



1H2015 Results Announcement

August 4, 2015

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Scope of Presentation



- CEO's Report
- Financial Review
- Group Outlook

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CEO's Report

Tang Kin Fei

Group President & CEO

1H2015 Performance Round-up

Turnover at S\$4.7 billion, down 8%

Profit from Operations at S\$618.1 million, up 3%

Net Profit at S\$365.8 million, up 1%

EPS at 20.0 cents

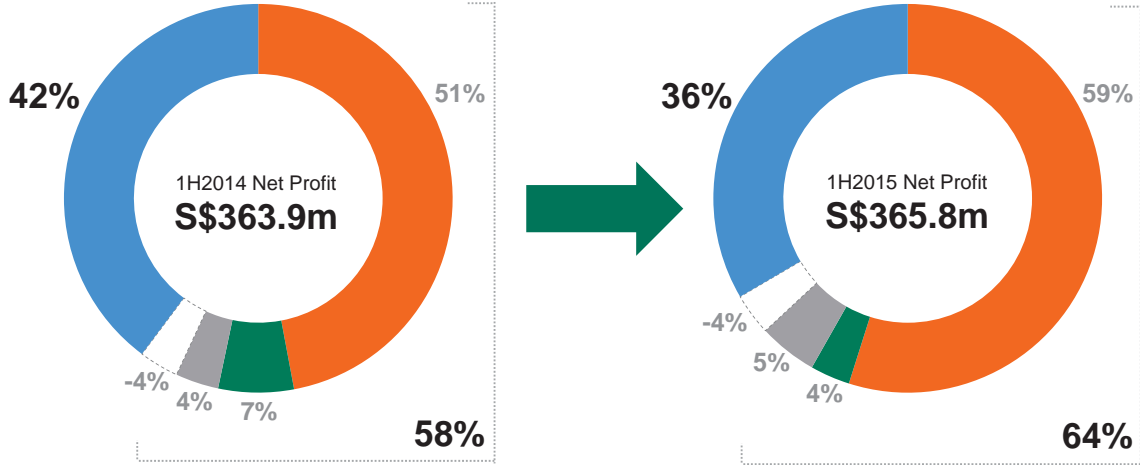
ROE (annualised) at 12.5%

The Board of Directors declares an interim dividend of 5.0 cents per ordinary share, which will be paid on September 1, 2015

Group Net Profit Mix



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

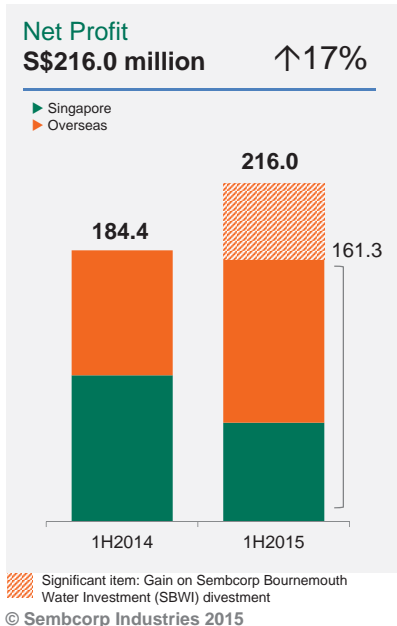


Utilities



Sembcorp's Thermal Powertech Corporation project in Andhra Pradesh, India

Building the foundation for long-term growth



Highlights

Continued intense competition in the Singapore power market

- Lower contracted retail prices. Vesting contracts level falls to 25% from July 2015

Overseas growth strategy on track

- Overseas contribution increased 18% in 1H2015
- Leveraging strong development capability to focus on greenfield projects in rapidly developing economies (RDE)
 - **India:** First 660MW in operation. Second 660MW unit COD targeted in 3Q2015. Acquired renewable energy company Sembcorp Green Infra in February
 - **China:** 296MW wind power capacity in operation. Expanding by another 150MW
 - **Myanmar:** New beachhead with 225MW gas-fired Myingyan IPP project

Increasing power generation capacity

- Increase of >2,000MW of new gross power capacity in 2015, providing new income streams

Value accretive divestment

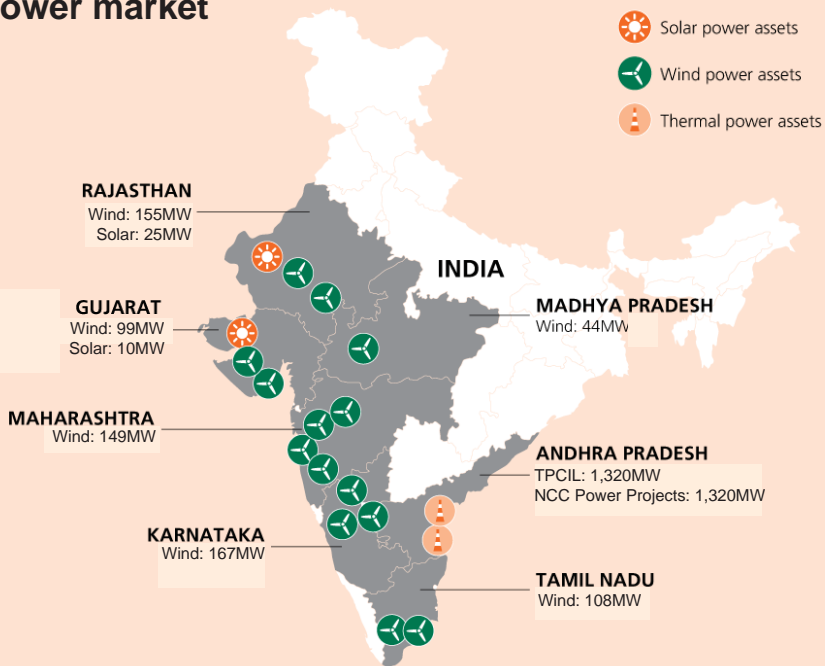
- Net gain of S\$54.7 million from divestment of UK municipal water operations

Strengthening presence in growing Indian power market

Well-positioned in both thermal and renewable sectors

A leading foreign energy player in India with >3,300 megawatts in gross power capacity

India's Top 5 in the renewable sector



Strengthening presence in growing Indian power market

THERMAL

2,640MW gross capacity

Thermal Powertech Corporation India (TPCIL) 1,320MW

- Unit 1 (660MW) in operation since 1Q2015
- Unit 2 (660MW) COD targeted in 3Q2015
- Underpinned by long-term power purchase agreements (PPAs) – 500MW secured, bidding for another long-term PPA of up to 600MW
- Unit 1 firing both domestic and imported coal



NCC Power Projects (NCCPP) 1,320MW

- On track for 2016 phased completion
- Bidded for a 500MW long-term PPA



RENEWABLE

757MW gross capacity



Sembcorp Green Infra (SGI)

- Portfolio of wind and solar assets in 6 renewable resource-rich states in India
- Portfolio expanded to 757MW. 614MW currently in operation, 673MW by September 2015
- Strong growth pipeline for wind and solar. Aspiring to triple capacity to >2,000MW by 2020

Strategically located in China's industrial sites and cities

Focused on niche energy sectors and total water solutions for industries

23 power and water operations across 11 provincial regions

Well placed to benefit from China's emphasis on environmental protection

- Sustainable water solutions
- Renewable energy

Well positioned in leading chemical and petrochemical sites



Focused on niche energy sectors and total water solutions for industries

THERMAL

691MW gross capacity



Shanghai

- 691MW cogeneration plant supplying power to the grid and steam to customers in the Shanghai Chemical Industrial Park since 2006



Chongqing

- Mine-mouth coal-fired power plant in Chongqing
- Acquisition of a 300MW coal-fired power plant and development of a greenfield 1,320MW coal-fired power plant
- Joint venture agreement signed, subject to government approvals

RENEWABLE

446MW gross capacity



- Wind power assets in Hebei and Inner Mongolia, with 296MW in operation
- Strong growth opportunities
 - Developing another 150MW in Hebei (estimated COD by 2H2017)
 - Expecting further growth in the renewable energy sector

WATER (Industrial)

1.8 million m³/day gross capacity



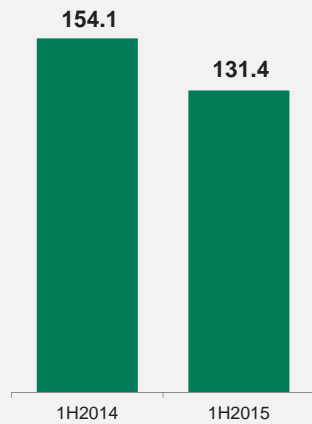
- Located in 9 chemical and petrochemical parks
- Well-placed to provide total water solutions for the chemical, petrochemical and coal-to-gas/coal-to-liquids industries
- Construction of the 1.3 million m³/day Changzhi Total Water Management Plant (TWMP) on track



Sembcorp Marine Tuas Boulevard Yard, Singapore

New US\$1 billion contract secured

Net Profit*
S\$131.4 million ↓15%



*Sembcorp's share of Marine's net profit

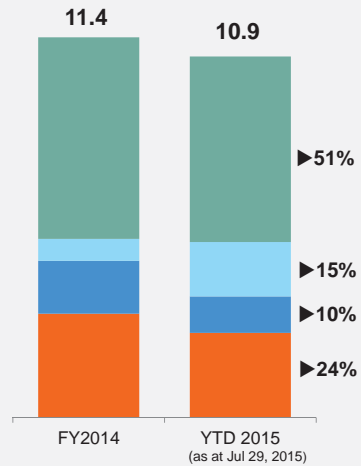
Contracts Secured (as at Jul 29, 2015)
S\$1.4 billion

World's largest semi-submersible crane vessel to be built for Heerema Offshore Services

- Engineering and construction contract worth approximately US\$1 billion
- New DP3 semi-submersible crane vessel designed for installation and decommissioning of major offshore facilities worldwide
- Scheduled for delivery in 4Q2018

Net Orderbook (as at Jul 29, 2015)
S\$10.9 billion

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



Transformation for Growth

ONE Brand, ONE Team, offering ONE-stop solutions

FOCUS

on four key capabilities

- RIGS & FLOATERS**
- REPAIRS & UPGRADES**
- OFFSHORE PLATFORMS**
- SPECIALISED SHIPBUILDING**

ONE Integrated Team

operating around the world



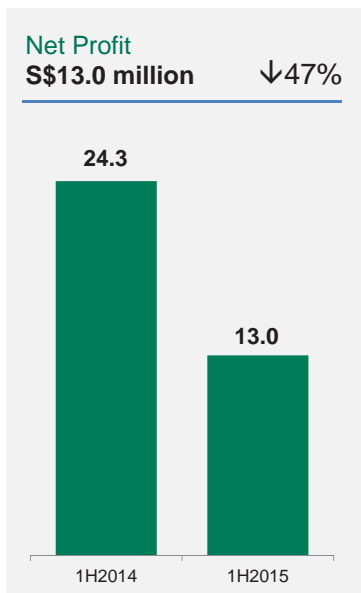
SINGAPORE HUB

- Sembcorp Marine Admiralty Yard
- Sembcorp Marine Benoi Yard
- Sembcorp Marine Pandan Yard
- Sembcorp Marine Tanjong Kling Yard
- Sembcorp Marine Tuas Boulevard Yard
- Sembcorp Marine Tuas Crescent Yard
- Sembcorp Marine Tuas Road Yard



Urban Development

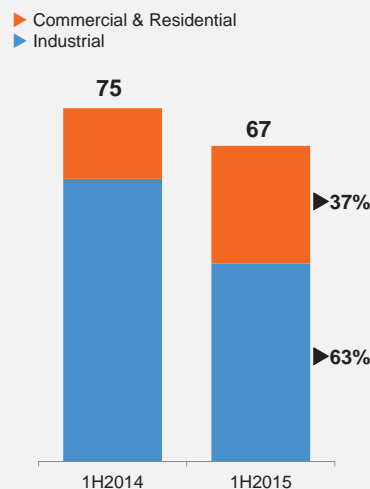
Land sales pick up in 2Q2015



Land Sales

67 hectares

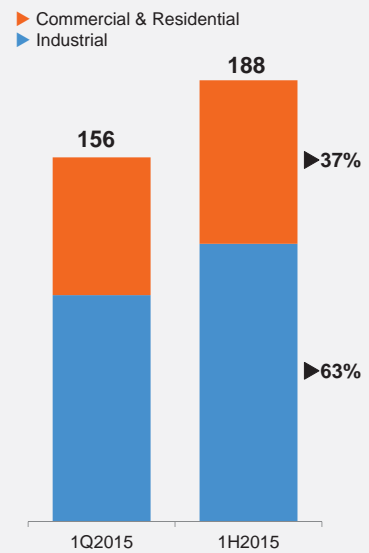
- VSIP continues to lead sales
- Contributions from Nanjing and Chengdu



Net Orderbook

188 hectares

- Continued interest in Vietnam
- Upcoming China land sales



Urban Development

New Projects Secured in 1H2015



VIETNAM

VSIP Nghe An

- 750 hectares. Phase 1 comprises 198 hectares of industrial land and 81 hectares of commercial and residential land
- Pre-positioning for Trans-Pacific Partnership trade agreement stirring demand for industrial land
- Profit recognition from 2017

VSIP Hai Duong

- 150 hectares of industrial land
- First tenant secured
- Profit recognition by 2016



Sino-Singapore Nanjing Eco Hi-tech Island

CHINA

Riverside Quay, NANJING ECO HI-TECH ISLAND

- 5.7-hectare mixed-use development comprising high-end residential and industrial office space
- To house the *Nanjing International Water Hub*, industrial offices catering to technology and innovative R&D for the water industry
- Profit recognition from 2017/18



Financial Review

Koh Chiap Khiong

Group CFO

Group Profit & Loss



(S\$M)	1H15	1H14	Δ%
Turnover	4,726	5,161	(8)
EBITDA*	712	655	9
Profit from Operations	618	599	3
EBIT	519	501	4
Share of results: Associates & JVs	99	98	1
Net Finance Cost	(76)	(26)	(196)
Finance costs	(88)	(35)	(153)
Finance income	12	9	33
PBT	542	573	(6)
Tax	(81)	(84)	3
Non-Controlling Interests	(95)	(125)	24
Net Profit	366	364	1
EPS (cents)	20.0	20.1	(1)

*EBITDA excludes major non-cash items such as the effects of fair value adjustments, re-measurements, impairments and write-offs.

Group Turnover



(S\$M)	1H15	1H14	Δ%
Utilities	2,082	2,371	(12)
Marine	2,511	2,675	(6)
Urban Development*	3	3	(2)
Other Businesses	130	112	16
TOTAL TURNOVER	4,726	5,161	(8)

*Urban Development businesses comprise mainly associates or joint ventures which are accounted for under the equity method.

Group Profit from Operations (PFO)



(S\$M)	1H15	1H14	Δ%
Utilities	310.4	244.3	27
Marine	286.9	318.8	(10)
Urban Development	15.4	26.1	(41)
Other Businesses	15.1	14.7	3
Corporate	(9.7)	(5.0)	(93)
TOTAL PFO	618.1	598.9	3

Group Net Profit

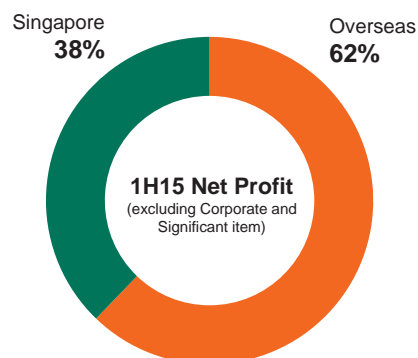


(S\$M)	1H15	1H14	Δ%
Utilities	216.0	184.4	17
Marine	131.4	154.1	(15)
Urban Development	13.0	24.3	(47)
Other Businesses	19.1	13.9	37
Corporate	(13.7)	(12.8)	(7)
TOTAL NET PROFIT	365.8	363.9	1

Utilities Net Profit



By Geography (\$M)	1H15	1H14	Δ%
Singapore*	67.3	99.5	(32)
Rest of ASEAN, Australia & India	20.6	25.4	(19)
China	45.0	33.8	33
Middle East & Africa	22.6	20.5	11
UK	15.4	9.7	59
The Americas	7.1	4.1	73
Corporate	(16.7)	(8.6)	(94)
Net Profit before significant item	161.3	184.4	(13)
Significant item	54.7	-	NM
Gain on SBWI divestment	54.7	-	NM
TOTAL NET PROFIT	216.0	184.4	17

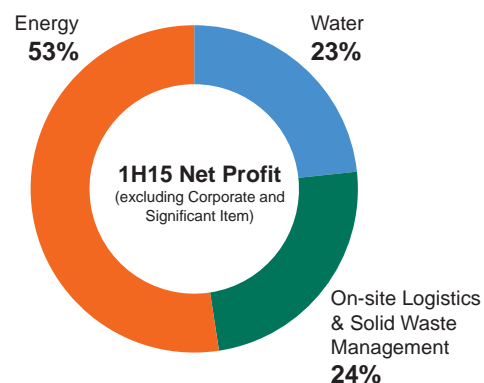


*Singapore: Net Profit breakdown	1H15	1H14	Δ%
Energy	25.1	66.4	(62)
Water	18.8	14.4	31
On-site Logistics & Solid Waste Management	23.4	18.7	25

Utilities Net Profit



By Product Segment (\$M)	1H15	1H14	Δ%
Energy	93.3	110.3	(15)
Water	41.5	40.1	3
On-site Logistics & Solid Waste Management	43.2	42.6	1
Corporate	(16.7)	(8.6)	(94)
Net Profit before significant item	161.3	184.4	(13)
Significant item	54.7	-	NM
Gain on SBWI divestment	54.7	-	NM
TOTAL NET PROFIT	216.0	184.4	17



Group Capex and Equity Investment



(S\$M)	1H15	1H14
Capital Expenditure		
- Utilities	304.8	124.3
- Marine	419.7	345.8
- Urban Development	2.7	0.1
- Other Businesses	1.8	2.1
	729.0	472.3
Equity Investment		
- Utilities	356.1	168.8
- Urban Development	-	3.6
	356.1	172.4

Group Free Cash Flow



(S\$M)	1H15	1H14
CASH FLOW FROM OPERATING ACTIVITIES		
- before changes in working capital	684	664
- changes in working capital	(873)	120
- tax paid	(72)	(64)
	(261)	720
CASH FLOW FROM INVESTING ACTIVITIES		
- divestments, dividend and interest income	231	47
- investments and capex and non-trade balances*	(1,072)	(710)
	(841)	(663)
- Add back: expansion capex	923	593
FREE CASH FLOW	(179)	650

*Payables for capital works / fixed assets

Group Borrowings



(S\$M)	Jun 30,15	D/C ratio*	Dec 31,14	D/C ratio*
Gross Debt				
Corporate debt	1,352	0.10	1,322	0.11
Project finance debt	2,032	0.14	1,680	0.14
Sembcorp Marine debt	2,461	0.17	1,741	0.15
	5,845	0.41	4,743	0.40
Less: Cash and cash equivalents	(1,717)		(1,661)	
Net debt / (cash)	4,128	0.29	3,082	0.26

*Total Debt-to-Capitalisation ratio

Financial Indicators



	1H15	1H14	FY14
EPS (cents)	40.0*	40.2*	44.3
ROE (%)	12.5*	13.7*	15.2
ROTA (%)	6.1*	7.5*	7.5
Interest Cover (times)	8.1	18.9	20.8
Per Share			
NAV (S\$)	3.61	2.97	3.15
Economic Value Added			
EVA (S\$M)	61.1	234.9	524.7

* Annualised

Utilities

2015 is expected to be challenging for the Singapore energy business with continued intense competition in the power market as well as low oil prices. The overseas business is expected to continue to deliver a steady performance. The first unit of TPCIL power plant in India commenced operation in 1Q2015, and the plant will be in full operation by 3Q2015.

Marine

The persistently low oil prices have escalated the ongoing cuts in global exploration and production expenditure. Some customers are deferring or seeking to defer the delivery of their ordered rigs. While the new order outlook for offshore exploration vessels remains bleak, the business has benefitted from its strategy to diversify its product offering in addition to drilling solutions.

Brazil's oil and gas industry remains fraught in uncertainty. The Marine business continues to engage with its customers to find the best way forward for its projects and to explore all options including slowing down construction.

The Marine business has a net orderbook of S\$10.9 billion. This includes S\$1.35 billion in contracts secured to-date in 2015. While the business faces many challenges ahead, it will continue to actively manage its balance sheet to maintain a healthy financial position. Following the transformation into an integrated business, Sembcorp Marine will optimise its capabilities and capacities, as well as increase its efficiency and productivity.

Urban Development

In 2015, the Urban Development business is expected to deliver a performance comparable to 2014.

Group

Despite the challenges of a low oil price environment and a mixed global economic outlook for 2015, the Group, underpinned by sound business fundamentals and a healthy pipeline of projects, remains committed to delivering long-term value and growth.

The Group remains focused on project execution, as well as on enhancing operational excellence and efficiency, to manage costs and maximise earnings.



Vital Partners. Essential Solutions.

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Appendix

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Group Profit & Loss

(\$M)	2Q15	2Q14	Δ%
Turnover	2,388	2,534	(6)
EBITDA*	408	331	23
Profit from Operations	364	298	22
EBIT	306	254	21
Share of results: Associates & JVs	58	44	32
Net Finance Cost	(50)	(12)	(309)
Finance costs	(56)	(16)	(243)
Finance income	6	4	53
PBT	314	286	10
Tax	(41)	(41)	-
Non-Controlling Interests	(49)	(66)	24
Net Profit	224	179	25
EPS (cents)	12.2	9.9	24

*EBITDA excludes major non-cash items such as the effects of fair value adjustments, re-measurements, impairments and write-offs.

Group Turnover



(S\$M)	2Q15	2Q14	Δ%
Utilities	1,124	1,158	(3)
Marine	1,207	1,340	(10)
Urban Development*	2	2	(7)
Other Businesses	55	34	62
TOTAL TURNOVER	2,388	2,534	(6)

*Urban Development businesses comprise mainly associates or joint ventures which are accounted for under the equity method.

Group Profit from Operations (PFO)



(S\$M)	2Q15	2Q14	Δ%
Utilities	203.4	123.2	65
Marine	144.7	164.5	(12)
Urban Development	13.3	5.8	128
Other Businesses	7.0	4.9	41
Corporate	(4.1)	(0.4)	(986)
TOTAL PFO	364.3	298.0	22

Group Net Profit



(S\$M)	2Q15	2Q14	Δ%
Utilities	141.5	92.8	53
Marine	66.7	79.8	(16)
Urban Development	11.9	4.8	148
Other Businesses	9.3	5.5	71
Corporate	(5.8)	(3.9)	(51)
TOTAL NET PROFIT	223.6	179.0	25

Utilities Turnover



By Geography (S\$M)	1H15	1H14	Δ%
Singapore	1,640.7	2,032.6	(19)
Rest of ASEAN, Australia & India	117.1	2.6	4,453
China	76.8	70.5	9
Middle East & Africa	51.8	46.5	11
UK	183.5	215.2	(15)
The Americas	26.7	23.0	16
Corporate	-	0.2	(100)
TOTAL TURNOVER	2,096.6	2,390.6	(12)

	2Q15	2Q14	Δ%
Singapore	868.3	996.9	(13)
Rest of ASEAN, Australia & India	104.6	1.3	8,237
China	38.8	35.8	8
Middle East & Africa	26.4	24.4	8
UK	80.7	98.5	(18)
The Americas	13.0	10.9	19
Corporate	-	-	-
TOTAL TURNOVER	1,131.8	1,167.8	(3)

Note: Figures are stated before intercompany eliminations

Utilities Profit From Operations (PFO)



By Geography (\$M)	1H15	1H14	Δ%
Singapore	102.2	138.0	(26)
Rest of ASEAN, Australia & India	58.4	25.4	130
China	51.1	40.0	28
Middle East & Africa	24.7	22.6	9
UK	22.1	20.2	9
The Americas	7.5	4.5	67
Corporate	44.4	(6.4)	NM
TOTAL PFO	310.4	244.3	27

	2Q15	2Q14	Δ%
Singapore	54.8	65.0	(16)
Rest of ASEAN, Australia & India	41.7	13.2	217
China	28.7	19.9	44
Middle East & Africa	14.9	14.5	3
UK	12.0	11.1	8
The Americas	3.5	2.8	24
Corporate	47.8	(3.3)	NM
TOTAL PFO	203.4	123.2	65

Utilities Net Profit



By Geography (\$M)	1H15	1H14	Δ%
Singapore	67.3	99.5	(32)
Rest of ASEAN, Australia & India	20.6	25.4	(19)
China	45.0	33.8	33
Middle East & Africa	22.6	20.5	11
UK	15.4	9.7	59
The Americas	7.1	4.1	72
Corporate	38.0	(8.6)	NM
TOTAL NET PROFIT	216.0	184.4	17

	2Q15	2Q14	Δ%
Singapore	36.4	46.7	(22)
Rest of ASEAN, Australia & India	8.6	13.2	(35)
China	25.0	16.6	51
Middle East & Africa	13.9	13.5	3
UK	10.0	5.9	70
The Americas	3.1	1.9	63
Corporate	44.5	(5.0)	NM
TOTAL NET PROFIT	141.5	92.8	53

Utilities Turnover



By Product Segment (\$M)	1H15	1H14	Δ%
Energy	1,711.7	1,992.1	(14)
Water	210.9	223.0	(5)
On-site Logistics & Solid Waste Management	174.0	175.3	(1)
Corporate	-	0.2	(100)
TOTAL TURNOVER	2,096.6	2,390.6	(12)
	2Q15	2Q14	Δ%
Energy	946.6	966.0	(2)
Water	95.8	113.7	(16)
On-site Logistics & Solid Waste Management	89.4	88.1	1
Corporate	-	-	-
TOTAL TURNOVER	1,131.8	1,167.8	(3)

Note: Figures are stated before intercompany eliminations

Utilities Profit from Operations (PFO)



By Product Segment (\$M)	1H15	1H14	Δ%
Energy	153.2	140.3	9
Water	60.1	60.5	(1)
On-site Logistics & Solid Waste Management	52.7	49.9	6
Corporate	44.4	(6.4)	NM
TOTAL PFO	310.4	244.3	27
	2Q15	2Q14	Δ%
Energy	98.9	64.8	53
Water	27.1	33.1	(18)
On-site Logistics & Solid Waste Management	29.6	28.6	3
Corporate	47.8	(3.3)	NM
TOTAL PFO	203.4	123.2	65

Utilities Net Profit



By Product Segment (S\$M)	1H15	1H14	Δ%
Energy	93.3	110.3	(15)
Water	41.5	40.1	3
On-site Logistics & Solid Waste Management	43.2	42.6	1
Corporate	38.0	(8.6)	NM
TOTAL NET PROFIT	216.0	184.4	17

	2Q15	2Q14	Δ%
Energy	53.7	51.1	5
Water	19.1	21.9	(13)
On-site Logistics & Solid Waste Management	24.2	24.8	(2)
Corporate	44.5	(5.0)	NM
TOTAL NET PROFIT	141.5	92.8	52