

1H2023 Results Announcement

August 4, 2023



CEO's Report

Wong Kim Yin

Group President & CEO

1H2023 Group Financials

1H23 vs 1H22[#]

Turnover
S\$3,658 million

↓ 6%

EBITDA¹
S\$993 million

↑ 59%

Adjusted EBITDA²
S\$1,139 million

↑ 50%

Net Profit before Exceptional Items (EI)
S\$602 million

↑ 55%

Net Profit – Continuing Operations
S\$608 million

↑ 56%

Earnings Per Share (before EI)
33.7 cents (EPS: **34.1** cents)

Group ROE before EI (annualised)
26.6% (ROE, annualised³: **26.7%**)

The Board announces an interim dividend of **5 cents per ordinary share**, to be paid on August 22, 2023

[#]1H2022 financials have been re-presented where the contribution from Sembcorp Energy India Limited (SEIL), the coal business, was reported as a discontinued operation post approval of its sale. The sale of SEIL was completed on January 19, 2023

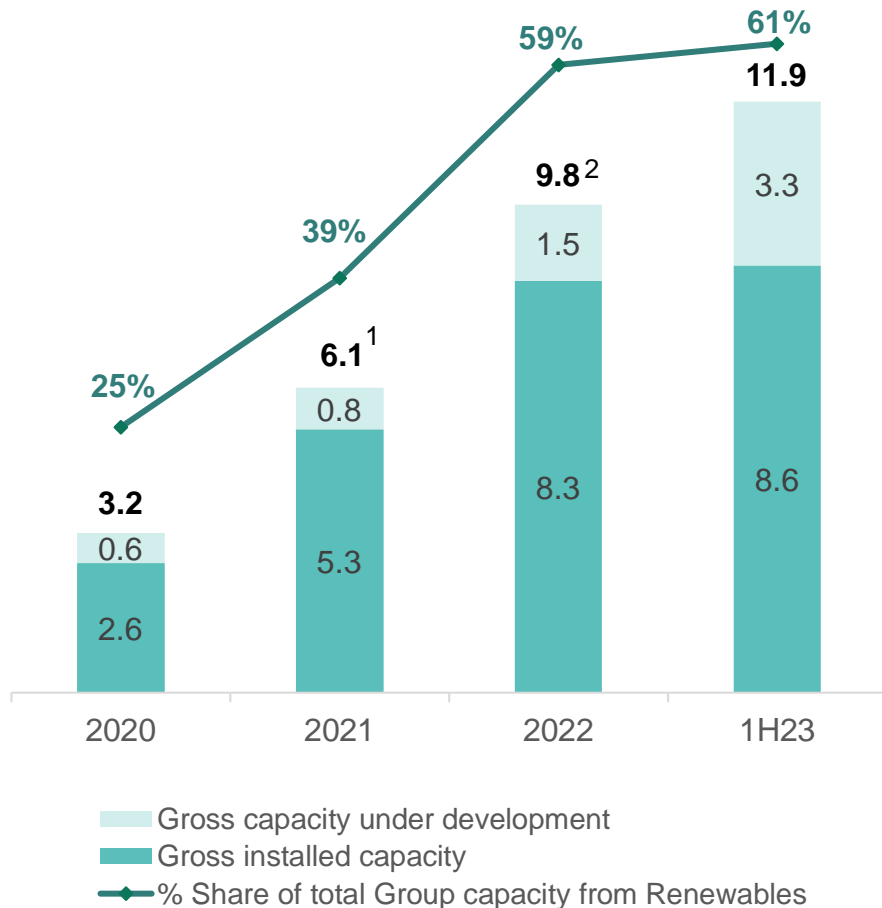
¹ EBITDA excludes major non-cash items such as the effects of fair value adjustments, re-measurements, impairments and write-offs

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

³ Group ROE (annualised) is calculated as annualised 1H23 net profit with relevant EI adjustments, divided by average shareholder fund including the annualised profit

Renewables: Continued Growth in Capacity

Gross Renewables Capacity* (GW)



Completion of Acquisitions

- 100% stake in Vector Green, a 583MW portfolio in India
- 49% stake in a 795MW solar portfolio owned by BEI Energy Development in China
- 892MW wind and solar portfolio through 45.3%-owned Xingling New Energy in China

Organic Growth with Key Partners

- Increase in SDIC New Energy capacity by 1.7GW since acquisition, including a 750MW concentrated solar power (CSP) project in China
- First 100MW / 200MWh energy storage system project commissioned by joint venture Xingling New Energy

Strategic Presence in Middle East

- Awarded first greenfield renewables project, a 500MW build-own-operate solar plant in Oman

* Energy storage capacity is presented in MWh (Megawatt Hour)

¹ Includes acquisitions in China announced in 4Q21, which were completed in the first half of 2022

² Includes acquisitions in China and India announced in 4Q22, which were completed in the first half of 2023

Renewables: Expanding Capabilities in China



Artist Impression

750MW Concentrated Solar Power Project in Gansu, China

- Project consists of 640MW solar photovoltaic and 110MW concentrated solar power (CSP)
- CSP serves as an energy storage component of the solar project
- Expected to be completed in 2024

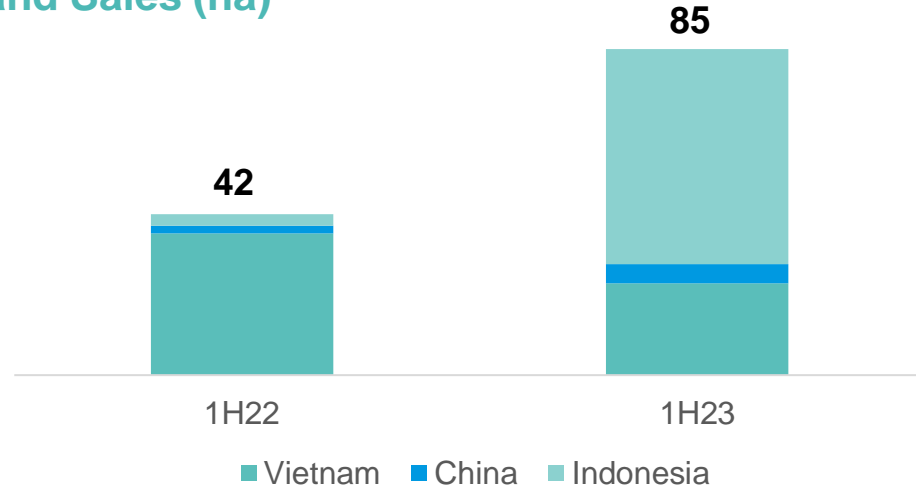


100MW / 200MWh Battery Energy Storage System in Hunan, China

- First organic growth project in Xingling New Energy platform
- Full capacity connection to the grid achieved in June 2023
- 20-year capacity leasing contract expected from 2024
- Also provides ancillary service to the State Grid

Integrated Urban Solutions: Increased Land Sales, Steady Orderbook

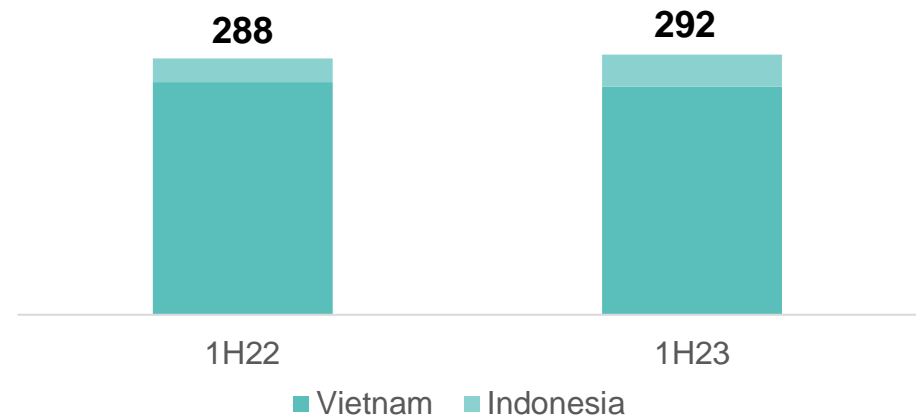
Land Sales (ha)



Increased Land Sales

- Increased land sales in Indonesia due to higher manufacturing activity post lifting of COVID-19 travel restrictions
- Lower land sales in Vietnam due to pending approvals from authorities, land sales expected to increase in 2H23
- China property market remains challenging

Orderbook (ha)

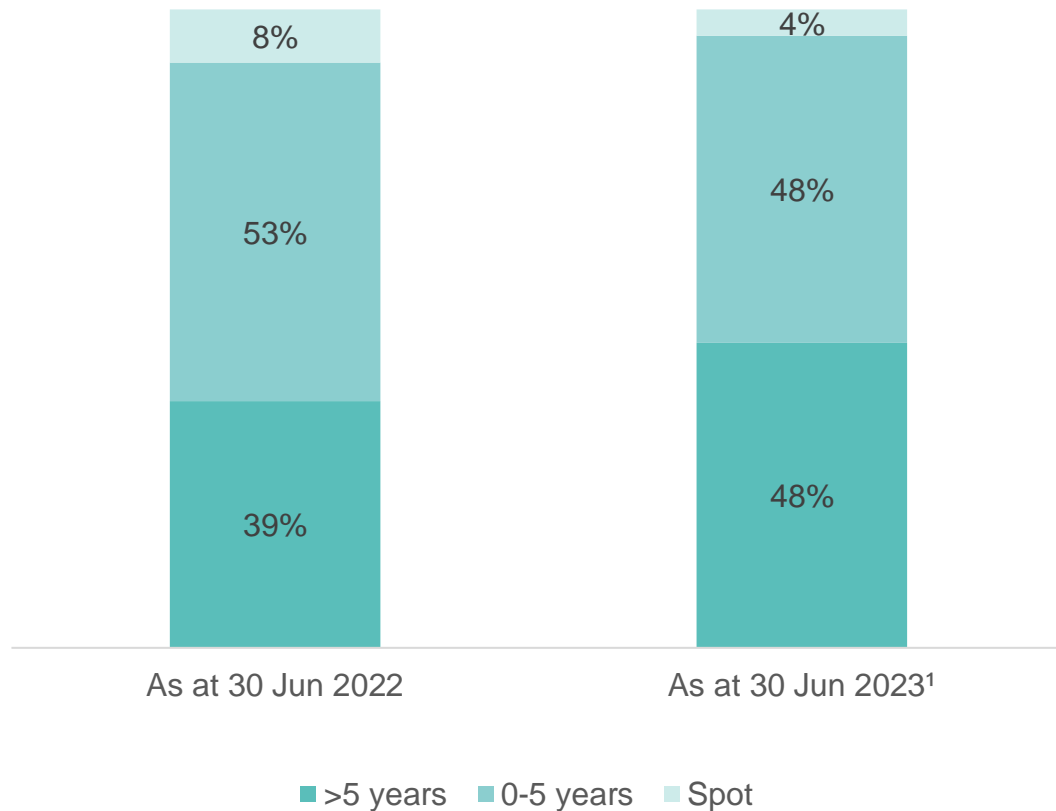


Waste Management Contract Expiry

- Cessation of a public cleaning contract from 2Q23 for the waste management business in Singapore

Conventional Energy: Improvement in Earnings Visibility

Contracted Position of Gas Portfolio



¹ Includes 18-year PPA with Micron and 10-year PPA with Singtel which will commence in 2H23

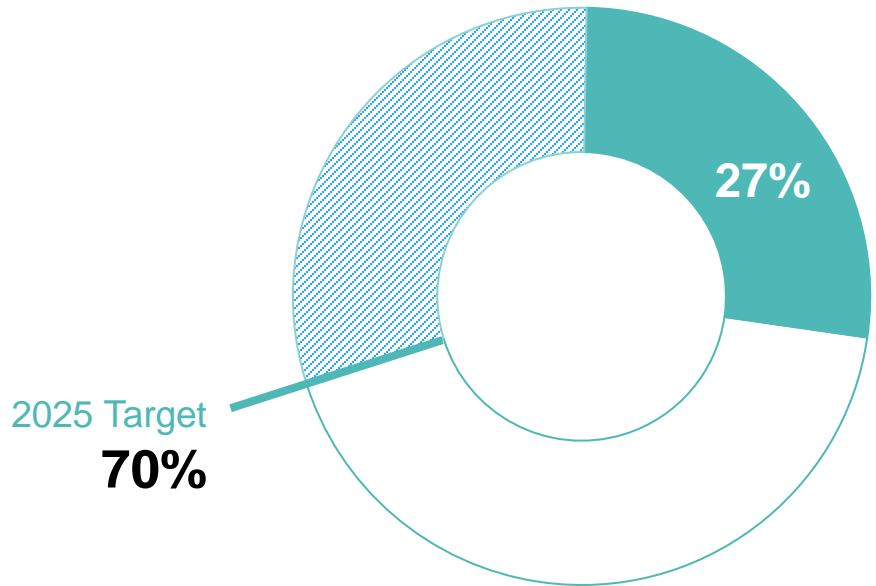
Well-positioned to Support Customers

- Enhance earnings visibility with long-term power purchase agreement (PPA)
 - Micron Semiconductor: 18-year PPA to supply up to 450MW
 - Singtel: 10-year PPA with estimated annual contract value of S\$180 million
- Augment existing gas supply with S\$1.9 billion gas sales agreement to import natural gas from Indonesia for a period of 4 years from 2024
- Development of a new multi-utilities centre and a 600MW hydrogen-ready combined cycle power plant facility on Jurong Island

Transforming our Portfolio from Brown to Green

MORE Sustainable

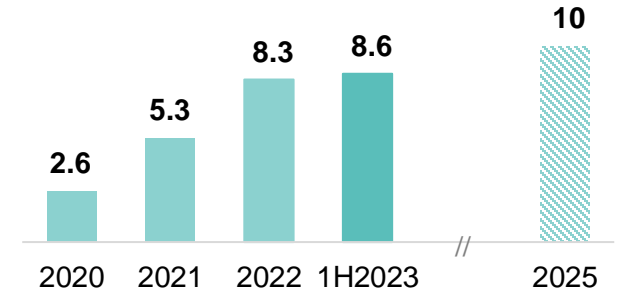
% Share of Net Profit¹ from Sustainable Solutions



MORE Renewables

Gross installed capacity², GW

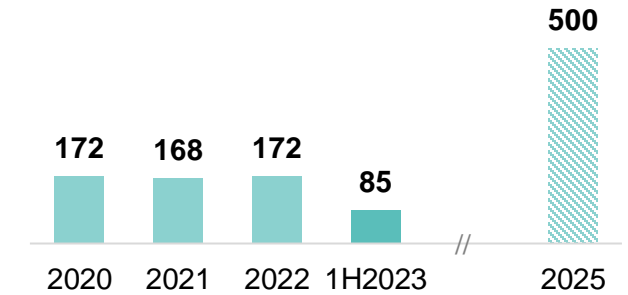
Gross installed capacity², GW



MORE Sustainable Urban

Developments

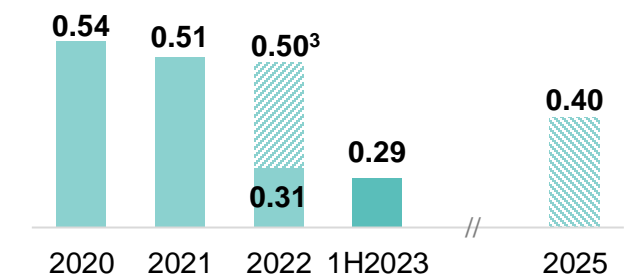
Land sales, ha



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, deferred payment note income and exceptional items

² 2021 and 2022 figures include acquisitions announced during the financial year and pending completion. Energy storage capacity is presented in MWh

³ Includes emissions from SEIL. The sale of SEIL was completed on January 19, 2023. 2022 pro forma GHG emissions intensity (Scope 1 and 2) excluding SEIL is 0.31 tCO₂e/MWh. With effect from January 2023, Sembcorp's proportion of SEIL's emissions will be accounted for under Scope 3

Financial Review

Eugene Cheng
Group CFO

Highlights

- Turnover declined mainly due to lower gas prices in the Conventional Energy segment, mitigated by higher contribution in the Renewables segment
- Increase in EBITDA was driven by the Conventional Energy Segment, as well as contribution of new acquisitions in the Renewables segment
- Net profit for the period includes S\$78 million of loss on disposal of SEIL after the realisation of an accumulated currency translation loss recognised in the foreign currency translation reserve and a gain in capital reserve and other reserves

Key Financials

(S\$ million)	1H23	1H22 [#]	Δ%
Turnover	3,658	3,901	(6)
EBITDA ¹	993	626	59
Share of Results: Associates & JVs, Net of Tax	146	133	10
Adjusted EBITDA ²	1,139	759	50
Net Profit before Exceptional Items	602	389	55
Net Profit	608	389	56
Discontinued Operation:			
Net Profit / (Loss) – SEIL	(78)	101	NM
Net Profit for the period	530	490	8
Continuing Operations:			
EPS before EI (cents)	33.7	21.8	55
EPS (cents)	34.1	21.8	56
Annualised ROE ³ before EI (%)	26.6	18.3	45
Annualised ROE ³ (%)	26.7	18.3	46

[#] 1H22 financials have been re-presented where the contribution from Sembcorp Energy India Limited (SEIL), the coal business, was reported as a discontinued operation post approval of its sale. The sale of SEIL was completed on January 19, 2023

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 Annualised ROE is calculated as annualised 1H net profit with relevant EI adjustments, divided by average shareholder fund including the annualised profit

Highlights

- Increase in Renewables turnover due to completion of acquisitions of HYNE in China and Vector Green in India, as well as the commissioning of the energy storage system in Singapore
- Lower turnover for Integrated Urban Solutions due to cessation of a public cleaning contract
- Decline in Conventional Energy revenue mainly due to lower gas prices

Group Turnover

S\$ million	1H23	1H22	Δ%
Renewables	379	222	71
Integrated Urban Solutions	206	217	(5)
Sustainable Solutions	585	439	33
Conventional Energy	2,858	3,301	(13)
Other Businesses and Corporate	215	161	34
TOTAL TURNOVER	3,658	3,901	(6)

Highlights

- Performance in Renewables largely driven by acquisitions in China and India, new energy storage system and higher electricity prices for the solar business in Singapore, offset by lower wind resource in India
- Integrated Urban Solutions profit declined due to lower contributions from waste business in Singapore as well as lower land sales in Vietnam, partially mitigated by higher land sales in Indonesia
- Increase in Conventional Energy segment driven by higher power prices and margins achieved in Singapore through optimisation of generation assets and fuel sources
- Corporate cost increased mainly due to higher finance cost for funding of acquisitions. Interest cost of S\$86 million in 1H23, compared to S\$28 million in 1H22

Group Net Profit

S\$ million	1H23	1H22	Δ%
Renewables	117	76	54
Integrated Urban Solutions	48	62	(23)
Sustainable Solutions	165	138	20
Conventional Energy	435	296	47
Other Businesses	15	10	50
Corporate	(135)	(55)	(145)
DPN Income	122	-	NM
NET PROFIT before Exceptional Items	602	389	55
Exceptional Items	6	*	NM
Net (Loss) / Profit from Discontinued Operation ¹	(78)	101	NM
TOTAL NET PROFIT	530	490	8

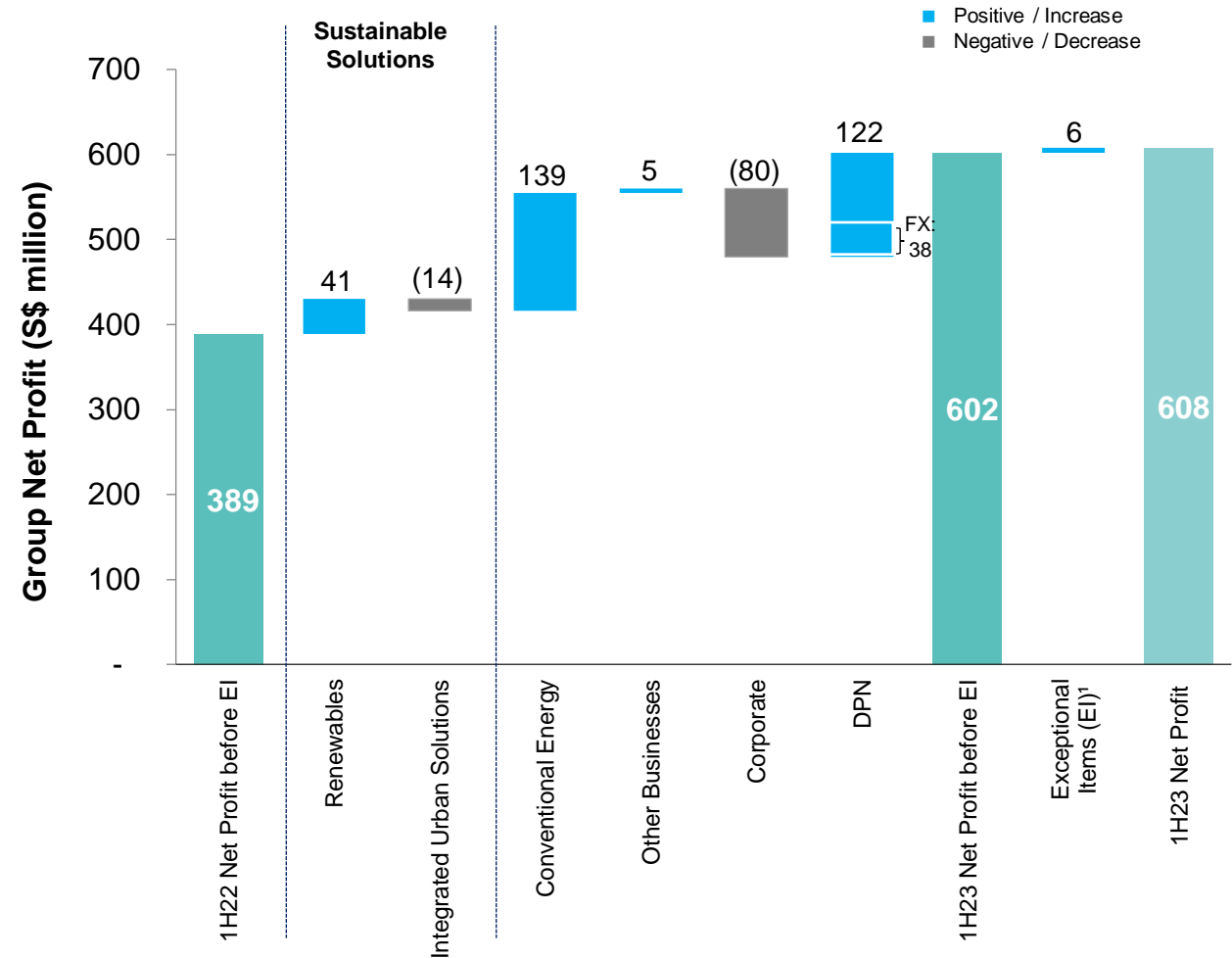
* Denotes amount less than S\$1 million

¹ 1H23 loss from discontinued operation referred to the loss on disposal of SEIL after the realisation of an accumulated currency translation loss recognised in the foreign currency translation reserve and a gain in capital reserve and other reserves

1H23 vs 1H22

- **Renewables:** Increase due to acquisitions of portfolios in China and India and contribution from Singapore Solar
- **Integrated Urban Solutions:** Lower margins for industrial land sales in Indonesia compared to margins achieved for commercial and residential land sold in Vietnam in 1H22
- **Conventional Energy:** Performance driven by higher power prices in the Singapore conventional market
- **Corporate:** Higher expense driven by higher interest rate and increased borrowings for the acquisitions of renewables portfolios as well as cost incurred for strategic initiatives
- **DPN Income:** Represented the change in fair value of the DPN comprising income of S\$84 million and foreign exchange gain of S\$38 million

Group Net Profit



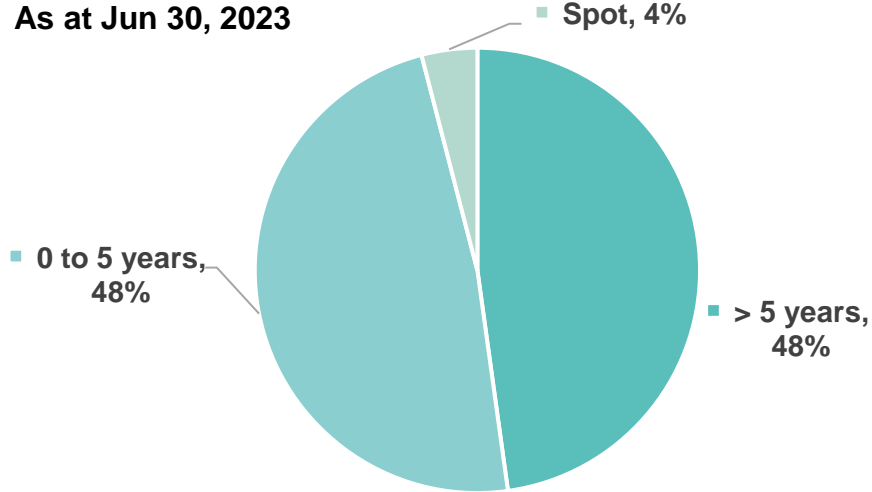
¹ EI comprised divestment gains from the sale of its water businesses in Indonesia, as well as recognition of negative goodwill from the acquisition of a 49% joint venture in the solar business in Vietnam

Conventional Energy

Increased Contracted Position of Gas Portfolio

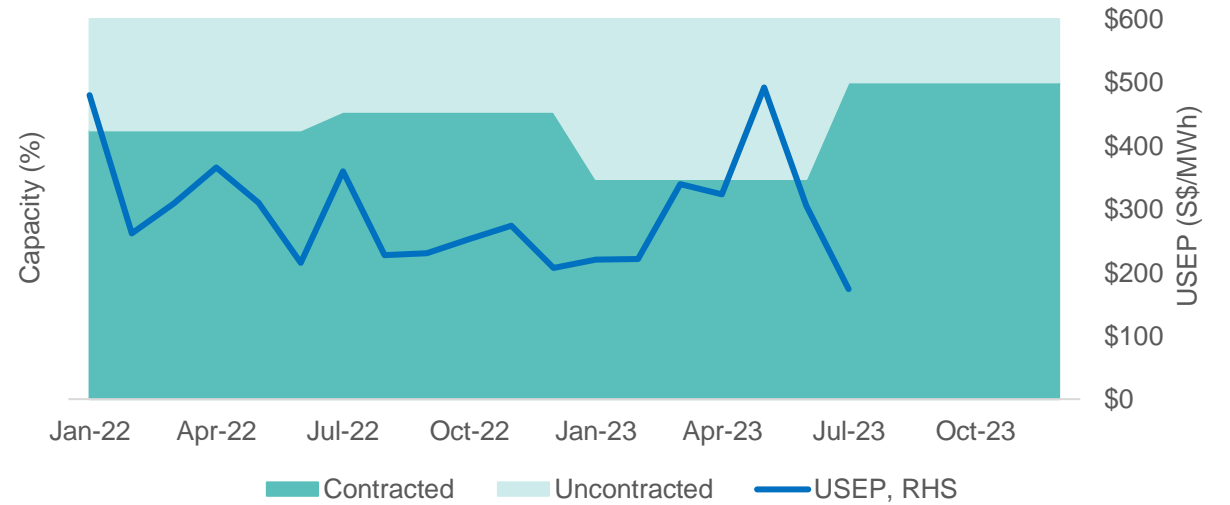
Tenure of Contracted Capacity

As at Jun 30, 2023



¹ Includes 18-year PPA with Micron and 10-year PPA with Singtel which will commence in 2H23

Singapore Cogen Contracted / Uncontracted Capacity



Active Portfolio Management

- Reduced contracted load in 1H2023 due to planned maintenance and in view of long-term PPAs commencing in 2H2023
- Higher pool gains in 1H2023 due to higher power prices
- Increased contracted position in 2H2023 with long-term PPAs, enhancing earnings stability and visibility

Highlights

- Capital expenditure in the Renewables segment related mainly to wind and solar projects in India and Singapore, as well as battery storage in the UK
- Equity investment pertained mainly to acquisitions of renewables portfolios in China and India

Group Capital Expenditure and Equity Investment

S\$ million	1H23	1H22
Capital Expenditure		
Renewables	247	95
Integrated Urban Solutions	13	14
Conventional Energy	36	65
Other Businesses and Corporate	1	3
	297	177
Equity Investment		
Renewables	578	849
Integrated Urban Solutions	-	-
Conventional Energy	-	-
Other Businesses and Corporate	-	2
	578	851

Highlights

- Net cash from operating activities before changes in working capital stood at S\$900 million while net cash from operating activities was S\$742 million
- Net cash used for investing was S\$751 million, mainly for the acquisition of Vector Green and investment in joint ventures in China, as well as S\$270 million of expansionary capital expenditure for the Group's renewables projects

Group Free Cash Flow

S\$ million

	1H23	1H22
Cash Flow From Operating Activities		
- Before Changes in Working Capital	900	860
- Changes in Working Capital	(41)	(257)
- Tax Paid	(117)	(37)
	742	566
Cash Flow From Investing Activities		
- Divestments, Dividends, Interest Income and DPN receipt	425	279
- Net Investments and Capex	(1,176)	(1,095)
	(751)	(816)
- Add Back: Expansion Capex and Equity Investment	800	843
FREE CASH FLOW	791	593

Highlights

- Gross debt increased mainly due to borrowings incurred for the acquisitions of renewables and consolidation of underlying borrowings of subsidiaries acquired
- Improvements in leverage ratios on stronger operating performance

Group Borrowings

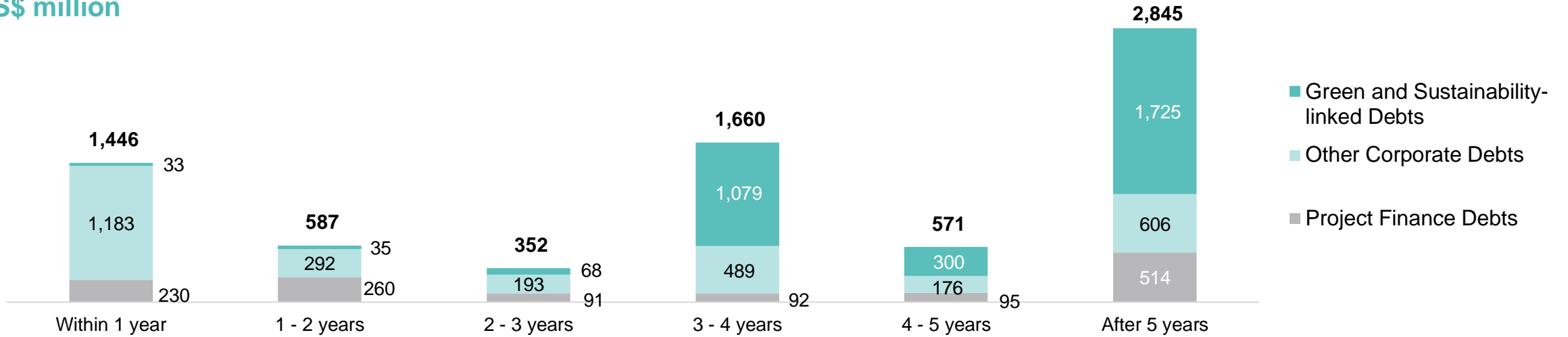
S\$ million	Jun 30, 2023	Dec 31, 2022
Gross Debt	7,461	7,070
Total Equity	4,758	4,216
Total Capital	12,219	11,286
Corporate Debt	6,179	5,932
Project Finance Debt	1,282	1,138
Gross Debt	7,461	7,070
Less: Cash and Cash Equivalents	(882)	(1,254)
Net Debt	6,579	5,816
Gross Debt / EBITDA*	3.8	5.4
Net Debt / EBITDA*	3.3	4.4
Gross Debt / Adjusted EBITDA*	3.3	4.5
Net Debt / Adjusted EBITDA*	2.9	3.7
EBITDA / Interest	4.8	4.2
Adjusted EBITDA / Interest	5.6	5.0

*Annualised

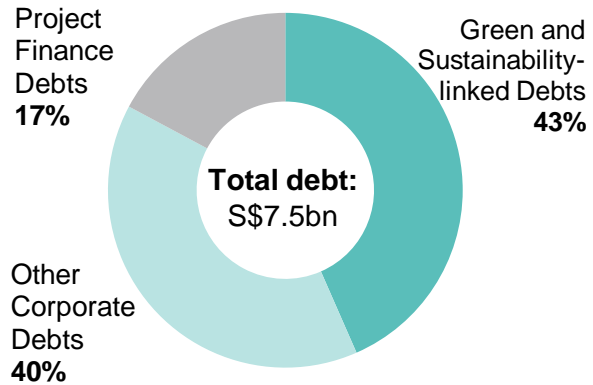
Group Debt Profile

Debt Maturity Profile as at Jun 30, 2023

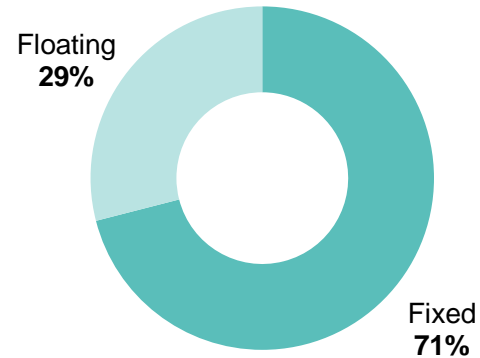
S\$ million



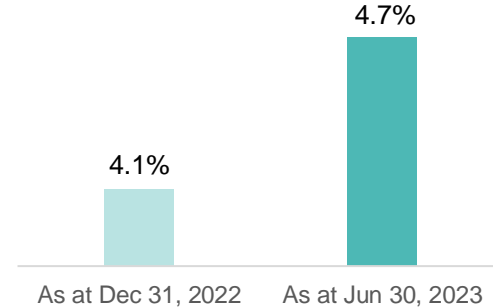
Borrowing profile



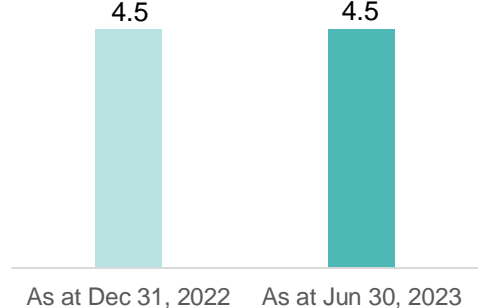
Hedging profile



Weighted average cost of debt



Weighted average debt maturity (Years)



Highlights

- Issuance of 4.6% S\$350 million 7-year green bond in March 2023
- As of Aug 4, 2023, the Group has S\$1.6 billion of committed unutilised credit facilities available for drawdown with maturity beyond 2024

Group Liquidity

S\$ million

Jun 30, 2023 Dec 31, 2022

Cash and Cash Equivalents	882	1,254
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Borrowing Facilities

Committed Facilities	9,881	9,496
Less: Amount Drawn Down	(7,428)	(7,070)
Unutilised Committed Facilities	2,453	2,426

Uncommitted Borrowing Facilities	2,189	2,536
Less: Amount Drawn Down	(33)	-
Unutilised Uncommitted Facilities	2,156	2,536
Total Unutilised Borrowing Facilities	4,609	4,962

Trade-related Facilities

Facilities Available	1,477	1,412
Less: Amount Used	(523)	(500)
Unutilised Trade-related Facilities	954	912

Outlook

The Group's strong performance in the first half of 2023 was driven by the Conventional Energy segment which saw higher power prices in the Singapore electricity market and increased operational capacity in the Renewables segment.

With an increase in longer tenure power purchase agreements in Singapore, we expect the Conventional Energy segment to provide a stable earnings profile in the second half of the year. Earnings of the Renewables segment will increase for the full year due to contributions from completed acquisitions. However, performance in the second half of the year is seasonally lower than the first half. Outlook of the Urban business is dependent on the pace of regulatory approvals and property market recovery in our countries of operation.

Barring unforeseen circumstances, full year underlying earnings for the Group are expected to be higher than 2022.

Notwithstanding the strong performance, global growth is projected to slow amid high inflation, tight monetary policy and geopolitical tensions. This could weigh down on the global economy and impact business performance.

The Group continues to focus on the execution of its transformation strategy and will leverage its energy and urban development capabilities to seize opportunities in the global energy transition.

Developments to Note

- Planned maintenance for Phu My 3 BOT Power Plant (3 weeks) in the second half of 2023
- Phu My 3 BOT Power Plant will reach the end of its Term of Operation on 29 February 2024

SAVE THE DATE!

2023 INVESTOR DAY

NOVEMBER 6, 2023 (MONDAY)



Details to come

Disclaimer

This presentation contains certain statements that are not statements of historical fact, i.e. forward-looking statements. These forward-looking statements are based on current expectations, estimates, projections and assumptions about future events. Although Sembcorp Industries believes that these expectations, estimates, projections and assumptions are reasonable, they are prepared based on current known facts and are subject to the risks (whether known or unknown), uncertainties and assumptions about Sembcorp Industries and its businesses and operations.

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Appendix

Highlights

- Increase in adjusted EBITDA for Renewables segment on completion of acquisitions during the year as well as higher earnings from Singapore solar operations
- Conventional Energy segment increased mainly due to higher power prices and margins achieved in Singapore through optimisation of generation assets and fuel sources

Group EBITDA and Adjusted EBITDA

S\$ million	1H23	1H22	Δ%
Renewables	262	148	77
Integrated Urban Solutions	53	60	(12)
Sustainable Solutions	315	208	51
Conventional Energy	581	425	37
Other Businesses and Corporate	97	(7)	NM
TOTAL EBITDA¹	993	626	59
Renewables	320	188	70
Integrated Urban Solutions	85	102	(17)
Sustainable Solutions	405	290	40
Conventional Energy	637	476	34
Other Businesses and Corporate	97	(7)	NM
TOTAL ADJUSTED EBITDA²	1,139	759	50

¹ EBITDA excludes discontinued operation, 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

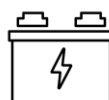
Group Borrowings

S\$ million

	Amount Drawn	Fixed / Floating Rate*	Year of Maturity
Corporate Debts	6,179		
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 (Green bond issued 2021)	400	2.45%	2031
Medium Term Notes (Green bond issued 2023)	350	4.60%	2030
Medium Term Notes (Sustainability-linked bond issued 2021)	675	2.66%	2032
Medium Term Notes (Sustainability-linked bond issued 2022)	300	3.74%	2029
Term Loans & Revolving Credit Facilities	4,004	Fixed & Floating	2023 - 2039
Project Finance Debts	1,282		
Sembcorp Huiyang New Energy (Shenzhen) Co. Ltd	157	Floating	2033
Sembcorp Green Infra Ltd	551	Fixed & Floating	2023 - 2037
Sembcorp Myingyan Power Ltd	273	Fixed & Floating	2036
Sembcorp North-West Power Company Ltd	295	Fixed & Floating	2030
Sembcorp Infra Services Hai Duong Co., Ltd	2	Floating	2026
Sembcorp Infra Services Quang Ngai Co. Ltd.	2	Fixed	2026
Sembcorp Infra Services Nghe An Co. Ltd.	2	Fixed	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, 2021 ¹		As at Dec 31, 2022 ^{1,2}		As at Jun 30, 2023	
	Installed	Under Development	Installed	Under Development	Installed	Under Development
Solar	650	613	2,479	906	2,602	2,086
- Singapore	200	120	244	201	295	164
- Vietnam	27	63	171	28	196	10
- Indonesia	-	-	-	1	-	3
- China	388	-	1,516	109	1,520	860
- India	35	430	548	567	591	549
- Oman	-	-	-	-	-	500
Wind	4,567	180	5,362	315	5,417	914
- China	2,873	-	3,644	31	3,675	650
- India	1,694	180	1,718	284	1,742	264
Energy Storage (MWh)	70	54	405	304	609	300
- Singapore	-	4	285	4	289	-
- China	-	-	-	-	200	--
- UK	70	50	120	300	120	300
Total	6,134		9,771		11,928	
- Installed	5,287		8,246		8,628	
- Under Development	847		1,525		3,300	