

Media Release

Keppel reports 14% recurring income growth in 9M 2024, aims to expand data centre capacity to 1.2 GW

- *9M 2024 net profit was stable yoy, excluding effects of legacy offshore and marine assets¹.*
- *Recurring income grew 14% yoy with higher contributions from both asset management and operating income.*
- *Asset management fees² grew 68% yoy to S\$299 million in 9M 2024, with improvements across all three segments.*
- *Expanding current data centre capacity from 650 MW to 1.2 GW in near-term with additional S\$10 billion FUM³ growth.*
- *About S\$730 million in asset monetisation announced year to date.*

Singapore, 24 October 2024 – Keppel Ltd. (Keppel) disclosed in its voluntary business update for 3Q & 9M 2024 that net profit, excluding the effects of the legacy offshore and marine (O&M) assets¹, was comparable year on year (yoy) for 9M 2024. During this period, Keppel registered a 14% growth in recurring income with higher contributions from both asset management and operating income. For 3Q 2024, net profit was lower yoy, in the absence of valuation and divestment gains in the Connectivity segment.

In the year to date, Keppel announced the monetisation of about S\$730 million in assets, mainly real estate projects and legacy assets. This brings its cumulative asset monetisation since October 2020 to about S\$6.1 billion, excluding the divestment of Keppel O&M. Reflecting a continued focus on driving asset-light, capital-efficient growth, Keppel's total assets have reduced by 15% from end-2021 to 9M 2024, while Funds under Management³ (FUM) more than doubled from end-2021 to S\$85 billion as at 1H 2024.

¹ Effects of legacy offshore & marine assets, which have been explained in the 1H 2024 results announcement, comprise the P&L effects from Seatrium shares, the Asset Co vendor notes, and contributions from stakes in Floatel and Dyna-Mac; 3Q 2023 and 9M 2023 figures exclude discontinued operations.

² Including 100% fees from subsidiary managers, joint ventures and associated entities, as well as share of fees based on shareholding stake in associate with which Keppel has strategic alliance.

³ Gross asset value of investments and uninvested capital commitments on a leveraged basis is used to project fully-invested FUM.

As at end-September 2024, about 60% of Keppel’s borrowings were on fixed rates, with a competitive average cost of funds of 3.85% and a weighted tenor of about 3 years⁴.

Mr Loh Chin Hua, CEO of Keppel, said, “The new Keppel has gained significant traction in our pivot to be an asset-light, global asset manager and operator. Our asset management fees as well as recurring income have been growing steadily. Despite challenging market conditions, we pressed on with our asset monetisation programme, announcing about S\$730 million in divestments in the year to date.

“We are excited by the many opportunities ahead in infrastructure and the data centre space. Amidst rapid digitalisation, Keppel is well-positioned to meet the rising demand for AI-ready data centres from hyperscalers, with a premier portfolio of 35 data centres across Asia Pacific and Europe. We aim to expand our data centre portfolio at speed and scale from the current 650 MW gross power capacity to 1.2 GW in the near-term, leveraging our access to multiple capital pools, power, cooling and other important capabilities and resources within Keppel’s integrated ecosystem.”

Fund Management and Investment Platforms

In the first nine months of 2024, Keppel generated S\$299 million in asset management fees², 68% higher yoy driven by stronger performance across all three segments. In the year to date, the Company raised about S\$700 million in equity and completed about S\$3 billion in acquisitions and divestments⁵.

The Company has been receiving strong investor interest for its flagship funds across private credit, education assets and data centres. The US\$1 billion Keppel Private Credit Fund III is expected to achieve its first close of US\$300 million by the end of October 2024, while the US\$1 billion Keppel Education Asset Fund II and US\$2 billion Keppel Data Centre Fund III are expected to achieve their first closings by year-end. Keppel is concurrently pursuing a quality deal flow pipeline of S\$25 billion, over half of which are in the Infrastructure and Connectivity segments.

Operating Platform

To support Singapore’s growing energy needs, Keppel’s Infrastructure Division plans to double its energy supply to 3.0 GW by 2030 through power generation and regional importation. This includes the 600 MW Keppel Sakra Cogen power plant, which was 77% completed as at end-September 2024.

The Infrastructure Division is also expanding its cooling business, growing its presence in Asian markets with new developments and partnerships. These include a 20-year contract from Singapore’s Housing Development Board to provide centralised cooling systems to

⁴ Including perpetual securities.

⁵ Excluding Aermont.

three residential projects in Tengah Town, and strategic partnerships for cooling services and sustainable energy in Thailand and India. More recently in October, the Division secured a contract to provide cooling solutions to a client in Bengaluru, India.

The Real Estate Division continued to gain traction in executing its asset-light strategy, announcing the monetisation of S\$620 million of projects in the year to date, along with the implementation of its Sustainable Urban Renewal solutions across a portfolio of six projects with a combined asset value of S\$3.2 billion⁶.

Data Centres as a Growth Pillar

As a leading data centre player with over two decades of experience in designing, developing and operating data centres, Keppel has a premier portfolio of 35 data centres⁷ across key data hubs in Asia Pacific and Europe, with a total gross power capacity of 650 MW.

About 220 MW of the capacity is in various stages of development, across the Keppel Data Centre Campus at Genting Lane in Singapore, and two other newer projects in Tokyo and Taiwan respectively. Over three quarters of this capacity will come into service progressively from 2024 to 2027 and beyond, positioning Keppel to meet the rising demand for AI-ready data centres from hyperscalers.

Looking ahead, Keppel aims to more than double its data centre FUM, from the current S\$9 billion to S\$19 billion in the near-term, with the upcoming Keppel Data Centre Fund III, as well as further co-investments from investors. The access to multiple pools of capital, beyond Keppel's balance sheet, will accelerate the expansion of the Company's data centre power capacity.

As part of its integrated data centre ecosystem, Keppel also has access to power and other critical resources, technology know-how and strong customer relationships with hyperscalers worldwide. The Company is also involved in strategic digital infrastructure such as the Bifrost Cable System, the world's first subsea cable system that directly connects Singapore to the west coast of North America via Indonesia through the Java Sea and Celebes Sea. As at end-September 2024, Bifrost was about 88% completed, and its main trunk is expected to be ready for service in 2H 2025.

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⁶ Asset values are as of end-September 2024.

⁷ Including Keppel's portfolio of 33 data centre assets as at end-September 2024, as well as two pipeline assets being planned, namely Keppel DC SGP 9 which is part of the Keppel Data Centre Campus in Singapore, and the Western Tokyo Data Centre in Japan.

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About Keppel Ltd.

Keppel Ltd. (SGX:BN4) is a global asset manager and operator with strong expertise in sustainability-related solutions spanning the areas of infrastructure, real estate and connectivity. Headquartered in Singapore, Keppel operates in more than 20 countries worldwide, providing critical infrastructure and services for renewables, clean energy, decarbonisation, sustainable urban renewal and digital connectivity. Keppel creates value for investors and stakeholders through its quality investment platforms and diverse asset portfolios, including private funds and listed real estate and business trusts.