

PRESS RELEASE

Sembcorp Industries Ltd
CO REGN NO 199802418D
30 Hill Street #05-04
Singapore 179360
Tel (65) 6723 3113
Fax (65) 6822 3254
www.sembcorp.com

Sembcorp Industries FY2022 Results**SEMBCORP DELIVERS STRONG FY2022 PERFORMANCE**

- **Underlying net profit at S\$883 million**
- **Significant growth achieved in renewables portfolio**
- **Successfully completed the sale of Sembcorp Energy India Limited (SEIL) in January 2023**

Singapore, February 21, 2023 – Sembcorp Industries (Sembcorp) posted a strong performance for the full year of 2022 (FY2022). Including discontinued operation[#], turnover was S\$9.4 billion, 21% higher than turnover of S\$7.8 billion in FY2021. Group net profit before exceptional items in FY2022 was S\$883 million, an increase from S\$472 million in FY2021, due to higher contributions from the Conventional Energy and Renewables segments. The Group recorded exceptional items of negative S\$35 million in FY2022, compared to negative S\$193 million in FY2021. Group net profit after exceptional items was S\$848 million, compared to S\$279 million in FY2021.

Net profit before exceptional items for the Renewables segment grew 150% to S\$140 million, from S\$56 million in FY2021, driven by contributions from Shenzhen Huiyang New Energy (HYNE) and 35%-owned SDIC New Energy, as well as higher power prices for the solar assets in Singapore. During the year, we secured 3.6GW of renewables capacity through acquisitions and organic growth across key markets, bringing the Group's renewables capacity as at end 2022 to 9.8GW¹ of renewables capacity.

Net profit before exceptional items from the Integrated Urban Solutions segment was S\$148 million compared to S\$155 million in FY2021. Lower land and property sales due to a slowdown in the China market were mitigated by higher contribution from the waste-

[#] On November 8, 2022, shareholders of the Company approved the sale of Sembcorp Energy India Limited (SEIL). Consequently, SEIL was classified as a disposal group held for sale and as a discontinued operation, with comparative information of its financial performance re-presented accordingly. The sale of SEIL was completed on January 19, 2023. Please refer to the consolidated income statement (page 2) and Note 7c (pages 35-36) of the unaudited results for the second half and full year ended December 31, 2022 for more information

¹ As at December 31, 2022, including acquisitions pending completion

to-resource operations in the UK on higher power prices. Sustainable Solutions businesses comprising the Renewables and Integrated Urban Solutions segments accounted for 27% of the Group's net profit before exceptional items and corporate costs in FY2022.

The Conventional Energy segment posted net profit before exceptional items of S\$766 million in FY2022, up from S\$373 million in FY2021. This was mainly due to better performance in Singapore and the UK on higher energy demand and margins.

Quote from Wong Kim Yin, Group President & CEO of Sembcorp Industries:

“Our strong FY2022 results were underpinned by better performance in the Conventional Energy and Renewables segments, supported by stable contribution from the Integrated Urban Solutions segment. Our gross renewables portfolio has grown to 9.8GW¹, almost at our target of 10GW of gross installed renewables capacity by 2025. We remain focused on our transition towards a greener portfolio to create long-term value and growth for our stakeholders.”

FINANCIAL SUMMARY

S\$ million	2H2022	2H2021	Δ%	FY2022	FY2021	Δ%
Turnover	4,641	4,505	3	9,395	7,795	21
<u>Net Profit before Exceptional Items</u>						
Renewables	64	32	100	140	56	150
Integrated Urban Solutions	86	92	(7)	148	155	(5)
Sustainable Solutions	150	124	21	288	211	36
Conventional Energy[#]	369	188	96	766	373	105
Other Businesses	13	12	8	23	25	(8)
Corporate	(139)	(104)	(34)	(194)	(137)	(42)
Net Profit before Exceptional Items	393	220	79	883	472	87
Exceptional Items*	(35)	13	NM	(35)	(193)	82
Net Profit	358	233	54	848	279	204

The Financial Summary shown above includes discontinued operation. Please refer to the consolidated income statement of the unaudited results for the second half and full year ended December 31, 2022 for more information.

* FY2022 exceptional items (EIs) totalling negative S\$35 million comprised a S\$19 million impairment in the Conventional Energy segment, mainly for a woodchip boiler and other facilities in Singapore, an S\$8 million write-off in the Renewables segment of an investment in Vietnam for project expenses incurred by the company and impairments totalling S\$8 million in the Integrated Urban Solutions segment for a water asset in China following changes in water tariffs, an investment in the UK for project expenses incurred by the company, and Urban's share of lower market valuations of underlying property assets in China. FY2021 EIs totalling negative S\$193 million comprised a S\$212 million impairment of Chongqing Songzao power plant and a S\$13 million gain from UK land sales and connection fee income in the Conventional Energy segment, as well as a S\$6 million gain from divestment of Sembcorp Jingmen Water Co in the Integrated Urban Solutions segment.

FINAL DIVIDEND

In view of the Group's strong operational results, the Board of Directors proposes a final dividend of 4.0 cents and a special dividend of 4.0 cents per ordinary share, subject to shareholders' approval. Together with the interim dividend of 4.0 cents per ordinary share paid in August 2022, this brings the Group's total dividend for the year to 12.0 cents per ordinary share.

GROUP OUTLOOK

The Group performed exceptionally in 2022, driven by strong performance from the Conventional Energy segment on the back of elevated power prices in Singapore and the UK, as well as increased operational capacity in the Renewables segment.

Performance of the Renewables segment will grow, as a result of contributions from acquisitions announced in 2022. The Urban business continues to secure land bank to ensure a steady land pipeline. Performance of the Conventional Energy segment is subject to energy market conditions. The sale of SEIL was completed in January 2023. Henceforth, we will recognise income from the Deferred Payment Note.

We expect macro headwinds to persist, with elevated inflation and rising interest rates weighing down on global demand. Further escalations in geopolitical tensions could also worsen supply disruptions 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.

– END –

For analysts' and media queries, please contact:

Analysts

Ling Xin Jin (Ms)

Assistant Vice President

Group Investor Relations

DID: +65 6723 3384

Email: ling.xinjin@sembcorp.com

Media

Karin Xiao (Ms)

Assistant Vice President

Group Media Communications

DID: +65 6723 3140

Email: karin.xiao@sembcorp.com

ABOUT SEMBCORP INDUSTRIES

Sembcorp Industries (Sembcorp) is a leading energy and urban solutions provider, driven by its purpose to do good and play its part in building a sustainable future.

Headquartered in Singapore, Sembcorp leverages its sector expertise and global track record to deliver innovative solutions that support the energy transition and sustainable development. By focusing on growing its Renewables and Integrated Urban Solutions businesses, it aims to transform its portfolio towards a greener future and be a leading provider of sustainable solutions.

Sembcorp has a balanced energy portfolio of 16.7GW, with 9.8GW¹ of renewable energy capacity comprising solar, wind and energy storage globally. The company also has a proven track record of transforming raw land into sustainable urban developments, with a project portfolio spanning over 12,000 hectares across Asia.

Sembcorp is listed on the main board of the Singapore Exchange. It is a component stock of the Straits Times Index and sustainability indices including the FTSE4Good Index and the iEdge SG ESG indices. For more information, please visit www.sembcorp.com.

¹ Including acquisitions pending completion