Keppel Ltd. 9M 2025 Business Update

Media & Analysts Conference Call Transcript

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KC	Kevin Chng, CFO
LL	Louis Lim, CEO, Real Estate
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Opening remarks by Loh Chin Hua, CEO of Keppel Ltd.

Good morning, analysts, editors and journalists.

We have issued our media release and slides for our 9M 2025 voluntary business update, which we will take as read.

Let me highlight a few key points before we take questions.

Keppel's Performance

Keppel has continued to make strong progress, despite a volatile international environment. In the first nine months of 2025, the New Keppel[1] achieved over 25% earnings growth year-on-year (yoy), bolstered by improvements across all three segments – Infrastructure, Real Estate and Connectivity. Our recurring income grew by close to 15% yoy, with higher contributions from both asset management and operating income.

Our Non-Core Portfolio for Divestment[2] also did well, reversing its losses from the previous year. The Company's overall net profit for 9M 2025 rose by over 5% yoy, even after including the estimated S$222 million accounting loss[3] arising from the proposed sale of M1's telco business.

These results reflect the strong momentum in both asset management and operations, and our asset monetisation efforts.

[1] New Keppel excludes the Non-Core Portfolio for Divestment and Discontinued Operations. In accordance with SFRS(I) 5 Non-current Assets Held for Sale and Discontinued Operations, the performance of M1 and its subsidiaries, excluding the ICT Services business and other carved out assets ("M1 Telco") are presented as discontinued operations for the financial period, with comparative information re-presented accordingly. (see also footnote 2).

[2] Non-Core Portfolio for Divestment comprises mainly legacy offshore & marine assets, residential landbank, selected property developments and investment properties, hospitality and logistics assets, associated cash and receivables, and other non-core investments that are not aligned with Keppel's strategic focus as an asset-light global asset manager and operator.

[3] Refer to the Company's announcement dated 11 August 2025 relating to the proposed divestment of M1's telco business.

Asset Monetisation

Since we launched our asset monetisation programme in October 2020, we have made steady progress in unlocking and redeploying capital. Year to date, we have announced about S$2.4 billion in monetisation, including the proposed divestments of M1's telco business[4] and our stake in 800 Super.

Since October 2020, we have achieved a total of about S$14 billion in monetisation, including the divestment of Keppel Offshore & Marine in 2023 and the proposed sale of M1's telco business. We are targeting to achieve a further S$500 million in asset monetisation over the next few months.

Fund Management and Investment Platforms

In the first nine months, asset management fees[5] were steady yoy at S$299 million, and we completed about S$7.6 billion in acquisitions and divestments.

Over the same period, our private funds raised a combined S$6.7 billion in Funds under Management (FUM)[6]. Meanwhile, our listed REITs and infrastructure trust are expanding their portfolios through new real estate and digital infrastructure acquisitions that would progressively add another S$1.4 billion[7] to FUM. In Europe, Aermont Capital is performing well and has started marketing Fund VI, with targeted first close around 1Q 2026.

As we drive fundraising, we are also actively pursuing new investment opportunities, with a deal-flow pipeline of about S$35 billion, more than half of which are in the areas of Infrastructure and Connectivity.

Operating Platform

Let me now share some updates from our Operating Platform.

Our Infrastructure Division delivered stronger yoy performance and aims to further improve its EBITDA in 2025, driven by strong earnings from the integrated power business and growing contributions from decarbonisation and sustainability solutions (DSS).

About two-thirds of our existing power generation capacity is locked in for three years or more, providing strong earnings visibility. Coming onstream in 1H 2026, the new 600 MW Keppel Sakra Cogen Plant is already substantially contracted and will further boost recurring income when operational.

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[4] Amounting to S$1.3 billion, computed based on estimated divestment proceeds and net debt to be deconsolidated. The actual monetisation amount is subject to completion adjustments and the net debt at date of completion.

[5] Including 100% fees from subsidiary managers, joint ventures and associated entities, as well as share of fees based on shareholding stake in associate with which Keppel has strategic alliance. Also includes asset management, transaction and advisory fees on sponsor stakes and co-investments.

[6] Gross asset value of investments and uninvested capital commitments on a leveraged basis is used to project fully-invested Funds under Management (FUM).

[7] Comprises the acquisitions of Tokyo Data Centre 3 by Keppel DC REIT (expected completion by end-2025) and Top Ryde City Shopping Centre by Keppel REIT (expected completion by 1Q26) and Global Marine Group by Keppel Infrastructure Trust alongside Keppel Infrastructure Fund.

Earlier this month, a Keppel-led consortium was also selected to undertake the FEED study for Singapore's first end-to-end ammonia power generation project on Jurong Island.

Meanwhile, we continue to see good momentum in the DSS business, with long-term contracted revenues of about S$6.8 billion – more than double what we had in 2022. To drive growth, the Infrastructure Division is also actively pursuing about S$11 billion worth of project tenders across waste, water and Energy-as-a-Service.

Over in Real Estate, we are continuing our pivot into an asset-light solutions provider. We have monetised about S$830 million of assets in 9M 2025, and are applying our Sustainable Urban Renewal, or SUR, capabilities across projects to create high-quality assets that deliver both attractive returns and positive impact.

In Connectivity, we achieved a major milestone with the Bifrost Cable System, which achieved Ready for Service status on 1st October and is getting ready to carry commercial traffic. We have also completed the Environmental Impact Assessment for our first Floating Data Centre and aim to start construction in 1Q 2026, pending the construction permit.

Earlier in August, we announced the proposed sale of M1's telco business to Simba, which will unlock close to S$1.0 billion[8] in cash for Keppel. We aim to complete the transaction by end-2025, pending regulatory approval. We do not expect to be adversely affected or delayed by the legal proceedings with Liberty Wireless. Post-divestment, we will focus on transforming the ICT Services business into a growth engine, expanding its offerings and leveraging synergies across Keppel's connectivity ecosystem.

Delivering returns to shareholders

Since launching our S$500 million Share Buyback Programme at the end of July this year, we have repurchased about S$92.6 million worth of Keppel shares.

From January 2022 to September 2025, Keppel returned S$6.6 billion to shareholders via cash and in-specie distributions. Over the same period, Keppel achieved annualised Total Shareholder Returns of 38.0%, outperforming the Straits Times Index's (STI) 14.5%.

We are committed to a steady and sustainable dividend strategy that reflects the earnings performance of the New Keppel, with the final amount subject to the discretion of the Board.

As Keppel's earnings profile becomes increasingly stable and recurring, we aim to provide shareholders with consistent and steadily growing cash returns, while maintaining prudent capital allocation to support growth and an efficient capital structure.

In addition, part of the cash that we unlock from asset monetisation will be used to reward our shareholders.

[8] The final amount is subject to completion adjustments.

Conclusion

To conclude, Keppel has delivered strong performance for the first nine months of 2025, underpinned by robust earnings growth and continued momentum in asset monetisation. The market increasingly recognises Keppel as a global asset manager and operator and has started re-rating the Company as we execute our growth strategy. Looking ahead, we will remain focused on driving growth and total shareholder returns.

Let me now open the floor to questions.

Question & Answer session

Questions from James Druce, CLSA

Thank you for taking my questions. My first question is around what we should be thinking about for 4Q in terms of any one-offs to earnings or any big transactions that may move the momentum of a pretty good 3Q today?

LCH: Thanks for your question. We do not give a forecast so I cannot tell you what to expect for the fourth quarter. We are, as I said, focused on executing on our strategy.

It's more if there're any one-offs that we or the market should be considering. Whether or not they occur is a different question.

LCH: The point is that we do not give forecasts.

Maybe just on the run rate of the buyback that you've done, S$93 million to date, how do we think about the continuation of that?

LCH: We do not have any particular timeline. We have been doing it quite consistently, of course, during blackout periods or when we have certain price-sensitive information (PSI), we would stop our share buyback programme.

One more question if I may, just with the floating data centre. I think the last quarter you were sort of looking to get some commitments for that. Would you be happy to build that on balance sheet or build that without a commitment, or is there a bit of a story about getting a commitment before you kick off construction?

LCH: The floating data centre is actually under our Data Centre Fund II. We already have a hyperscaler committed.

Questions from Mervin Song, JPMorgan

Hi Chin Hua, congrats on the strong results. Just on the share buyback, should we be expecting a commencement of that soon? I mean, the share price has been valued quite high. Do you still think the share price is undervalued?

LCH: Morning Mervin, thanks for your three questions. You should know better than to ask a CEO whether his shares are undervalued. I will not comment more than to say that if you look

at all the past share buyback programmes, once it is announced, we progressively do accumulate the shares. Of course, as I said earlier, if we are in a blackout period or we are in possession of some PSI, then the share buyback programme will stop.

Second question is on M1. Any updates in terms of progress on that, whether the regulators have gotten back to you in terms of questions you need to address, or is it still on track for year-end completion?

LCH: On the second question, do we expect the deal with Simba to complete by year-end? That is our current expectation. Of course, it is still subject to regulatory approval. Hopefully we can all move along.

On power spreads, any colour on that, whether it's down this quarter or how you see it going forward? Thanks.

LCH: The third question is on power spreads. Cindy, please.

CL: Thank you, CEO. Hi, good morning, Mervin. The integrated power business has continued to perform very strongly in 9M 2025. The power spread has gradually normalised, but our integrated power business has also diligently contracted our customer base. If you look at the business update, more than 67% of our customers are locked in for three years and beyond. We expect the quality and resiliency of our integrated power business to continue for full year 2025 and beyond. Come next year, you will see Keppel Sakra Cogen commencing operations. This will further cushion the softening of power spreads. More importantly, the non-power business has continued to do very well. We remain cautiously optimistic of our steadily growing performance and contributions to Keppel Ltd.

Questions from Brandon Lee, Citi

Morning Chin Hua and team. I have three questions. So my first one, previously you mentioned that platforms, like Keppel O&M and M1, are not included in the monetisation target, but I think this quarter, we saw them being included. Any reason for that, and is it going to be the same going forward? Would you include things like your Keppel REIT units, Seatrium shares and things like that? And if so, what's the new monetisation target by 2026, given that you are already above that S$10-S$12 billion range now?

LCH: When we set the target of S$10-S$12 billion, that was back in, I believe, around October 2020. That is off a base, at that time, at end-June 2020, of about S$17.5 billion of assets that we identified, that were in our portfolio, that we considered non-core. At that time, we did not include any of our operating businesses, and we made that quite clear. The S$10-S$12 billion target by 2026 still remains in place, but in order to not confuse the market, we will focus on the total monetisation to date, which includes both Keppel O&M and our logistics business, that was sold some years ago, and the impending sale of M1's telco business.

To answer your question, the S$10-S$12 billion target still remains in place by 2026, but the focus right now, I would say, should really be on the Non-Core Portfolio, which was reported at the end of June 2025 at about S$14.4 billion. The goal for us would be to monetise all of this by 2030.

So basically from our modelling standpoint, we should just look at S$10-S$12 billion excluding the platforms, correct?

LCH: The target of S$10-S$12 billion, that's looking backwards. Correct. But as I said, the more important point going forward is to see how quickly we are monetising our Non-Core Portfolio, which currently stands at S$14.4 billion as at end-June. That's looking forward.

My second question is regarding Keppel's view on acquiring green energy platforms and what is your goal there. I'm asking because we have seen some news flow in the market saying that you have bought the remaining stake in Cleantech Solar, and now you are reportedly in talks to sell the full stake.

LCH: If you are referring to Cleantech, that is speculation, so I cannot comment. In any case, it is actually in our infrastructure fund; so should the transaction actually eventuate, it will not be related to Keppel's core activities. It is part of the fund's activities.

Just one last one. Recently the government came out with this new data park on Jurong Island. So I just want to get your views on how you see that impacting your longer-term plans on DataPark+. Because I think you mentioned that's 1 GW; this is 0.7 GW. Do you think it could have any adverse impact on your plan for that? And what's Keppel's role in Jurong Island?

LCH: I will invite Mann to address this question.

MSM: Hi Brandon, thanks for the question. For us, it is a very positive development in terms of the availability of 700 MW that you are talking about in Jurong Island. It opens optionalities for us in terms of how to take advantage of the opportunity that exists. Of course, all this has to be looked at from the point of view of the moratorium and the CFA (Call for Application) that is impending, in terms of what capacities would get unlocked. The AI demand is there. However, depending on how the government looks at the CFA and unlocking of the moratorium, and the amount of capacity they want to unlock, we will look at all options available to us to take advantage of the opportunity. All in all, I think it is a good development, it gives us optionality to look at how do we monetise the opportunity.

LCH: In any case, this newly announced data centre park in Jurong Island, it is not likely that it will all be built up at one go. It will be done in phases.

Questions from Ho Pei Hwa, DBS

Thanks for the presentation, I have three questions. First one is on the non-core earnings. Could you guide us on the key items that contributed to the pretty strong earnings for 9M 2025, despite the accounting loss for the M1 transaction?

LCH: Kevin?

KC: Hi Pei Hwa. For the non-core earnings, a large part of it was driven by the monetisation results that we have done for the nine months. That is what is driving the performance for non-core. And this is predominantly in the real estate space.

Second on M1, I understand that the Liberty Wireless legal proceeding will not affect the timeline for the M1 deal, but just for our analysis purposes, how should we think about any potential implications to Keppel, even after the M1 transaction?

LCH: The action is a legal action on M1, so it will not have any implications on Keppel directly, if that is what you are asking.

Lastly, on Energy-as-a-Service (EaaS), it seems to be growing very fast. I think you mentioned in the presentation that there's a strong tender pipeline, and it expanded to many regions with new contracts with China, India, Philippines, etc. How should we better model this business going forward, or can you give us a bit of guidance as to how we should look at the scale of customers?

LCH: Cindy?

CL: Hi, morning, Pei Hwa. The way you should model this is based on our decarbonisation and sustainability solutions (DSS), which secured revenue under long-term contracts of S$6.8 billion, so this will translate to EBITDA, as we deliver such services to our customers. Baked into these contracts are indexation, so we do not take inflationary cost risks, these are passed through. So the more we have revenue growth, you will expect EBITDA margins to expand. These are also cash earnings which are paid on a subscription basis. On a monthly basis, you will expect the cash flow from operations from our DSS to grow steadily. So that is the way you can model them. These are predictable, long-term, with good margins.

How should we think of the recognition of the order book?

CL: This is a 9M business update, but in our 1H results call, we shared that we are on track to exceed S$100 million EBITDA on a recurring basis from DSS, and we expect it to continue to grow healthily.

LCH: This is for 2025.

CL: Correct, and you can base it on the fact that our book-to-bill ratio is more than 3x. This is very healthy by every measure.

Questions from Joy Wang, HSBC

Good morning Chin Hua and team, three questions from me. Good to see a dividend policy, and can I just understand a little bit more on how shall we think about the payout? You mentioned that your New Keppel business is growing 25% year-on-year. Should we expect the same for dividend payout as well? That's my first question.

LCH: We have never given a percentage, currently the guidance is still the same. The key point you should draw from this is that as we transform our business, we are anchoring our dividends to the earnings of New Keppel, that's the key point. And then for non-core, although it is profitable for the first nine months, we always take the view that the more important thing about non-core is to achieve the monetisation within the period that we have stated, which is 2030. So we believe dividends should be steady and growing as the New Keppel continues to grow. And then of course, on monetisation, if we achieve monetisation, a part of that will go to fund growth, pay down debt and part of that will also be used to reward our shareholders.

Thank you, if I may also clarify, earlier you made a comment on the share buyback pace. Did you say there is a targeted TSR you're looking to achieve?

LCH: A targeted TSR? No.

There is no target TSR, so you will just continue to execute your share buyback up to the S$500 million?

LCH: Yes, I think you may have misheard me. Earlier I had said that we will continue our share buyback, barring the period when we have a blackout or when we are in possession of PSI.

My next question is on the fees. This 9M, year-on-year fees were flattish, even though your FUM growth has been very strong. Is there some one-off or timing difference, which is why we are not seeing fee growth in tandem with your FUM growth?

LCH: I'll ask Chris to address this.

CT: Hi Joy, this is Chris. In terms of our fee earnings, we expect it to be very strong and robust, because we are still closing on transactions. Our team is working hard to close up the deals before year-end, so we should expect this number to continue to grow very strongly.

And all the REIT acquisitions you are also counting in 4Q, correct?

CT: Yes, because some of it is subject to regulatory approvals, so that is why, it is just pushed to the right. But we should expect our asset management fees to have better performance compared to last year.

Thank you, and last one on energy. I think your commentary around earnings is actually very strong. I just want to understand, given that the spark spreads are actually normalising, what is actually driving the strong performance of the integrated power business?

LCH: Cindy?

CL: Thank you, hi Joy. As you have heard in previous quarters, we have actively secured longer-term power purchase agreements on our generation capacity. So, credit to the team for seizing the opportunity when the spark spreads were healthy. We have always anticipated for spark spreads to normalise over time, and that is precisely the reason why we have also timed our capacity planting of Keppel Sakra Cogen and being the first-to-market. Secondly, we are also very diligent in optimising our fuel consumption and maintenance regime, such that our generation capacity remains highly efficient, allowing for high availability. We have also upgraded two of our F-classes to increase power capture. All these are operating capabilities that help deliver steady and strong integrated power business earnings.

<u>Questions from Rachael Tan, UBS</u>

Thanks for taking my questions. First question is, how much of your Non-Core Portfolio comprised assets coming from China?

LCH: Kevin? Do we share this?

KC: We do not give this breakdown, Rachael.

LCH: I believe in the first half results we do give a breakdown in terms of the asset types, but not the geography.

KC: To take on from CEO's point, when we announced in the first half of the year the S$14.4 billion, we did say that 30% of that is in the legacy rigs area, while 60% is property-related, and the remaining 10% comprised others. But we do not give a breakdown in terms of geography.

My second question is, is this Q3 business update considered part of your blackout period?

LCH: Yes, of course. Two weeks before.

The final question would be on using the proceeds from monetisation. You talk about using it to fund growth. So, outside of your partnership stakes in your funds, what sort of growth opportunities are you looking at?

LCH: As our FUM grows, you will see that part of the funds released from the Non-Core Portfolio will be used to do co-investments with the new funds that we have. Beyond that, there is always a possibility that we might do some M&As. But again, if we do M&As, we have been using our shares as well – that is why the share buyback programme has also been useful, because we use that as consideration for any M&A transaction. So those would be the use of funds for growth.

If you are looking at potential M&A transactions, what areas are you thinking about, broadly speaking?

LCH: I cannot really go into that. We are often offered, and we are on the lookout for, potential platforms that we can do bolt-on acquisition. Right now, there is nothing imminent, so I cannot share with you.

Questions from Lim Siew Khee, CGS International

Hi, just wanted to clarify, the S$830 million worth of real estate assets that you have monetised in 9M, they were part of the Non-Core Portfolio right?

LCH: Louis?

LL: Yes, they are part of the S$14.4 billion that we are targeting for divestment, but there is still more that we are looking to divest. [Note: The S$830m includes Core and Non-Core.]

Is SSTEC considered core?

LCH: SSTEC is a G-to-G (Government to Government) project, and we have been involved in it for almost 20 years. Given the nature and the importance of this project, we decided to put it under core, or under New Keppel.

And you will continue to hold it until things get clear, or that you might then move it to non-core?

LCH: No, as I said, we do not move things from core to non-core as and when we please. I think it is very clear, when we went through this exercise, that this is a one-time thing. We decide on what is core and what is non-core, depending on whether they fit into the New Keppel's business model. We do not expect more additions to the Non-Core Portfolio.

Moving on to my next question, in the last quarter, you mentioned that you have S$500 million worth of assets in real estate as well as connectivity, which are due for divestment. They are part of non-core and the divestment was supposed to take place in the next few months. That was in end-July. Now, you still continue to put that as "next few months". Just wanted to hear your thoughts, if you faced any challenges or

any status update on whether this S$500 million will be monetised by the end of this year.

LCH: In July, when we said that we have S$500 million, some of that has already crystallised. So now we are giving you an update that there is S$500 million more in deals that we are working on. Now you can expect it to be done in the next few months, but as with most things, sometimes it could drag on or push to the right. So that is also a possibility. But as it stands today, we expect the S$500 million to be done in the next few months.

Just looking at what you have disclosed in total assets monetised in the year to date which is S$2.4 billion and then back calculating to where we were at 1H, can I get confirmation that we have done S$130 million in 3Q?

LCH: Kevin?

KC: It is about S$180 million (excluding the proposed divestment of M1's telco business), Siew Khee.

One last question. Cindy, thanks for clarifying that your integrated power business is strong. Previously, you had shared, two quarters ago, that the spread had actually come down yoy by about 20%, where are we so far? I know that it is significantly contracted out. But people will mostly ask us, comparing against the few Gencos in Singapore. How has the spread been for you yoy? If you could give us a range, that would be great. And what is your view for next year? Let's say this year, it has come down by 20%, whether it will be less of an impact next year – say 5-10%? Just tapping on your experience and views.

LCH: Cindy?

CL: Hi Siew Khee, the spread is a function of supply-demand, and we are also susceptible to what happens in the larger scheme of things globally. So, associated with the Singapore government's announcement of the 700 MW data centre park, this would suggest to you that the demand for power going forward remains very strong in Singapore. Additionally, there is demand for advanced manufacturing and massive electrification that we see in Singapore. In terms of the supply, you would know that we have the most efficient power generation fleet in Singapore. By 2026, we will expand our capacity by nearly 50%, so in terms of the effect of the spread, I think it is also a function of how management remains vigilant and competent in smoothing out volatility whilst ensuring steady and strong earnings. To this end, you can be assured that we are cautiously optimistic that we can navigate the very complicated and yet resilient power market in Singapore. Thank you.

My last question is going back to the share buyback. I know that there is no timeline, and I know that you do not do any transactions during blackout period. Is there an extended timeline that you can actually look at this? When you need it, then you buy it?

LCH: There is no timeline. You have seen from our past share buybacks, we have done it quite consistently over time. I believe that our shares are going through a re-rating path. The shares we bought earlier on are already in the money, in that sense. More importantly, we do need these shares, as part of our staff share plans.

As we disclosed when we did the share buybacks or started the share buybacks, we have to fund our employee share plans and also to prepare ourselves for potential M&A. But also, the fact that the other 50% of the Aermont transaction will be completed in 2028. We will need

shares in order to meet that. So rather than issue shares, we believe this is a good time to buy shares from the market and keep them as treasury shares.

Questions from Tan Xuan, Goldman Sachs

Morning. My first question is on the one-off that has been recognised in 9M 2025. Can you share what is the divestment gain? Did I hear S$180 million earlier, and also on top of that, there is the S$222 million loss on M1. Is there anything else?

LCH: Maybe I can get Kevin to take this.

KC: Hi Xuan. The S$180 million was in response to a question earlier on, in terms of doing the sums on what is the monetisation announced for 3Q 2025, so that is not representing gains or losses. We do not disclose the gain or loss.

Second question is on FUM. If I calculated correctly, it is about S$95 billion now, can you share what is deployed versus what is undeployed? And what is attributable FUM?

LCH: First and foremost, we do not share the total FUM during the third quarter. It is only for half year and full year. You cannot just add the numbers as there are some divestments from some of the funds, so there will be some pluses and minuses.

Off last quarter's FUM then, on deployed and undeployed and what is attributable – can you share that?

LCH: Chris? The question is how much has been deployed versus what is dry powder. Do we disclose?

CT: We do not disclose the numbers. The team is very actively looking to conclude some of the deals before the year-end, so I think our FUM will continue to grow and you should expect quite a strong FUM number for the year.

LCH: Directionally, we can tell you that the FUM at the end of September is higher than the FUM as at end-June.

Last question. The Singapore government is also studying nuclear power. Can you share what are Keppel's current capabilities and role in the ongoing study?

LCH: As a power player in Singapore, we have been leading a couple of pathfinder projects, looking at ammonia, looking at hydrogen in the past, and of course, importing renewable energy as well. I think the government's stance on nuclear is very interesting to us. We will keep abreast of the developments and make sure that when the time comes, Keppel can play a useful part in helping the government go into nuclear power.

Questions from Paul Chew, Phillip Securities

Morning, thanks for the presentation. The first question, the New Keppel's results in first quarter included M1. Just wanted to confirm that the 9M also includes M1? And just on New Keppel's results, what is the growth in earnings for third quarter 2025?

LCH: I will ask Kevin to answer the first question.

KC: Hi Paul, the New Keppel does not include M1.

LCH: It is under Discontinued Operations.

KC: Correct, because it has been put up for sale, so it is not included.

The first half included M1 but the 9M 2025 does not?

LCH: Just to make it clear, the M1 transaction with Simba was announced in August, in the third quarter. So for the first half, it was still a continuing business. It is only now, for 9M 2025, because of the announcement of the impending transaction, it is now considered as discontinued business.

The reason for asking is just to understand the momentum, because first half had 25% growth, and now 9M is also 25%, so it may not be comparable as there are a lot of moving parts. So just wanted to clarify.

LCH: To a certain extent, but M1 is still a very small part of the overall profits that we make, so even if you say there are some moving parts, it is not going to be a very significant impact.

Having said that, which segments drove the third quarter performance?

LCH: Kevin?

KC: For the 9M 2025 results, all three segments performed well across both asset management and operating divisions. So it was a very good quarter for us, with all parts of New Keppel performing well, which contributed to what we have disclosed, 25% directionally better yoy.

Last question, just on the electricity spreads, it is trending down or normalising, I guess. But having said that, supply did not really change much, I presume in the last 12-18 months. So I am just wondering what is pressurising spreads, especially since there will be new supply coming up next year.

CL: Our long-term contracted spread has helped shield us from the volatility in the spread.

LCH: I guess his question is what is driving the spread down, the spot down, I think it is demand?

CL: The way we should look at it is, the large spread is exceptional and unusual, so we should not be taking the large spread as a given because that was driven by a global crisis. The spike came from the Ukraine-Russia conflict when gas was taken off the marketplace and furthermore, we also had regional upstream gas disruption. So the previous years' large spread is not normal. That is why I have been saying that normalising is predicted, and we have been diligently working to cushion this normalising.

LCH: Thank you.

<u>Questions from Foo Zhiwei, Macquarie Securities</u>

Morning Mr Loh. I have just one question and it is specifically on your dividends. I would like to just clarify a little bit more about your updated dividend policy, where you would

actually distribute some of your asset monetisation proceeds for dividends, and that dividends will be pegged to the New Keppel earnings. So New Keppel earnings are inevitably better, higher. That is great, right, which should underpin your base dividends. Now the question is, do we still think about the dividend payout ratio being your historical range? I think you used to be 40-50%, but in recent years, it has gone up to almost 60-70%, and then when you talk about your proceeds from asset monetisation, which you will distribute. Is there a sense of what proportion of these cash will be carved out to be distributed to shareholders and what percentage will be paid out? Thank you.

LCH: We do not have any specific payout percentage, and I think this will be something that the Board will decide, obviously at the end of the year, taking into account external situations or the need for funds. But I think we are committed to continuing to pay sustainable and growing dividends. As far as monetisation is concerned, we do not have any percentage, and we are not guiding the market in terms of what percentage of the monetisation will be returned to shareholders. That, again, will be considered at the end of the year by the Board. When we do the results announcement next year, you will see. But we do understand that our shareholders are not just looking at our share price increasing, but also looking at dividends and cash returns, and we will continue to drive total shareholder returns.

All right, one follow-up please. So, if I would just ask it another way: can we expect the asset monetisation cash proceeds to be additive to whatever dividends you pay out from your New Keppel earnings?

LCH: I think that is the point. We are saying that the dividends that we are looking to pay, on a sustainable basis, will be tied to the New Keppel's earnings. And if we do monetisations, part of that will be returned to shareholders as additional payments.

Questions from Brandon Lee, Citi

Just a couple of follow-up questions. Is Keppel still pursuing the two cable systems with 30 fibre pairs? I realise that statement has been taken out this quarter.

LCH: Mann? These are the two new cable systems.

MSM: Yes, we are still pursuing them, Brandon. There are two cable systems, one Northwards from Singapore to Japan and the other is Westwards towards India and onwards. So, the two cable systems are being evaluated. I must stress that they are still in the evaluation stage. So, there is nothing more to add, apart from the fact that we are looking at the two cable systems and evaluating them.

LCH: So do not read anything into the fact that we did not include them, because there are a lot of new things that are happening.

Just one last one. I think recently we are starting to see Gasco starting to talk to suppliers of LNG, so how do you really see this entity impacting your infrastructure earnings in the short term, and medium to long term? Would it be a concern to your numbers?

LCH: Cindy?

CL: Thanks Brandon. The announcement and the plans for centralised gas procurement through Gasco have been a work in progress for a couple of years already. So the onus is on

the Gencos to make their plans in tandem, in consultation with the regulators. We welcome this because it will provide a more long-term view of the Singapore government behind natural gas as an important fuel mix for power generation. So we have also diligently extended some of our existing gas supply agreements, whether it is piped natural gas or LNG. In this regard, I think there is no major direct adverse impact on earnings. If any, it is a positive action by the Singapore government, ensuring that the whole of Singapore has good negotiation power and resilience when it comes to procuring gas in crisis or abnormal situations. Thank you.

Questions from Mervin Song, JPMorgan

Just on Bifrost. For the remaining pairs, are we expecting to sell them anytime soon and is it part of that S$500 million pipeline over the next few months?

LCH: Maybe the first question, Mann?

MSM: Hi, so our objective first was to get RFS (Ready for Service) done, which we have on the 1st of October. We will start carrying live traffic on Bifrost for the two customers that we have already signed on. What we realise now is that in terms of the capacity that we had designed the Bifrost Cable System for, we are actually in practice delivering higher capacity because of the extra repeater that we had to put in for the length of the cable. So, we are now recalibrating the asking price for our remaining fibre cable pairs. And we do think that with Bifrost being one of its kind in the Pacific Ocean, from Singapore to the US, and delivering higher capacity than what we had designed for, it can command a higher premium than what we had initially anticipated. So, we are talking to our customers, which is across telcos, across hyperscalers and others, to see how do we monetise the additional capacity and the fact that it is RFS now and carrying live traffic. How does that materialise into the premium that we are seeking for the remaining fibre pairs. So, we are in advanced talks with some of our customers and we hope that we should be able to command the premium in the next few months.

The second question I have is with regard to RigCo. Can you give us some updates just on utilisation rates and the actual rates for the rigs, whether there is risk of renewal, is there a drop in day rates, given the drop in oil price? And within RigCo itself, should we be expecting a return of cash or putting RigCo into a fund anytime soon?

LCH: On RigCo, utilisation rate actually remains quite healthy globally, ranging from 85% or upwards to maybe 90%. So, the market is not soft in a sense, because there is no new supply coming on. However, as you rightly pointed out, the demand in recent times has been a bit weaker. Having said that, the news coming up from the Gulf is that there seems to be increased activity in terms of drilling, and we have two jack-ups, one jack-up is already re-contracted. And then the second rig will be returning to Singapore, and already we are getting quite good enquiries, and we expect the bareboat charter rate to be slightly higher compared to what it was or has been.

KC: Can I just add on to that. The renewal on that one rig is actually on a higher rate than what it was before.

Question from Rachael Tan, UBS

Hi, once again, thanks for taking my question. This is more of a request than a question. You know, when we look at other alternative asset management companies globally, we see that your peers are disclosing substantially more information when it comes to

fund deployment, breakdown of fee-related earnings, fund returns, etc. Would you consider providing more information in the future so that we can more efficiently compare you with your peers?

LCH: Sure. Good inputs. We will take that into consideration.

CT: We do provide more at half year, but not at 9M.

LCH: That's a good point.

Closing remarks by Loh Chin Hua, CEO of Keppel Ltd.

The first nine months have been quite encouraging, we have good traction, as New Keppel continues to grow and monetisation continues to happen. The team is very focused on continuing to execute for the rest of the year, and also into next year and beyond. Thank you all for your interest and support for Keppel.

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