



## 9M2014 Results Announcement

November 6, 2014

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## 9M2014 Performance Round-up



**Turnover at S\$8.2 billion, up 5%**

**Profit from Operations at S\$921.3 million, down 7%**

**Net Profit at S\$560.5 million, down 6%**

**EPS at 31.0 cents**

**ROE (annualised) at 14.2%**

*Excluding significant items\* from the Utilities business in 9M2013:*

**Net Profit at S\$560.5 million, up 6%**

\*Significant items in 9M2013 amounted to S\$68.6 million, comprising the gain from IPO of Sembcorp Salalah Power and Water Company and an impairment for Teesside UK operations.

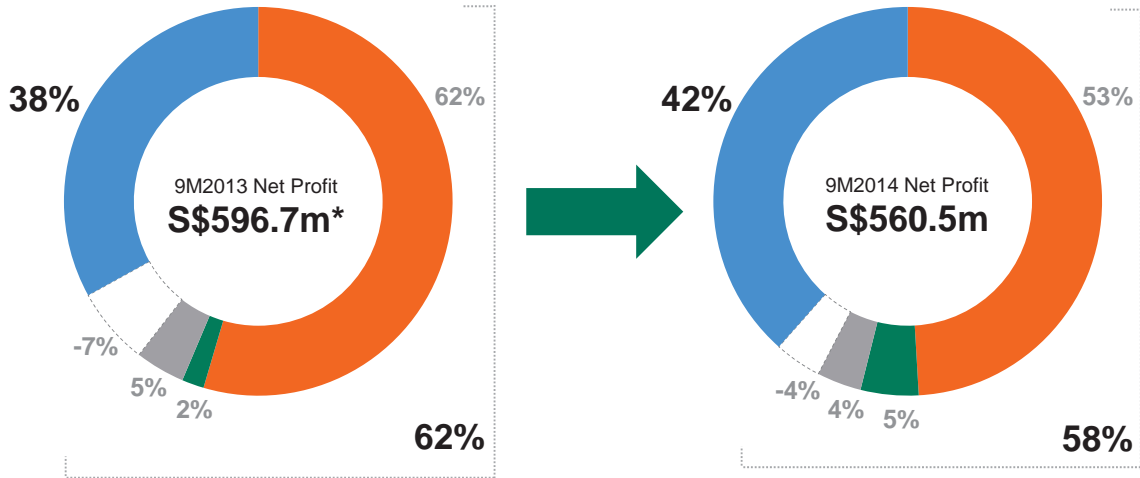
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# Group Net Profit Mix



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



\*Excluding significant items, 9M2013 net profit would have been S\$528.1 million. Significant items in 9M2013 amounted to S\$68.6 million, comprising the gain from IPO of Sembcorp Salalah Power and Water Company and an impairment for Teesside UK operations.

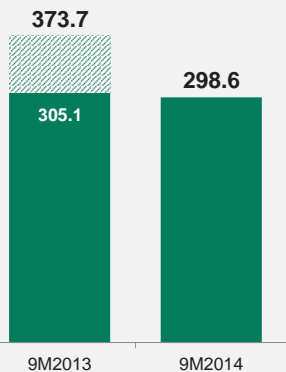
# Utilities



## Building the foundation for long-term growth

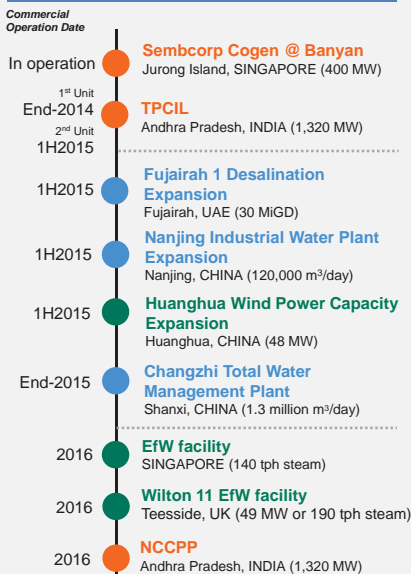
**Net Profit**  
**S\$298.6 million** ↓20%

- Excluding the significant items in 9M2013, net profit would have declined 2%



Significant items in 9M2013: gain from Sembcorp Salalah IPO and impairment for Teesside UK operations

## Focused Execution of Project Pipeline



## Other Highlights

**India**  
**First 660 MW unit commenced commissioning, on-track for completion by end-2014**

- Secured power purchase agreements (PPAs) totalling 900 MW to-date



**China**  
**Conditional agreement signed for 1,620 MW mine-mouth coal-fired power project in Chongqing**

- To acquire 49% in existing 300 MW power plant and develop an adjacent 1,320 MW power plant
- Only mine-mouth coal-fired power plants in Chongqing. Strategic location will enable JV to produce power competitively

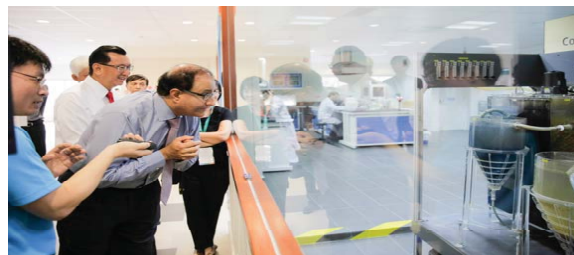
## Harnessing technology to enhance operational efficiency

### The Sembcorp Technology & Innovation Centre on Jurong Island

- Centre of excellence that allows the Group to develop and run test beds for innovation processes and technologies
- To house the advanced Sembcorp Global Asset Management System, comprising three key modules, which will allow the management of energy and water plants worldwide
  1. Process optimisation
  2. Troubleshooting
  3. Predictive maintenance



### Opening Ceremony of Sembcorp Cogen @ Banyan and the Sembcorp Technology & Innovation Centre



## Orderbook visibility

Net Profit\*  
**\$234.1 million**    ↑ 3%

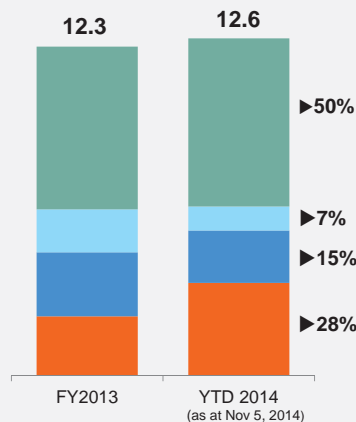


\*Sembcorp's share of Marine's net profit

Net Orderbook (as at Nov 5, 2014)  
**\$12.6 billion**  
 with completions & deliveries till 2019

- Contracts secured to-date: \$4.2 billion

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

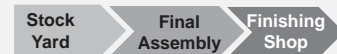


### Sembmarine Integrated Yard @ Tuas

#### Developing a next generation fully integrated marine hub

#### New state-of-the-art steel fabrication facility

- New facility to offer a streamlined and extensively automated production process



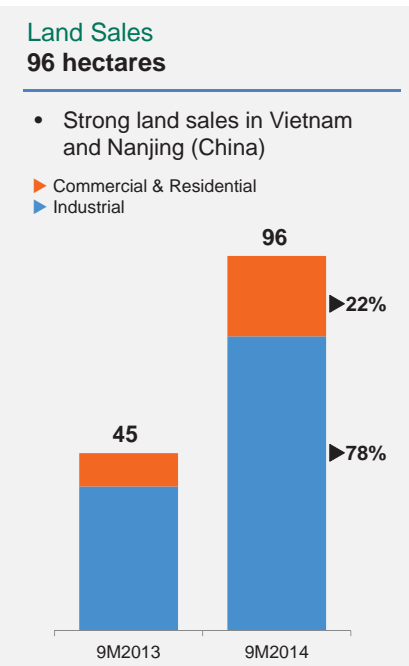
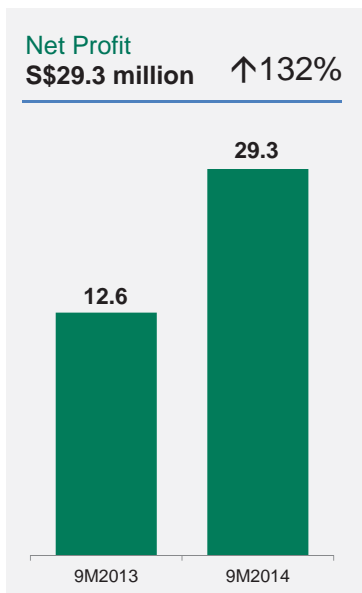
- Set to be the central kitchen for steel fabrication for all three phases of the yard, greatly improving efficiency

- To be completed in 3Q2015

#### Phase II commences construction

- Phase II will have three new dry docks, including a dedicated offshore dry dock
- To cater to anticipated growth in demand for modern docking capacity
- Completion of Phase II marine works scheduled for 1Q2017

## Strong land sales

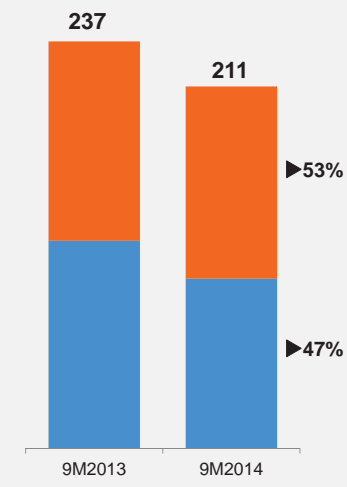


## Net Orderbook

**211 hectares**

- Slowdown in orderbook from Vietnam

- Commercial & Residential
- Industrial



# Financial Review

## Group Profit & Loss



(S\$M)	9M14	9M13	Δ%
Turnover	8,230	7,823	5
EBITDA <sup>1</sup>	1,030	1,141	(10)
Profit from Operations	921	994	(7)
EBIT	798	902	(12)
Share of results: Associates & JVs	123	92	34
Net Finance Cost	(33)	(91)	64
Finance costs	(47)	(100)	53
Finance income	14	9	51
PBT	888	903	(2)
Tax	(137)	(121)	(13)
Non-Controlling Interests	(191)	(185)	(3)
Net Profit	560	597	(6)
EPS (cents)	31.0	33.3	(7)

Notes:

- Following the initial public offering of Sembcorp Salalah Power and Water Company ("Salalah") in September 2013, Sembcorp's shareholding in Salalah was reduced from 60% to 40%, resulting in the deconsolidation of its financials from Sembcorp's turnover, EBITDA, EBIT and finance costs.
- In July 2014, Sembcorp increased its shareholding in Thermal Powertech India Corp ("TPCIL") from 49% to 65%. TPCIL is now a subsidiary of Sembcorp.

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

## Group Turnover



(S\$M)	9M14	9M13	Δ%
Utilities	3,677	3,855	(5)
Marine	4,385	3,831	15
Urban Development <sup>1</sup>	5	6	(22)
Other Businesses	163	131	24
<b>TOTAL TURNOVER</b>	<b>8,230</b>	<b>7,823</b>	<b>5</b>

<sup>1</sup> 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)	9M14	9M13	Δ%
Utilities	394.2	519.8	(24)
Marine	492.9	473.6	4
Urban Development	32.0	5.8	453
Other Businesses	22.2	26.3	(16)
Corporate	(20.0)	(31.9)	37
<b>TOTAL PFO</b>	<b>921.3</b>	<b>993.6</b>	<b>(7)</b>

## Group Net Profit

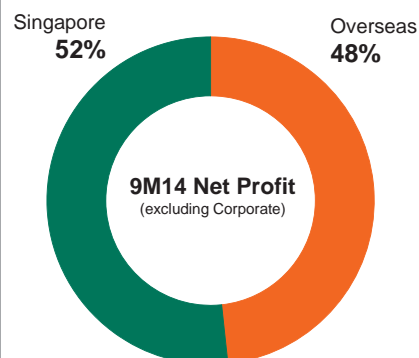


(S\$M)	9M14	9M13	Δ%
Utilities	298.6	373.7	(20)
Marine	234.1	226.3	3
Urban Development	29.3	12.6	132
Other Businesses	22.5	28.3	(20)
Corporate	(24.0)	(44.2)	46
<b>TOTAL NET PROFIT</b>	<b>560.5</b>	<b>596.7</b>	<b>(6)</b>

## Utilities Net Profit



By Geography (S\$M)	9M14	9M13	Δ%
Singapore <sup>1</sup>	160.9	174.5	(8)
Rest of ASEAN, Australia & India	45.3	35.8	27
China	48.0	58.1	(17)
Middle East & Africa	30.3	29.1	4
UK	19.0	(29.9)	NM
The Americas	6.8	5.0	37
Corporate	(11.7)	101.1	NM
<b>TOTAL NET PROFIT</b>	<b>298.6</b>	<b>373.7<sup>2</sup></b>	<b>(20)</b>



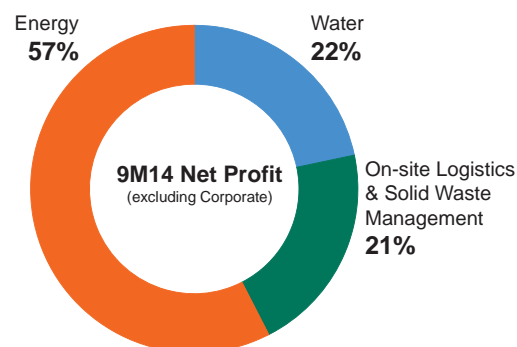
<sup>1</sup> Singapore: Net Profit breakdown	9M14	9M13	Δ%
Energy	107.0	137.8	(22)
Water	25.7	17.4	48
On-site Logistics & Solid Waste Management	28.2	19.3	46

<sup>2</sup> Excluding significant items of S\$68.6 million (gain on Sembcorp Salalah IPO and impairment for Teesside UK operations), 9M13 net profit would have been S\$305.1 million.

## Utilities Net Profit



By Product Segment (S\$M)	9M14	9M13	Δ%
Energy	178.1	162.1	10
Water	67.5	59.8	13
On-site Logistics & Solid Waste Management	64.7	50.7	28
Corporate	(11.7)	101.1	NM
<b>TOTAL NET PROFIT</b>	<b>298.6</b>	<b>373.7<sup>1</sup></b>	<b>(20)</b>



<sup>1</sup> Excluding significant items of S\$68.6 million (gain on Sembcorp Salalah IPO and impairment for Teesside UK operations), 9M13 net profit would have been S\$305.1 million.

## Group Capex and Equity Investment



(S\$M)	9M14	9M13
<b>Capital Expenditure</b>		
- Utilities	342.7	234.6
- Marine	614.1	566.4
- Other Businesses	7.5	8.2
	<b>964.3</b>	<b>809.2</b>
<b>Equity Investment</b>		
- Utilities	235.7	115.9
- Marine	-	6.1
- Urban Development	3.6	69.0
	<b>239.3</b>	<b>191.0</b>

## Group Free Cash Flow



(S\$M)	9M14	9M13
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
- before changes in working capital	1,023	1,107
- changes in working capital	(662)	254
- tax paid	(107)	(110)
	<b>254</b>	<b>1,251</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
- divestments, dividend and interest income	93	76
- investments and capex	(1,162)	(1,058)
	<b>(1,069)</b>	<b>(982)</b>
- Add back: expansion capex	1,091	916
<b>FREE CASH FLOW</b>	<b>276</b>	<b>1,185</b>



## Group Borrowings



(\$M)	Sep 30,14	Dec 31,13
PF <sup>1</sup> loans	1,087	243
Non-Project Finance loans		
- Long-term	2,538	1,264
- Short-term	888	392
Loans due to NCI <sup>2</sup>		
- Long-term	8	8
<b>Gross</b>	<b>4,521</b>	<b>1,907</b>
Less: Cash and cash equivalents	(2,203)	(2,256)
<b>Net Debt / (Cash)</b>	<b>2,318</b>	<b>(349)</b>
<b>Net Gearing Ratio</b>	<b>0.33</b>	<b>Net cash</b>
<b>Exclude PF<sup>1</sup></b>		
<b>Net Debt / (Cash)</b>	<b>1,356</b>	<b>(591)</b>
<b>Net Gearing Ratio</b>	<b>0.20</b>	<b>Net Cash</b>

Note: In July 2014, Sembcorp increased its shareholding in Thermal Powertech India Corp ("TPCIL") from 49% to 65%. TPCIL is now a subsidiary of Sembcorp.

<sup>1</sup> PF: Non-recourse / limited recourse project financing

<sup>2</sup> NCI: Non-controlling interests

## Group Borrowings



(\$M)	Sep 30,14	Dec 31,13
<b>Sembcorp Group excluding Marine Debt</b>		
Non-Project Finance loans	1,778	1,090
PF <sup>1</sup>	1,087	243
Loans due to NCI <sup>2</sup>	8	8
	<b>2,873</b>	<b>1,341</b>
Less: Cash and cash equivalents	(645)	(561)
<b>Net Debt / (Cash)</b>	<b>2,228</b>	<b>780</b>
<b>Sembcorp Marine</b>		
Debt – Non-Project Finance loans	1,648	566
Less: Cash and cash equivalents	(1,558)	(1,695)
<b>Net Debt / (Cash)</b>	<b>90</b>	<b>(1,129)</b>

<sup>1</sup> PF: Non-recourse / limited recourse project financing

<sup>2</sup> NCI: Non-controlling interests

## Financial Indicators



	9M14	9M13	FY13
EPS (cents)	41.3*	44.4*	45.7
ROE (%)	14.2*	16.6*	17.1
ROTA (%)	7.0*	8.9*	9.1
Interest Cover (times)	21.9 <sup>1</sup>	11.4	12.5
<b>Per Share</b>			
NAV (S\$)	3.02	2.84	2.93
<b>Economic Value Added</b>			
EVA (S\$M)	350.1	383.9	619.5

<sup>1</sup> The increase in interest cover in 9M14 compared to 9M13 and FY13 is due to:

- The deconsolidation of Sembcorp Salalah's financials following its IPO in September 2013.
- The capitalisation of TPCIL's interest cost as the plant is under construction. Interest cost will be expensed when TPCIL commences commercial operation.

\* Annualised

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## Group Outlook



### Utilities

Competition in the Singapore power market continues to be intense and is expected to affect the performance of the Utilities business. However, contribution from its overseas business is expected to grow. In 2014, the Utilities underlying core business is expected to deliver a steady performance compared to 2013.

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\$12.6 billion with completion and deliveries stretching into 2019. This includes a total of S\$4.2 billion in contracts secured since the start of 2014.

Despite the current low oil price environment, the Marine business believes long-term fundamentals driving the offshore exploration and production (E&P) market remain stable. However, reduction in capex spending could impact new orders and keen competition continues to exert pressure on margins.

The Marine business remains well positioned - having built a broad product offering, a strong execution track record and state-of-the-art facilities at its Sembmarine Integrated Yard @ Tuas. The four new dry docks continue to see high utilisation. Meanwhile, its wholly-owned shipyard in Brazil commenced initial operations in the second half of 2014, with construction completion scheduled for 2015.

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### **Urban Development**

The Urban Development business is expected to deliver a comparable 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



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## Appendix

## Group Profit & Loss



(S\$M)	3Q14	3Q13	Δ%
Turnover	3,069	2,974	3
EBITDA <sup>1</sup>	375	416	(9)
Profit from Operations	322	382	(16)
EBIT	297	353	(16)
Share of results: Associates & JVs	25	29	(12)
Net Finance Cost	(7)	(29)	75
Finance costs	(12)	(33)	63
Finance income	5	4	17
PBT	315	353	(11)
Tax	(52)	(30)	(72)
Non-Controlling Interests	(66)	(69)	4
Net Profit	197	254	(23)
EPS (cents)	10.9	14.2	(23)

Notes:

- Following the initial public offering of Sembcorp Salalah Power and Water Company ("Salalah") in September 2013, Sembcorp's shareholding in Salalah was reduced from 60% to 40%, resulting in the deconsolidation of its financials from Sembcorp's turnover, EBITDA, EBIT and finance costs.
- In July 2014, Sembcorp increased its shareholding in Thermal Powertech India Corp ("TPCIL") from 49% to 65%. TPCIL is now a subsidiary of Sembcorp.

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

## Group Turnover



(S\$M)	3Q14	3Q13	Δ%
Utilities	1,306	1,276	2
Marine	1,711	1,657	3
Urban Development <sup>1</sup>	1	3	(49)
Other Businesses	51	38	36
<b>TOTAL TURNOVER</b>	<b>3,069</b>	<b>2,974</b>	<b>3</b>

<sup>1</sup> 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)	3Q14	3Q13	Δ%
Utilities	149.9	204.2	(27)
Marine	174.1	169.8	3
Urban Development	5.9	2.9	103
Other Businesses	7.5	8.4	(10)
Corporate	(15.0)	(2.9)	(422)
<b>TOTAL PFO</b>	<b><u>322.4</u></b>	<b><u>382.4</u></b>	<b>(16)</b>

## Group Net Profit



(S\$M)	3Q14	3Q13	Δ%
Utilities	114.1	172.4	(34)
Marine	80.0	78.6	2
Urban Development	4.9	2.3	114
Other Businesses	8.6	8.3	4
Corporate	(11.0)	(7.2)	(52)
<b>NET PROFIT</b>	<b><u>196.6</u></b>	<b><u>254.4</u></b>	<b>(23)</b>

## Utilities Turnover



By Geography (\$M)	9M14	9M13	Δ%
Singapore	3,171.9	3,194.7	(1)
Rest of ASEAN, Australia & India	3.2	9.9	(68)
China	107.2	106.1	1
Middle East & Africa	72.5	206.1	(65)
UK	318.8	323.5	(2)
The Americas	33.7	33.7	-
Corporate	0.1	15.0	(100)
<b>TOTAL TURNOVER</b>	<b>3,707.4</b>	<b>3,889.0</b>	<b>(5)</b>

	3Q14	3Q13	Δ%
Singapore	1,139.3	1,058.2	8
Rest of ASEAN, Australia & India	0.6	3.3	(81)
China	36.7	45.3	(19)
Middle East & Africa	26.0	70.7	(63)
UK	103.6	97.2	7
The Americas	10.7	10.4	3
Corporate	(0.1)	3.0	NM
<b>TOTAL TURNOVER</b>	<b>1,316.8</b>	<b>1,288.1</b>	<b>2</b>

Note: Figures are stated before intercompany eliminations

## Utilities Profit From Operations (PFO)



By Geography (\$M)	9M14	9M13	Δ%
Singapore	222.0	236.9	(6)
Rest of ASEAN, Australia & India	45.1	36.5	24
China	58.5	68.0	(14)
Middle East & Africa	33.6	102.4	(67)
UK	35.6	(42.1)	NM
The Americas	6.3	5.0	27
Corporate	(6.9)	113.1	NM
<b>TOTAL PFO</b>	<b>394.2</b>	<b>519.8</b>	<b>(24)</b>

	3Q14	3Q13	Δ%
Singapore	84.0	73.3	15
Rest of ASEAN, Australia & India	19.8	13.6	45
China	18.5	29.3	(37)
Middle East & Africa	11.0	35.1	(69)
UK	15.4	(61.8)	NM
The Americas	1.8	2.2	(19)
Corporate	(0.6)	112.5	NM
<b>TOTAL PFO</b>	<b>149.9</b>	<b>204.2</b>	<b>(27)</b>

## Utilities Net Profit



By Geography (\$M)	9M14	9M13	Δ%
Singapore	160.9	174.5	(8)
Rest of ASEAN, Australia & India	45.3	35.8	27
China	48.0	58.1	(17)
Middle East & Africa	30.3	29.1	4
UK	19.0	(29.9)	NM
The Americas	6.8	5.0	37
Corporate	(11.7)	101.1	NM
<b>TOTAL NET PROFIT</b>	<b>298.6</b>	<b>373.7</b>	<b>(20)</b>

	3Q14	3Q13	Δ%
Singapore	61.3	53.0	16
Rest of ASEAN, Australia & India	20.0	13.4	50
China	14.2	25.4	(44)
Middle East & Africa	9.7	11.7	(17)
UK	9.3	(38.3)	NM
The Americas	2.7	2.2	25
Corporate	(3.1)	105.0	NM
<b>TOTAL NET PROFIT</b>	<b>114.1</b>	<b>172.4</b>	<b>(34)</b>

## Utilities Turnover



By Product Segment (\$M)	9M14	9M13	Δ%
Energy	3,099.9	3,245.4	(4)
Water	344.6	381.1	(10)
On-site Logistics & Solid Waste Management	262.8	247.5	6
Corporate	0.1	15.0	(100)
<b>TOTAL TURNOVER</b>	<b>3,707.4</b>	<b>3,889.0</b>	<b>(5)</b>

	3Q14	3Q13	Δ%
Energy	1,107.8	1,075.2	3
Water	121.6	129.2	(6)
On-site Logistics & Solid Waste Management	87.5	80.7	8
Corporate	(0.1)	3.0	NM
<b>TOTAL TURNOVER</b>	<b>1,316.8</b>	<b>1,288.1</b>	<b>2</b>

Note: Figures are stated before intercompany eliminations



## Utilities Profit from Operations (PFO)



By Product Segment (\$M)	9M14	9M13	Δ%
Energy	225.1	245.0	(8)
Water	99.9	104.2	(4)
On-site Logistics & Solid Waste Management	76.1	57.5	32
Corporate	(6.9)	113.1	NM
<b>TOTAL PFO</b>	<b>394.2</b>	<b>519.8</b>	<b>(24)</b>

	3Q14	3Q13	Δ%
Energy	84.9	38.2	122
Water	39.4	38.3	3
On-site Logistics & Solid Waste Management	26.2	15.2	72
Corporate	(0.6)	112.5	NM
<b>TOTAL PFO</b>	<b>149.9</b>	<b>204.2</b>	<b>(27)</b>

## Utilities Net Profit



By Product Segment (\$M)	9M14	9M13	Δ%
Energy	178.1	162.1	10
Water	67.5	59.8	13
On-site Logistics & Solid Waste Management	64.7	50.7	28
Corporate	(11.7)	101.1	NM
<b>TOTAL NET PROFIT</b>	<b>298.6</b>	<b>373.7</b>	<b>(20)</b>

	3Q14	3Q13	Δ%
Energy	67.6	26.7	153
Water	27.4	25.5	8
On-site Logistics & Solid Waste Management	22.2	15.2	46
Corporate	(3.1)	105.0	NM
<b>TOTAL NET PROFIT</b>	<b>114.1</b>	<b>172.4</b>	<b>(34)</b>