



1Q2019 Results Announcement

May 15, 2019

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Scope of Presentation



- CEO's Report
- Financial Review

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CEO's Report

Neil McGregor

Group President & CEO

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1Q2019 Group Performance Round-up

Turnover at S\$2,480 million, down 10%

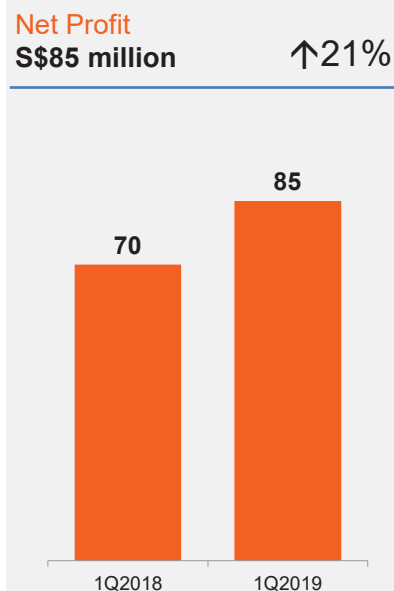
Profit from Operations at S\$223 million, up 4%

Net Profit at S\$93 million, up 21%

EPS at 4.7 cents

ROE (annualised) at 5.4%

Improved performance



Business Updates

1Q19 earnings growth driven by improved India performance and recognition of peak winter availability payments for UK Power Reserve (UKPR)

Growing thermal portfolio

- Official opening of the 230-megawatt Sembcorp Myingyan Independent Power Plant (IPP), the first competitively-tendered IPP in Myanmar
- 427-megawatt Sirajganj Unit 4 combined cycle power plant in Bangladesh successfully completed in April 2019, awaiting formal notification of COD
- Total global portfolio of 9,812 megawatts of thermal power in operation

Strengthening renewables portfolio

- Signed contracts for over 10 megawatt peak of rooftop solar and completed 2.8 megawatt peak rooftop solar farm atop YCH Group's flagship facility, Supply Chain City, in Singapore
- Total global portfolio of 1,927 megawatts of renewable power in operation, with a further 653 megawatts under development

Capital recycling efforts continue

- Divestment of Xinmin municipal water asset in China for a total consideration of RMB99 million (S\$20 million)
- Total Group divestment proceeds of ~S\$220 million** since the beginning of 2018

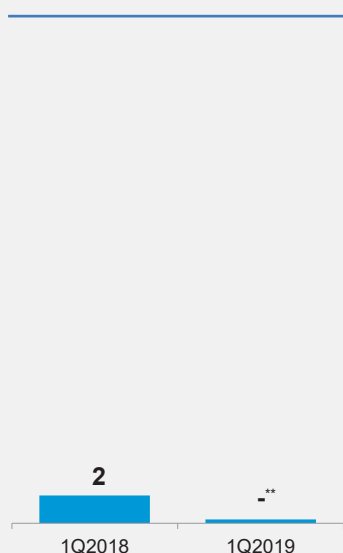
* 'Energy' refers to the business segment previously known as 'Utilities'

** Cash proceeds from divestments of waste paper recycling, medical waste operations and Sembcorp EOSM in Singapore, Sembcorp Xinmin Water Co and Hongshan Mansion held under Wuxi Singapore Property Investment Co in China, Centralised Utilities Company in Oman and municipal water operations in South Africa

Marine

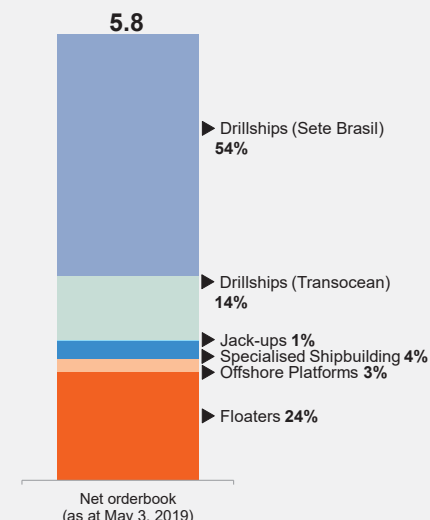
Competition remains intense

Net Profit*
< S\$1 million



Total Net Orderbook (as at May 3, 2019)
S\$5.8 billion

- Excluding the Sete Brasil drillships, net orderbook at S\$2.6 billion



Business Updates

Secured new orders worth S\$175m in 1Q2019

- Design and construction of LNG bunker vessel, the biggest of its kind to be built in Singapore for Mitsui O.S.K.
- Repair and modernisation works for 13 cruise ships

Enhancing intellectual assets and competencies

- Acquisition of Semb-Eco core patents in January 2019, strengthening position for ballast water treatment, exhaust gas cleaning as well as bio-fouling and corrosion control solutions

Cost management and operational excellence

- Workforce optimisation, rightsizing, cost controls and productivity enhancement initiatives to ensure optimal and prudent resource allocation for operational resilience, competitiveness and efficiency

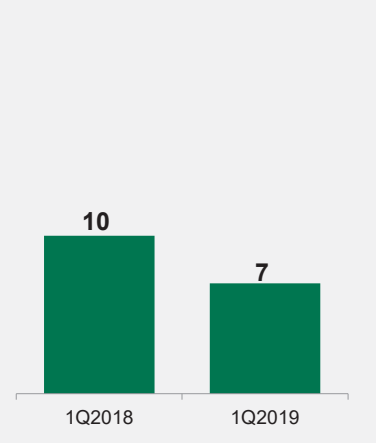
* Sembcorp's share of Marine's net profit / (loss)

** Less than S\$1 million

Orderbook to underpin performance

Net Profit
S\$7 million ↓30%

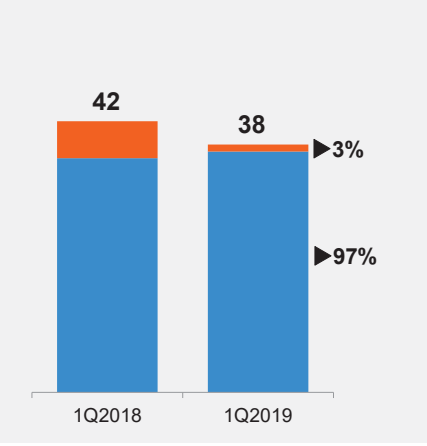
- Stable profit contribution from Vietnam with lower contribution from China



Total Land Sales 38 hectares

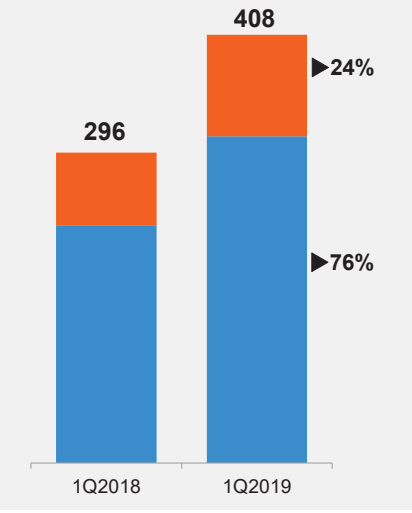
- Strong demand for industrial land in Vietnam

▶ Industrial & Business
 ▶ Commercial & Residential



Total Net Orderbook 408 hectares

- Healthy orderbook driven by increase in Vietnam land commitments
- Nanjing *Riverside Grandeur* launched and sold in 4Q18, progressive recognition in 2019



* 'Urban' refers to the business segment previously known as 'Urban Development'

Financial Review

Graham Cockroft
 Group CFO

Group Profit & Loss



| (S\$ million) | 1Q19 | 1Q18 | Δ% |
|------------------------------------|-------|-------|------|
| Turnover | 2,480 | 2,758 | (10) |
| EBITDA* | 349 | 286 | 22 |
| Profit from Operations | 223 | 214 | 4 |
| EBIT | 178 | 172 | 3 |
| Share of results: Associates & JVs | 45 | 42 | 7 |
| Net Finance Cost | (108) | (97) | 11 |
| Finance costs | (142) | (114) | 25 |
| Finance income | 34 | 17 | 100 |
| PBT | 115 | 117 | (2) |
| Tax | (18) | (38) | (53) |
| Non-controlling Interests | (4) | (2) | 100 |
| Net Profit | 93 | 77 | 21 |
| EPS (cents) | 4.7 | 3.6 | 31 |
| ROE** (%) | 5.4 | 4.3 | |

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

** Annualised

Group Turnover



| (S\$ million) | 1Q19 | 1Q18 | Δ% |
|-----------------------|--------------|--------------|-------------|
| Energy | 1,592 | 1,510 | 5 |
| Marine | 811 | 1,180 | (31) |
| Urban | 1 | 1 | - |
| Other Businesses | 76 | 67 | 13 |
| TOTAL TURNOVER | 2,480 | 2,758 | (10) |

* Urban businesses comprise mainly associates or joint ventures which are accounted for under the equity method. The turnover reflected was derived from providing services to these associates or joint ventures

Group Profit from Operations (PFO)



| (S\$ million) | 1Q19 | 1Q18 | Δ% |
|------------------|------------|------------|----------|
| Energy | 216 | 190 | 14 |
| Marine | 4 | 18 | (78) |
| Urban | 7 | 12 | (42) |
| Other Businesses | 3 | (2) | NM |
| Group Corporate | (7) | (4) | 75 |
| TOTAL PFO | 223 | 214 | 4 |

Group Net Profit



| (S\$ million) | 1Q19 | 1Q18 | Δ% |
|-------------------------|-----------|-----------|-----------|
| Energy | 85 | 70 | 21 |
| Marine | * | 2 | NM |
| Urban | 7 | 10 | (30) |
| Other Businesses | 7 | (1) | NM |
| Group Corporate | (6) | (4) | 50 |
| TOTAL NET PROFIT | 93 | 77 | 21 |

* Less than S\$1 million

Energy Profit from Operations (PFO)

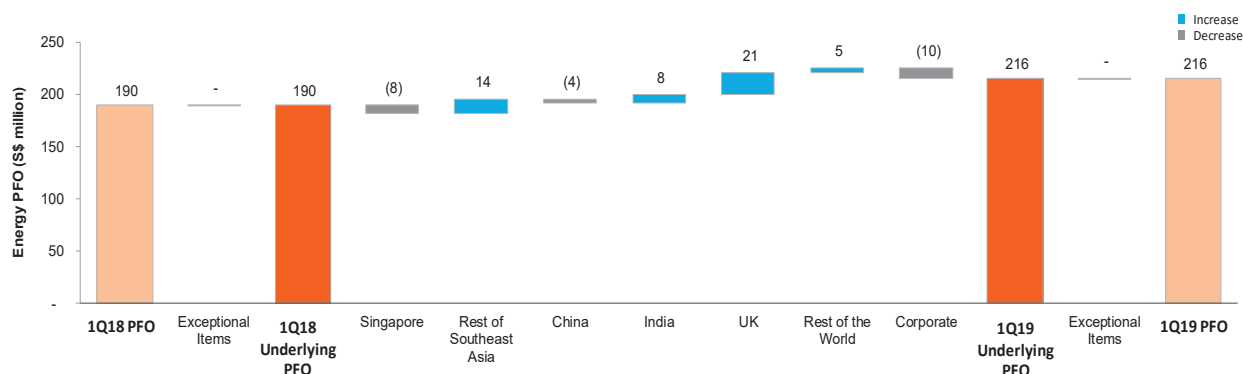


By Geography (S\$ million)

| | 1Q19 | 1Q18 | Δ% |
|------------------------|------------|------------|-----------|
| Singapore | 43 | 51 | (16) |
| Rest of Southeast Asia | 20 | 6 | 233 |
| China | 33 | 37 | (11) |
| India | 75 | 67 | 12 |
| UK | 34 | 13 | 162 |
| Rest of the World* | 24 | 19 | 26 |
| Corporate | (13) | (3) | NM |
| Underlying PFO | 216 | 190 | 14 |
| Exceptional Items | - | - | - |
| TOTAL PFO | 216 | 190 | 14 |

* Rest of the World includes the Americas, Australia, Bangladesh and Middle East

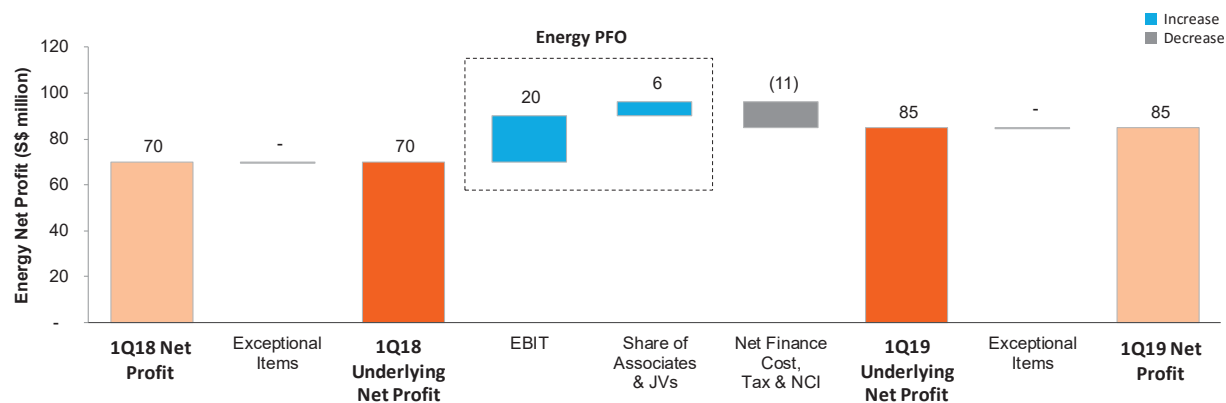
Energy Profit from Operations (PFO)



1Q19 performance compared to 1Q18

- **Singapore:** Decline due to lower blended spark spreads and higher Open Electricity Market (OEM) operating expense
- **Rest of Southeast Asia:** Higher contribution with completion of Myingyan power plant and recognition of S\$6 million liquidated damages income for Myingyan
- **China:** Lower contribution from Changzhi water plant offset by higher contribution with increased operational wind capacity
- **India:** SEIL Thermal Project 1 and Project 2 contributed 1Q19 PFO of S\$20 million (1Q18: S\$52 million) and S\$29 million (1Q18: S\$1 million) respectively. Performance for Project 1 was negatively affected by shutdown of Unit 1 from Jan 1 to Feb 24, 2019. The insurance claims process is underway. Project 2 earnings improved on better short-term contracted positions and lower coal costs. SGI PFO was S\$26 million (1Q18: S\$13 million) with improvement driven by better wind resource. SGI PFO also included a reversal of accrued maintenance fees no longer payable (S\$7 million)
- **UK:** UKPR contributed S\$24m while UK ex-UKPR earnings was lower due to shutdowns at Sembcorp Biomass Power Station and Wilton 11 energy-from-waste plant
- **Rest of the World:** Higher contribution from Sirajganj Unit 4 (Bangladesh) power plant offset loss of income from operations in South Africa which were divested in 4Q18. South Africa contributed S\$3m in PFO for 1Q18
- **Corporate:** Lower due to S\$6 million of liquidated damages payment and investments in capabilities including digital & technology

Energy Net Profit



1Q19 performance compared to 1Q18

- EBIT increased by S\$20 million due to better performance from India and the UK
- Share of Associates & JVs increased driven by better performance from China, Vietnam and the UK
- Higher net finance cost (S\$21 million) and higher profit attributable to non-controlling interests (S\$5 million) partially offset by lower tax (S\$15 million)

Group Capex and Equity Investment



(S\$ million)

Capital Expenditure

| | 1Q19 | 1Q18 |
|--------------------------|------------|------------|
| Energy | 221 | 125 |
| Marine | 85 | 42 |
| Urban / Other Businesses | 1 | 1 |
| | 307 | 168 |

Equity Investment

| | 1Q19 | 1Q18 |
|--------------------------|----------|------------|
| Energy | - | 292 |
| Marine | - | - |
| Urban / Other Businesses | 9 | 1 |
| | 9 | 293 |

Group Free Cash Flow



(S\$ million)

1Q19

1Q18

Cash Flow From Operating Activities

| | | |
|-------------------------------------|------|------|
| - Before Changes in Working Capital | 364 | 303 |
| - Changes in Working Capital | (22) | (92) |
| - Tax Paid | (10) | (20) |

332 **191**

Cash Flow From Investing Activities

| | | |
|--|-------|-------|
| - Divestments, Dividend and Interest Income | 154 | 113 |
| - Investments, Capex and Non-trade Balances* | (322) | (113) |

(168) **-**

- Add Back: Expansion Capex

290 155

FREE CASH FLOW

454 **346**

* Payables for capital works / fixed assets

Group Borrowings



(S\$ million)

Mar 31, 19

Dec 31, 18

Gross Debt

| | | |
|----------------------|-------|-------|
| Corporate Debt | 2,751 | 3,319 |
| Project Finance Debt | 3,729 | 3,183 |
| Sembcorp Marine Debt | 3,988 | 4,230 |

10,468 **10,732**

Less: Cash and Cash Equivalents

(1,685) (1,925)

Net Debt

8,783 **8,807**

Interest Cover (times)

2.3 2.5

Gross Debt-to-Capitalisation ratio

0.56 0.57

Net Debt-to-Capitalisation ratio

0.47 0.47



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Appendix

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Energy Turnover

By Geography (S\$ million)

| | 1Q19 | 1Q18 | Δ% |
|------------------------|--------------|--------------|------|
| Singapore | 927 | 832 | 11 |
| Rest of Southeast Asia | 16 | 16 | - |
| China | 48 | 51 | (6) |
| India | 386 | 441 | (12) |
| UK | 160 | 94 | 70 |
| Rest of the World* | 63 | 82 | (23) |
| TOTAL TURNOVER | 1,600 | 1,516 | 6 |

* Rest of the World includes the Americas, Australia, Bangladesh and Middle East
 Note: Figures are stated before intercompany eliminations

Energy Net Profit



By Geography (S\$ million)

| | 1Q19 | 1Q18 | Δ% |
|------------------------------|-----------|-----------|------|
| Singapore | 25 | 35 | (29) |
| Rest of Southeast Asia | 17 | 5 | 240 |
| China | 29 | 33 | (12) |
| India | (7) | (16) | (56) |
| UK | 24 | 11 | 118 |
| Rest of the World* | 17 | 15 | 13 |
| Corporate | (20) | (13) | 54 |
| Underlying Net Profit | 85 | 70 | 21 |
| Exceptional Items | - | - | - |
| TOTAL NET PROFIT | 85 | 70 | 21 |

* Rest of the World includes the Americas, Australia, Bangladesh and Middle East

Energy Turnover



By Product Segment (S\$ million)

| | 1Q19 | 1Q18 | Δ% |
|--------------------------|--------------|--------------|-----|
| Gas & Thermal Power | 1,404 | 1,319 | 6 |
| Renewables & Environment | 196 | 197 | (1) |
| Renewable Power | 41 | 27 | 52 |
| Water & Others | 155 | 170 | (9) |
| TOTAL TURNOVER | 1,600 | 1,516 | 6 |

Gas & Thermal Power product segment includes gas, thermal power, steam and on-site logistics

Renewables & Environment product segment includes renewable power, water, waste management and waste-to-resource

Note: Figures are stated before intercompany eliminations

Energy Profit from Operations (PFO)



| By Product Segment (\$ million) | 1Q19 | 1Q18 | Δ% |
|---------------------------------|------------|------------|-----------|
| Gas & Thermal Power | 152 | 124 | 23 |
| Renewables & Environment | 77 | 69 | 12 |
| Renewable Power | 36 | 19 | 89 |
| Water & Others | 41 | 50 | (18) |
| Corporate | (13) | (3) | NM |
| Underlying PFO | 216 | 190 | 14 |
| Exceptional Items | - | - | - |
| TOTAL PFO | 216 | 190 | 14 |

Gas & Thermal Power product segment includes gas, thermal power, steam and on-site logistics

Renewables & Environment product segment includes renewable power, water, waste management and waste-to-resource

Energy Net Profit



| By Product Segment (\$ million) | 1Q19 | 1Q18 | Δ% |
|---------------------------------|-----------|-----------|-----------|
| Gas & Thermal Power | 64 | 45 | 42 |
| Renewables & Environment | 41 | 38 | 8 |
| Renewable Power | 12 | (1) | NM |
| Water & Others | 29 | 39 | (26) |
| Corporate | (20) | (13) | 54 |
| Underlying Net Profit | 85 | 70 | 21 |
| Exceptional Items | - | - | - |
| TOTAL NET PROFIT | 85 | 70 | 21 |

Gas & Thermal Power product segment includes gas, thermal power, steam and on-site logistics

Renewables & Environment product segment includes renewable power, water, waste management and waste-to-resource