



1Q2014 Results Announcement

May 6, 2014

© Sembcorp Industries 2014

1Q2014 Performance Round-up



Turnover at S\$2.6 billion, up 12%

Profit from Operations at S\$300.9 million, down 4%

Net Profit at S\$184.8 million, up 5%

EPS at 10.3 cents

ROE (annualised) at 13.5%

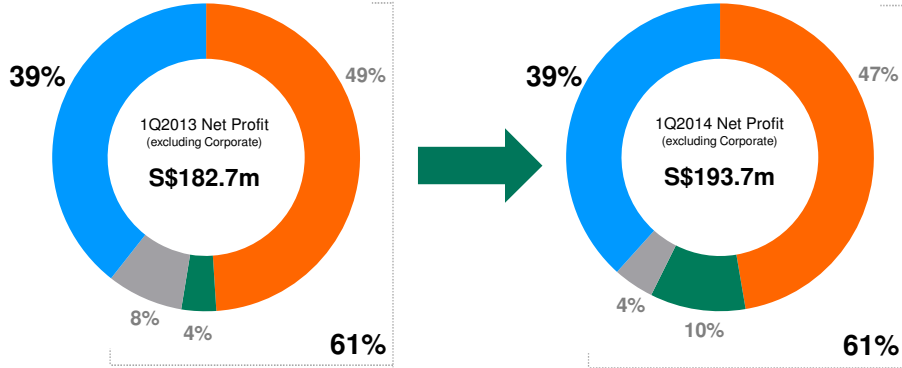
© Sembcorp Industries 2014

2

Group Net Profit Mix



- ▶ Utilities
- ▶ Marine
- ▶ Urban Development
- ▶ Other Businesses

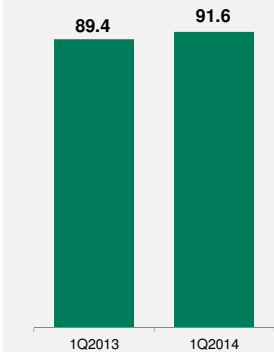


Utilities



Building the foundation for long-term growth

Net Profit
S\$91.6 million ↑ 3%



Highlights



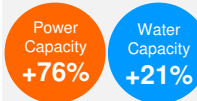
Utilities delivers 1Q2014 net profit of S\$91.6 million, up 3%

- Contribution from China operations increases 33% to S\$16.7 million
- Singapore net profit at S\$52.8 million, comparable to 1Q2013 net profit



Singapore and India power projects on track to commence operations in 2014

- Sembcorp Cogen @ Banyan (SINGAPORE)
 - Achieved mechanical completion
 - Commissioning in progress: Synchronised with the grid. Able to deliver full load according to design requirements
 - COD: mid-2014
- TPCIL (INDIA)
 - Over 90% complete
 - COD 1st unit: 4Q2014 / 2nd unit: 1H2015



Strong development pipeline to come onstream from 2014 to 2016

- Gross power capacity to increase by 3,000 MW to 7,300 MW
- Gross water and wastewater treatment capacity to increase by 1.5 million m³/day to 8.6 million m³/day

Utilities



A Global Leader in Total Water Solutions for Industries

- Sembcorp China wins “leader in wastewater treatment for chemical industrial parks” category in the recent China Water Industry Annual Award
- Changzhi Total Water Management Plant designated as joint showcase by the governments of China and Singapore for integrated water management
 - 1.2 million m³/day capacity plant serving China’s first large-scale coal-to-diesel plant: 1 mtpa coal-to-diesel plant owned by Shanxi Lu’an Group
 - Provides total water solutions for industries (from industrial water supply, high concentration and high salinity wastewater treatment to water reclamation), meeting stringent environmental standards
 - Optimises water re-use and aims to achieve “zero-liquid discharge” -- protecting the environment and conserving water resources



Located in 11 leading chemical and petrochemical parks in China

- | | | |
|--|--|---|
| 1 Shanghai Chemical Industrial Park | 5 Fushun Hi-Tech Industrial Zone | 9 Caofieldan Chemical Industrial Park |
| 2 Nanjing Chemical Industrial Park | 6 Panjin Fine Chemical Industrial Park | 10 Jingmen Chemical Industrial Park |
| 3 Zhangjiagang Free Trade Zone | 7 Wangqiao Industrial Park (Changzhi) | 11 Qinzhou Port Economic & Technological Zone |
| 4 Qidong Lvsi Port Economic Development Zone | 8 Tianjin Harbour Economic Area | |

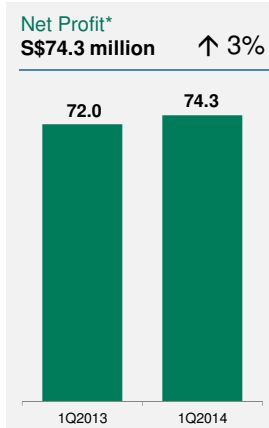
© Sembcorp Industries 2014

5

Marine



Strong orderbook



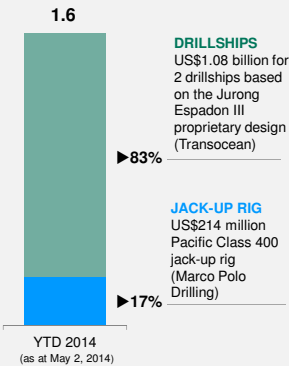
*Sembcorp’s share of Marine’s net profit

© Sembcorp Industries 2014

Contracts Secured (as at May 2, 2014)

S\$1.6 billion (US\$1.3 billion)

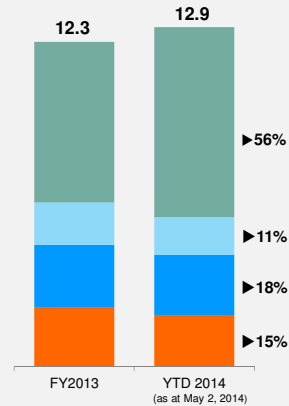
- ▶ Drillships
- ▶ Jack-up Rig



Net Orderbook (as at May 2, 2014)

S\$12.9 billion
with completions & deliveries till 2019

- ▶ Drillships
- ▶ Semi-submersible Rigs
- ▶ Jack-up Rigs
- ▶ Conversion/Offshore & Platforms



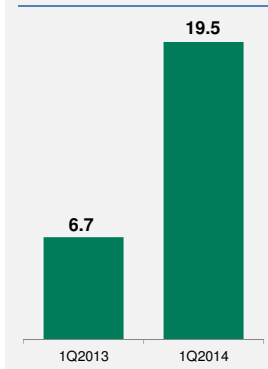
6

Urban Development



Strong land sales

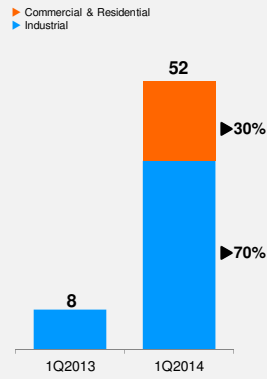
Net Profit
S\$19.5 million ↑ 192%



Land Sales

52 hectares

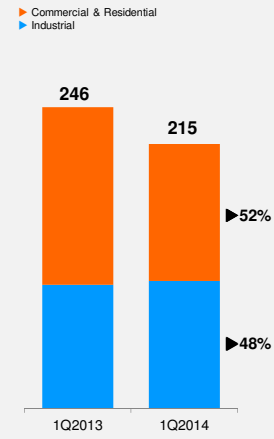
- Strong take-up from projects in Quang Ngai (Vietnam) and Nanjing (China)



Net Orderbook

215 hectares

- Remaining land available for sale: 3,685 ha



© Sembcorp Industries 2014

7



Financial Review

© Sembcorp Industries 2014

Group Profit & Loss



(S\$M)	1Q14	1Q13	Δ%
Turnover	2,627	2,350	12
EBITDA ¹	324	351	(8)
Profit from Operations	301	313	(4)
EBIT	248	276	(10)
Share of results: Associates & JVs	53	37	42
Net Finance Cost	(13)	(34)	61
Finance costs	(18)	(36)	49
Finance income	5	2	159
PBT	288	279	3
Tax	(43)	(46)	8
Non-Controlling Interests	(60)	(56)	(7)
Net Profit	185	177	5
EPS (cents)	10.3	9.9	4

Note: Following the initial public offering of Sembcorp Salalah Power and Water Company SAOC ("Salalah") in September 2013, Sembcorp's shareholding in Salalah was reduced from 60% to 40%. Consequently, Salalah was accounted for under the equity method as an associate, resulting in the deconsolidation of its financials from Sembcorp's turnover, EBITDA, EBIT and finance costs.

¹ EBITDA excludes major non-cash items such as the effects of fair value adjustments, re-measurements, impairments and write-offs.

Group Turnover



(S\$M)	1Q14	1Q13	Δ%
Utilities	1,214	1,249	(3)
Marine	1,334	1,049	27
Urban Development ¹	1	2	(28)
Other Businesses	78	50	55
TOTAL TURNOVER	2,627	2,350	12

¹ Urban Development businesses comprise mainly associates or joint ventures which are accounted for under the equity method. The turnover reflected was derived from providing services to these associates or joint ventures.

Group Profit from Operations (PFO)



(S\$M)	1Q14	1Q13	Δ%
Utilities	121.1	145.0	(17)
Marine	154.3	148.5	4
Urban Development	20.2	7.3	177
Other Businesses	9.8	13.5	(27)
Corporate	(4.5)	(1.0)	(329)
TOTAL PFO	300.9	313.3	(4)

Group Net Profit

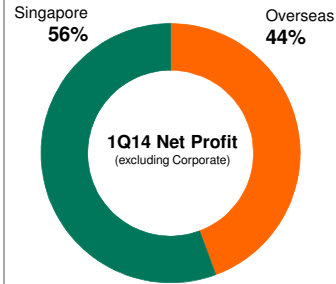


(S\$M)	1Q14	1Q13	Δ%
Utilities	91.6	89.4	3
Marine	74.3	72.0	3
Urban Development	19.5	6.7	192
Other Businesses	8.3	14.6	(44)
Corporate	(8.9)	(5.8)	(54)
TOTAL NET PROFIT	184.8	176.9	5

Utilities Net Profit



By Geography (\$M)	1Q14	1Q13	Δ%
Singapore ¹	52.8	52.3	1
Rest of ASEAN, Australia & India	12.2	10.2	20
China	16.7	12.5	33
Middle East & Africa	7.0	7.5	(7)
UK	3.8	6.4	(42)
The Americas	2.2	2.2	-
Corporate	(3.1)	(1.7)	(82)
TOTAL NET PROFIT	91.6	89.4	3



¹ Singapore: Net Profit breakdown	1Q14	1Q13	Δ%
Energy	37.1	39.2	(5)
Water	7.2	6.7	7
On-site Logistics & Solid Waste Management	8.5	6.4	33

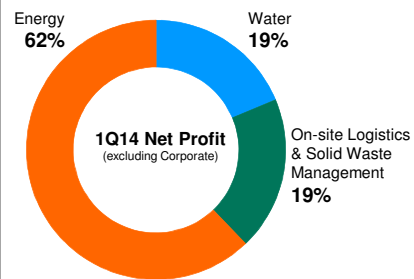
© Sembcorp Industries 2014

13

Utilities Net Profit



By Product Segment (\$M)	1Q14	1Q13	Δ%
Energy	59.2	56.1	6
Water	17.6	17.8	(1)
On-site Logistics & Solid Waste Management	17.9	17.2	4
Corporate	(3.1)	(1.7)	(82)
TOTAL NET PROFIT	91.6	89.4	3



© Sembcorp Industries 2014

14

Group Capex and Equity Investment



(S\$M)	1Q14	1Q13
Capital Expenditure		
- Utilities	43.2	115.2
- Marine	169.8	93.8
- Other Businesses	1.3	1.2
	214.3	210.2
Equity Investment		
- Utilities	136.6	71.5
- Marine	-	1.4
- Urban Development	-	69.0
	136.6	141.9

Group Free Cash Flow



(S\$M)	1Q14	1Q13
CASH FLOW FROM OPERATING ACTIVITIES		
- before changes in working capital	330	359
- changes in working capital	486	9
- tax paid	(21)	(18)
	795	350
CASH FLOW FROM INVESTING ACTIVITIES		
- divestments, dividend and interest income	41	7
- investments and capex	(421)	(330)
	(380)	(323)
- Add back: expansion capex	313	326
FREE CASH FLOW	728	353

Group Borrowings



(\$M)	Mar 31,14	Dec 31,13
PF ¹ loans	247	243
Non-Project Finance loans		
- Long-term	1,443	1,264
- Short-term	457	392
Loans due to NCI ²		
- Long-term	8	8
Gross	2,155	1,907
Less: Cash and cash equivalents	(2,881)	(2,256)
Net Debt / (Cash)	(726)	(349)
Net Gearing Ratio	Net cash	Net cash
Exclude PF¹		
Net Debt / (Cash)	(972)	(591)
Net Gearing Ratio	Net Cash	Net Cash

¹ PF: Non-recourse project financing

² NCI: Non-controlling interests

© Sembcorp Industries 2014

17

Group Borrowings



(\$M)	Mar 31,14	Dec 31,13
Sembcorp Group excluding Marine		
Debt		
Non-Project Finance loans	1,089	1,090
PF ¹	247	243
Loans due to NCI ²	8	8
	1,344	1,341
Less: Cash and cash equivalents	(598)	(561)
Net Debt / (Cash)	746	780
Sembcorp Marine		
Debt – Non-Project Finance loans	811	566
Less: Cash and cash equivalents	(2,283)	(1,695)
Net Debt / (Cash)	(1,472)	(1,129)

¹ PF: Non-recourse project financing

² NCI: Non-controlling interests

© Sembcorp Industries 2014

18

Financial Indicators



	1Q14	1Q13	FY13
EPS (cents)	41.0*	39.6*	45.7
ROE (%)	13.5*	14.6*	17.1
ROTA (%)	7.5*	8.2*	9.1
Interest Cover (times)	17.8	9.8	12.5
Per Share			
NAV (S\$)	3.04	2.62	2.93
Economic Value Added			
EVA (S\$M)	115.6	131.5	619.5

* Annualised

Group Outlook



Utilities

In 2014, Utilities' underlying core business is expected to deliver a steady performance compared to 2013.

2014 will see continued growth from our overseas operations. Strategically positioned in key emerging markets, the business continues to focus on its significant growth in capacity.

Marine

The Marine business has a net orderbook of S\$12.9 billion with completion and deliveries stretching into 2019. The Transocean contract to build two Jurong Espadon III proprietary design drillships is a strong endorsement of Marine's strategy to deepen, broaden and strengthen its product offering to capture this growing market segment.

Demand at the new Sembmarine Integrated Yard @ Tuas continues to be strong, while construction of its wholly-owned shipyard in Brazil remains on track to commence initial operations in the second half of 2014 and is scheduled for completion in 2015.

While enquiry levels remain healthy, competition is keen and intense, exerting pressure on margins.

Group Outlook



Urban Development

The Urban Development business is expected to deliver a better performance in 2014, underpinned by land sales in its urban developments in China and Vietnam.

Group

With a strategic presence in key emerging markets, significant growth in capacity and a strong Marine orderbook, Sembcorp is well-positioned to deliver sustainable long-term growth.



Vital Partners. Essential Solutions.

Disclaimer



This presentation contains certain statements that are not statements of historical fact, i.e. forward-looking statements. These forward-looking statements are based on current expectations, projections and assumptions about future events. Although Sembcorp Industries believes that these expectations, projections and assumptions are reasonable, these forward-looking statements are subject to the risks (whether known or unknown), uncertainties and assumptions about Sembcorp Industries and its business operations, such as (without limitation) the general economic and business conditions in Singapore, the Asia-Pacific region and elsewhere; currency fluctuations between the Singapore dollar and other currencies; governmental, statutory, regulatory or administrative initiative affecting our business; industry trends; future levels and composition of our assets and liabilities; future profitability of our operations; competition; changes in Singapore tax or similar laws or regulations; changes in, or the failure to comply with, governmental regulations, including exchange control regulations, if any.

You are advised not to place undue reliance on these forward-looking statements as the forward-looking events referred to in this presentation may differ materially or not occur due to these risks, uncertainties and assumptions.

Investors should assume that the information in this presentation is accurate only as of the date it is issued. Sembcorp Industries has no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.



Appendix

Utilities Turnover



By Geography (\$M)	1Q14	1Q13	Δ%
Singapore	1,035.7	1,026.7	1
Rest of ASEAN, Australia & India	1.3	3.3	(60)
China	34.7	25.9	34
Middle East & Africa	22.1	62.6	(65)
UK	116.7	119.6	(2)
The Americas	12.1	12.4	(2)
Corporate	0.2	7.8	(97)
TOTAL TURNOVER	1,222.8	1,258.3	(3)

Note: Figures are stated before intercompany eliminations

Utilities Profit From Operations (PFO)



By Geography (\$M)	1Q14	1Q13	Δ%
Singapore	73.0	72.9	-
Rest of ASEAN, Australia & India	12.2	10.6	15
China	19.5	15.3	27
Middle East & Africa	8.2	30.0	(73)
UK	8.5	12.1	(30)
The Americas	1.7	2.9	(40)
Corporate	(2.0)	1.2	NM
TOTAL PFO	121.1	145.0	(17)

Utilities Turnover



By Product Segment (\$M)	1Q14	1Q13	Δ%
Energy	1,026.2	1,050.7	(2)
Water	109.3	117.5	(7)
On-site Logistics & Solid Waste Management	87.1	82.3	6
Corporate	0.2	7.8	(97)
TOTAL TURNOVER	<u>1,222.8</u>	<u>1,258.3</u>	(3)

Note: Figures are stated before intercompany eliminations

Utilities Profit From Operations (PFO)



By Product Segment (\$M)	1Q14	1Q13	Δ%
Energy	74.9	88.2	(15)
Water	26.9	35.2	(24)
On-site Logistics & Solid Waste Management	21.3	20.4	4
Corporate	(2.0)	1.2	NM
TOTAL PFO	<u>121.1</u>	<u>145.0</u>	(17)