Keppel Corporation

# Annual General Meeting

Presentation by
Mr Loh Chin Hua, CEO
21 April 2023

# 2022: A transformational and productive year

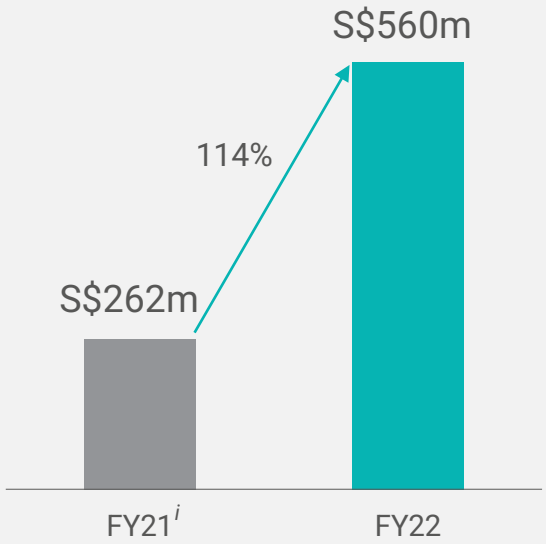
## Net profit S$927m

Robust performance in FY22, bolstered by strong results in Asset Management and Energy & Environment

## Recurring income S$560m

Representing 67% of FY22 net profit, excluding discontinued operations

### Recurring income




[i] *The recurring income in FY21 has been restated as Keppel O&M's income is classified as discontinued operations*

# Advancing our asset-light strategy

## Asset monetisation

**>S$4.9b**[i]

Reached target of S$3-S$5b ahead of schedule; will soon announce a new interim monetisation target

## Joint investments

**S$2.8b**

Investments across energy & environment and sustainable urban renewal undertaken by Keppel with private funds and/or business trust managed by Keppel Capital in 2022

## Assets under management

**Current:**
**S$50b**
*At end-2022*

**Target:**
**S$200b**
*By 2030*









[i] *Since the start of asset monetisation programme in Oct 2020; does not include the realisable value from the O&M transactions*

# Realising S$9.4b[i] in value from the O&M transactions

**~S$3.3b[ii]**

Disposal gain from Keppel O&M-Sembcorp Marine merger recognised in 1Q23

**S$500m**

Cash received in 1Q23

**S$2.50/Keppel share[iii]**

Value of investment in Asset Co, comprising S$4.25b in vendor notes, S$120m in perpetual securities and a 10% equity stake

## Rewarding shareholders

**S$2.19/Keppel share[iv]**

Value of Sembcorp Marine shares distributed *in specie* to shareholders

**33.0 cts/share**

FY22 total cash dividend includes proposed final cash dividend of 18.0 cts/share

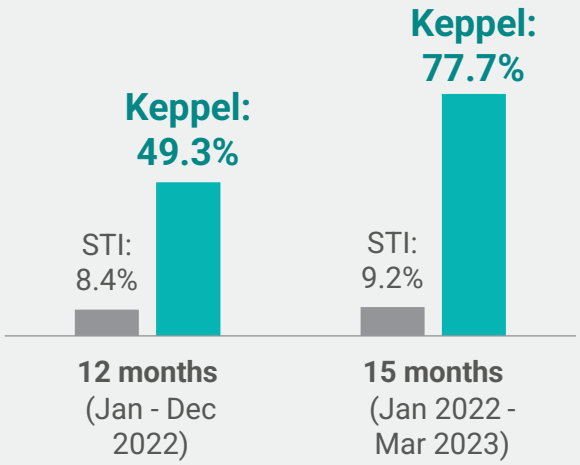


*Refer to Slide 9 for footnote i, ii, iii and iv*

# Creating value for shareholders

## Total shareholder return

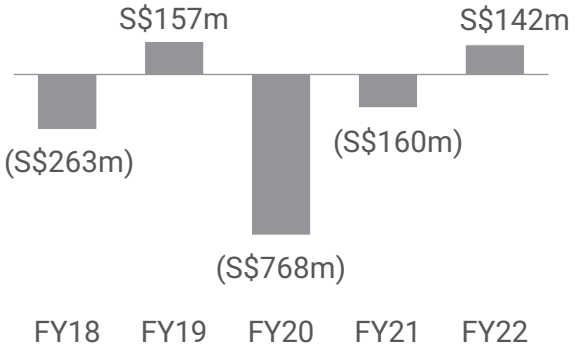
*Significantly outperformed Straits Times Index over 12-mth and 15-mth periods*




## Improved earnings quality

*Replaced volatile earnings from O&M business with stable interest income from Asset Co vendor notes*

O&M business recorded average loss[i] of S$178m p.a. over past 5 years




**S$170m**

Annual income from S$4.25b in vendor notes at 4% p.a. coupon rate

Additional 5% premium upon redemption

[i] *Does not include effects of out-of-scope assets as well as intercompany loan interest expense and fee charges.*

# The future of Keppel

*Moving forward, Keppel will work towards becoming*

## A GLOBAL ASSET MANAGER & OPERATOR

**with strong development and operating capabilities in:**

1. **Energy & Environment**
2. **Urban Development**
3. **Connectivity**







## FOCUS AREAS

- *Renewables*
- *Clean energy*
- *Decarbonisation solutions*
- *Sustainable urban renewal*
- *Connectivity*

# Running our business sustainably and making sustainability our business

*Keppel will invest in and create sustainability solutions that can help our customers and other stakeholders on their progress towards Net Zero.*



*Keppel Infrastructure @ Changi is Singapore's first Green Mark Platinum Positive Energy building under the new and more stringent Green Mark Scheme*

Member of
**Dow Jones Sustainability Indices**
Powered by the S&P Global CSA

**MSCI ESG RATINGS** AAA

| CCC | B | BB | BBB | A | AA | AAA |
|---|---|---|---|---|---|---|



# Conclusion

*Keppel is in the right space, at the right time. We will continue to execute Vision 2030 and create value for all our stakeholders.*

# Notes to Slide 4

i. *Includes out-of-scope assets with a carrying value of ~S$300m and 5% of Sembcorp Marine shares retained in the segregated account.*

ii. *The gain on disposal is subject to adjustment for any reimbursement by the Company to Keppel O&M for certain expenditures incurred by Keppel O&M before the completion of the combination, relating to assets sold by Keppel O&M to Asset Co to the extent that such expenditures are in excess of an agreed sum.*

iii. *Based on the Company's issued and paid-up share capital as at the date of Closing of 1,751,959,918 shares (excluding treasury shares).*

iv. *The figure of S$2.19 is rounded to the nearest two decimal places; calculated based on a division of (i) the cash equivalent amount of the dividend declared by the Company of S$3,845,164,646.11, by (ii) the Company's issued and paid-up share capital as at the Record Date of 1,751,959,918 KCL Shares (excluding treasury shares).*

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