

# Annual General Meeting 2021

20 April 2021

# FY 2020 Key Highlights



**Grew FY 2020 Group EBITDA<sup>1</sup> by 17.4% YoY and free cash flow to equity (FCFE)<sup>2</sup> by 19.6% YoY**

Delivered FY 2020 Group EBITDA and FCFE of \$376.0m<sup>1</sup> and \$225.7m respectively.



**Achieved payout ratio of 82%; DPU of 3.72 cents for FY 2020**

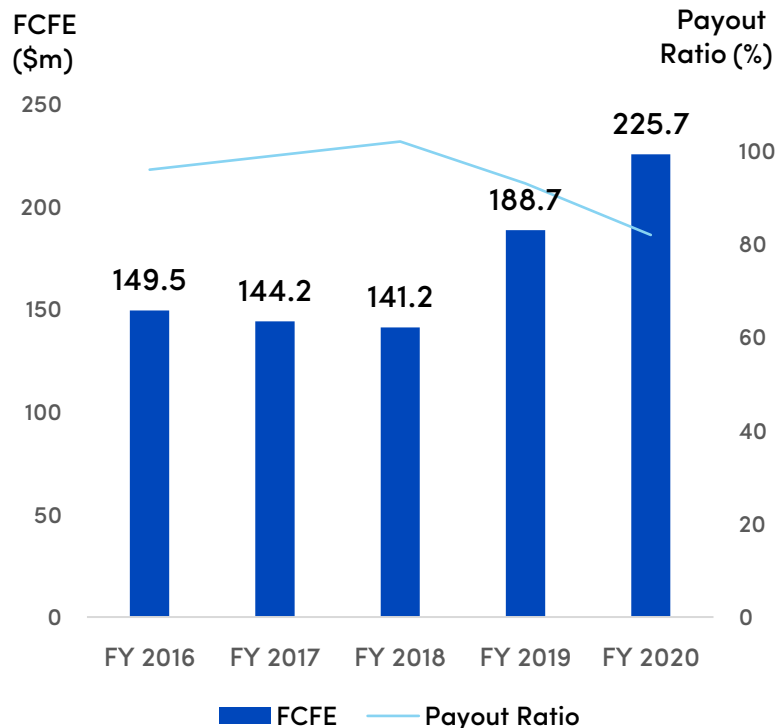
Payout ratio of 82% allows for capital reinvestments into growth initiatives that will deliver long-term returns.



**Maintained strong operational excellence and readiness in 2020**

All businesses and assets are essential services and continued to operate throughout the COVID-19 pandemic with no operational disruptions.

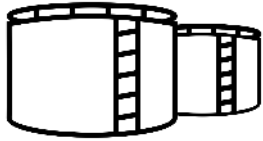
## Free Cash Flow to Equity (FCFE)<sup>2</sup> and Payout Ratio



1. Excludes one-off acquisition related cost incurred for Ixom's acquisition of Medora (\$\$0.8m), Ixom's divestment of Latin America and China Life Science businesses (\$\$16.8m) and Basslink's arbitration provision (\$\$76.2m). Group EBITDA is \$\$282.2m without the adjustments

2. 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

# Strategic Addition of Philippine Tank Storage International (Holdings) Inc.<sup>1</sup>



**Storage Capacity**  
**6 million barrels**



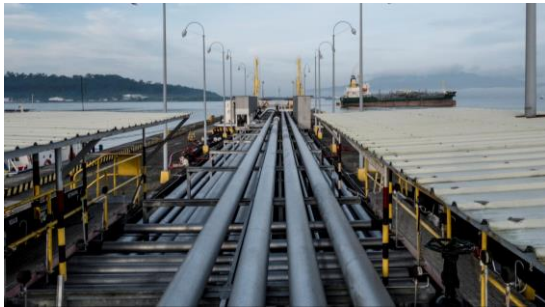
**Strategically Located**  
Well-placed to capture demand from Metro Manila and Central and North Luzon



**USD-denominated “take-or-pay” Contracts**  
No exposure to petroleum price and volume risk



**Blue Chip Customers**  
Government Agency  
Oil & Gas Conglomerates  
Multinational Corporations  
Domestic Gasoline Retailers



1. On 8 December 2020, KIT announced the proposed acquisition of 80% of the entire share capital of Philippine Tank Storage International (Holdings) Inc., which owns Philippine Coastal. Metro Pacific Investments Corporation (MPIC) will own the remaining 20%. The acquisition was completed on 29 January 2021. Immediately following the completion of the acquisition, KIT and MPIC entered into a share sale agreement to sell 30% of KIT's interest in Philippine Coastal to MPIC, resulting in each of KIT and MPIC indirectly holding an approximately equal percentage of interest in Philippine Coastal, with KIT indirectly holding one voting share more than MPIC.

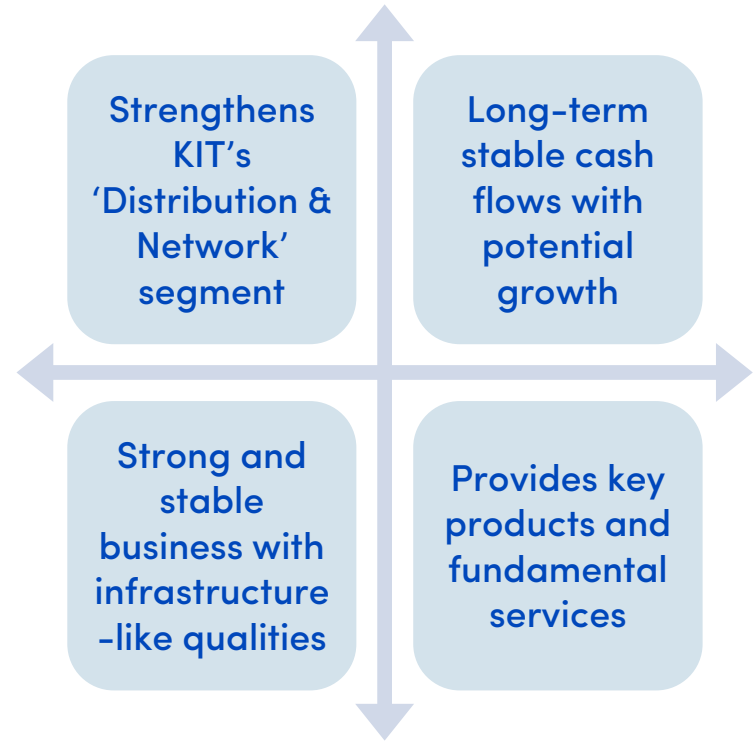
# Key Merits of Philippine Coastal



## Key attributes of Philippine Coastal

- 1 Largest petroleum products storage facility in the Philippines
- 2 Strategically located in the Subic Bay Freeport Zone and an essential service provider
- 3 Strong competitive advantage and leading market position
- 4 Sticky blue chip customer base with USD-denominated “take-or-pay” contracts
- 5 Long-term demand supported by sustained economic growth and healthy demand dynamics

## Strategically aligned with KIT's investment focus

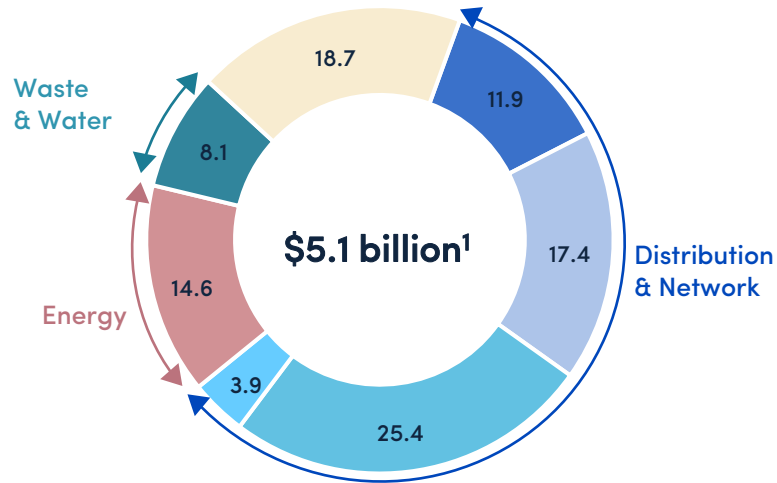


# Portfolio Breakdown



## By Businesses and Assets (%)

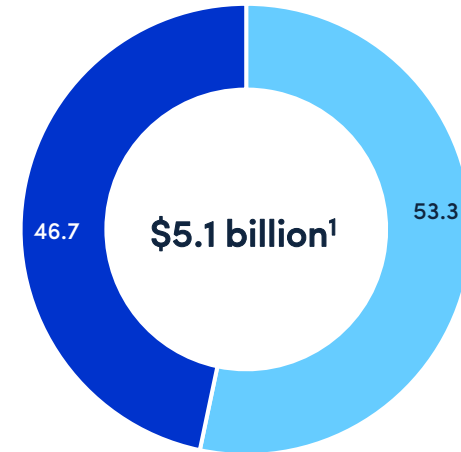
As at 31 Mar 2021



- City Gas
- Ixom
- KMC
- Trust assets and non-controlling interest
- Basslink
- Philippine Coastal
- Waste & Water

## By Geography (%)

As at 31 Mar 2021



- Singapore
- Australia, New Zealand, Philippines and other countries

1. Assets under management includes Philippine Coastal, which was acquired on 29 January 2021

# 1Q 2021 Operational Performance



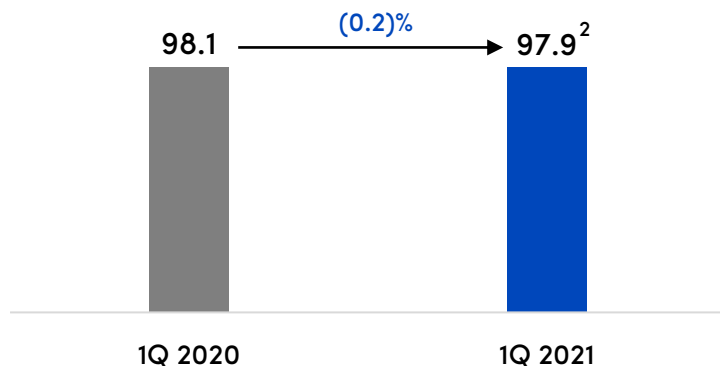
## Healthy YoY Growth in Operational Cash Flows

KIT continues to deliver resilient cash flows backed by its diversified portfolio of essential businesses and assets

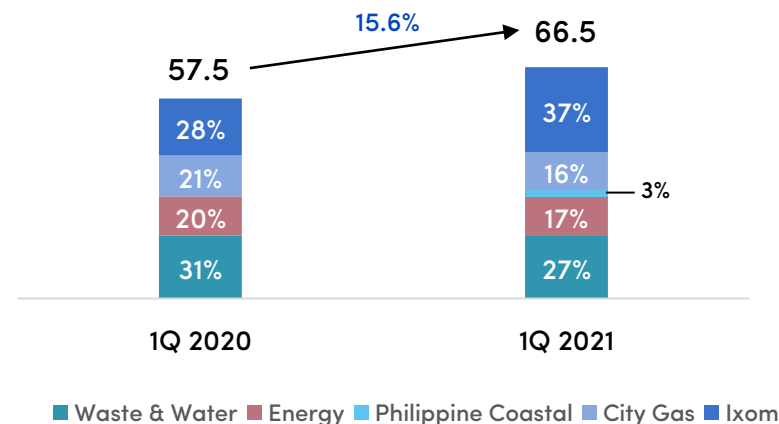
## Completed the Acquisition of Philippine Coastal<sup>1</sup>

The strategic addition of Philippine Coastal will strengthen KIT's portfolio, providing new growth pillars that will drive long-term sustainable returns

### Group EBITDA (\$m)



### Operational Cash Flows (\$m)<sup>3</sup>



1. The acquisition was completed on 29 January 2021. Immediately following the completion of the acquisition, KIT and MPIC entered into a share sale agreement to sell 30% of KIT's interest in Philippine Coastal to MPIC, resulting in each of KIT and MPIC indirectly holding an approximately equal percentage of interest in Philippine Coastal, with KIT indirectly holding one voting share more than MPIC.

2. Includes share of profits from Philippine Coastal, based on equity accounting

3. Excludes Trust expenses and distribution paid/payable to perpetual securities holders, management fees and financing costs. Refer to slide 9 for the full breakdown of KIT Group's free cash flow to equity



## City Gas

- Customer base grew 0.8% YoY to 870,000 as at end-Mar 2021
- Residential consumption of town gas remains healthy, while town gas volume from Commercial & Industrial customers remains below pre COVID-19 levels
- OCF was lower YoY due to under recovery of fuel cost due to the timing difference inherent in the fuel price pass through gas tariff mechanism. City Gas has no exposure to fuel price risk over time

## Ixom

- Strong YoY performance driven by healthy demand from the construction, mining, dairy segments and higher demand for chlorine and caustic soda
- Ixom's operational cash flows also benefited from the stronger Australian Dollar
- Focused on pursuing growth opportunities that will increase market share and strengthen its position in key growth segments

## Philippine Coastal

- Completed the acquisition on 29 January 2021, working on post acquisition integration and long-term business plan
- Fuel storage demand expected to steadily increase as the Philippines economy recovers gradually from the pandemic

## Basslink<sup>1</sup>

- The Commercial Risk Sharing Mechanism was -12.5% for 1Q 2021
- Working towards securing a long-term refinancing package to match the operational lifespan of the asset

1. KIT is not dependent on Basslink's cash flows for distributions



## Keppel Merlimau Cogen Plant

- Achieved 100% contracted availability
- KMC has no tariff exposure to the Singapore wholesale electricity market and has no exposure to fluctuations in fuel oil prices
- KMC receives a fee for delivering the availability of the plant to Keppel Electric



## Senoko and Tuas WTE Plants, Ulu Pandan NEWater Plant and SingSpring Desalination Plant

- Fulfilled all contractual obligations, and operations remained stable





# Free Cash Flow to Equity



	1Q 2021 S\$'000	1Q 2020 S\$'000	+ / (-) %
<b>Distribution &amp; Network</b>	<b>37,261</b>	<b>28,207</b>	<b>32.1</b>
City Gas	10,965	11,857	(7.5)
Ixom	24,458	16,350	49.6
Philippine Coastal	1,838	-	100.0
<b>Energy</b>	<b>11,059</b>	<b>11,202</b>	<b>(1.3)</b>
<b>Waste &amp; Water</b>	<b>18,223</b>	<b>18,138</b>	<b>0.5</b>
<b>Operational Cash Flows</b>	<b>66,543</b>	<b>57,547</b>	<b>15.6</b>
<b>KIT and Holdco<sup>1</sup></b>	<b>(9,929)</b>	<b>(6,404)</b>	<b>(55.0)</b>
<b>Free Cash Flow to Equity</b>	<b>56,614</b>	<b>51,143</b>	<b>10.7</b>

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

# Three-pronged Growth Strategy



The Trustee-Manager will harness the synergies of its **three-pronged growth strategy** to achieve its goal of **long-term value creation**

## Value Creation

- Generate and grow cash flows from KIT's well-diversified portfolio of businesses and assets
- Drive organic growth from existing going concern businesses - City Gas, Ixom, Philippine Coastal - that are supported by long-term favourable demand trends
- Drive strong operational performance and efficiencies, as well as fulfil all contractual requirements

## Operational Excellence

- Achieve operational excellence and asset optimisation to extract further value
- Maintain an optimal capital structure to support growth initiatives, and maximise returns for Unitholders
- Implement sustainable practices, where feasible, to support a sustainable future for KIT and its stakeholders

## Focused Acquisition

- Seek leading businesses and assets with the following investment characteristics:
  - ✓ Generate defensive cash flows and revenues that are inflation-linked and/or GDP-linked with potential for growth
  - ✓ Possess high barriers to entry
  - ✓ Are key providers of essential products and services
- Potential bolt-on acquisitions at City Gas, Ixom and Philippine Coastal
- Undertake co-investment and incubation opportunities with Keppel Capital, the Sponsor and/or like-minded investment partners
- Partner with experienced operators on greenfield investments with limited construction exposure

# Thank You

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