

## **Address by Mr Loh Chin Hua, CEO of Keppel Ltd.**

### **FIRST HALF ENDED 30 JUNE 2026**

#### **Growing the New Keppel**

The New Keppel<sup>1</sup> delivered strong results in the first half of 2026 amidst a highly volatile global environment. Despite geopolitical tensions, the demand for sustainable digital and energy infrastructure continues to rise with accelerating AI adoption. With our integrated ecosystem spanning capital, digital infrastructure and power, Keppel is well-positioned to capture opportunities in this growing market.

The New Keppel delivered net profit of S\$530 million in the first half of 2026, up 25% year on year (yoy). This was driven by strong contributions from sponsor stakes and co-investments, as well as higher recurring income from asset management and our operating platform.

We also made significant progress on our two strategic priorities. We surpassed our end-2026 target of S\$100 billion Funds under Management (FUM)<sup>2</sup> ahead of schedule, reaching S\$106 billion in July. In addition, we announced about S\$1.7 billion of asset monetisation<sup>3</sup> year to date, on track towards our full year target of S\$2 to S\$3 billion.

We also achieved key operating milestones across digital and energy infrastructure, with Bifrost fully commercialised, while the Keppel Sakra Cogen Plant – Singapore's first hydrogen-compatible and most advanced power plant – has commenced operations. Both assets are now contributing to Keppel's growing base of recurring income.

#### **Robust earnings growth**

In 1H 2026, our recurring income expanded by 13% yoy to S\$467 million.

Starting from 1H 2026, we will separately disclose profit contributions from our sponsor stakes and co-investments<sup>4</sup>, or SSCI, to provide greater clarity on the New Keppel's performance. The new reporting approach mirrors our business model, where profits

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<sup>1</sup> Excludes the Non-Core Portfolio for Divestment and Discontinued Operations.

<sup>2</sup> Gross asset value of investments and uninvested capital commitments on a leveraged basis is used to project fully-invested FUM. Leverage is defined as total debt over gross asset value. For the private funds, the typical leverage is not more than 60% on a portfolio basis. It includes 100% of FUM managed by subsidiary managers, joint ventures and associated entities, as well as share of FUM based on shareholding stake in associate with which Keppel has strategic alliance. FUM is reported in SGD based on closing exchange rates at the end of the reporting period.

<sup>3</sup> Monetisation deals that are announced but may not have been completed. Refers to the gross consideration value from such sales and net debt that is deconsolidated from Keppel's balance sheet as a result.

<sup>4</sup> Refers to Keppel's sponsor stakes in and co-investments alongside with listed REITs/Trust, private funds and separately managed accounts that Keppel manages.

are earned as an asset manager; as a co-investor in our funds, REITs and Trust alongside our Limited Partners (LPs) and unitholders; and as an operator.

Beyond aligning our interests with those of our LPs, SSCI also provides an important source of earnings and cash flows for the Company. In 1H 2026, profit from SSCI increased significantly to S\$175 million, compared to S\$18 million in 1H 2025. As our FUM expands, SSCI will become an increasingly significant pillar of the New Keppel's earnings and growth.

In the first half of 2026, the Non-Core Portfolio<sup>5</sup> recorded a net loss of S\$375 million, due mainly to impairments taken for our legacy rigs, interest costs attributable to the legacy rigs, as well as depreciation and amortisation adjustments with the termination of the M1 Telco sale.

Including these accounting losses, the Company's overall net profit for the period was S\$155 million.

### **Improved financial position**

Importantly, our financial position continued to strengthen. Our free cash flow swung from an outflow of S\$48 million in 1H 2025 to an inflow of S\$570 million.

The New Keppel's annualised Return on Equity (ROE)<sup>6</sup> improved to 15% in 1H 2026, compared to 14.7% in 1H 2025, while the Net Debt to EBITDA<sup>7</sup> remained steady at 1.4x.

Across Keppel, AI is increasingly embedded into our investment, asset management and operating activities. This, coupled with continued streamlining, has contributed to over S\$100 million in recurring annual run-rate cost savings. We are also using AI to improve our value proposition to our customers and LPs, expand revenue opportunities, and look for new profit pools.

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<sup>5</sup> Mainly the legacy O&M assets, residential landbank, selected property developments and investment properties, hospitality and logistics assets, associated cash and receivables, M1 Telco and other non-core investments that are not aligned with Keppel's strategic focus as an asset-light global asset manager and operator. Metrics relating to the New Keppel exclude the effects of Non-Core Portfolio for Divestment and Discontinued Operations.

<sup>6</sup> Net profit attributable to shareholders divided by average shareholders' funds. ROE of the New Keppel refers to the return generated on the average shareholders' funds of the New Keppel, i.e. excluding equity that is attributable to the Non-Core Portfolio for Divestment. Average shareholders' funds is the simple average of shareholders' funds at the start and the end of the relevant financial period.

<sup>7</sup> Net debt is defined as borrowings and lease liabilities less cash. EBITDA refers to profit before depreciation, amortisation, net interest expense and tax i.e. it includes share of results of associates and joint ventures. Bifurcation into the New Keppel and Non-Core Portfolio for Divestment is based on entities and the debt associated with each of these segments follows the debt in the respective entities within the segments. Net debt to EBITDA of the New Keppel is computed based on the net debt of entities within the New Keppel and the EBITDA for the New Keppel. Vice versa for Non-Core Portfolio for Divestment.

Reflecting confidence in the Company's progress, the Board has declared an interim cash dividend of 15.0 cents per share for 1H 2026, unchanged from a year ago, which will be paid out on 21 August 2026.

### **Accelerating asset monetisation**

We have made good progress in the monetisation of non-core assets. The rig transaction announced earlier this week is significant. We have secured a US\$1.5 billion commitment from our LP, Apollo, to the Keppel Offshore Fund, creating a clear pathway to monetise up to S\$3.7 billion<sup>8</sup> of legacy rigs, while expanding our FUM and fee income. The divestment of the first six operational rigs is expected to generate cash proceeds of about S\$611 million this year. As the remaining four rigs are completed, they can be divested to the Fund, unlocking another approximately S\$1.3 billion in cash over 2027 and 2028. This will not only improve our gearing but also release funds for higher-return opportunities and to reward shareholders.

As at end-June 2026, we had completed and realised<sup>9</sup> monetisation of non-core assets of approximately S\$560 million, a portion of which would fund special dividends for the full year. At the same time, the gross asset value of the Non-Core Portfolio, including M1's telco business, was S\$13.7 billion<sup>10</sup>. These figures do not yet reflect the transactions announced in July.

### **Reaching a new inflection point as an asset manager**

In the first half of 2026, we generated S\$200 million of asset management fees<sup>11</sup>. We also completed S\$3.1 billion of acquisitions and another S\$2.4 billion of divestments across our private funds and listed vehicles.

As at end-July, we achieved S\$106 billion in FUM, surpassing our S\$100 billion target for 2026. This marks an important inflection point in Keppel's growth as a global asset manager and operator. With greater scale, a stronger track record and growing investor confidence, we are well-positioned to accelerate the growth of our asset management business.

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<sup>8</sup> Subject to certain conditions being met including, among others, the purchase price of the additional four rigs falling within an agreed valuation range for each such rig.

<sup>9</sup> Monetisation deals that are announced but may not have been completed. Refers to the gross consideration value from such sales and net debt that is deconsolidated from Keppel's balance sheet as a result.

<sup>10</sup> Gross total asset value which includes of \$2.4b of associated cash and receivables, and M1 Telco's value at 84% effective interest.

<sup>11</sup> Fees for providing management and other services to funds, listed REITs and Trust. Such fees include acquisition fee, management fee, divestment fee and carry. It is based on 100% fees from subsidiary managers, joint ventures and associated entities, annualised fees for platform/asset acquired during the year, as well as share of fees based on shareholding stake in associate with which Keppel has strategic alliance. It includes fees on sponsor stakes and co-investments, including for funds which are wholly owned by Keppel. It is calculated based on gross asset management fees before rebates: 100% for platforms that Keppel owns ≥50% stake, and pro-rata by ownership for <50% stake.

## **Integrated ecosystem for digital infrastructure**

Keppel's integrated digital infrastructure ecosystem has become an increasingly important differentiator in our fundraising efforts, supporting our next phase of growth. With deep cross-value chain operating expertise, we can originate differentiated assets, create alphas through operations, and offer our LPs access to compelling investment opportunities, supported by our private funds and listed evergreen real estate and infrastructure trusts.

In our power business, the new 600 MW Keppel Sakra Cogen Plant commenced operations smoothly at the end of May, increasing our generation capacity by 45%. Its 1-month earnings helped to offset softer spark spreads and cost impact from the Middle East conflict in 1H 2026, contributing towards the 9% yoy EBITDA growth for the power business.

We are also developing a pipeline of proprietary energy transition and infrastructure projects, across the low-carbon hydrogen and ammonia value chains, as well as for the importation of up to 1 GW of low-carbon energy into Singapore.

Keppel's integrated capabilities in energy, cooling and water have enabled the planting of new AI-ready hyperscale data centres such as Keppel DC SGP 9 and our innovative Floating Data Centre. They will also empower us to originate and develop the next generation of digital infrastructure projects.

Following the commercialisation of all five Bifrost fibre pairs, we are advancing discussions with joint build partners and selecting landing sites for two possible new subsea cable systems linking Singapore to the Middle East and Japan. We expect to take a decision on these projects by year-end.

Our asset-light approach extends beyond digital infrastructure. Hanoi Centre, our first retail mall in Vietnam's capital, is one such example. Through a master lease arrangement, we repositioned the property through active asset and retail management leveraging our deep operating expertise in Vietnam to earn a recurring profit from rents.

## **Update on M1**

We continue to explore opportunities for consolidation, which we believe is needed for Singapore's telco sector. Based on what we have observed in the region, operators that have undergone consolidation have typically seen a 10–15% ARPU uplift, leading to more sustainable markets. In the meantime, we are focused on strengthening M1's performance to maximise its strategic value in any future industry consolidation.

A three-year business plan has been established to raise productivity and structurally reset M1's cost base. This will strengthen M1's profitability and competitiveness while maintaining resilience, cyber security and customer experience. Our initiatives are expected to deliver annual run-rate cost savings of S\$70 million by 2028. Year to date, we have achieved cost savings of S\$4 million per annum, and aim to reach S\$10 million per annum by end-2026.

## **Conclusion**

To conclude, the progress we have made reflects the strengths of New Keppel. We have bolstered our earnings, expanded our asset management business to S\$106 billion in FUM, delivered landmark assets like the Sakra Cogen Plant and Bifrost, and established a clear pathway to monetise the legacy rigs.

As a global asset manager and operator, we have demonstrated that we are increasingly bringing together capital, operating capabilities and proprietary investment opportunities to create value for our LPs, shareholders and customers.

Looking ahead, as demand for power and digital infrastructure accelerates, Keppel's integrated ecosystem positions us to capture these opportunities, and power our next phase of growth.

Our CFO, Kevin, will now take you through details of the Company's financial performance.

## **KEPPEL LTD.**

### **FIRST HALF ENDED 30 JUNE 2026**

1. Thank you, CEO, and a very good morning to all. I shall now take you through Keppel's financial performance.

#### **Overview of 1H26 results (Slide 16)**

2. While New Keppel performed well, overall net profit for 1H 2026 was \$155 million, 59% lower than the \$378 million for 1H 2025, due to results from the Non-Core Portfolio which I will elaborate later.
3. Consequently, annualised ROE decreased to 3.6% from 7.2% in 1H 2025.
4. Net debt to EBITDA increased to 6.7x as at end-June 2026, from 5.8x as at end-December 2025.
5. Free cash inflow was \$570 million in 1H 2026, compared to an outflow of \$48 million in 1H 2025. This was underpinned by strong cash inflow from investing activities, with higher divestment proceeds received during the first half of this year. These were partly offset by lower cash inflows from operating activities as a result of higher working capital requirements.
6. Excluding Non-Core Portfolio for Divestment, New Keppel delivered net profit of \$530 million, 25% higher than the \$424 million recorded in 1H 2025.
7. I will first cover Non-Core Portfolio for Divestment, before presenting the financials of New Keppel, to provide greater clarity on our performance excluding the effects of Non-Core Portfolio for Divestment.

#### **Segmental results – Non-Core Portfolio for Divestment (Slide 17)**

8. Net loss from Non-Core Portfolio for Divestment was \$375 million in 1H 2026.
9. Net loss from Legacy Offshore and Marine (O&M) assets was \$278 million. As announced earlier this week, we have put in place a programme to progressively monetise up to 10<sup>1</sup> legacy rigs through a new private fund, Keppel Offshore Fund (KOF). This marks a further milestone in our transformation, as it establishes a clear pathway for the progressive monetisation of our legacy rigs, while improving gearing and unlocking capital for re-investment and to reward shareholders.

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<sup>1</sup> Subject to certain conditions being met, including the right to opt-out from divestment for any of the four remaining rigs.

10. Arising from this, we have recognised an accounting loss of \$165 million from the impairment of 13 legacy rig assets, including recycling of foreign currency translation loss to profit or loss, net of write-backs in cost provisions. The impairment was based on the Group's assessment of the recoverable amounts of the rigs, taking into account the monetisation programme through Keppel Offshore Fund of up to 10 rigs announced earlier this week and the business plans of the Fund.
11. The remaining loss on Legacy O&M assets was due to interest costs attributable to legacy rigs and expected credit loss recognised on receivables from KrisEnergy, partly offset by gains on Seatrrium shares, which have been fully divested.
12. Net loss from property-related non-core assets was \$32 million, mainly from operating losses on investment properties and fair value loss on investments, partly offset by net fair value gain on investment properties. The first half of 2025 benefitted from gains related to divestments in China and Vietnam.
13. Investments, M1 Telco and others recorded net loss of \$65 million. This was mainly due to the release of FY 2025 suspended depreciation and amortisation following the termination of the M1 Telco divestment, where M1 ceased to be classified as disposal group held for sale, as well as fair value losses on investments.

#### **Overview of 1H26 results – New Keppel (excluding Non-Core Portfolio for Divestment) (Slide 18)**

14. Moving to New Keppel. New Keppel performed well, with net profit increase of 25% year-on-year to \$530 million.
15. Excluding the loss from dividend *in-specie* of Keppel REIT units (“DIS loss”), all three segments were profitable, with higher earnings from Infrastructure and Connectivity.
16. Annualised ROE increased to 15% from 14.7% a year ago.
17. Net debt to EBITDA was 1.4x as at end-June 2026, unchanged from end-December 2025.
18. Free cash inflow was \$244 million in first half of 2026, compared to an outflow of \$179 million in the same period last year. In line with growing recurring income, New Keppel generated healthy cash inflows from operating activities. Divestments and dividends received were reinvested to fund investments in sponsor stakes and capital expenditure.

#### **Horizontal reporting (excluding Non-Core Portfolio for Divestment) (Slide 19)**

19. As mentioned by CEO earlier, starting from this reporting period, we will separately disclose profit contributions from our sponsor stakes and co-investments, or SSCI, to provide greater clarity on New Keppel's performance as an asset manager and operator. At the same time, we continue to provide the breakdown between recurring operational earnings and market or event-driven valuation and divestment profits.

- 20. Supported by stable performance from asset management and higher contributions from operations, recurring income rose 13% to \$467 million from \$414 million a year ago.
- 21. Our Fund Management and Investment platforms achieved net profit of \$247 million, more than double 1H 2025, led by stronger contributions from SSCI.
- 22. As a result of lower divestment and revaluation gains, net profit from the Operating Platform was lower at \$349 million.

### **Segmental results – Infrastructure (Slide 21)**

- 23. Moving on to our segmental performance.
- 24. Infrastructure Segment achieved strong earnings, with a net profit of \$538 million, 55% higher than the \$346 million a year ago.
- 25. Asset management net profit was higher than the prior year, mainly from higher asset management fee revenue and acquisition fees, partly offset by higher costs and the absence of divestment fees.
- 26. Profit contributions from SSCI rose significantly to \$178 million, underpinned by gains from the disposals of a partial stake in Keppel Merlimau Cogen Plant and our interest in 800 Super Holdings, as well as higher distribution from Keppel Infrastructure Trust. These were partly offset by fair value loss from co-investment.
- 27. Infrastructure Division earnings grew to \$339 million, supported by better performance from our Integrated Power as well as Decarbonisation & Sustainable Solutions businesses. Keppel Sakra Cogen Plant commenced commercial operations at the end of May and contributed positively to offset the softer spark spreads and cost impact from the Middle East conflict in 1H 2026.

### **Segmental results – Real Estate (Slide 22)**

- 28. Real Estate Segment recorded a net loss of \$19 million in the first half 2026, compared to a net profit of \$98 million in the previous year. Excluding the DIS loss, the segment would have been profitable at \$32 million.
- 29. Asset management net profit was lower at \$36 million mainly due to lower contributions from Aermont, arising from the change in Fund V fee basis as it reaches the end of its investment period, as well as higher costs. These were partly offset by divestment fees and higher asset management fee revenue following acquisitions by Keppel REIT and fund raising by Keppel Education Asset Fund II.

- 30. Net loss from sponsor stakes and co-investments was largely due to losses from dividend *in-specie* of Keppel REIT units.
- 31. Real Estate Division recognised lower year-on-year earnings mainly due to the absence of gain from the partial disposal of Saigon Centre Phase 3 that was recognised in 1H 2025, lower fair value gains on investment properties and a lower share of profits from SSTECH.

### **Segmental results – Connectivity (Slide 23)**

- 32. Net profit from the Connectivity Segment was \$77 million, 54% higher than the \$50 million a year ago.
- 33. The increase in asset management net profit reflected higher asset management fee revenue following acquisitions by Keppel DC REIT and funds raised by Keppel DC Fund III, partly offset by higher costs.
- 34. Profit contributions from SSCI tripled from \$18 million to \$55 million, underpinned by gains from the customer commitments secured for the third and fourth fibre pairs of the Bifrost Cable System and higher contributions from Keppel DC REIT. These were partly offset by fair value losses from private funds. We expect to recognise gains from the fifth committed fibre pair when it is handed over to the customer in 2H 2026.
- 35. Operating Division earnings were lower as the first half of 2025 had benefited from valuation gains from a data centre investment. This was partly offset by higher year-on-year contributions from the technology solutions business, as well as higher fees from data centre project management and network operation and maintenance activities.
- 36. With that, we have come to the end of the presentation, and I shall hand the time back to CEO, for the Q&A session. Thank you.

*Unless explicitly indicated otherwise, all monetary values denoted as '\$' within this document are to be interpreted as referring to Singapore dollars.*