



# Accelerating Transformation:

*Proposed acquisition of  
Aermont Capital, a leading European  
asset manager*

29 November 2023



# Strategic proposed acquisition to accelerate Keppel's transformation as global asset manager and operator

*Unique and strategic opportunity for Keppel to acquire Aermont Capital, a leading European platform, with strong recurring fees and a premium global LP network, at an attractive valuation.*

**AERMONT**

PERE 2023: #1 European real estate manager by funds raised in last 5 years.

- *Proposed acquisition **of initial 50% stake** in Aermont by 1H 2024, with 100% acquisition and full integration in 2028*
- ***Attractive valuation**; can be funded with a mix of cash and treasury shares*
- ***Earnings-accretive**, with minimal gearing impact on pro forma basis<sup>i</sup>*

- ✓ **16 years**  
Proven track record
- ✓ **25% Gross IRR<sup>ii</sup>**  
2.8x Gross MOIC<sup>ii</sup>
- ✓ **FUM of S\$24b<sup>iii</sup>**  
4 active funds and  
1 single asset vehicle

<sup>i</sup> Assuming up to EUR 154 million of the Phase 1 consideration is funded in Keppel treasury shares with the remainder in cash, and calculated on a pro forma basis assuming the acquisition of the 50% stake was completed on 31 December 2022.

<sup>ii</sup> Average realised IRR and MOIC based on invested capital to date.

<sup>iii</sup> Gross asset value of investments and uninvested capital commitments on a leveraged basis to project fully-invested FUM as at end-June 2023.

# Highly synergistic acquisition

Aermont will be Keppel's European real estate platform.

- 1 Immediate, significant foothold in Europe**  
*Expands asset management capabilities beyond Asia Pacific, bolstering Keppel's presence and value proposition to global LPs*

- 2 Accelerating FUM growth by initial S\$24b<sup>i</sup>**  
*Further upside potential: up to 2.5x growth to about S\$60b by 2030 through co-creating new fund products*

- 3 Expanding network of blue-chip LPs**  
*Through Aermont's longstanding relationships with over 50 global clients, many of whom are new to Keppel*

- 4 Deepening talent pool**  
*Experienced senior team with extensive track record and networks in Europe*



# Fortifying Keppel's presence in Europe

## Diversified real estate portfolio

across 10 key cities in Europe



## Expands Keppel's network with Aermont's global blue-chip LPs

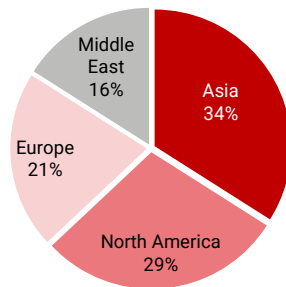
**>50 global LPs**

Public pension funds, SWFs, endowments and foundations

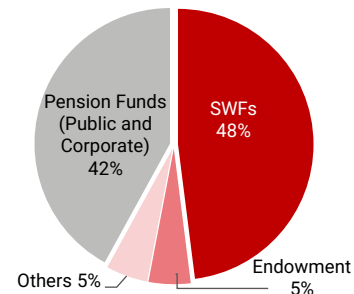
**8 of 15 largest<sup>i</sup> LPs**

are new to Keppel

### Geographic profile of LPs<sup>ii</sup>



### Fund types<sup>ii</sup>



<sup>i</sup> LPs that have invested/committed >EUR100m.

<sup>ii</sup> Based on total capital raised; from most recent 4 active funds and 1 single asset vehicle.

# Expanding management capabilities

Aermont's operating culture is similar to and a good fit with Keppel's, with a strong emphasis on value-adding and active management.

## Operator-oriented DNA

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Focus on creating prime assets and businesses with:



## Best-in-class asset management professionals

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**6**  
partners

**22**  
Investment  
team  
professionals

**10 years**  
Average tenure  
for Principals  
and above

**37**  
Total team  
members

**13**  
nationalities



# Strong performance and track record

**AERMONT**



*European Specialists*



*Proactive, Operator-Oriented DNA*



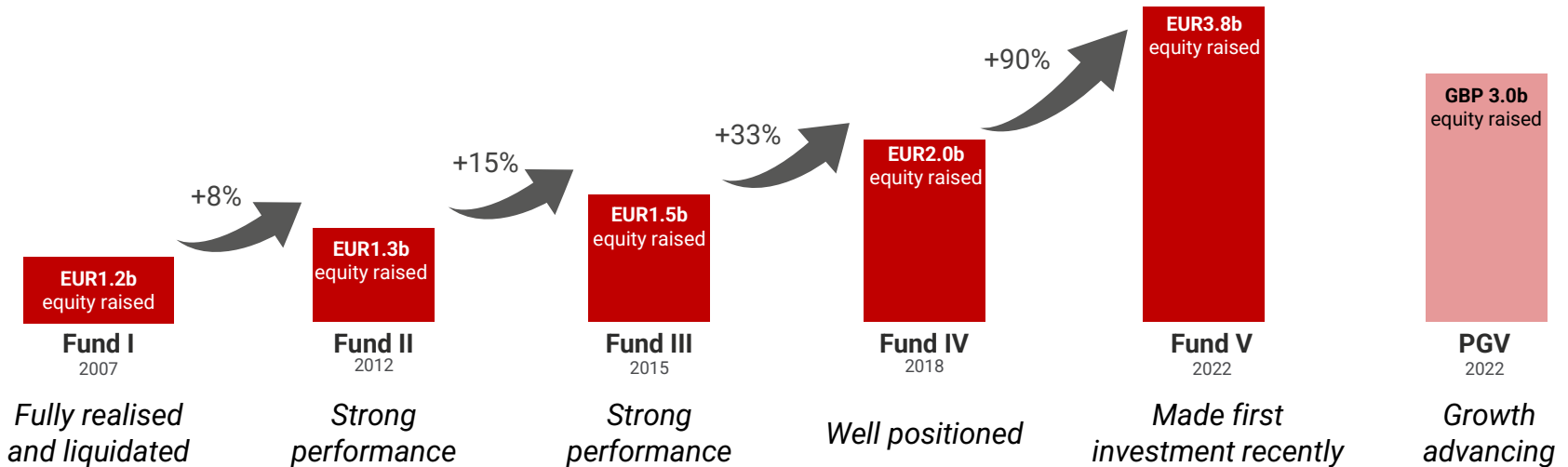
*Culture: Discipline, Creativity, Expertise*



*Solid Returns, Moderate Risk Profile*

## 5 Pan-European Opportunistic Funds

## Single-asset



# Accelerating growth towards FUM target

Aermont's opportunistic strategy strongly complements Keppel's core and value-add investment approach.

**\$60b**

Potential to further grow FUM by up to 2.5x by 2030 with value-add from Keppel and joint initiatives

\$200b

**\$24b<sup>i</sup>**

Aermont's current FUM

\$77b<sup>i</sup>

Pro Forma  
1H 2023

2030  
Target

## Potential to leverage Keppel's expertise to co-create new fund products and platforms for growth

Credit Funds



Data Centre Funds



Evergreen Funds



Core Funds/SMAs/  
Single Investment Vehicles



REITs



# Compelling deal structure



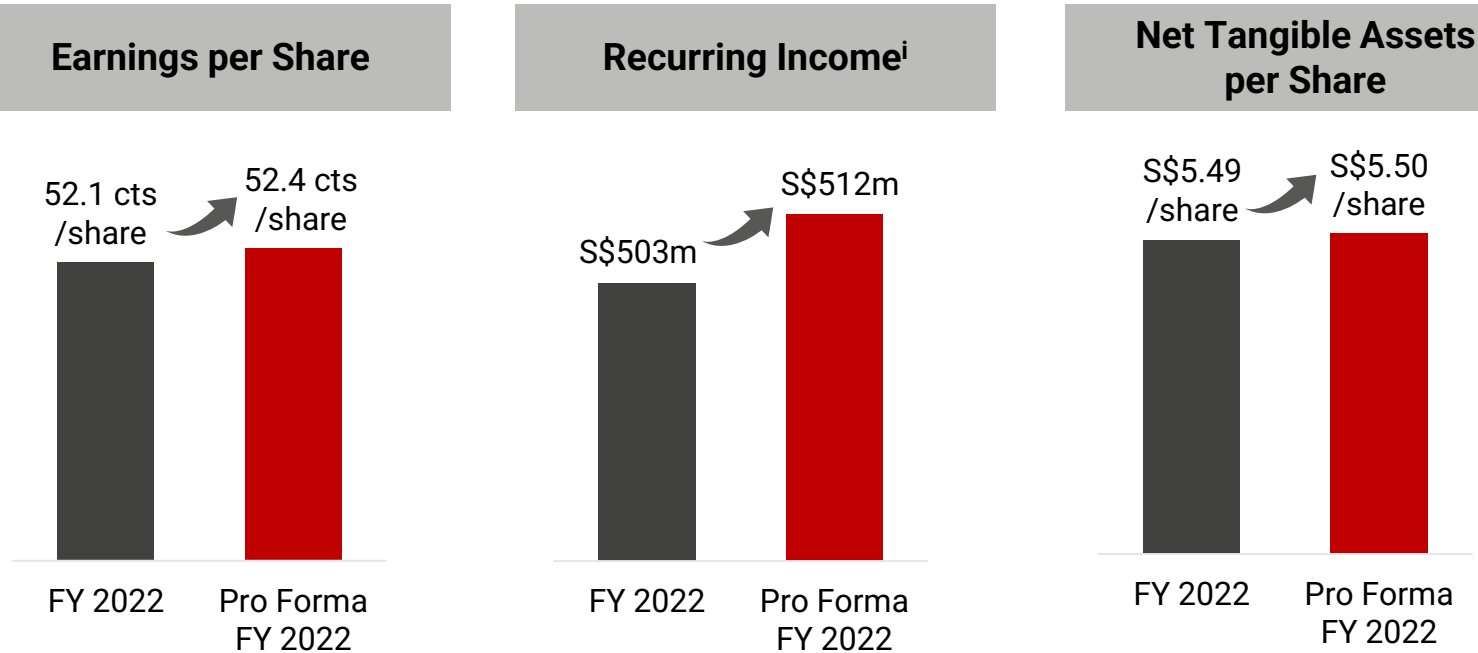
- **Performance-based structure**  
Consideration tied to Aermont's actual financial results
- **Attractive implied valuation**  
13x EV/EBITDA in Phase 1
- **Long-term interest alignment**  
Consideration can be paid in a mix of cash and treasury shares, to achieve greater long-term alignment between the interests of Aermont and Keppel

*Note: The estimated maximum consideration for the Proposed Transaction would be S\$517 million in respect of the Phase 1 Closing and S\$834 million in respect of the Phase 2 Closing, based on an exchange rate of €1 : S\$1.45.*



# Earnings-accretive and minimal impact on gearing

When completed, the acquisition of the initial 50% will bolster Keppel's recurring income<sup>i</sup> and FUM, with an approximate one percentage point impact to the Company's net gearing on a pro forma basis.



*Note: The pro forma financial impact of the initial 50% stake acquisition assumes up to EUR 154 million of the Phase 1 consideration is funded in Keppel treasury shares with the remainder in cash, and calculated on a pro forma basis assuming the acquisition of the 50% stake was completed on 31 December 2022. In addition, the potential impact of purchase price allocation under Singapore Financial Reporting Standard (International) 3 Business Combinations has not been taken into account.*

<sup>i</sup>Recurring income comprises asset management income and operating income.

*The strategic proposed acquisition of Aermont is a **pivotal step forward** in Keppel's ambition to be a **global asset manager and operator**, availing us of a highly attractive European platform with strong recurring fees and a premium network of global LPs.*

*As we grow our recurring income and achieve our FUM targets, Keppel aims to continue **delivering superior returns to our shareholders.***

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