# Presentation to Investors

## San Francisco

11-12 May 2017

Keppel Corporation

# Disclaimer

*This presentation may contain forward-looking statements which are subject to risks and uncertainties that could cause actual results to differ materially from such statements. Such risks and uncertainties include industry and economic conditions, competition, and legal, governmental and regulatory changes. The forward-looking statements reflect the current views of Management on future trends and developments.*

# Providing Solutions for Sustainable Urbanisation

**Our vision** is to be a global company at the forefront of our chosen industries, shaping the future for the benefit of all our stakeholders.

Keppel meets the world's sustainable urbanisation needs through key businesses in Offshore & Marine, Property, Infrastructure and Investments.

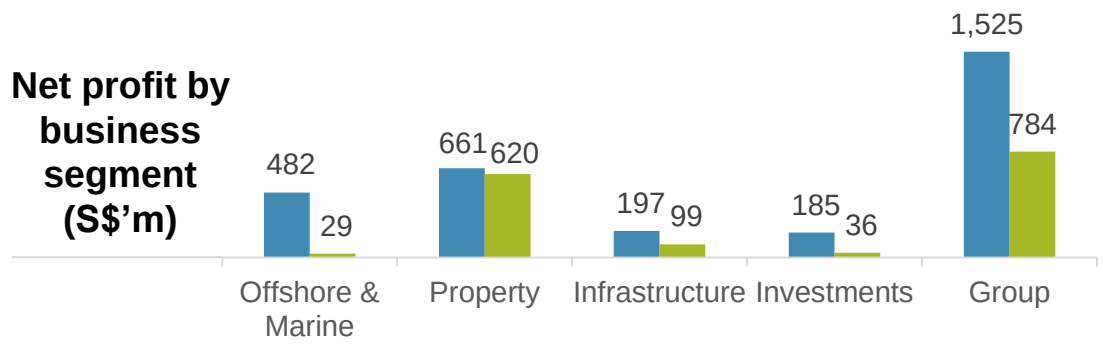


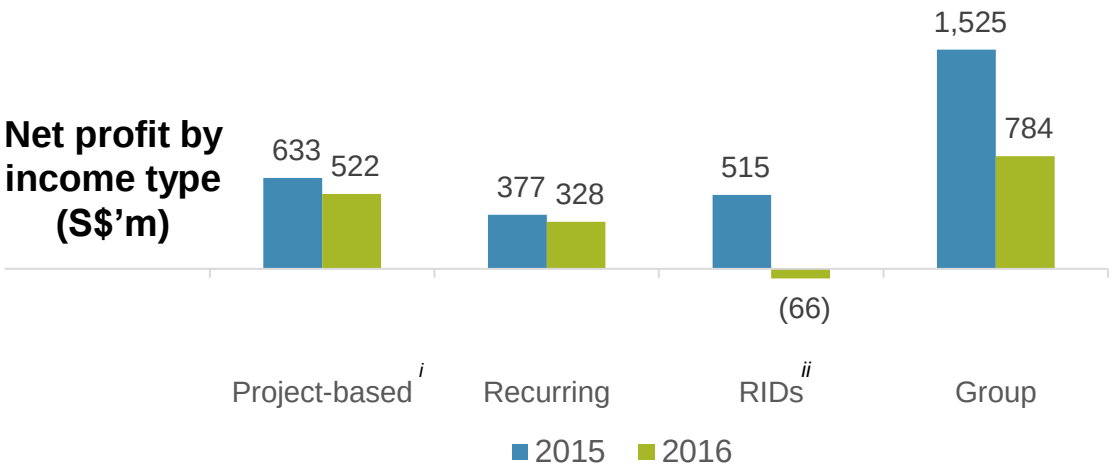



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# Anchored on a Multi-Business Strategy



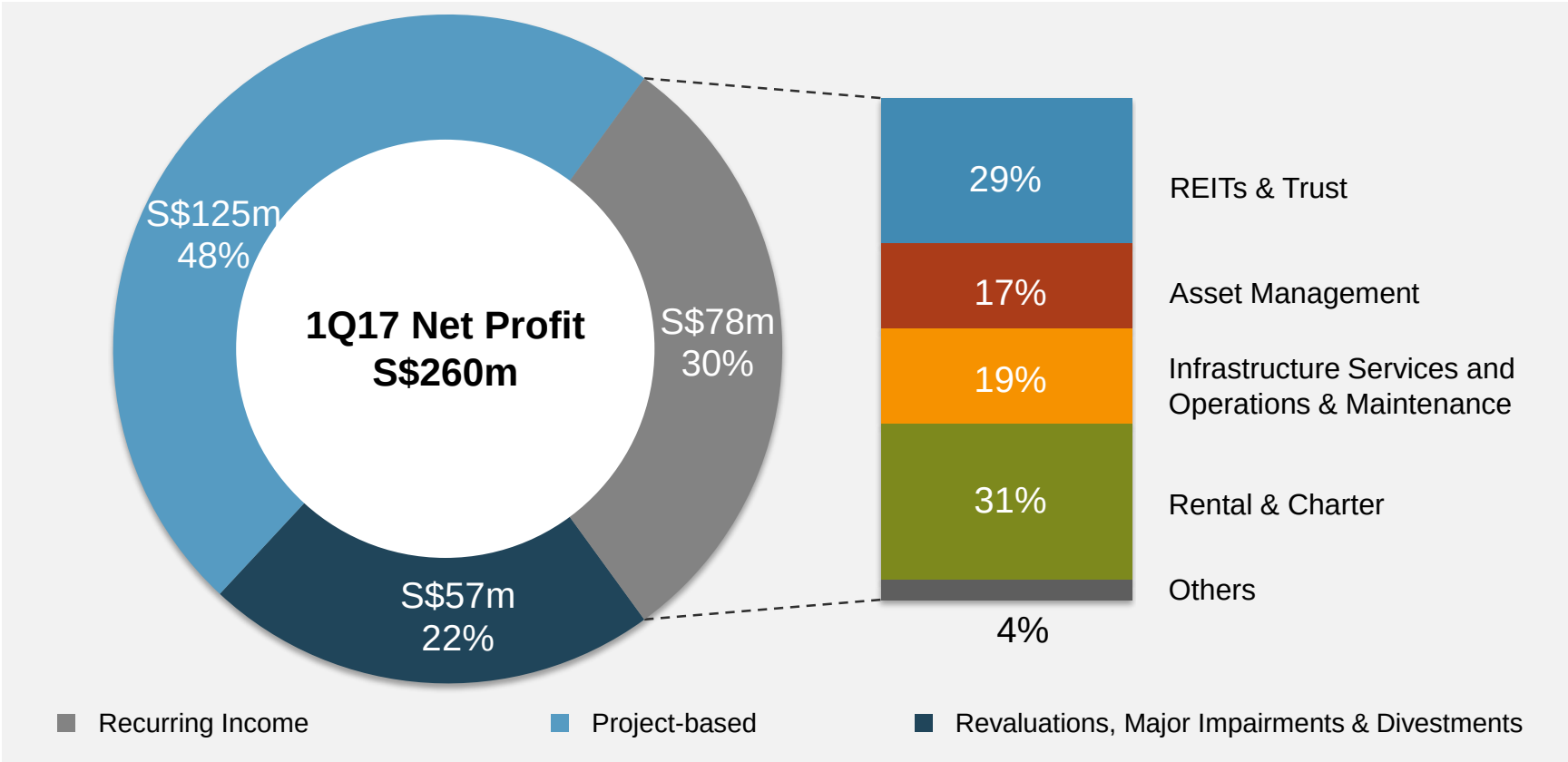




- Resilient operations supported by rightsizing and prudent investments in new capabilities
- Further growing contributions from Property, Infrastructure and Investments divisions
- Focused on expanding stable recurring income to fund capital spending and dividends for the long term

*[i] Project-based earnings include income from rig building, specialised shipbuilding, property development and EPC projects.*
*[ii] Revaluations, Major Impairments & Divestments*

# Creditable Performance

- Net profit for 1Q 2017 was S$260m, up 23% from S$211m for 1Q 2016, supported by multiple earnings streams
- Recurring income constituted 30% of 1Q 2017 net profit

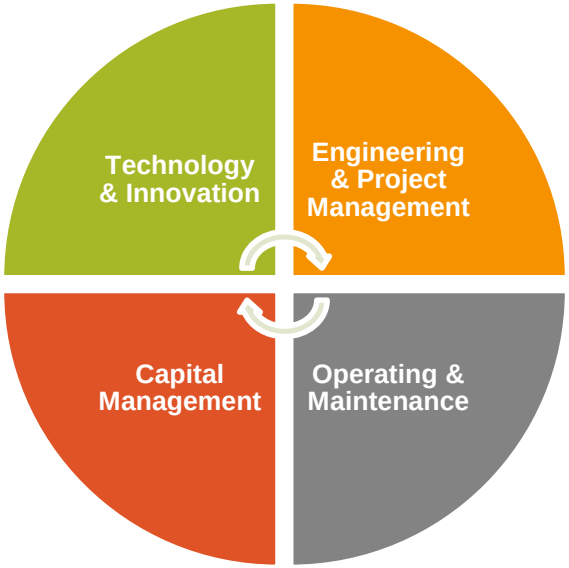





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# Harnessing Strengths, Multiplying Synergies

**Core Strengths:**




**Building Strong Verticals + Collaboration:**

**SYNERGY**

Offshore & Marine | Property | Infrastructure | Investments



Townships



Data Centres




Gas Value Chain



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# Shaping Our Future

**Jan' 16**

Keppel Corporation restructured asset management businesses under Keppel Capital



Keppel O&M jointly secured licence with Shell to supply LNG bunker



**Apr' 16**

Keppel Land completed its Selective Capital Reduction exercise



Keppel O&M completed acquisition of LeTourneau



**Jul'16**

Keppel Capital launched new funds with target size of US$1.5b



**Oct'16**

Keppel T&T expanded into e-commerce fulfilment with Courex stake



Keppel T&T and Alpha Data Centre Fund made first acquisition in Frankfurt

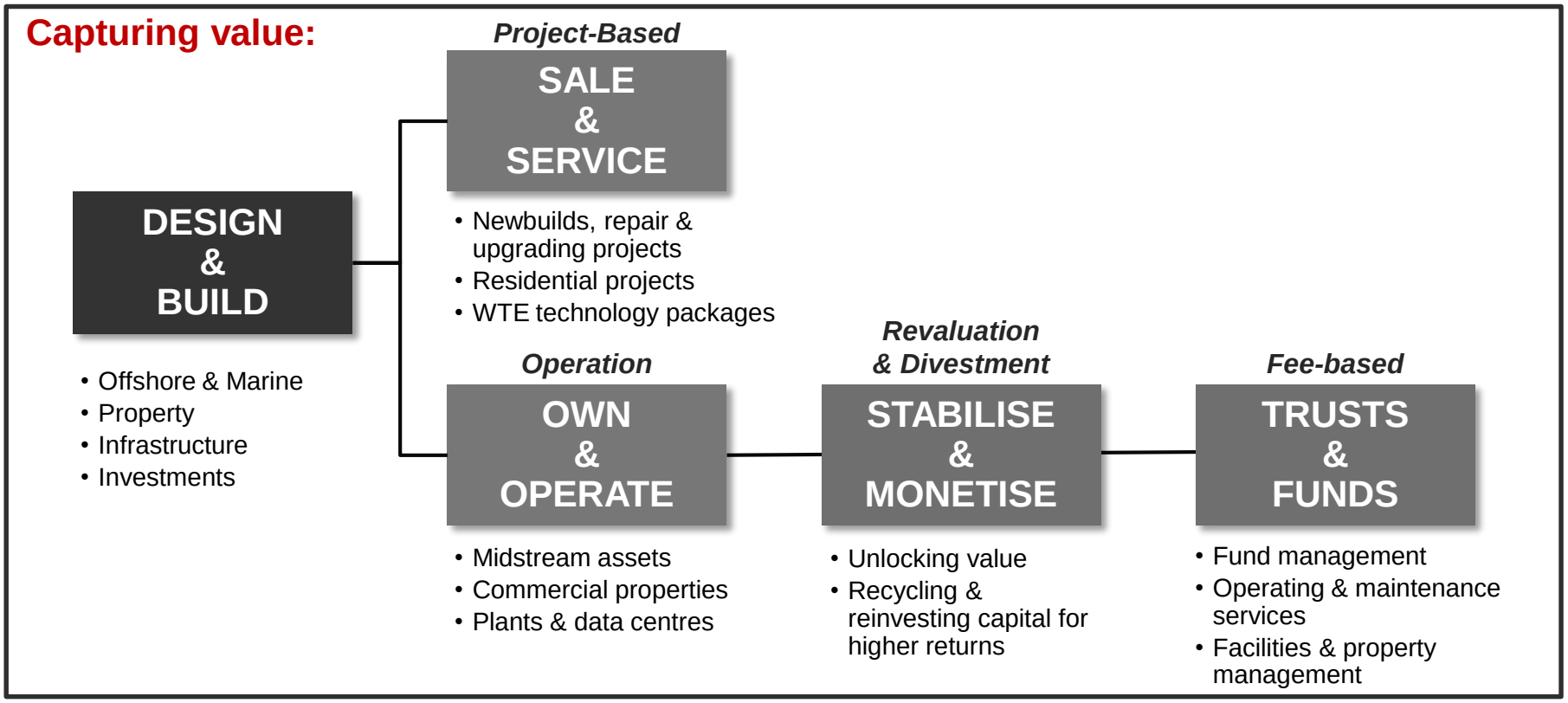


**Dec'16**

Keppel Infrastructure named preferred bidder for Singapore's 4th desalination plant



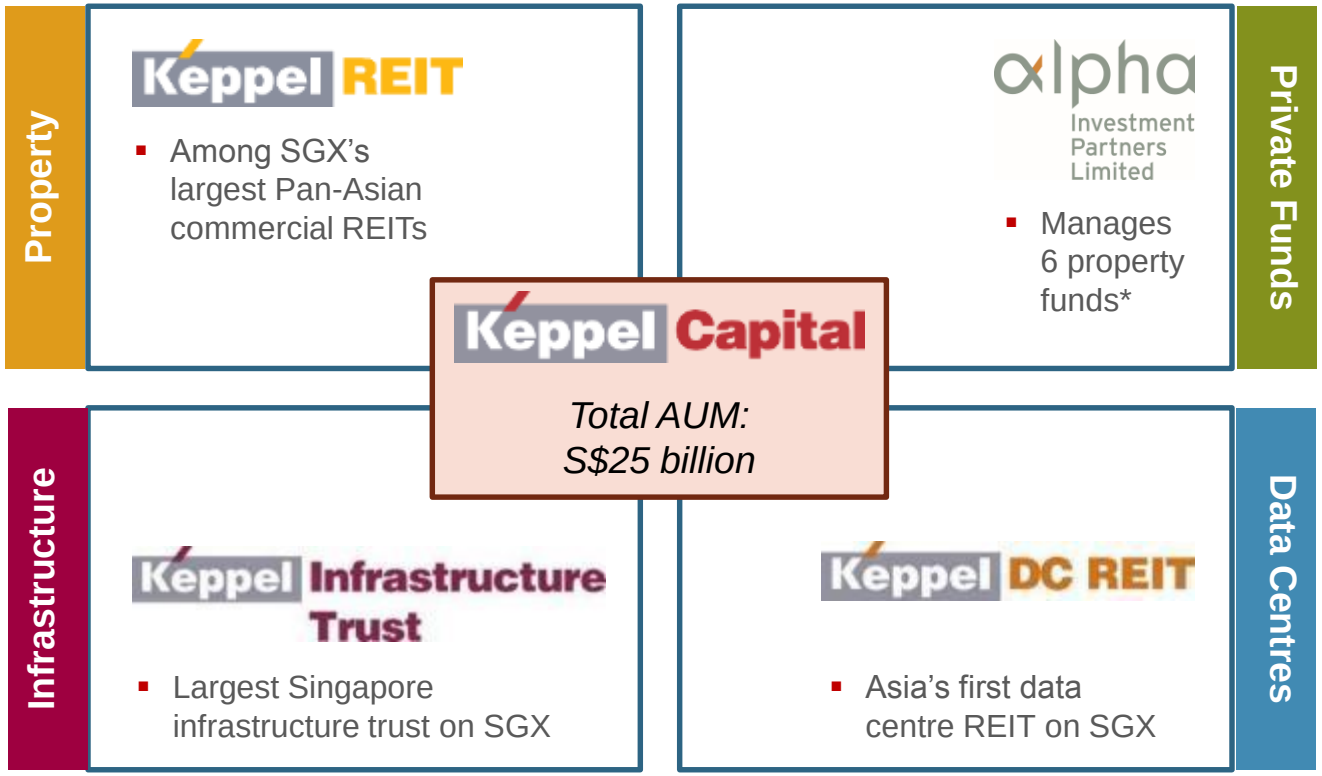
# Creating & Capturing Sustainable Value




| Earnings streams: | | | |
|---|---|---|---|
| Development profit | Operating income<br>Operations fee<br>Property mgt fee<br>Facility mgt fee<br>Repair/service fee | Capital gains | Asset mgt fee<br>Operations fee<br>Property mgt fee<br>Facility mgt fee |

# Fueling Growth through Asset Management

*Boosting the Group's capital recycling platform and expanding its capital base with co-investors.*



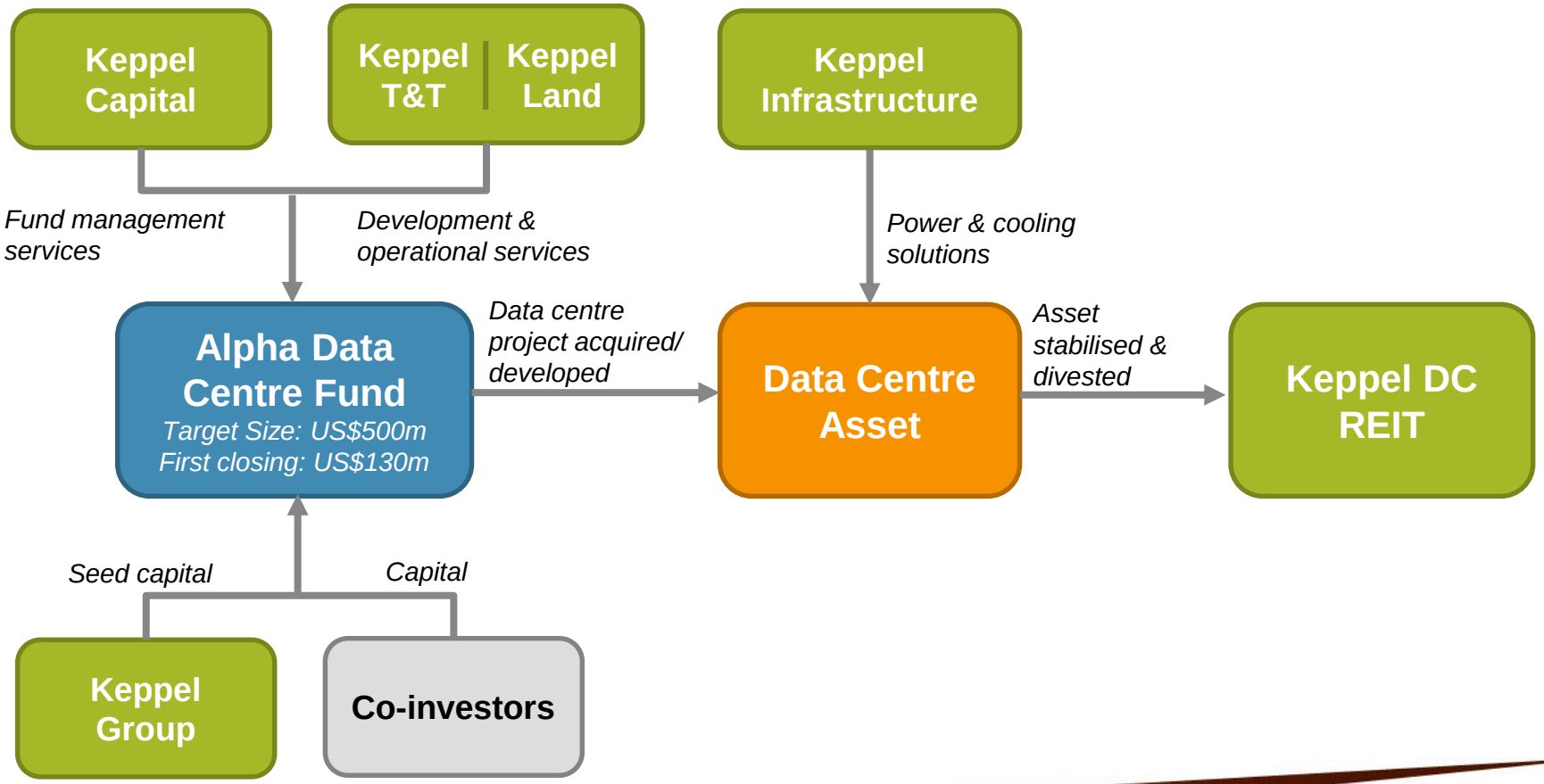

Harnessing synergies to:

- increase recurring fee income
- improve returns through asset turns
- seize opportunities through private funds
- create pull-through projects for business verticals
- maintain institutional quality balance sheet

** Excludes the newly-launched Alpha Data Centre Fund and Alpha Asia Macro Trends Fund III, which will add another US$3.5 billion to AUM when fully invested.*

# Data Centre Fund

*The Alpha Data Centre Fund harnesses synergies across the Group's business verticals to create sustainable value with capital efficiency.*






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# Seizing Opportunities in Sustainable Urbanisation

## Offshore & Marine

**Gas value chain**
- Liquefaction & regasification
- Transportation & bunkering

**Specialised vessels**

**Re-purposing offshore technology**
- Floating infrastructure assets



## Property

**Rising home-ownership aspirations in Asia**
- Residential pipeline of >64,000 homes

**Prime commercial portfolio**
- >1 million sm of commercial GA under development



## Infrastructure

**Energy & environmental infrastructure**
- Power and gas
- WTE, desalination & wastewater treatment
- District cooling and energy efficiency management

**Connectivity**
- Data centre development and management
- Urban logistics, e-commerce fulfilment



## Investments

**Integrated asset management**
- Assets management solutions for real assets across Property, Infrastructure, and even O&M sectors

**Master developer of urban developments**
- Sino-Singapore Tianjin Eco-City
- Jinan Smart City



**K**eppel is in the business of sustainable urbanisation. We drive collaboration across business verticals to create and capture value from all parts of the Group.

# ADDITIONAL SLIDES: FINANCIAL HIGHLIGHTS



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# Key Figures

| S$m | **FY16** | FY15 | *% Chg* | **1Q17** | 1Q16 | *% Chg* |
|---|---|---|---|---|---|---|
| Revenue | **6,767** | 10,296 | *(34)* | **1,248** | 1,743 | *(28)* |
| Operating Profit | **795** | 1,514 | *(47)* | **187** | 278 | *(33)* |
| Net Profit | **784** | 1,525 | *(49)* | **260** | 211 | *23* |
| EPS | **43.2cts** | 84.0cts | *(49)* | **14.3cts** | 11.6cts | *24* |
| EVA | **(140)** | 648 | *n.m.* | **23** | 2 | *1,050* |
| Free Cash Flow | **576** | (694) | *n.m.* | **(80)** | (306) | *74* |
| Annualised ROE | **6.9%** | 14.2% | *Reduction of 730bps* | **7.6** | 7.1 | *Increase of 50bps* |
| Net Gearing | **0.56x** | 0.53x | *Increase of 0.03x* | **0.57x** | 0.56x | *Increase of 0.01x* |

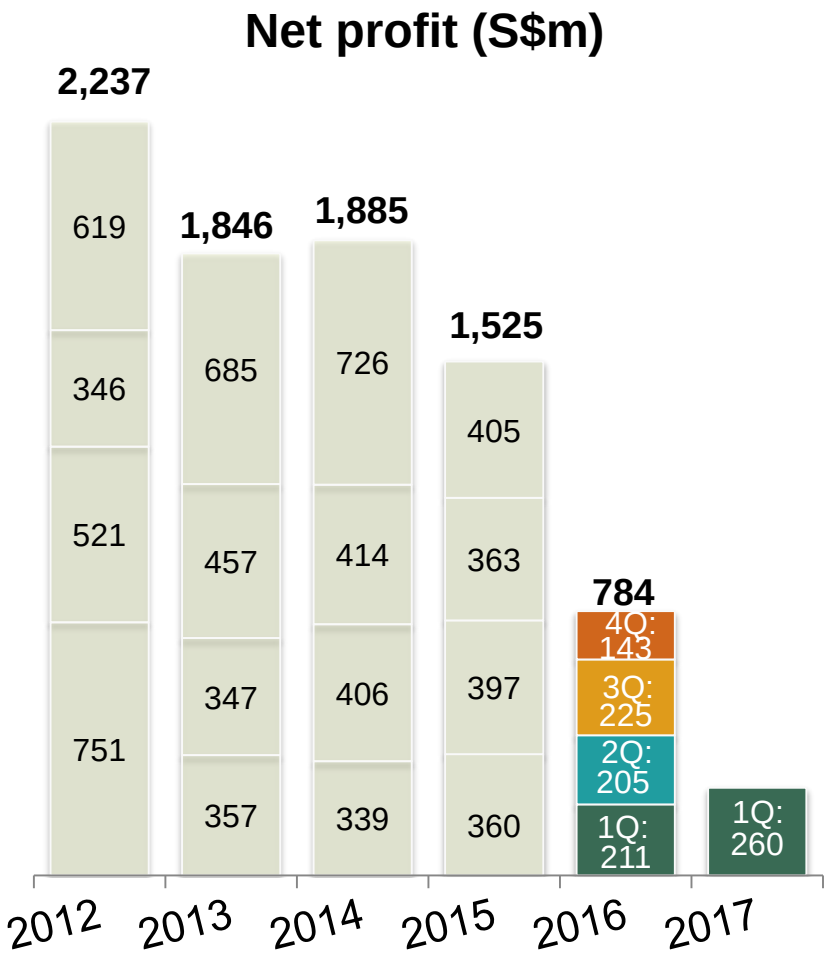
# Revenue by Segments

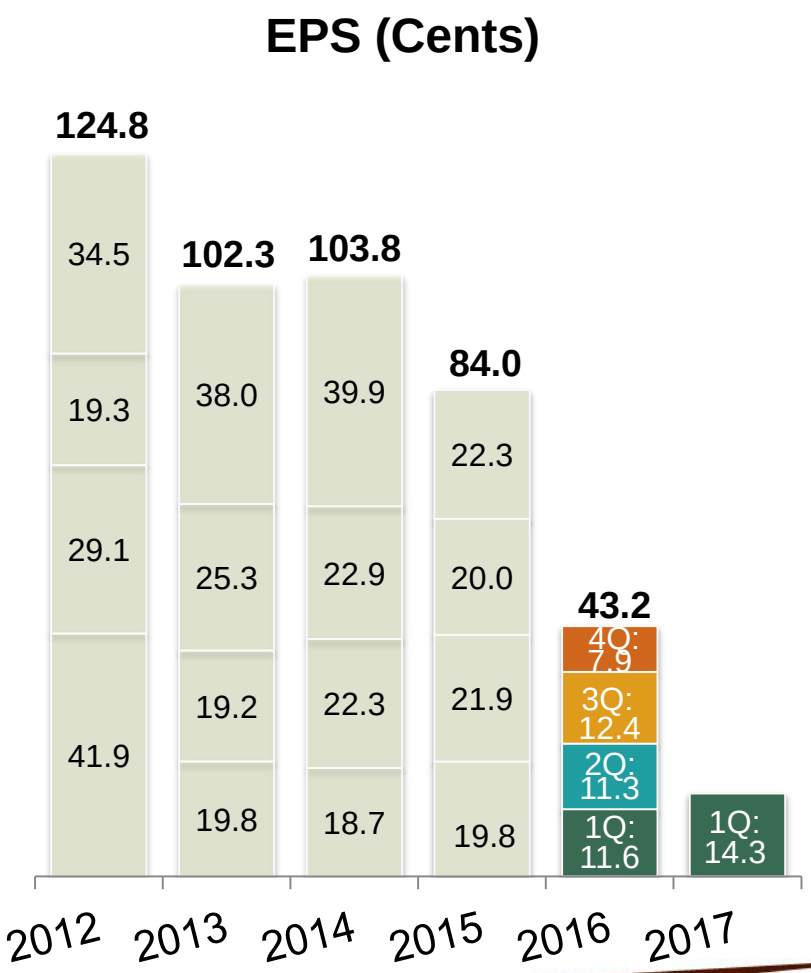
| S$m | **FY16** | ***%*** | FY15 | *%* | **1Q17** | **%** | 1Q16 | % |
|---|---|---|---|---|---|---|---|---|
| Offshore & Marine | **2,854** | ***42*** | 6,241 | *61* | **483** | ***39*** | 818 | *47* |
| Property | **2,035** | ***30*** | 1,926 | *19* | **262** | ***21*** | 503 | *29* |
| Infrastructure | **1,744** | ***26*** | 2,058 | *20* | **467** | ***37*** | 390 | *22* |
| Investments | **134** | ***2*** | 71 | - | **36** | ***3*** | 32 | *2* |
| **Total** | **6,767** | ***100*** | 10,296 | *100* | **1,248** | ***100*** | 1,743 | *100* |

# Net Profit by Segments

| S$m | **FY16** | ***%*** | FY15 | *%* | **1Q17** | **%** | 1Q16 | % |
|---|---|---|---|---|---|---|---|---|
| Offshore & Marine | **29** | ***4*** | 481 | *32* | **-** | **-** | 95 | *45* |
| Property | **620** | ***79*** | 701 | *46* | **103** | ***40*** | 106 | *50* |
| Infrastructure | **99** | ***13*** | 207 | *14* | **32** | ***12*** | 14 | *7* |
| Investments | **36** | ***4*** | 136 | *8* | **125** | ***48*** | (4) | *(2)* |
| **Total** | **784** | ***100*** | 1,525 | *100* | **260** | ***100*** | 211 | *100* |

# Net Profit & EPS

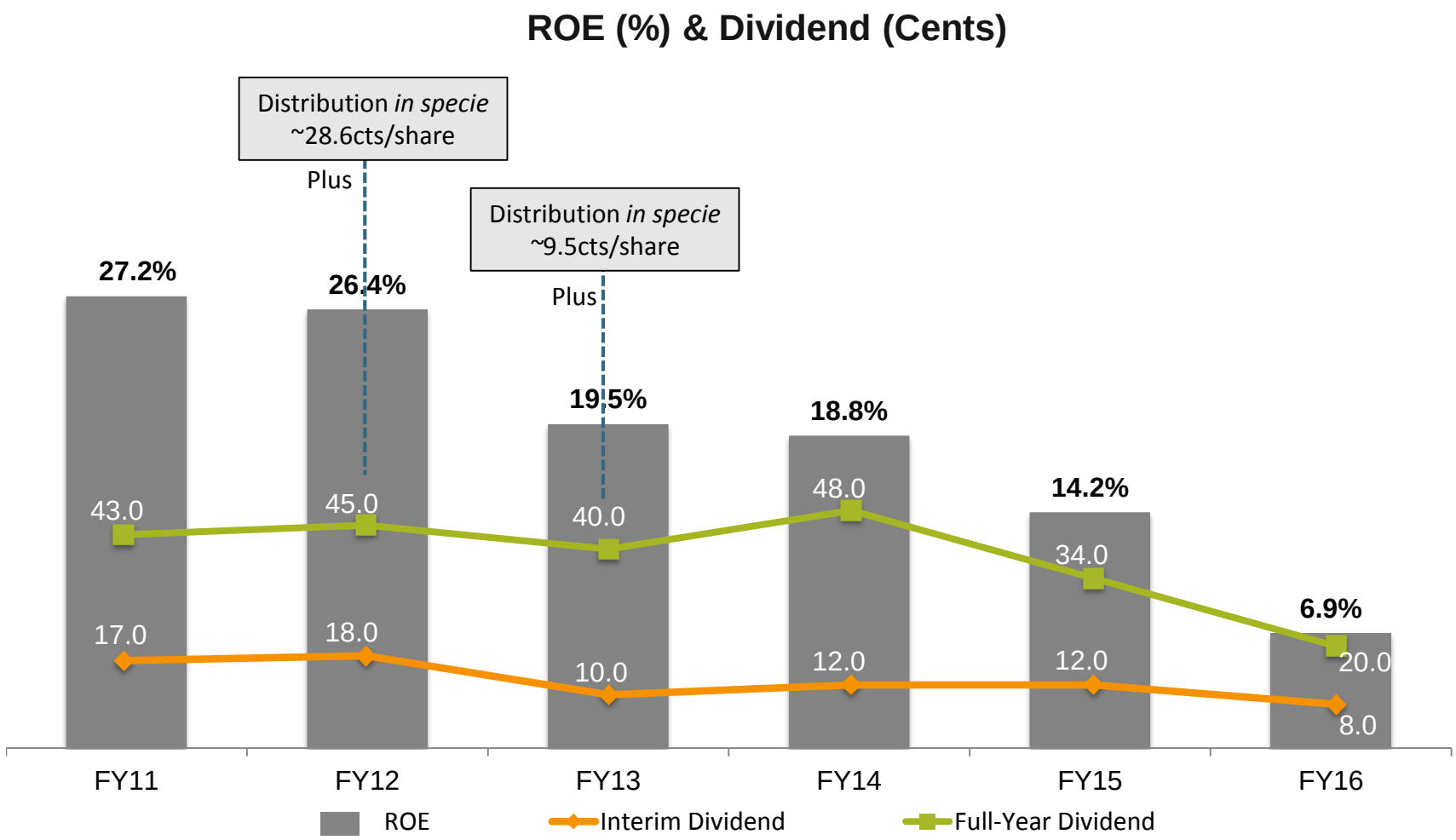





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# ROE & Dividend






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