR2 A 465 MW operating offshore wind farm located in the North Sea off the coast of Germany	20-year power purchase agreement with Orsted till 2038	Operates under the German EEG 2014 with an attractive Feed-in-Tariff and guaranteed floor price till 2038	

1. Based on book value as at 30 June 2023

Portfolio Overview as at 30 Jun 2023

		Description	Customer and contract terms	Primary source of cash flows	Total Assets ¹ (S\$'m)
Environmental Services		Senoko WTE Plant Waste-to-energy plant with 2,310 tonnes/day waste incineration concession	NEA, Singapore government agency - concession until 2024 (Singapore - AAA credit rating)	Fixed payments for availability of incineration capacity	1,193.0
		Tuas WTE Plant Waste-to-energy plant with 800 tonnes/day waste incineration concession	NEA, Singapore government agency - concession until 2034 (Singapore - AAA credit rating)	Fixed payments for availability of incineration capacity	
		Ulu Pandan NEWater Plant One of Singapore's largest NEWater plants, capable of producing 148,000m ³ /day ⁽¹⁾	PUB, Singapore government agency - concession until 2027 (Singapore - AAA credit rating)	Fixed payments for the provision of NEWater production capacity	
		SingSpring Desalination Plant 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) (Singapore - AAA credit rating)	Fixed payments for availability of output capacity	
		EMK Leading integrated waste management services player in South Korea	Variety of customers including government municipalities and large industrial conglomerates	Payments from customers for delivery of products and provision of services based on agreed terms	
Distribution & Storage		Ixom Manufacturer and distributor of water treatment chemicals, industrial and specialty chemicals in Australia and New Zealand	Over 30,000 customers comprising municipals and blue-chip companies	Payments from customers for delivery of products and provision of services based on agreed terms	1,376.4
		Philippine Coastal The largest petroleum products storage facility in the Philippines, located in the tax-friendly Subic Bay Freeport Zone	Blue-chip customers	USD-denominated "take-or-pay" contracts with no direct exposure to petroleum price and volume risk	

1. Based on book value as at 30 June 2023

1H 2023: Distributable Income

\$S'000	Energy Transition	Environmental Services	Distribution & Storage	Corporate ¹	Group
Profit after tax	4,289	(23,873)	36,763	14,712	31,891
Add/(less) adjustments:					
Reduction in concession / lease receivables	30	31,219	-	-	31,249
Transaction costs in relation to acquisition ²	-	-	2,275	(263)	2,012
Tax paid	(2,304)	(1,570)	(25,867)	(86)	(29,827)
Maintenance capex	(882)	(5,604)	(10,359)	-	(16,845)
Non-cash interest	948	648	1,302	328	3,226
Income tax expense	4,668	(3,358)	14,359	399	16,068
Depreciation and amortisation	42,247	38,420	26,704	-	107,371
Share of results of joint venture	(7,712)	-	(1,206)	-	(8,918)
QPDS interest expenses to KIT	34,737	10,244	-	(44,981)	-
Perp securities holder	-	-	-	(13,463)	(13,463)
FFO from joint venture	33,422	-	5,136	-	38,558
Payment of upfront fee and legal fees	(1,350)	-	-	(851)	(2,201)
Other adjustments	21,407	(327)	(5,096)	(1,014)	14,970
NCI	(10,824)	(2,877)	(1,773)	-	(15,474)
Funds from Operations	118,676	42,922	42,238	(45,219)	158,617
Less: Mandatory debt repayment	(44,625) ³	(4,055)	(667)	-	(49,347)
Adjustment for KMC DI	23,621 ³	-	-	-	23,621
Distributable Income	97,672	38,867	41,571	(45,219)	132,891

1. Comprises Trust expenses and distribution paid/payable to perpetual securities holders, management fees and financing costs.

2. Due to one-off acquisition related cost incurred for new investments which are reversed through "Transaction costs in relation to acquisition" to reflect actual funds from operations.

3. KMC's full year computed DI is expected to be negated by the mandatory debt amortisation of \$44.6 million in Jun 2023. For the amortisation of the bond payable at BKR2 in Jan 2023, please refer to the "Prospects" section in the 1H 2023 Condensed Consolidated Interim Financial Statements for details.

1H 2022: Distributable Income

S\$'000	Energy Transition	Environmental Services	Distribution & Storage	Corporate ¹	Group
Profit after tax	(30,573)	(1,973)	35,676	1,215	4,345
Add/ (less) adjustments:					
Reduction in concession / lease receivables	26	30,844	-	-	30,870
Transaction costs in relation to acquisition ²	-	-	5,121	26,704	31,825
Tax paid	(1,008)	(1,516)	(23,688)	(3)	(26,215)
Maintenance capex	(5,080)	(49)	(10,281)	-	(15,410)
Non-cash interest	375	5	1,448	104	1,932
Income tax expense	863	359	12,180	907	14,309
Depreciation and amortisation	40,468	3,715	30,807	-	74,990
Share of results of joint venture	-	-	(4,036)	-	(4,036)
QPDS interest expenses to KIT	34,737	10,244	-	(44,981)	-
Perp securities holder	-	-	-	(13,463)	(13,463)
FFO from joint venture	-	-	4,474	-	4,474
Payment of upfront fee and legal fees	-	-	-	(758)	(758)
Other adjustments	(1,030)	71	(6,183)	(2)	(7,144)
NCI	(2,027)	-	(1,207)	-	(3,234)
Funds from Operations	36,751	41,700	44,311	(30,277)	92,485
Less: Mandatory debt repayment	-	(4,236)	(681)	-	(4,917)
Distributable Income	36,751	37,464	43,630	(30,277)	87,568

1. Comprises Trust expenses and distribution paid/payable to perpetual securities holders, management fees and financing costs.

2. Due to one-off acquisition related cost incurred for new investments which are reversed through "Transaction costs in relation to acquisition" to reflect actual funds from operations.



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