

# Presentation to Investors

London

5 – 6 September 2022

# Vision 2030

*Keppel continues to accelerate the execution of Vision 2030 and enhance resilience amidst a challenging environment, to deliver value for all stakeholders.*

## Driving transformation, sharpening focus

- Completed divestment of Keppel Logistics<sup>i</sup>
- On track with proposed O&M transactions. Anti-trust filings lodged. Working towards completion by end-2022

## Accelerating growth

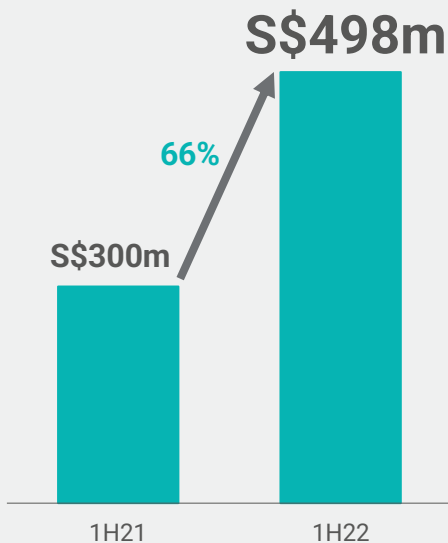
- Developing a leading asset management platform
- Scaling up in renewables, clean energy & decarbonisation solutions

## Driving value creation

- Strong progress in asset monetisation, ahead of target

# Delivering strong performance in 1H22

## Net profit



## Annualised ROE

**8.4%**

53% increase from 5.5% for 1H21

## Net gearing

**0.68x**

Unchanged from 0.68x at end-2021

## Free cash outflow

**S\$127m**

Compared to inflow of S\$499m in 1H21

## Interim dividend

**15.0 cts/share**

Compared to 12.0 cts/share for 1H21

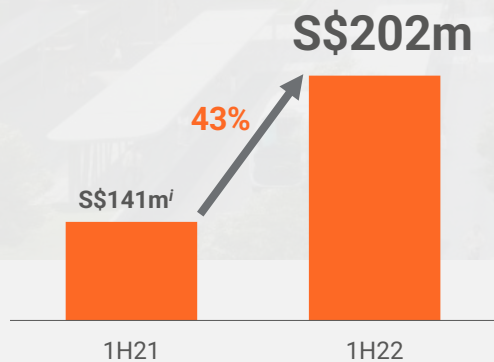
## Share buyback programme

**S\$364m**

57 million shares repurchased in 1H22, since launch of S\$500m Share Buyback Programme in Jan 2022

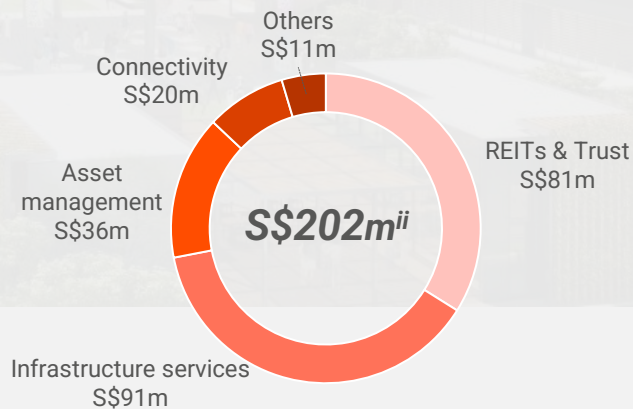
# Growing recurring income in line with Vision 2030

Recurring income grew 43% yoy in 1H22



<sup>i</sup> The recurring income in 1H21 has been restated as Keppel O&M's income is classified as discontinued operations

Recurring income in 1H22



<sup>ii</sup> Includes losses from Rental & Charter and Hospitality in 1H22

# Strong progress with asset monetisation

*Capital unlocked will be used to fuel organic and inorganic growth plans and reward shareholders.*

**S\$3.6b<sup>i</sup>**

of asset monetisation announced since Oct 2020. Includes S\$355m from Keppel Marina East Desalination Plant which is being monetised through Keppel Infrastructure Trust

**S\$2.9b**

in cash received from Oct 2020 to end-1H22

**>S\$5b**

On track to exceed S\$5b target by end-2023



Keppel Marina East Desalination Plant, Singapore

# Growing Asia's leading asset management platform

Harnessing Keppel's strong engineering, project execution and operating capabilities, Asset Management is an increasingly pivotal horizontal that pulls the Group together to hunt as a pack and realise synergies.

## \$S\$3.3b

of acquisitions and divestments completed in 1H22

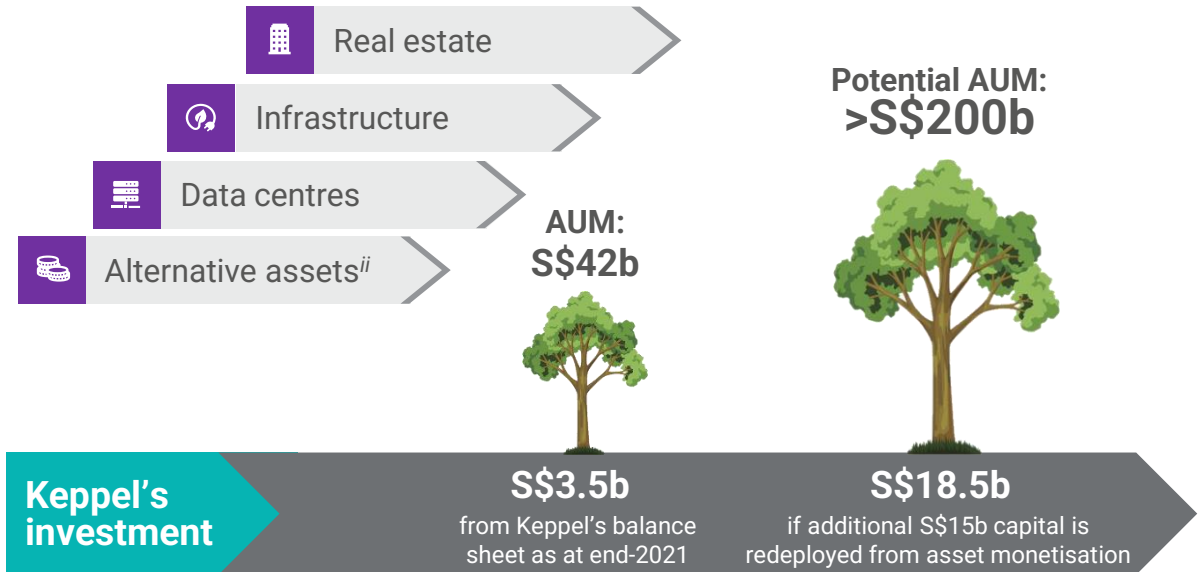
## \$S\$126m

Asset management fees<sup>i</sup> grew 14% for 1H22

## New flagship funds

Plans in progress to launch Keppel Core Infrastructure Fund and Keppel Sustainable Urban Renewal Fund

## Accelerating AUM and recurring income growth



# Seizing opportunities as OneKeppel in growing energy & environment business

Joint investments announced YTD  
**> S\$2.4b**

- ✓ Expanding sources of stable recurring income
- ✓ Strong deal flow pipeline in well-established markets, with best-in-class operators and co-investors
- ✓ Optimising value creation for the Group's diverse stakeholders



Keppel Corporation and KIT acquiring interests in European onshore and offshore wind energy assets for S\$679m



Keppel Infrastructure and KAIF developing Singapore's first hydrogen-ready power plant with a total investment of S\$750m

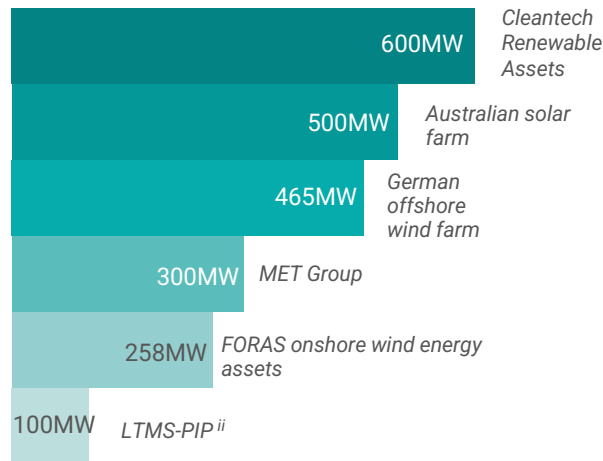


Keppel Infrastructure, KIT and KAIF acquiring leading South Korean waste management services platform for S\$666m



Keppel Infrastructure and KAIF acquiring interests in 800 Super, a Singapore environmental services company, for S\$304m

## Renewable energy portfolio<sup>i</sup> ~2.2GW



Note: KIT refers to Keppel Infrastructure Trust; KAIF refers to Keppel Asia Infrastructure Fund LP

<sup>i</sup> On a gross basis and includes projects under development

<sup>ii</sup> LTMS-PIP stands for Lao PDR-Thailand-Malaysia-Singapore Power Integration Project

# Scaling up in renewables, clean energy & decarbonisation solutions

- Keppel Electric is the first entity in Singapore to be issued electricity importer licence by Energy Market Authority
- Commenced first renewable energy import under two-year 100MW power purchase agreement with Electricite Du Laos under LTMS-PIP<sup>i</sup>
- Collaborating with National Environment Agency on feasibility study of carbon capture at Singapore's WTE plants
- Piloting Singapore's first membrane-based nearshore floating solar photovoltaic system at Jurong Island

<sup>i</sup> LTMS-PIP stands for Lao PDR-Thailand-Malaysia-Singapore Power Integration Project

## Hydrogen



## Energy-as-a-Service

## EV Charging



## Carbon Capture



# Advancing transformation of Keppel Land into an asset-light urban space solutions provider

## Accelerating landbank monetisation

*Working to substantially monetise China and Vietnam landbank in the next 1-2 years, including through injection into Keppel-managed funds*



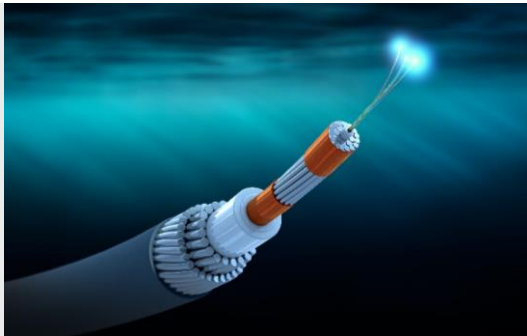
- Pivoting towards real estate-as-a-service with focus on growing recurring income
- Exploring pipeline of sustainable urban renewal and senior living projects across key markets
- Despite headwinds in China, remain confident of long-term prospects underpinned by continued economic growth and urbanisation trends

# Scaling up sustainable data centre solutions and subsea cable systems



## Data Centres

- 3 projects announced by Keppel DC REIT and Keppel Data Centre Fund II YTD, bringing Group's portfolio to 32 data centres upon completion of acquisitions
- Embarked on Group's 6th project in China since entering the market in 2020
- Continue to work with government and partners in Singapore to introduce green power and energy efficient infrastructures to new and existing data centres



## Bifrost Cable System

- Strong demand for Bifrost Cable System, with 3 of Keppel's fibre pairs committed
- Marine surveys completed; applying for permits for cable lay operations
- Expect to commence cable lay operations in early 2023 and Bifrost Cable System to be ready for service in 2024

# M1 continues to expand the enterprise business and 5G offerings

## 5G connectivity solutions

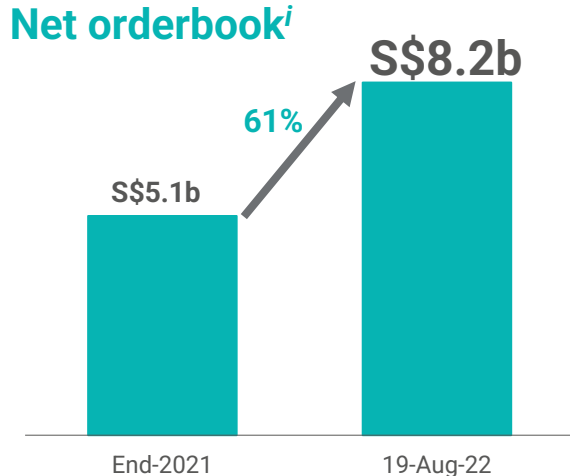
*Progressing well on 5G SA network rollout - achieved more than 80% outdoor coverage and working towards nationwide outdoor coverage by early 2023*



- Postpaid customer base grew to ~1.78 million customers, 2nd largest in Singapore
- Improving roaming and prepaid business outlook with progressive reopening of economies
- Collaborating with other Keppel business units and industry partners to create smarter, future-ready solutions and more 5G use cases

# Improving O&M business

Outlook for O&M sector continues to improve with the increase in oil price.



*Orderbook backed by high-quality projects that are either cashflow neutral or positive*

## YTD contract wins of S\$4.2b

Includes P-80 FPSO project for Petrobras; in advanced discussion on option for another FPSO worth US\$2.8b

## Strong project execution and delivery

P-78 Petrobras project on track and within budget, and has been contributing to earnings



## S\$255m of bareboat charter contracts

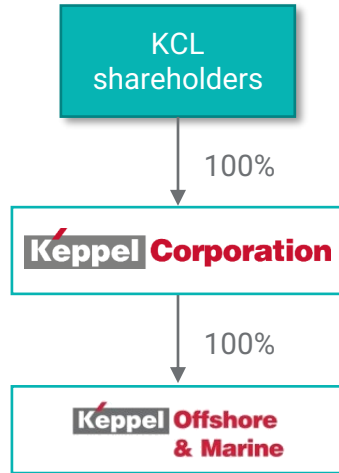
- Secured bareboat charter contracts for 4 jackups; engaging potential buyers for rig assets
- Confident of substantially monetising Keppel O&M's legacy rigs in next 3-5 years

<sup>i</sup>Excludes semis for Sete Brasil

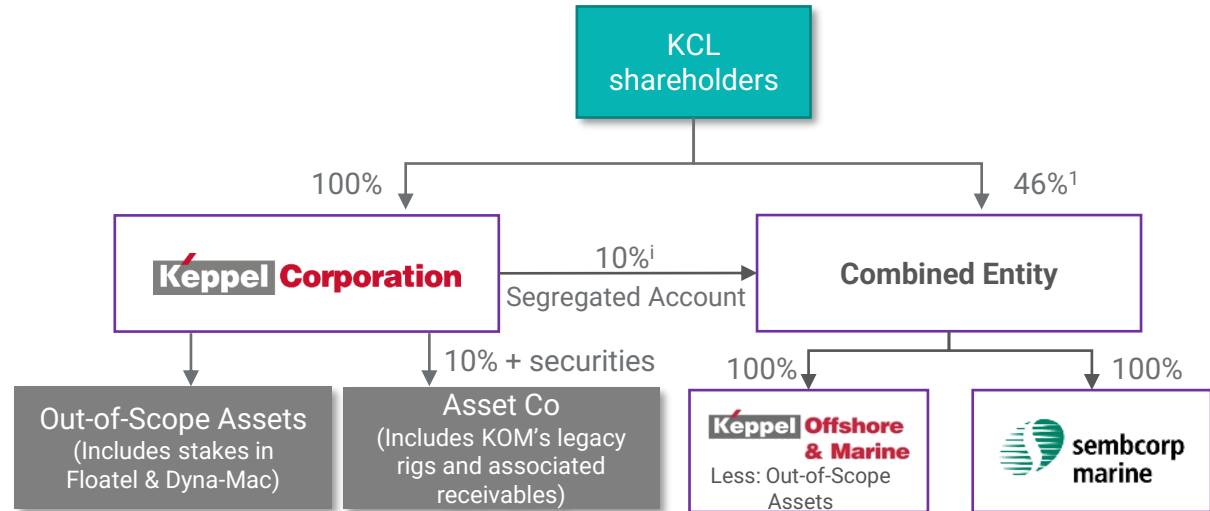
# Proposed combination of Keppel O&M and Sembcorp Marine on track

Anti-trust filings lodged; working towards completion by end-2022

## Current structure



## Post-transaction structure



- KOM (excluding KOM's legacy rigs & associated receivables and certain Out-of-Scope assets e.g. Floatel and Dyna-Mac) will combine with SCM
- KCL will receive 56% stake in Combined Entity and S\$0.5b in cash. KCL will distribute in-specie 46% stake in Combined Entity to KCL's shareholders ("DIS")
- KOM's legacy rigs and associated receivables will be sold to a new and separate entity ("Asset Co"), which will be 90%-owned by external investors

# Realisable value from proposed O&M transactions

	Value (S\$'m)	Value per Share <sup>i</sup>
AssetCo <sup>ii</sup>	4,050	S\$2.29
Shares in Combined Entity based on Sembcorp Marine shares' VWAP as at signing date <sup>iii</sup>	4,874	S\$2.75
S\$500m Cash	500	S\$0.28
<b>Realisable Value from Proposed O&amp;M Transactions</b>	<b>9,424</b>	<b>S\$5.32</b>
Out-of-Scope Assets <sup>iv</sup>	c.300	S\$0.17
<b>Total Value of Keppel's O&amp;M Business</b>	<b>9,724</b>	<b>S\$5.49</b>

The information presented above ("**Relevant Information**") is for information only and should not be used or considered as (1) an invitation, solicitation or offer to buy, sell or subscribe for securities or other financial instruments of the Group or (2) advice with respect to dealings in such securities or other financial instruments. The Company does not make any representation or warranty that the Relevant Information is free from error. The Relevant Information has been prepared using data currently available to the Company, which may change and the Company does not accept any responsibility to update the Relevant Information. The Company does not accept any liability (however arising) from any use or reliance of the Relevant Information. You should exercise judgment in your own financial decisions. If in doubt, please consult with your professional advisers.

<sup>i</sup> Per share value is calculated based on 1,770,895,935 Keppel Corporation shares in issue (excluding treasury shares) as at 30 June 2022.

<sup>ii</sup> This is computed on a pro forma basis, based on carrying values of the legacy rigs and associated receivables as at 31 December 2021. The actual value of the consideration will be based on the carrying values of these assets at the date of completion of the sale.

<sup>iii</sup> As per the Media Release on the proposed combination of Keppel O&M and Sembcorp Marine on 27 April 2022. An assumed issue price of the Combined Entity shares of S\$0.122 per share is used for this illustration of value which is based on the volume-weighted average price ("VWAP") of the Sembcorp Marine shares for the last 10 trading days up to and including 26 April 2022 (signing date), and assuming a total of 39,949,762,557 new Combined Entity Shares (representing 56% of the issued and paid-up share capital of the Combined Entity) to be issued to Keppel on completion of the proposed transaction. The actual issue price of the Combined Entity Shares would be determined subsequently by the Combined Entity and may differ from the aforementioned issue price of S\$0.122 per share. The actual value of the consideration will depend on the actual traded price of the Combined Entity after the completion of the deal.


<sup>iv</sup> This is computed on a pro forma basis, based on carrying values of the assets as at 31 December 2021.




Keppel will be a focused provider of sustainable urbanisation solutions, with an **asset management** arm, complemented by strong engineering, operations and maintenance capabilities in **energy & environment, urban development** and **connectivity**.



Sustainability



Asset light



Technology

# Disclaimer

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF THAT JURISDICTION. THIS PRESENTATION SHALL NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO SELL, SUBSCRIBE FOR OR BUY SECURITIES IN ANY JURISDICTION, INCLUDING IN THE UNITED STATES.

*This presentation is for information purposes only and does not have regard to your specific investment objectives, financial situation or your particular needs. Any information in this presentation is not to be construed as investment or financial advice and does not constitute an invitation, offer or solicitation of any offer to acquire, purchase or subscribe for securities or other financial instruments in Keppel Corporation Limited ("Keppel"). The past performance of Keppel is not indicative of the future performance of Keppel. You should exercise judgment in your own financial decisions. If in doubt, please consult with your professional advisers.*

*This presentation contains information on the proposed combination of Keppel Offshore & Marine Ltd ("Keppel O&M") and Sembcorp Marine (the "Proposed Combination") and should be read in conjunction with the joint announcement released by Keppel and Sembcorp Marine Ltd ("Sembcorp Marine") on 27 April 2022 in relation to the proposed combination of Keppel O&M and Sembcorp Marine (the "Joint Announcement") and the announcement released by Keppel on 27 April 2022 in relation to the Proposed Combination (the "Keppel Announcement"). Copies of the Joint Announcement and the Keppel Announcement are available on the website of the SGX-ST at <http://www.sgx.com>.*

*Certain statements in this presentation may constitute "forward-looking statements", including forward-looking financial information. Such forward-looking statements and financial information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Keppel or industry results, to be materially different from any future results, performance or achievements, expressed or implied by such forward-looking statements and financial information. Representative examples of these factors include (without limitation) general industry and economic conditions, capital availability, competition from similar developments, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. Such forward-looking statements and financial information are based on numerous assumptions regarding Keppel's present and future business strategies and the environment in which Keppel will operate in the future. Actual future performance, outcomes and results may differ materially from these forward-looking statements and financial information. As these statements and financial information reflect management's current views concerning future events, these statements and financial information necessarily involve risks, uncertainties and assumptions. These forward-looking statements speak only as at the date of this presentation. No assurance can be given that future events will occur, or that assumptions are correct. You are cautioned not to place undue reliance on these forward-looking statements.*

*No representation or warranty express or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Neither Keppel nor any of its affiliates or representatives or Keppel's advisers (including J.P. Morgan) shall have any liability whatsoever for any loss howsoever arising, whether directly or indirectly, from any use of, reliance on or distribution of this presentation or its contents or otherwise arising in connection with this presentation. None of Keppel nor its affiliates or representatives or Keppel's advisers (including J.P. Morgan) undertakes any obligation to update publicly or revise any forward-looking statements.*

*The information and opinions contained in this presentation are subject to change without notice.*