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(as Trustee-Manager of Keppel Infrastructure Trust)
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MEDIA RELEASE

Keppel Infrastructure Trust Unaudited Results for the Second Half and Full Year ended 31 December 2020

27 January 2021

The Directors of Keppel Infrastructure Fund Management Pte. Ltd., as Trustee-Manager of Keppel Infrastructure Trust, advise the following results of Keppel Infrastructure Trust for the second half and full year ended 31 December 2020.

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Keppel Infrastructure Trust delivered a 16.9% YoY increase in Group EBITDA and a 19.6% YoY increase in free cash flow to equity for FY 2020

Results Highlights

- Recorded FY 2020 Group EBITDA of \$376.0 million¹, up 16.9% year-on-year (YoY) compared to FY 2019.
- Free cash flow to equity (FCFE)² for the second half of 2020 (2H 2020) was \$112.4 million³, bringing FCFE² for the full year of 2020 (FY 2020) to \$225.7 million³, a 18.9% and 19.6% YoY increase over the corresponding periods in 2019 respectively.
- The resilient performance was driven by robust operations and growth across Keppel Infrastructure Trust's (KIT) portfolio of essential businesses and assets through the COVID-19 pandemic.
- Declared distribution per Unit (DPU) of 1.86 cents for 2H 2020, bringing total DPU for FY 2020 to 3.72 cents, which translated to an annualised distribution yield of 6.8%⁴
- Delivered total Unitholder return of 7.8%⁵ in FY 2020.
- Announced the proposed acquisition of Philippine Tank Storage International (Holdings) Inc., increasing KIT's exposure to evergreen essential businesses with long-term growth potential.

Financial Performance

KIT is pleased to deliver Group EBITDA of \$376.0 million¹ in FY 2020, a 16.9% YoY growth compared to FY 2019. FCFE² for 2H 2020 was \$112.4 million³, bringing FY 2020 FCFE² to \$225.7 million³, a 18.9% and 19.6% YoY increase compared to the corresponding periods in 2019 respectively. The resilient performance was driven by robust operational performance and growth across KIT's businesses and assets in 2020.

A segmental breakdown of KIT's financial performance is tabled below and excludes cash flows from Basslink³.

Segmental Performance	Free Cash Flow to Equity ²					
	2H 2020 \$ '000	2H 2019 \$ '000	Change (%)	FY 2020 \$ '000	FY 2019 \$ '000	Change (%)
Distribution & Network	67,572	54,991	22.9	136,009	99,941	36.1
Energy	24,526	18,749	30.8	46,133	41,699	10.6
Waste & Water	36,905	37,018	(0.3)	73,124	73,011	0.2
KIT and Holdco ⁶	(16,647)	(16,253)	(2.4)	(29,592)	(25,947)	(14.0)
Free Cash Flow to Equity²	112,356	94,505	18.9	225,674	188,704	19.6

The Trustee-Manager has declared DPU of 1.86 cents for 2H 2020, bringing total DPU for FY 2020 to 3.72 cents. This translated to an annualised distribution yield of 6.8%⁴, and total Unitholder return of 7.8%⁵ for FY 2020.

¹ Excludes one-off acquisition related cost incurred for Ixom's acquisition of Medora (S\$0.8m), Ixom's divestment of Latin America and China Life Science businesses (S\$16.7m) and Basslink's arbitration provision (S\$76.2m). Group EBITDA is S\$282.3m without the adjustments

² Free cash flow to equity (FCFE) is equivalent to distributable cash flow. FCFE is net of trust expenses, distribution paid/payable to perpetual securities holders, management fees and financing costs

³ Excludes Basslink as KIT does not depend on Basslink's cash flows for distribution

⁴ Based on the market closing price per Unit of \$0.545 as at 31 December 2020

⁵ TUR takes into consideration share price performance from 31 December 2019 to 31 December 2020 and DPU declared for FY 2020

⁶ Comprises Trust expenses and distribution paid/payable to perpetual securities holders, management fees and financing costs

KIT's gearing level as at 31 December 2020 was 32.1%, providing the Trust with a comfortable debt headroom to pursue growth opportunities. At the same time, to mitigate against fluctuating interest rates, approximately 89% of KIT's total loans have been hedged as at 31 December 2020.

Operational Performance

In the Distribution & Network segment, City Gas' customer base grew 0.8% YoY to reach 866,000 as at end-2020. Despite the increase in its customer base, FY 2020 recorded slightly lower gas demand compared to FY 2019 due mainly to lower consumption from Commercial & Industrial (C&I) customers as a result of the circuit breaker in Singapore from 7 April 2020 to 1 June 2020, and various ongoing government control measures to manage the pandemic. The lower gas demand was offset slightly by higher consumption from residential customers. With Singapore entering phase 2 of reopening in June 2020, demand from C&I customers has increased steadily in 2H 2020, and is expected to continue growing into 2021. 2H 2020 saw City Gas record lower FCFE as a result of a timing difference inherent in the fuel price pass through gas tariff mechanism. The gas tariff adjustments mechanism is designed to ensure that City Gas has no exposure to fuel price risk over time. In the short run, City Gas's financial performance can result in over- and under-recovery of the fuel component due to a timing lag in the adjustment to the gas tariffs in response to changes in underlying fuel cost.

Ixom delivered a strong performance in 2H 2020, driven by higher contributions from various sectors. These include higher demand for cleaning and hygiene products, higher production from the dairy segment, higher trading volume for the mining sector, as well as increased demand for construction-related chemicals. The stronger performance was also supported by lower capital expenditure in 4Q 2020.

Going forward, Ixom remains focused on pursuing growth initiatives by harnessing its know-how in water treatment solutions, manufactured chemicals, supply chain management, as well as leveraging deep local market knowledge to gain market share and provide best-in-class service to customers.

Meanwhile, Basslink achieved 99.2% availability for the year and the commercial risk sharing mechanism was neutral for FY 2020. Post arbitration, Basslink is in discussions with its advisors to understand the implication of the awards and concurrently undertaking certain mitigating actions in accordance with good electricity industry practice. Basslink is also in discussions with financiers to pursue refinancing in 1H 2021.

In the Energy segment, the Keppel Merlimau Cogen plant achieved contractual availability of 98% as at end-2020. In the Waste & Water segment, operations at the Senoko Waste-to-Energy (WTE), Keppel Seghers Tuas WTE, Keppel Seghers Ulu Pandan NEWater and SingSpring Desalination plants remained stable, and met all their contractual performance requirements in FY 2020.

Strategic Acquisition

On 8 December 2020, the Trustee-Manager and Metro Pacific Investment Corporation (MPIC) announced the proposed joint acquisition of Philippine Tank Storage International (Holdings) Inc. (PTSI), which owns Philippine Coastal Storage & Pipeline Corporation (PCSPC).

Under the agreement, KIT will indirectly hold 80% of the shares in the capital of PTSI, and MPIC will own the remaining 20%⁷

⁷ KIT is in discussions with MPIC regarding MPIC increasing its ownership interest in PTSI such that KIT and MPIC will each have a pro-forma shareholding of 50%

PCSPC is the largest petroleum products import storage facility in the Philippines. As an essential service provider that is strategically located in the tax-friendly Subic Bay Freeport Zone, PCSPC and its clients are able to enjoy tax incentives and year-round access due to the natural surroundings around the bay that provide protection from typhoons. With its operation facilities well connected to Manila, as well as Central and North Luzon, PCSPC is well placed to serve these areas that account for more than half of oil product demand in the Philippines. At the same time, PCSPC growth outlook is supported by sustained economic growth in the Philippines and attractive long-term demand dynamics for various fuel products across multiple industries.

The strategic addition of PCSPC will increase KIT's exposure to essential evergreen businesses, strengthening long-term sustainability of cash flows and the Trust's growth prospects. The acquisition is expected to be completed by end-January 2021.

Positioned for Growth

The COVID-19 pandemic has impacted global economies and businesses. KIT's strong operational readiness and execution ensured that there were no disruptions across all its essential businesses and assets throughout 2020. At the same time, the strategic addition of Ixom and the proposed acquisition of PCSPC in the last two years have demonstrated the Trustee-Manager's ability to identify, execute and close value-accretive acquisitions that have augmented KIT's long-term growth profile, as well as strengthen the diversity, resiliency and defensive nature of the Trust's portfolio.

Looking ahead, the Trustee-Manager will continue to capture growth opportunities that will further strengthen KIT's value proposition and deliver long-term returns to Unitholders.

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About Keppel Infrastructure Trust (www.keppelinfrastructure.com)

Keppel Infrastructure Trust (KIT) is a diversified business trust listed on the Singapore Exchange with approximately \$5 billion in assets under management. Its goal is to deliver sustainable and growing returns to Unitholders, through a combination of recurring distributions and capital growth.

KIT's portfolio of strategic infrastructure businesses and assets provide essential products and services to a wide array of customers including government agencies, multinational corporations, commercial and industrial enterprises as well as retail consumers. Its assets are segmented into the three core sectors of Distribution & Network, Energy and Waste & Water.

Businesses and assets in the Distribution & Network segment provide essential products and services in the areas of gas production, distribution and storage of essential chemicals, as well as telecoms and electricity transmission. These assets are well-positioned to deliver resilient cash flows with potential for growth that is supported by favourable market dynamics and demand over the long term.

The Energy and Waste & Water segments comprise assets that are integral to the provision of power, waste treatment and water purification. The contract terms for these assets are backed by recurring fixed capacity or availability payments, providing KIT with stable cash flows.

The Trustee-Manager for KIT is Keppel Infrastructure Fund Management, a wholly-owned subsidiary of Keppel Capital Holdings Pte. Ltd., a premier asset manager in Asia. KIT is sponsored by Keppel Infrastructure Holdings Pte. Ltd., which invests in, owns and operates competitive energy and infrastructure solutions and services.

IMPORTANT NOTICE

The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Trustee-Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Trustee-Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units. The past performance of KIT is not necessarily indicative of the future performance of KIT. This announcement may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Trustee-Manager's current view on future events.