

**PRESS RELEASE**

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**Sembcorp Industries 1H2019 Results****SEMBCORP 1H2019 NET PROFIT UP 20% AT S\$191 MILLION**

**Singapore, August 14, 2019** – Sembcorp Industries (Sembcorp) posted a net profit of S\$191 million for the first half of 2019 (1H2019), up from S\$159 million in 1H2018, on improved performance from the Energy business. Turnover was S\$4.9 billion compared to S\$6.1 billion in 1H2018.

**Quote from Neil McGregor, Group President & CEO of Sembcorp Industries:**

“With year-on-year earnings growth delivered in the first two quarters of the year, Sembcorp Group achieved a net profit growth of 20% in 1H2019, despite the challenging operating environment for the Marine business.

“This performance was underpinned by our Energy business. We continue to make progress in our strategy to reposition the business to become a more sustainable integrated energy player in the global energy transition. Our focus remains on lifting performance, building capabilities and sharpening our competitive edge. We strengthened our renewables portfolio, with our Singapore solar power capacity growing over 40% to 166 megawatt peak and commissioned 200 megawatts of wind assets in India. We are also in the final stages of making a replacement decision on one of our combined heat and power facilities in Singapore to ensure we have a fleet of high efficiency assets to better serve our customers there.”

**BUSINESS UPDATES**

- **The Energy business’ net profit increased by 14% to S\$177 million in 1H2019 compared to S\$155 million in 1H2018, driven mainly by good performance in Southeast Asia (ex-Singapore), China and India.**
  - **Strengthening Singapore home base with integrated energy offering, evaluating investment decision on a new combined heat and power facility**

- Singapore solar power capacity grew by over 40% year-to-date to 166 megawatt peak. Sembcorp is a renewable energy partner to companies in Singapore including YCH Logistics, Cache Logistics Trust, Experia Events and CapitaLand.
  - The nationwide launch of the Open Electricity Market was in May 2019. We have secured 60,000 customers to date.
  - Sembcorp is evaluating an investment decision to replace one of the combined heat and power facilities on Jurong Island with more efficient technology.
  - Major maintenance shutdowns for the power generation assets will take place in the second half of 2019.
- **Profitability in India continued to improve with 1H2019 net profit growing by 46% to S\$35 million**
- An equity injection of S\$101.6 million was undertaken to support the growth of the India renewables business.
  - The business commissioned 200 megawatts out of 550 megawatts of the SECI 2 and SECI 3 wind power projects. SEIL currently has 450 megawatts of operational SECI wind capacity, the largest generating capacity amongst SECI wind developers.
- **The Urban business posted a net profit of S\$18 million compared to S\$45 million in 1H2018**, with stable contribution from Vietnam and lower contribution from China.
- **The Marine business recorded a loss of S\$6 million in 1H2019 compared to S\$32 million net loss in 1H2018**, mainly due to continued lower overall business volume offset by margin recognition from newly secured production floater projects and the delivery of a rig. In June, Sembcorp Industries provided a S\$2 billion subordinated loan facility to Sembcorp Marine to strengthen its financial position.

## FINANCIAL SUMMARY

S\$ million	2Q2019	2Q2018	Δ%	1H2019	1H2018	Δ%
<b>Turnover</b>	<b>2,372</b>	<b>3,344</b>	<b>(29)</b>	<b>4,851</b>	<b>6,102</b>	<b>(21)</b>
<b>Profit from Operations<sup>1</sup></b>	<b>232</b>	<b>192</b>	<b>21</b>	<b>455</b>	<b>405</b>	<b>12</b>
<u>Net Profit</u>						
Energy	92	85	8	177	155	14
Urban	11	35	(69)	18	45	(60)
Other Businesses	7	1	NM	14	(1)	NM
Group Corporate	(6)	(5)	(20)	(12)	(8)	(50)
<b>Net Profit (excluding Marine)</b>	<b>104</b>	<b>116</b>	<b>(10)</b>	<b>197</b>	<b>191</b>	<b>3</b>
Marine	(6)	(34)	82	(6)	(32)	81
<b>Net Profit</b>	<b>98</b>	<b>82</b>	<b>20</b>	<b>191</b>	<b>159</b>	<b>20</b>
<b>EPS (cents)</b>	<b>5.0</b>	<b>3.9</b>	<b>26</b>	<b>9.7</b>	<b>7.6</b>	<b>28</b>

<sup>1</sup> Profit from Operations = Earnings before Interest and Tax + Share of Associates and JVs' results (net of tax)

## INTERIM DIVIDEND

The board of directors announces an interim dividend of 2.0 cents per ordinary share, which will be paid on September 4, 2019.

## GROUP OUTLOOK

The Energy and Urban businesses continue to underpin the Group's performance. The market environment continues to be challenging for the offshore and marine sector and Sembcorp Marine is expecting full year losses. While there are downside risks to global economic growth expectations with heightened policy uncertainty and trade tensions, the Group's diversified business portfolio is expected to provide resilience to weather the prevailing macroeconomic uncertainties.

The Group remains focused on executing strategy, improving performance as well as strengthening its balance sheet, and is on track to deliver on its divestment programme.

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**ABOUT SEMBCORP INDUSTRIES**

Sembcorp Industries is a leading energy, marine and urban development group, operating across multiple markets worldwide.

As an integrated energy player, Sembcorp is poised to benefit from the global energy transition. With a strong track record in developing and developed markets, we provide solutions across the energy and utilities value chain, with a focus on the Gas & Power, Renewables & Environment, and Merchant & Retail sectors. We have a balanced energy portfolio of 12,500 megawatts, including thermal power plants, renewable wind and solar power assets, as well as biomass and energy-from-waste facilities. In addition, Sembcorp is a world leader in offshore and marine engineering, as well as an established brand name in urban development.

Sembcorp Industries has total assets of over S\$24 billion and over 7,000 employees. Listed on the main board of the Singapore Exchange, it is a component stock of the Straits Times Index, several MSCI and FTSE indices, as well as the SGX Sustainability Leaders Index and the Dow Jones Sustainability Asia Pacific Index.