

1H2022 Results Announcement

August 5, 2022



CEO's Report

Wong Kim Yin

Group President & CEO

1H2022 Group Performance Round-up

1H22 vs 1H21

Turnover
S\$4,755 million

↑ 45%

EBITDA¹
S\$865 million

↑ 35%

Adjusted EBITDA²
S\$998 million

↑ 34%

Net Profit before Exceptional Items (EI)
S\$490 million

↑ 94%

Net Profit
S\$490 million

NM

Earnings Per Share
27.5 cents

Group ROE (annualised)³
23.1%

The Board announces an interim dividend of **4.0 cents per ordinary share**, to be paid on August 23, 2022

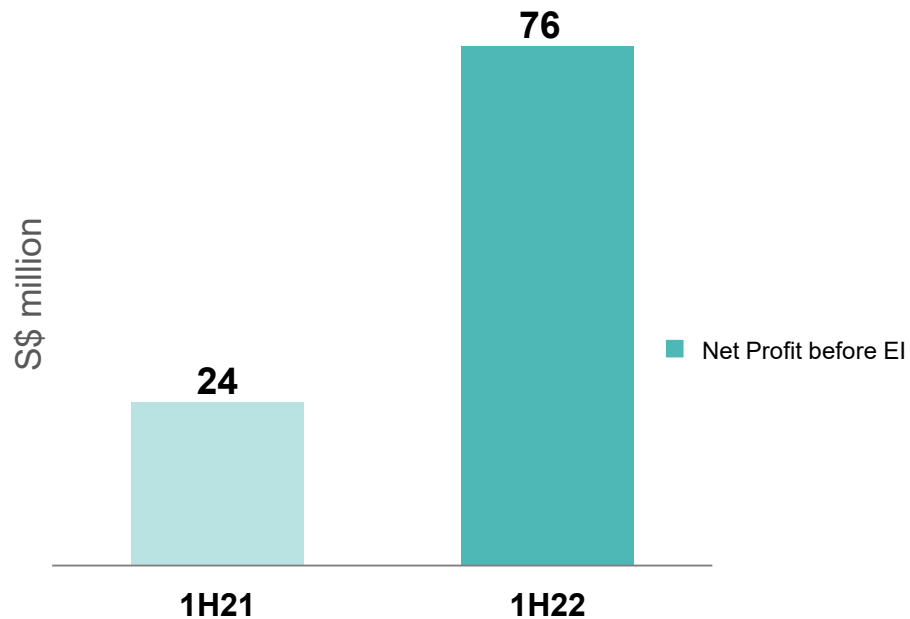
¹ EBITDA excludes major non-cash items such as the effects of fair value adjustments, re-measurements, impairments and write-offs

² Adjusted EBITDA = reported EBITDA + share of results of associates and JVs, net of tax

³ Group ROE (annualised) is calculated as annualised 1H22 net profit with relevant EI adjustments, divided by average shareholder fund including the annualised profit

Renewables

	1H22	Δ%
Net profit		
Net profit before EI	S\$76 million	↑217%
Exceptional items	-	-



1H22 performance

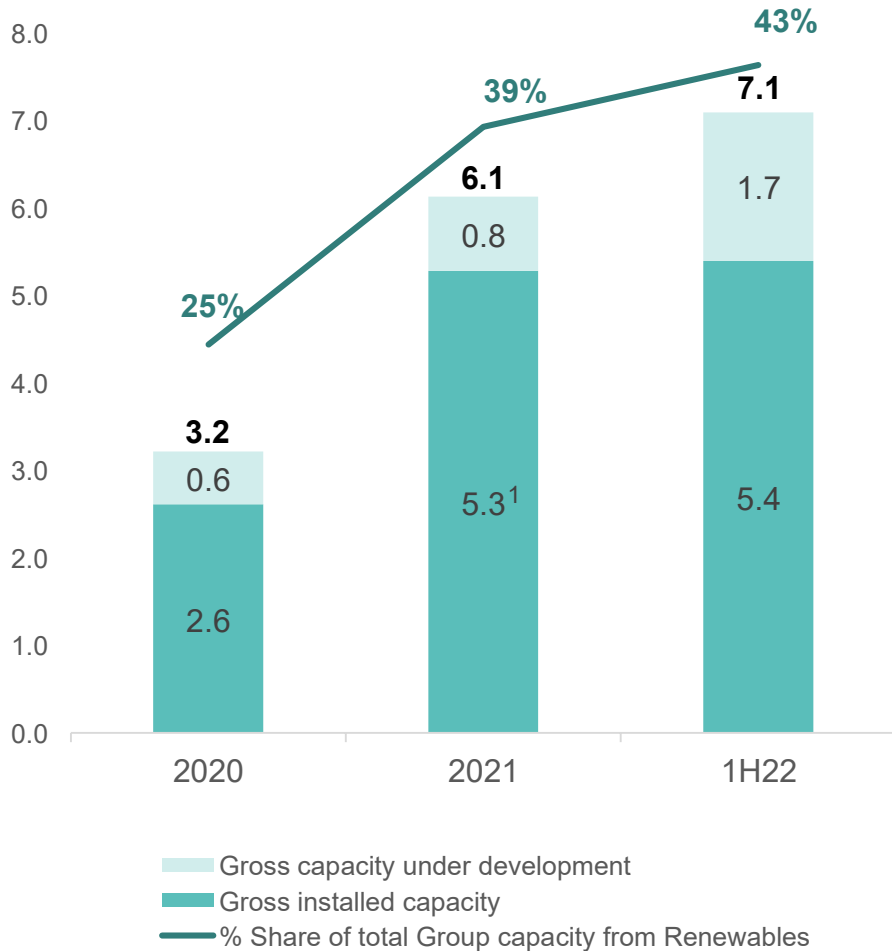
- Contributions from newly acquired projects in China
- Higher wind resource in India
- Solar operations in Singapore benefitted from higher spot prices with strategic portfolio management

Business updates

- Renewables portfolio increased by 0.9GW in 1H22
- Total gross renewables capacity of 7.1GW, including 1.7GW under development

Renewables

Gross Renewables Capacity (GW)



Southeast Asia

- Awarded and appointed by Energy Market Authority to build 200MW / 200MWh of Energy Storage Systems on Jurong Island, Singapore
- Solar business in SEA continued to gain traction with 44MWp of contracted capacity secured, including SolarRoof 3 tender by JTC in Singapore
- Launched Singapore’s first solar farm with an integrated rainwater harvesting system

China

- Completed acquisitions of SDIC New Energy and Shenzhen Huiyang New Energy (HYNE) in 1H22, increasing operational portfolio to 3.3GW from 725MW

India

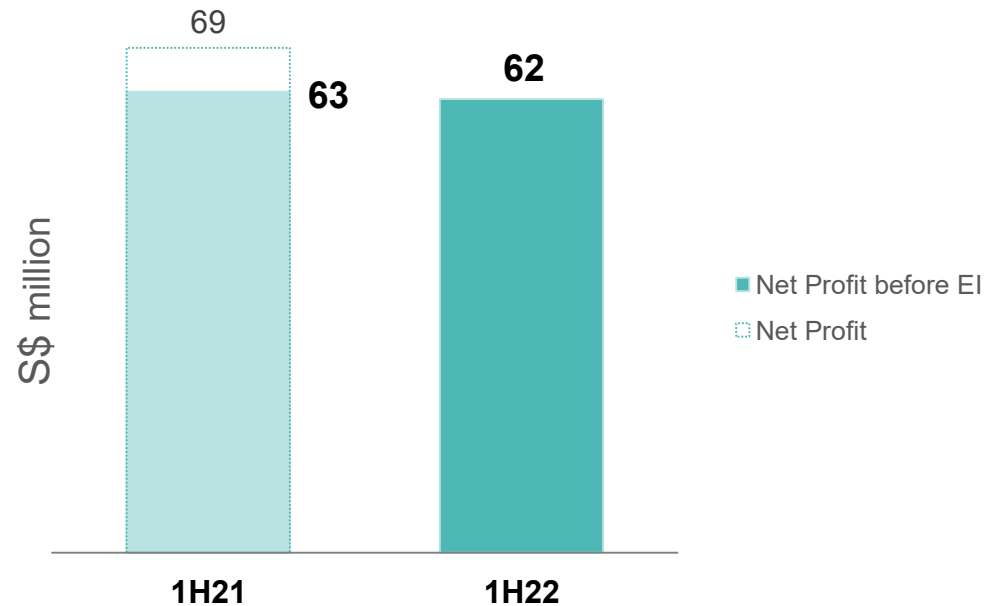
- Secured 115MW of renewables projects during the year
- Delay in execution of 400MW solar project

UK

- 50MWh battery portfolio commenced operations, bringing total operational capacity to 120MWh
- Secured a 15-year capacity market contract for 150MW / 300MWh of battery storage in the UK

Integrated Urban Solutions

	1H22	Δ%
Net profit		
Net profit before EI	S\$62 million	↓2%
Exceptional items ¹	*	NM



1H22 performance

- Steady performance from Urban business - higher average transacted land prices and residential sales offsetting lower land sales
- Higher contribution from Wilton 11 in the UK, offset by higher operating costs for the waste business in Singapore

Business updates

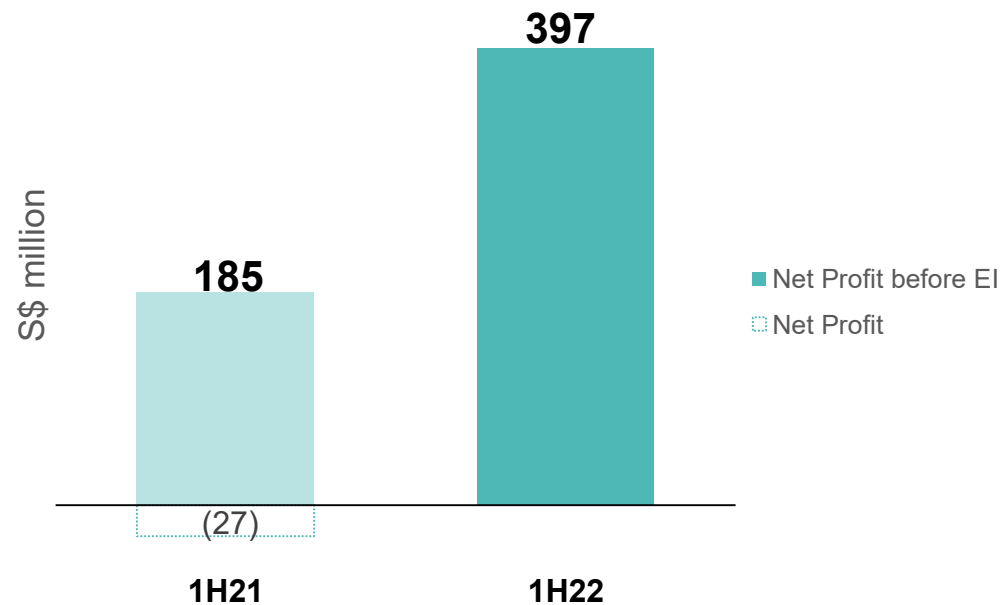
- Incorporated joint venture company to develop 481-hectare Quang Tri Industrial Park in Vietnam
- Commenced development of 1,000 ha of VSIP Binh Duong III

¹ 1H22 exceptional items (EI) comprised gain on disposal of Subic Water & Sewerage and write-back of impairment upon disposal of Biowater Technology. 1H21 EI of S\$6 million related to gain from divestment of Sembcorp Jingmen Water Co

* Denotes amount less than S\$1 million

Conventional Energy

	1H22	Δ%
Net profit		
Net profit before EI	S\$397 million	↑115%
Exceptional items ¹	-	NM



1H22 performance

- Higher electricity price in Singapore and India
- Realised gains from favourable gas hedges entered into in 2021 for Singapore operations

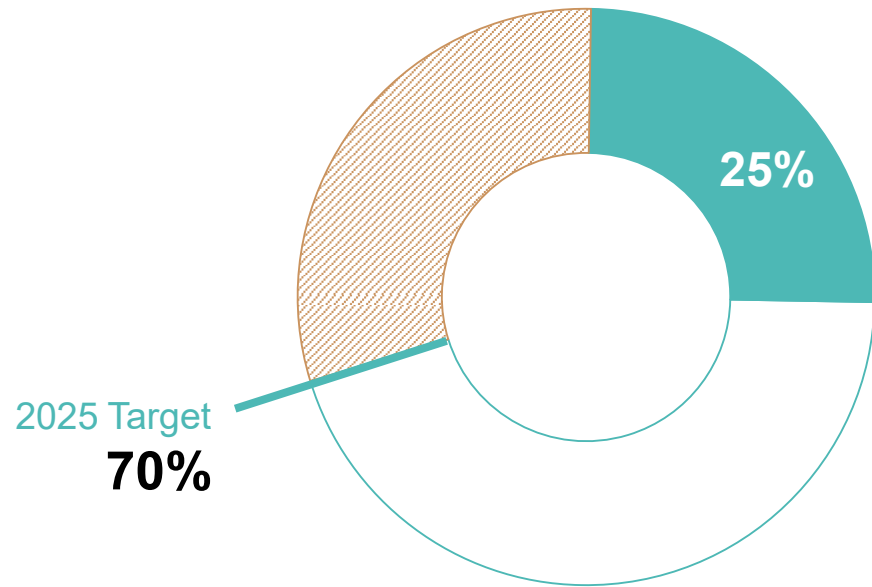
Business updates

- 200MW long-term power purchase agreement to supply power to Bangladesh commenced since end March 2022
- Appointed by EMA to offer competitive Fixed Price Contracts to business consumers, providing pricing stability in volatile market

Transforming our Portfolio from Brown to Green

MORE Sustainable

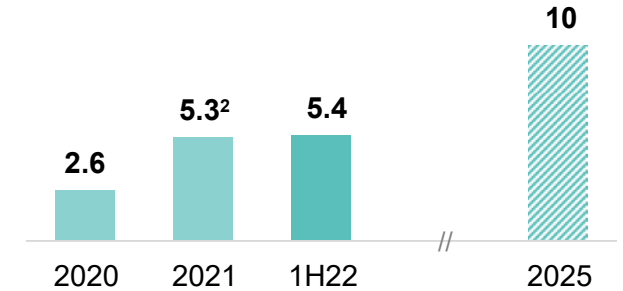
% Share of Net Profit¹ from Sustainable Solutions



MORE

Renewables

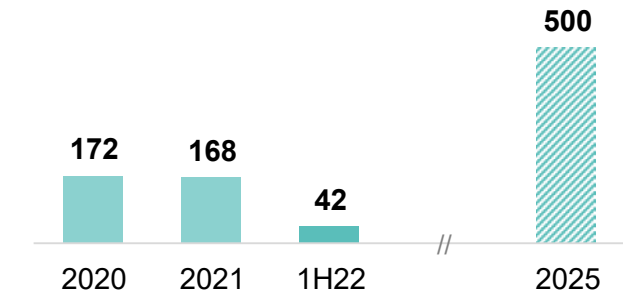
Gross installed capacity, GW



MORE

Sustainable Urban Developments

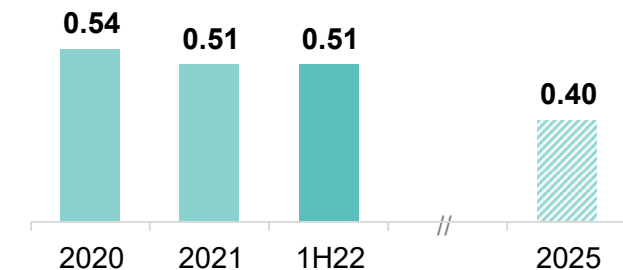
Land sales, ha



LOWER

Carbon Emissions

Emissions intensity, tCO₂e/MWh



GW: gigawatts; ha: hectares; tCO₂e/MWh: tonnes of carbon dioxide equivalent per megawatt hour

¹ Before corporate costs and exceptional items

² Includes acquisitions announced in November and December 2021, which were completed in 1H22

Financial Review

Eugene Cheng
Group CFO

Highlights

- Increase in turnover and EBITDA driven mainly by Conventional Energy and Renewables segments
- Share of results of Associates and Joint Ventures increased due to contribution from 35%-owned SDIC New Energy which was acquired in January 2022
- Net Profit before EI grew 94%

Key Financials

S\$ million	1H22	1H21	Δ%
Turnover	4,755	3,290	45
EBITDA ¹	865	640	35
Share of Results: Associates & JVs, Net of Tax	133	104	28
Adjusted EBITDA ²	998	744	34
Net Profit before Exceptional Items (EI)	490	252	94
Exceptional Items	*	(206)	NM
Net Profit	490	46	NM
EPS before EI (cents)	27.5	14.1	95
EPS (cents)	27.5	2.6	NM
ROE ³ (annualised) (%)	23.1	8.5	172

¹ EBITDA excludes major non-cash items such as the effects of fair value adjustments, re-measurements, impairments and write-offs

² Adjusted EBITDA = reported EBITDA + share of results of associates and JVs, net of tax

³ Group ROE (annualised) is calculated as annualised 1H22 net profit with relevant EI adjustments, divided by average shareholder fund including the annualised profit

* Denotes amount less than S\$1 million

Highlights

- Increase in Renewables turnover largely due to better wind resource in India and higher spot prices for the solar business in Singapore
- Integrated Urban Solutions turnover remained stable
- Increase in Conventional Energy driven mainly by high electricity price in Singapore and India

Group Turnover

S\$ million	1H22	1H21	Δ%
Renewables	222	146	52
Integrated Urban Solutions	217	218	(0)
Sustainable Solutions	439	364	21
Conventional Energy	4,155	2,756	51
Other Businesses	161	170	(5)
TOTAL TURNOVER	4,755	3,290	45

Highlights

- Strong growth in Renewables profit mainly due to acquisitions completed in 1H22
- Integrated Urban Solutions profit was steady
- Improvement in Conventional Energy segment mainly due to Singapore and India operations
- Lower profit from Other Businesses due to lower government grant received in 1H22

Group Net Profit

S\$ million	1H22	1H21	Δ%
Renewables	76	24	217
Integrated Urban Solutions	62	63	(2)
Sustainable Solutions	138	87	59
Conventional Energy	397	185	115
Other Businesses	10	13	(23)
Corporate	(55)	(33)	(67)
NET PROFIT before Exceptional Items	490	252	94
Exceptional Items	*	(206)	NM
Renewables	76	24	217
Integrated Urban Solutions	62	69	(10)
Sustainable Solutions	138	93	48
Conventional Energy	397	(27)	NM
Other Businesses	10	13	(23)
Corporate	(55)	(33)	(67)
TOTAL NET PROFIT	490	46	NM

* Denotes amount less than S\$1 million

1H22 vs 1H21

Sustainable Solutions

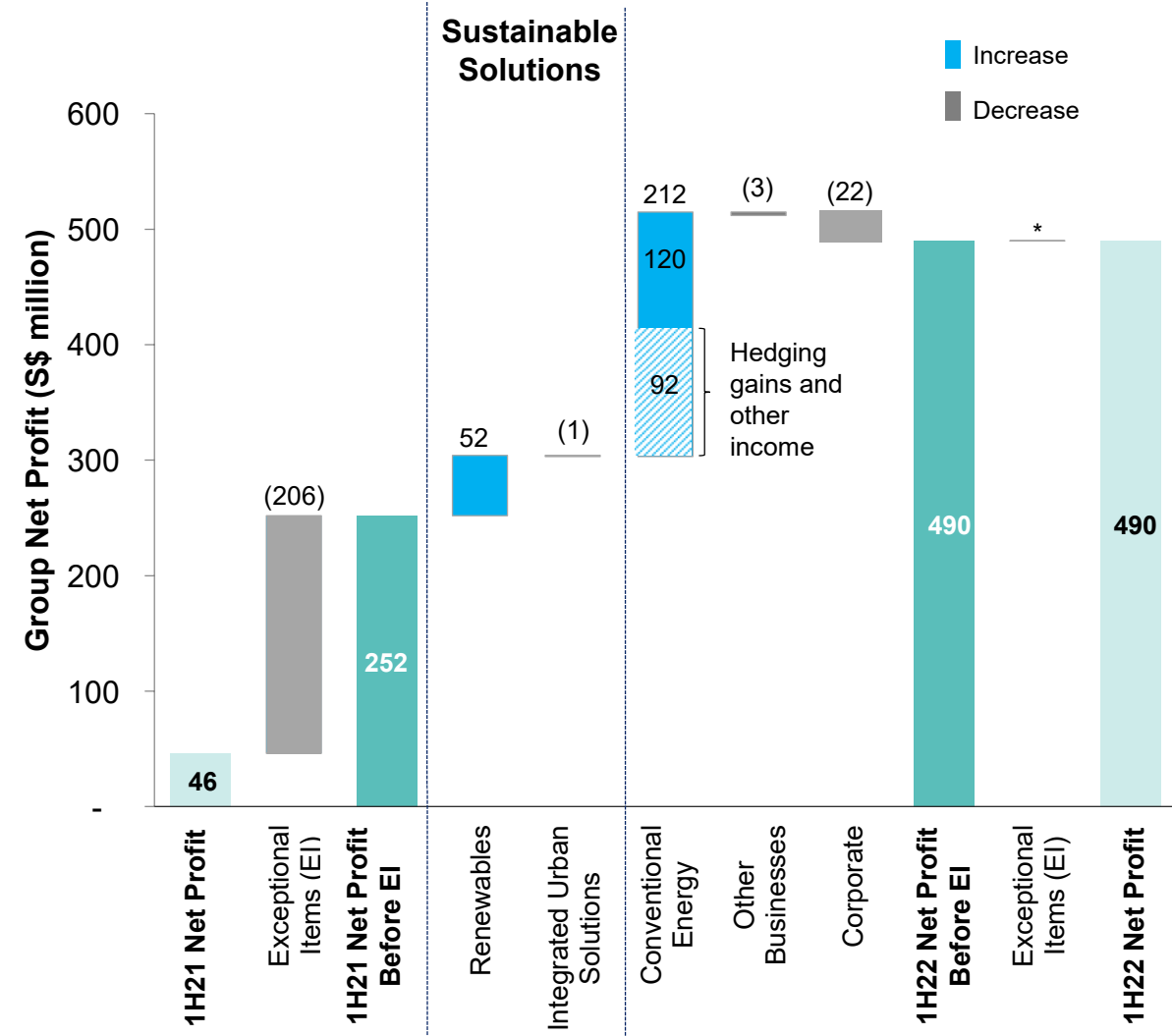
- Renewables:** Improvement in performance due to completion of acquisitions of SDIC New Energy and HYNE, better wind resource in India and higher spot prices for the solar business in Singapore
- Integrated Urban Solutions:** Steady performance in Urban as higher average transacted prices and residential sales offset lower land sales. Higher contribution from UK's waste-to-resource business offset by higher operating costs for the waste business in Singapore

Conventional Energy: Stronger performance due to higher electricity price in Singapore and India, as well as realised gains from favourable gas hedges for Singapore operations. UK operations also performed better due to system tightness on favourable weather conditions. S\$92 million recognised in 1H22 comprising hedging gains and other income. Singapore operations contributed S\$196 million in net profit for 1H22 (1H21: S\$47 million)

Other Businesses: Declined marginally due to lower government grant received in 1H22

Corporate: Higher corporate costs largely due to absence of finance income post restructuring of the India business

Group Net Profit



Highlights

- Expansion capital expenditure of S\$87 million incurred mainly for renewables projects in Singapore and Vietnam
- Remaining capital expenditure largely attributable to maintenance capital expenditure in the Integrated Urban Solutions segment and Conventional Energy segment
- Equity investment of S\$849 million related mainly to acquisitions of 35% interest in SDIC New Energy portfolio and 98% interest in HYNE

Group Capital Expenditure and Equity Investment

S\$ million	1H22	1H21
Capital Expenditure		
Renewables	95	131
Integrated Urban Solutions	14	14
Conventional Energy	65	29
Other Businesses and Corporate	3	2
	177	176
Equity Investment		
Renewables	849	4
Integrated Urban Solutions	-	-
Conventional Energy	-	-
Other Businesses and Corporate	2	-
	851	4

Highlights

- Cash flow from operating activities improved to S\$566 million from S\$480 million
- Net cash used in investing activities was S\$816 million mainly for acquisitions of SDIC New Energy and HYNE as well as S\$87 million of expansionary capital expenditure for other renewables projects

Group Free Cash Flow

S\$ million	1H22	1H21
Cash Flow From Operating Activities		
- Before Changes in Working Capital	860	645
- Changes in Working Capital	(257)	(137)
- Tax Paid	(37)	(28)
	566	480
Cash Flow From Investing Activities		
- Divestments, Dividends and Interest Income	279	207
- Net Investments and Capex	(1,095)	(264)
	(816)	(57)
- Add Back: Expansion Capex and Equity Investment	843	139
FREE CASH FLOW	593	562

Highlights

- Borrowings increased on consolidation of HYNE post acquisition, as well as funding of SDIC and HYNE acquisitions

Group Borrowings

S\$ million

Jun 30, 2022 Dec 31, 2021

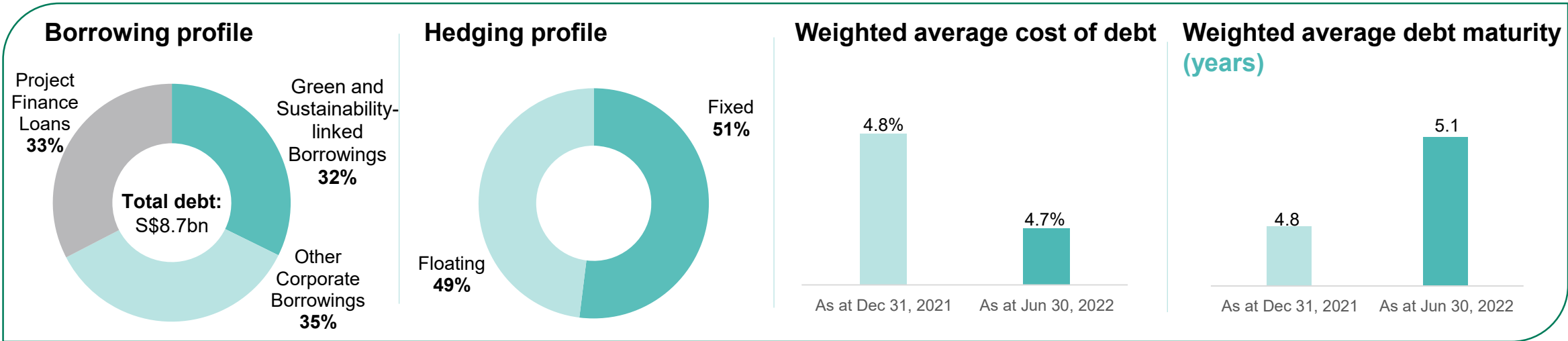
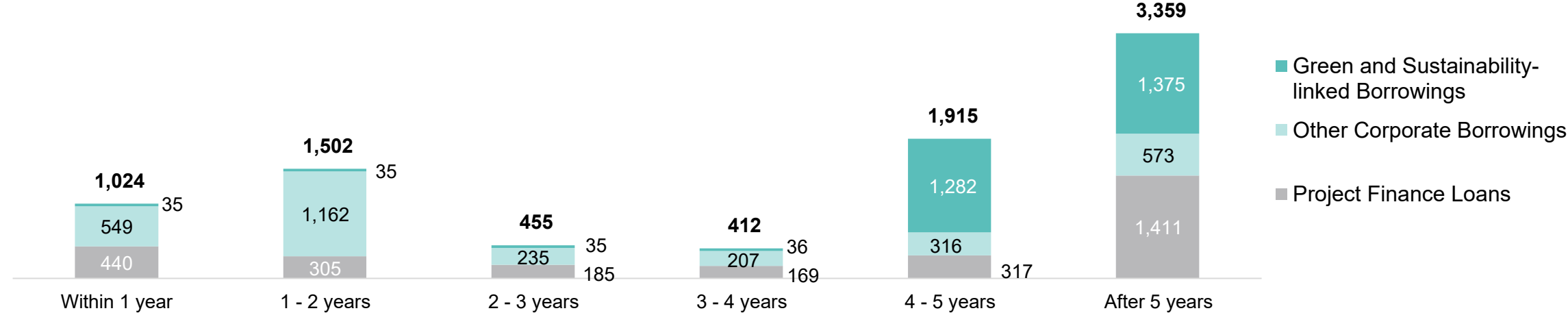
Gross Debt	8,667	7,391
Total Equity	4,455	3,918
Total Capital	13,122	11,309
Corporate Debt	5,840	4,893
Project Finance Debt	2,827	2,498
Gross Debt	8,667	7,391
Less: Cash and Cash Equivalents	(1,275)	(1,344)
Net Debt	7,392	6,047
Debt / EBITDA*	5.0	5.7
Debt / Adjusted EBITDA*	4.3	4.9
EBITDA / Interest	4.5	3.0
Adjusted EBITDA / Interest	5.1	3.5

* Annualised

Group Debt Profile

Debt Maturity Profile as at Jun 30, 2022

S\$ million



Highlights

- Issued S\$300 million sustainability-linked bond and secured additional S\$1.4 billion of sustainability-linked revolving credit and term loan facilities
- Approximately S\$2.8 billion of funding from green and sustainable borrowings deployed to support the Group's transformation strategy

Group Liquidity

S\$ million Jun 30, 2022 Dec 31, 2021

Cash and Cash Equivalents	1,275	1,344
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Borrowing Facilities

Committed Facilities	10,920	9,120
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Less: Amount Drawn Down	(8,454)	(7,157)
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Unutilised Committed Facilities	2,466	1,963
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Uncommitted Borrowing Facilities	2,933	3,349
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Less: Amount Drawn Down	(213)	(234)
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Unutilised Uncommitted Facilities	2,720	3,115
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Total Unutilised Borrowing Facilities	5,186	5,078
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Trade-related Facilities

Facilities Available	1,737	1,521
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Less: Amount Used	(957)	(747)
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Unutilised Trade-related Facilities	780	774
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Outlook

The Group performed well in the first half of 2022 (1H2022), mainly driven by the Conventional Energy segment due to higher electricity price in Singapore and India, as well as realised gains from favourable gas hedges in Singapore.

Underlying earnings for the Conventional Energy segment in the second half of the year (2H2022) are expected to remain strong, if market conditions seen in 1H2022 remain. Performance of the Renewables segment in 2H2022 will be underpinned by a full half-year contribution from the China renewables portfolio acquired in 1H2022.

Corporate costs are expected to increase due to rising interest rates and higher borrowing costs arising from the acquisitions of SDIC New Energy and Shenzhen Huiyang New Energy.

Full year results for the Group are expected to be significantly higher than 2021.

Notwithstanding the strong performance, the global economic outlook continues to be uncertain. Significant volatility in the commodity markets and supply chain risks caused by the ongoing geopolitical tensions, as well as tighter monetary policy to control inflation have increased the risk of a global recession, which could negatively impact performance.

The Group will continue to focus on the transformation of its portfolio from brown to green and the achievement of its 2025 targets.

Developments to Note

- Myingyan IPP continues to operate and payments from its offtaker have also been promptly received, in accordance with its contract. We continue to monitor the developments in Myanmar closely.
- Planned maintenance shutdowns for Sembcorp Biomass Power Station in the UK and India SEIL Project 2 in 2H2022.

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Appendix

Highlights

- Increase in Renewables adjusted EBITDA mainly attributed to completion of new acquisitions in 1H22, higher wind resource in India and higher spot prices in Singapore
- Conventional Energy segment increased mainly due to higher electricity price in Singapore and India, realised gains from favourable gas hedges entered into in 2021 for the Singapore operations, as well as system tightness on favourable weather conditions in the UK

Group EBITDA and Adjusted EBITDA

S\$ million	1H22	1H21	Δ%
Renewables	148	104	42
Integrated Urban Solutions	60	70	(14)
Sustainable Solutions	208	174	20
Conventional Energy	664	480	38
Other Businesses and Corporate	(7)	(14)	50
TOTAL EBITDA¹	865	640	35
Renewables	188	125	50
Integrated Urban Solutions	102	107	(5)
Sustainable Solutions	290	232	25
Conventional Energy	715	525	36
Other Businesses and Corporate	(7)	(13)	46
TOTAL ADJUSTED EBITDA²	998	744	34

¹ EBITDA excludes major non-cash items such as the effects of fair value adjustments, re-measurements, impairments and write-offs

² Adjusted EBITDA = reported EBITDA + share of results of associates and JVs, net of tax

Group Borrowings

S\$ million

Corporate debt

	Amount Drawn	Fixed / Floating Rate*	Year of Maturity
Corporate debt	5,840		
Medium Term Notes (<i>issued 2010</i>)	100	4.25%	2025
Medium Term Notes (<i>issued 2013</i>)	200	3.64%	2024
Medium Term Notes (<i>issued 2014</i>)	150	3.59%	2026
Medium Term Notes (<i>Green bond issued 2021</i>)	400	2.45%	2031
Medium Term Notes (<i>Sustainability-linked bond issued 2021</i>)	675	2.66%	2032
Medium Term Notes (<i>Sustainability-linked bond issued 2022</i>)	300	3.74%	2029
Term Loans & Revolving Credit Facilities	4,015	Fixed & Floating	2022 - 2035

Project Finance debt

Project Finance debt	2,827		
Sembcorp Tianjin Lingang Water Co., Ltd	1	Floating	2022
Sembcorp Zhangjiagang Free Trade Zone	4	Floating	2024
Sembcorp Qidong Water Co., Ltd	3	Floating	2024
Sembcorp Energy India Ltd	1,566	Floating	2036
Sembcorp Green Infra Ltd	630	Fixed & Floating	2023 - 2039
Sembcorp Myingyan Power Ltd	290	Fixed & Floating	2036
Sembcorp North-West Power Company Ltd	331	Fixed & Floating	2030
Sembcorp Infra Services Hai Duong Co., Ltd	2	Floating	2027

* The classification of fixed or floating rate is based on the stated terms of the loan agreement. For floating rate loans, the Group may subsequently utilise interest rate swaps and cross currency swaps to hedge the variability in cash flows

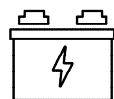
Group Renewables Capacity



Gross capacity, MW	As at Dec 31, 2020		As at Dec 31, 2021 ¹		As at Jun 30, 2022	
	Installed	Under Development	Installed	Under Development	Installed	Under Development
Solar	137	542	650	613	735	731
- Singapore	88	137	200	120	225	121
- Vietnam	14	5	27	63	47	46
- China	-	-	388	-	428	103
- India	35	400	35	430	35	461



Wind	2,419	-	4,567	180	4,567	414
- China	725	-	2,873	-	2,873	150
- India	1,694	-	1,694	180	1,694	264



Energy Storage (MWh)	60	60	70	54	70	554
- Singapore	-	-	-	4	-	204
- UK	60	60	70	50	70	350

Total	3,218		6,134		7,071	
- Installed	2,616		5,287		5,372	
- Under Development	602		847		1,699	