



Keppel Corporation

VISION 2030

28 MAY 2020

BRIEFING TO ANALYSTS



— Topics

Vision 2030: Overview

Macrotrends

Vision 2030: 4 Key Elements

 Mission & Business Model

 Where to Play

 How to Win

 Capital Allocation

Appendix: Enhancing Disclosures



Vision 2030

Charting Keppel's future as ONE integrated business providing solutions for sustainable urbanisation.

Growth

Accelerate growth as one integrated business

Discipline

Inject greater focus and discipline in managing businesses

Sustainability

Place sustainability at core of strategy in Building a Sustainable Future

Quality Earnings

Improve quality of earnings with more recurrent income and less lumpy earnings

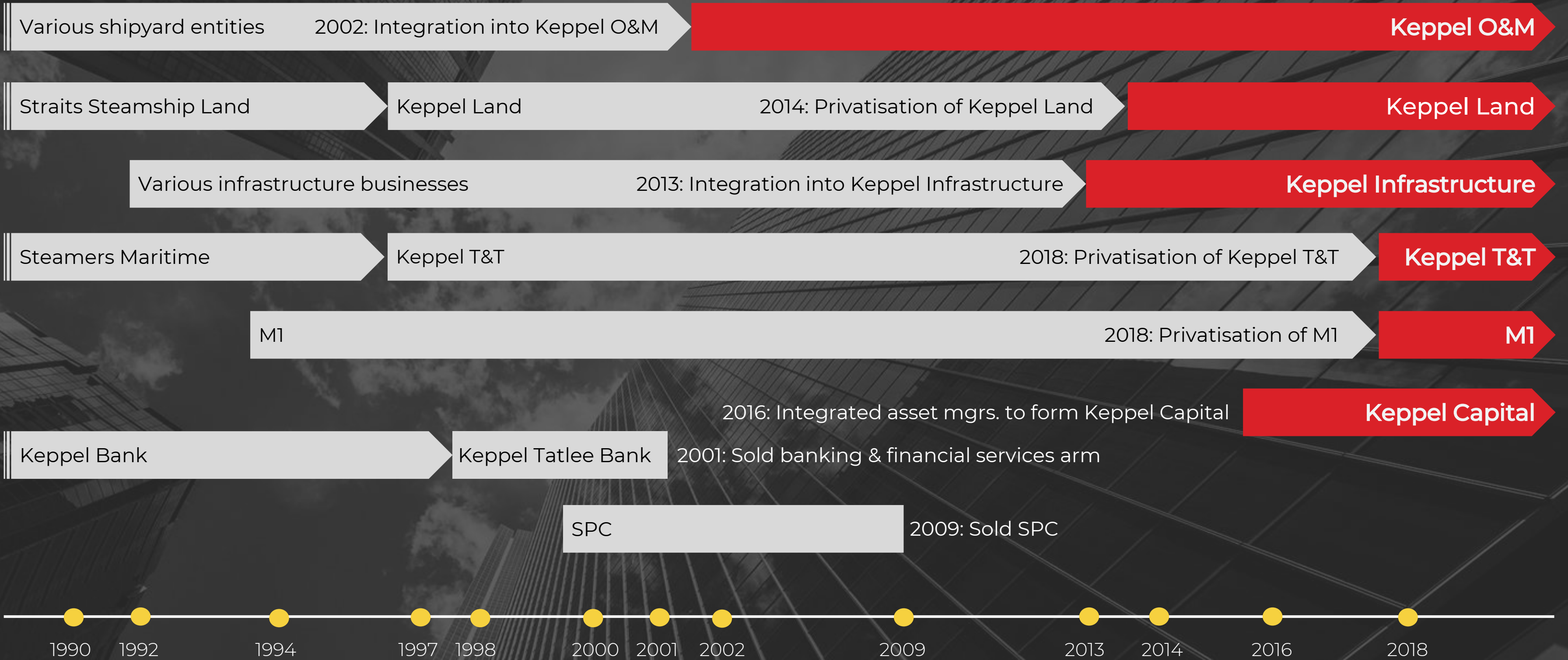
Synergy

Deepen collaboration as OneKeppel to harness group synergies

Asset Light

Move towards a more asset light business model, tapping third party funds for growth

Keppel has evolved significantly over the years



Macrotrends

Addressing relevant long-term trends over the next decade



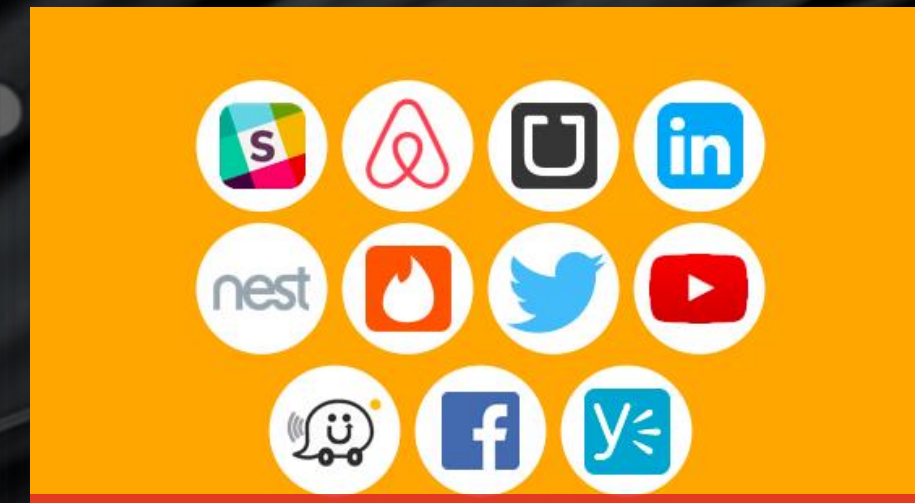
Rapid urbanisation



Energy transition



Technology proliferation



Power of platforms



Ageing populations



Super liquidity

The Post COVID-19 World

- Different ways to live, work, learn and play
- Embracing the virtual experience economy
- Rising demand for connectivity and digital infrastructure
- Enhancing supply chain resilience
- Shifting energy trends

Leveraging the Group's capabilities, we will identify opportunities arising from post pandemic trends.

Disruptions & opportunities

Vision 2030: 4 key elements

**Mission &
business model**



Where to play
Refocused portfolio



How to win
ONEKeppel approach



Capital allocation





Mission & Business Model

Vision, Mission & Strengths

VISION

A trusted global company building a sustainable future.

MISSION

We deliver solutions for sustainable urbanisation safely, responsibly and profitably.

STRENGTHS & DIFFERENTIATORS

- Engineering track record
- Project management
- Efficiency in capital allocation
- Focus on sustainability
- End-to-end business model

Track record in engineering and project management



OFFSHORE & MARINE



URBAN SOLUTIONS



CONNECTIVITY



An integrated business, functioning as an eco-system of companies, providing end-to-end solutions for sustainable urbanisation

The Keppel Difference



Income Streams

Development for Sale

- Sale of equipment & products
- Sale of development units
- Sale of tech-packs

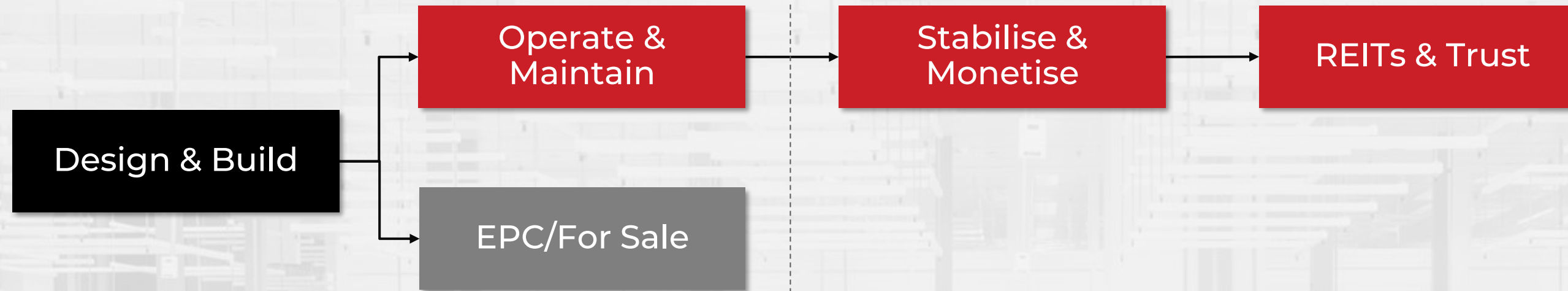
Recurring Income

- Fee-based income

Capital Recycling

- Capital gains
- Recycling & reinvesting capital for higher returns

Business model yielding results, as seen in data centre business



Earnings over the past 6 years

\$515m

\$500m*

\$1,015m

Earnings comprise:

- Profits from data centre development and management, including divestment of assets to Keppel DC REIT
- Distribution/gain from investment in Alpha Data Centre Fund (ADCF)
- Management fee less costs earned from ADCF and from Keppel DC REIT (KDCREIT)
- Share of profit from KDCREIT
- Dilution gains from past KDCREIT placements, and sale of partial stake

Earnings comprise:

- Market premium over Keppel's carrying value of KDCREIT units held

* Based on the number and carrying value of KDCREIT units held as at end-2019 and the market price of KDC REIT as at mid-Feb 2020

Sustainability at the core of our strategy

Make sustainability our business

- Seize opportunities in green developments, renewables, new energy and circular economy solutions.

Refocus our portfolio on sustainable urban solutions

Guide our portfolio towards sustainable solutions through:

- Climate risk assessments
- Internal carbon pricing

Set high-impact sustainability goals

- Business targets for deployment of sustainable solutions
- Operational targets including carbon emissions, waste and water

Enhance governance & incentives

- Strengthen board oversight
- Embed climate risk assessments
- Include environmental sustainability in executive remuneration

Where to Play



Redefining Keppel's Divisions

ENERGY & ENVIRONMENT

Keppel O&M • Keppel Infrastructure • Keppel Renewable Energy • KrisEnergy

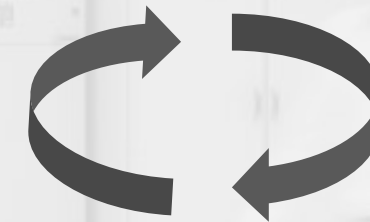
URBAN DEVELOPMENT

Keppel Land • Keppel Urban Solutions • Sino-Singapore Tianjin Eco-City

CONNECTIVITY

M1 • Keppel Data Centres • Keppel Logistics

Developer of large-scale, complex developments and projects



Leading asset manager, harnessing group synergies to create quality solutions and returns for shareholders and investors

ASSET MANAGEMENT

Keppel Capital • Eco-system of private funds and listed REITs & Trust

Offshore & Marine

Property

Infrastructure

Investments

**Disciplined
approach to
managing
our business**

Returns

Ability to achieve target ROE over the long term

Scalability

Potential to be a meaningful contributor to the Group

Potential for integration & synergy

Reinforces our ability to 'Hunt as a Pack'

Fit with Vision, Mission & ESG Goals

Alignment with 'Sustainable Urbanisation' theme

- Pursue strategic M&A transactions as part of Keppel's growth engines
- Make selective divestments to free up Keppel's balance sheet
- Keppel's unique capital recycling business model will serve as a competitive edge when considering different transactions
- Focus on growing recurring income

Actively develop and invest in new growth engines

Engine

1 Existing core businesses we continue to build

Examples:

- Waste to Energy •
- Power • FPSOs, FLNGs, Specialised Vessels •
- Real Estate •
- Data Centres

Engine

2 New businesses we will actively grow

Examples:

- Offshore Infrastructure •
- Renewables • Integrated Townships & Smart Cities •
- Senior Living • 5G Services

Engine

3 New potential areas of growth we are evaluating

Examples:

- Hydrogen • Wave Energy •
- EV Charging •
- Edge Data Centres



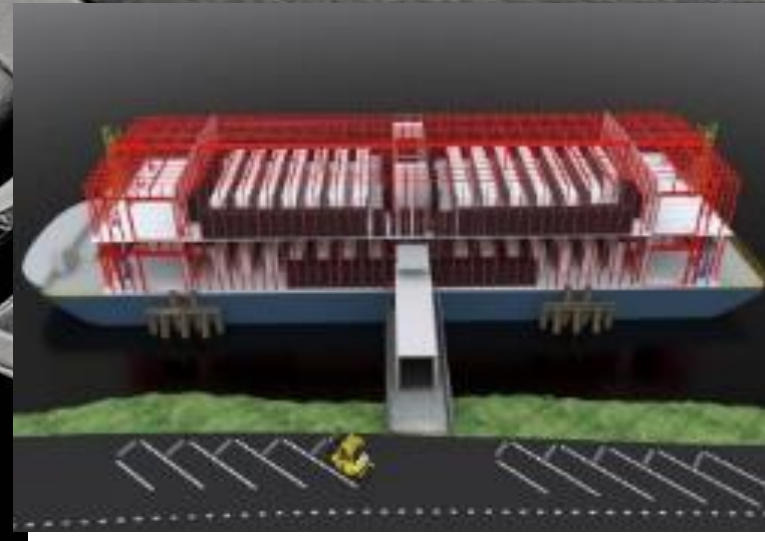
How to Win

Integrated OneKeppel



Building Group platforms to support new growth engines

Incubate new platforms that span multiple business units



Harnessing the unique strengths of all BUs through BU+ Integration

Extend and enhance value proposition to enter and expand into new markets



Consolidating common shared services & support

Sharing of common resources within the Group to remove overlapping services



Actively driving inter-BU cross-selling

Prevent leakages of sales, dilution of market shares and to tap internal customers

Growth supported by scaling up asset management arm

Components of a strong value proposition

DEVELOPER

Asset creation



OPERATOR

Operational expertise



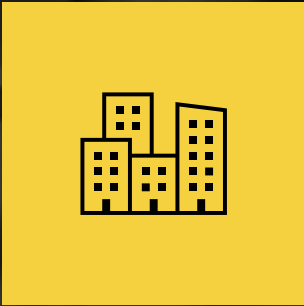
MANAGER

Track record in public & private markets

PROPRIETARY DEAL FLOW
COST EFFICIENCIES & SYNERGY
EVERGREEN CAPITAL CREATION

Diversified product offerings through the Keppel eco-system

Existing real asset development & operating capabilities



Residential
Commercial



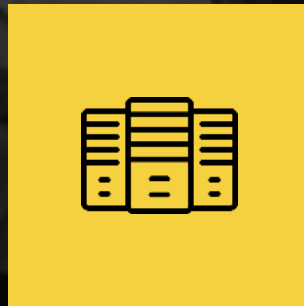
Senior living



Education



Logistics



Data centres



Infrastructure



Offshore & Marine

Fund management capabilities

5

REITs & Business Trust

4

Private funds & more in pipeline

2

Overseas AMC licences (China & Korea)

Growth driven by advanced technologies & digitalisation

ENERGY & ENVIRONMENT

Offshore renewables •
Energy storage • AssetCare •
Yard of the future • Smart Plant

URBAN DEVELOPMENT

Smart City •
Smart Building •
Office/Retail/Living X

CONNECTIVITY

Energy optimised DCs •
Digital first telco • MVNE •
Smart Nation IoT

ASSET MANAGEMENT

Forecasting analytics •
Platform analysis

Enablers



5G Applications



Advanced Analytics



IoT



Artificial Intelligence



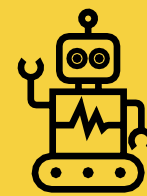
Green & Hybrid Tech



Additive Manufacturing



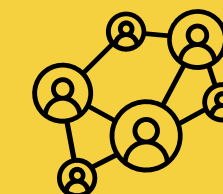
Carbon Capture & Sequestration



Automation



Centres of Excellence



Eco-systems & Partnerships



Venture Investments



Unified Tech Infrastructure



People, our key asset

MARINA
BAY
FINANCIAL
CENTRE



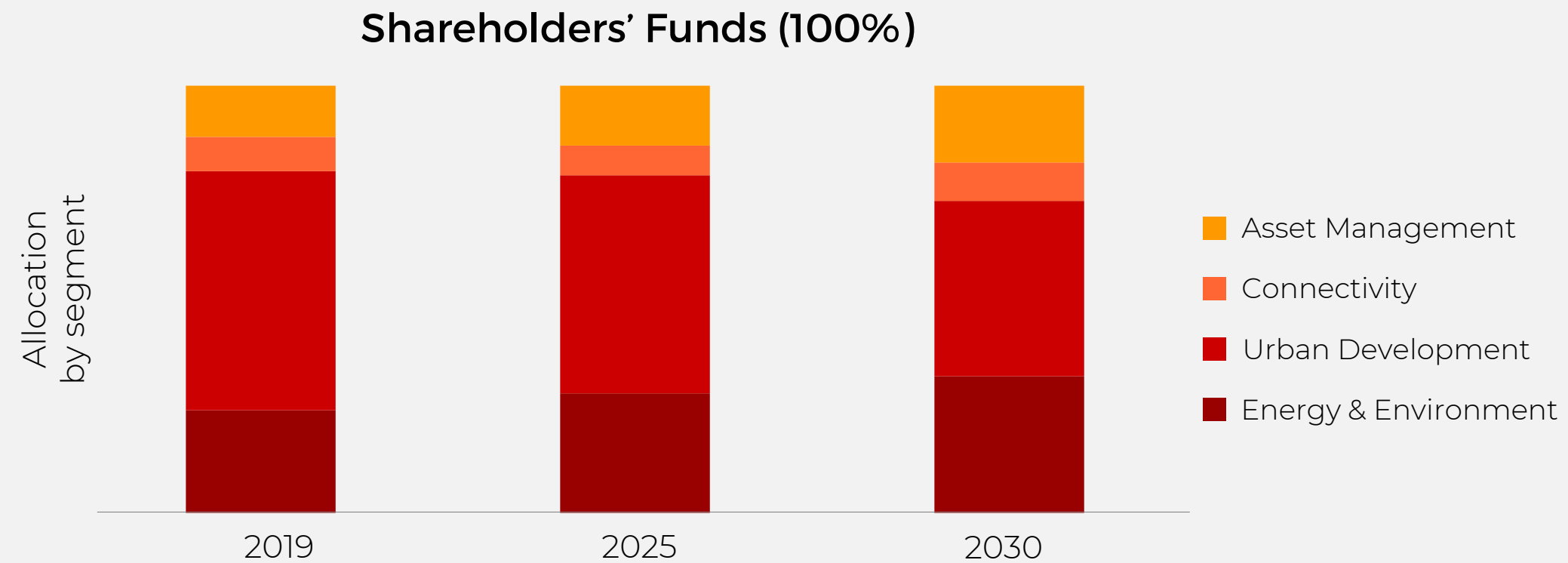
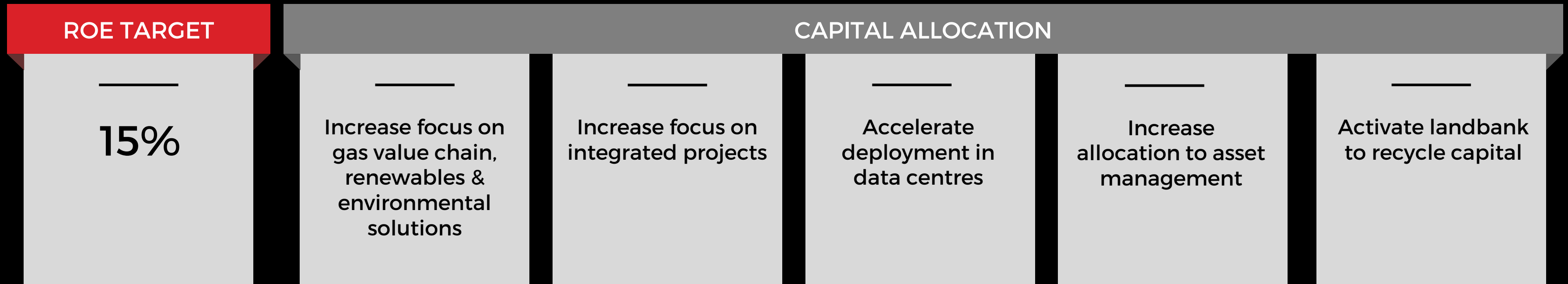
The spirit and tenacity of our talents will stand us in good stead to achieve our targets and ambitions, propelling Keppel as a leading solutions provider for sustainable urbanisation.





Capital Allocation

Guided by our targets & capital allocation principles



Note: Target allocations are based on organic growth path without issuance of new shares.

Future Keppel

Global Leader

Creator of low-carbon smart cities, and powerhouse of end-to-end solutions for sustainable urbanisation

Sustainable Company

ESG leader with businesses advancing the sustainability agenda

High-Return Stock

15% ROE, with good dividends and strong growth trajectory

Community Champion

Builder of vibrant communities and a sustainable future for all



Appendix

Enhancing Disclosures

Greater clarity in disclosure of earnings

	Energy & Environment	Urban Development	Connectivity	Asset Management
Recurring Income	<ul style="list-style-type: none"> • Repairs & conversions • Keppel O&M associates in charter business • Keppel Infrastructure (KI) Operations & Maintenance • Keppel Renewable Energy • KrisEnergy 	<ul style="list-style-type: none"> • Rental income from Investment Properties • Hospitality 	<ul style="list-style-type: none"> • M1 • Data Centres (DCs) • Logistics 	<ul style="list-style-type: none"> • Keppel Capital • Share of profit from KREIT, KDCREIT and ADCF, dividend income from KIT • Investment Income from Alpha Funds
Project based/Profit from recycling	<ul style="list-style-type: none"> • New Builds • KI EPC • Keppel Prince Engineering • Divestment of assets 	<ul style="list-style-type: none"> • Property trading (incl. en-bloc sales) • Keppel Urban Solutions • Sino-Singapore Tianjin Eco-City • Divestment of Investment Properties 	<ul style="list-style-type: none"> • Divestment of DCs & Logistics assets 	<ul style="list-style-type: none"> • Divestment gain on REITs
Revaluation	<ul style="list-style-type: none"> • Fair value on investments 	<ul style="list-style-type: none"> • Fair value on Investment Properties 	<ul style="list-style-type: none"> • Fair Value on DCs 	<ul style="list-style-type: none"> • Fair value on Investment Properties held by REITs • Dilution gain on REITs
Others (incl. impairment)			<ul style="list-style-type: none"> • E.g. One-off gain on M1 (incl. amortisation of intangibles arising from M1 acquisition) 	

Pro forma FY 2019 net profit based on new segments

Current (\$m)

	Offshore & Marine	Property	Infrastructure	Investments	Total	%
Recurring Income	(26)	45	108	134	260	37%
Project Based	76	237	27	-	340	48%
Investment & Others	-	24	(23)	(178)	(176)	(25%)
RID	(40)	211	57	55	283	40%
Net Profit	10	517	169	11	707	100%

Revised¹ (\$m)

	Energy & Environment	Urban Development	Connectivity	Asset Management	Total	%
Recurring Income	77	(7)	48	142	260	35%
EPC/Development for Sale	93	285	-	-	378	52%
Revaluation	(31)	172	20	40	201	28%
Profit from Capital Recycling	-	36	2	69	107	15%
Impairment & Others	(239)	(3)	68	(45)	(219)	(30%)
Net Profit	(100)	483	138	206	727²	100%

¹ The revised segment results have not been audited.

² Net profit excludes "Corporate & Others" loss of \$20 million.