

Building a leading global asset manager & operator

Mr Loh Chin Hua, CEO, Keppel Ltd.

Investor Day, 20 August 2024



We have taken bold steps to transform Keppel

1 What did we do?

Harnessed our industrial roots to transform into a **global asset manager and operator**

Before

Balance sheet player

Diverse conglomerate

Lumpy trading and order book earnings



After: the new Keppel

Asset manager funding growth with FUM

One **horizontally integrated** company

Greater recurring income
88% of FY23 net profit was recurring versus 25% in FY15ⁱ

2 Why did we transform?

Financial objective: improve quality of earnings with more recurring income, enabling market to better value our business

Defined purpose: creating solutions for a sustainable future

Well-placed to seize opportunities in the fast-changing environment

3 How did we transform?

- **Privatised** key business verticals
- **Consolidated asset managers** under Keppel Capital
- **Divested** O&M and logistics businesses
- **Flattened** organisation and **streamlined** processes
- Changed business model to be **asset-light**
- Acquired **Aermont Capital** to accelerate growth, expanding from Asia Pacific to Europe, enroute to becoming a **global asset manager**

Delivering winning value proposition to LPs

► **Established asset manager** with over 20 years of track record, seasoned management team and well-known LP network

\$21.9b

Funds raised
from 2020-1H24

\$30.5b

Capital deployed
from 2020-1H24

20%

Average internal
rate of return across
deals since 2002

2.0x

Average equity
multiple across
deals since 2002

\$85b

Funds under
Managementⁱ
as at end-June 2024

► **Proven operator** with deep capabilities in engineering, developing, owning and operating specialised real assets as part of Keppel's DNA



Infrastructure



Real Estate



Connectivity

ⁱ Gross asset value of investments and uninvested capital commitments on a leveraged basis to project fully-invested FUM

Making strong progress towards our transformation goals

Pressing forward with asset monetisation

>\$5.6b

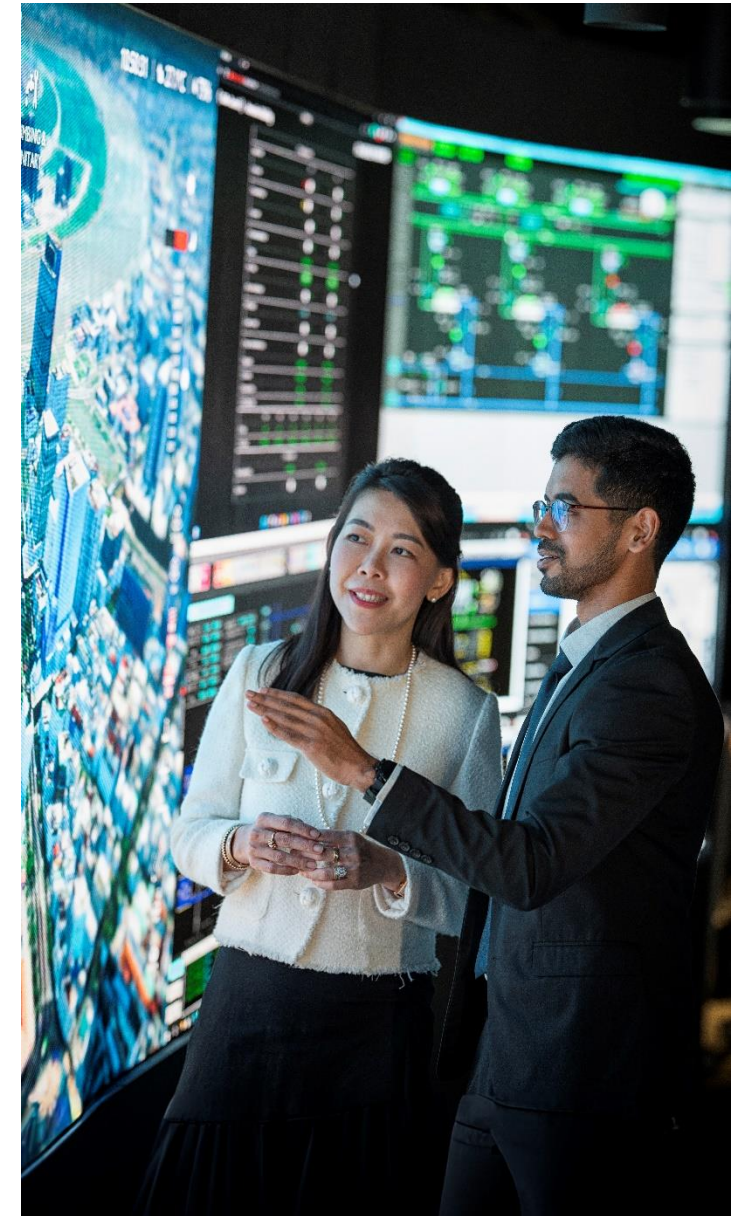
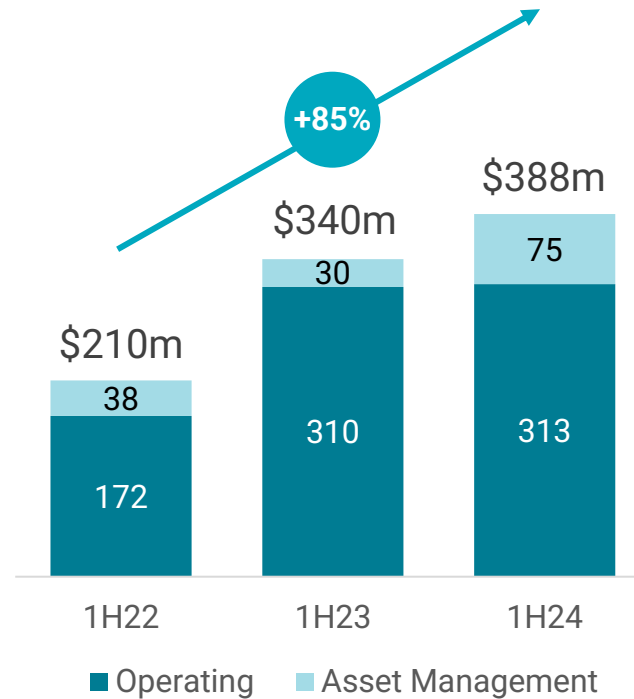
Announced cumulatively since Oct 2020,
with target of \$10-\$12b by end-2026

Capturing synergies from transformation

>\$50m

Annual cost savings on a run-rate basis
since start of 2023

Recurring income

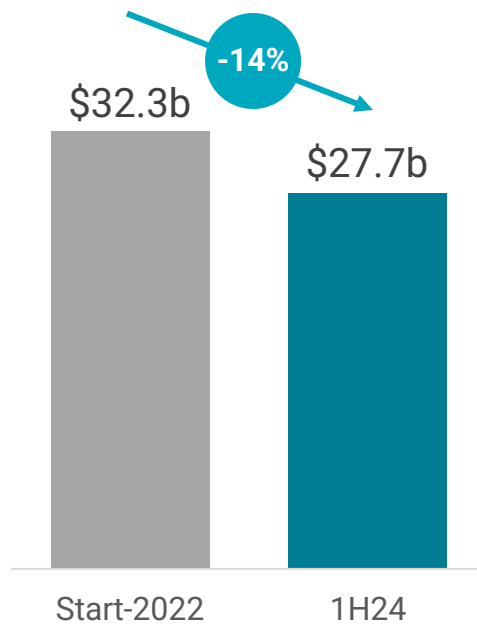


Our asset-light strategy is bearing fruit

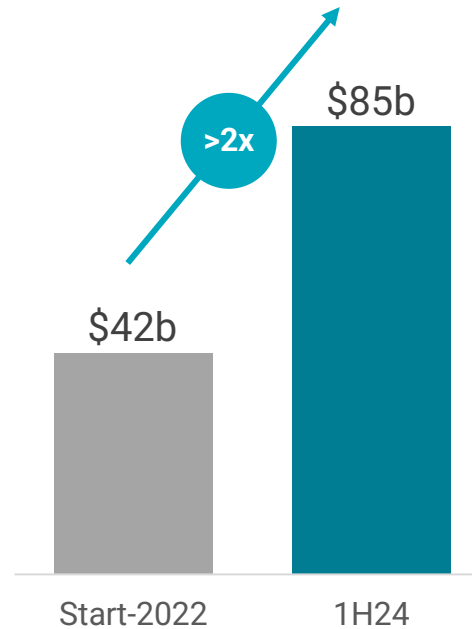
We are doing more with less, pursuing growth and improving returns to shareholders

Since the start of 2022, total assets on balance sheet have decreased by 14% to \$27.7b while FUM more than doubled to \$85b, generating attractive fee income at an annualised Fee-to-FUM ratio of 55bpsⁱ

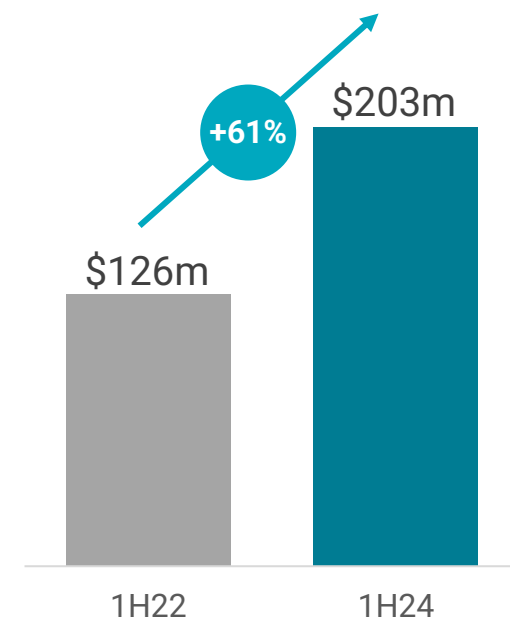
Assets on Balance Sheet



Funds under Managementⁱⁱ



Asset Management Feesⁱⁱⁱ



ⁱ 1H24 Fee-to-FUM ratio is on a run-rate basis

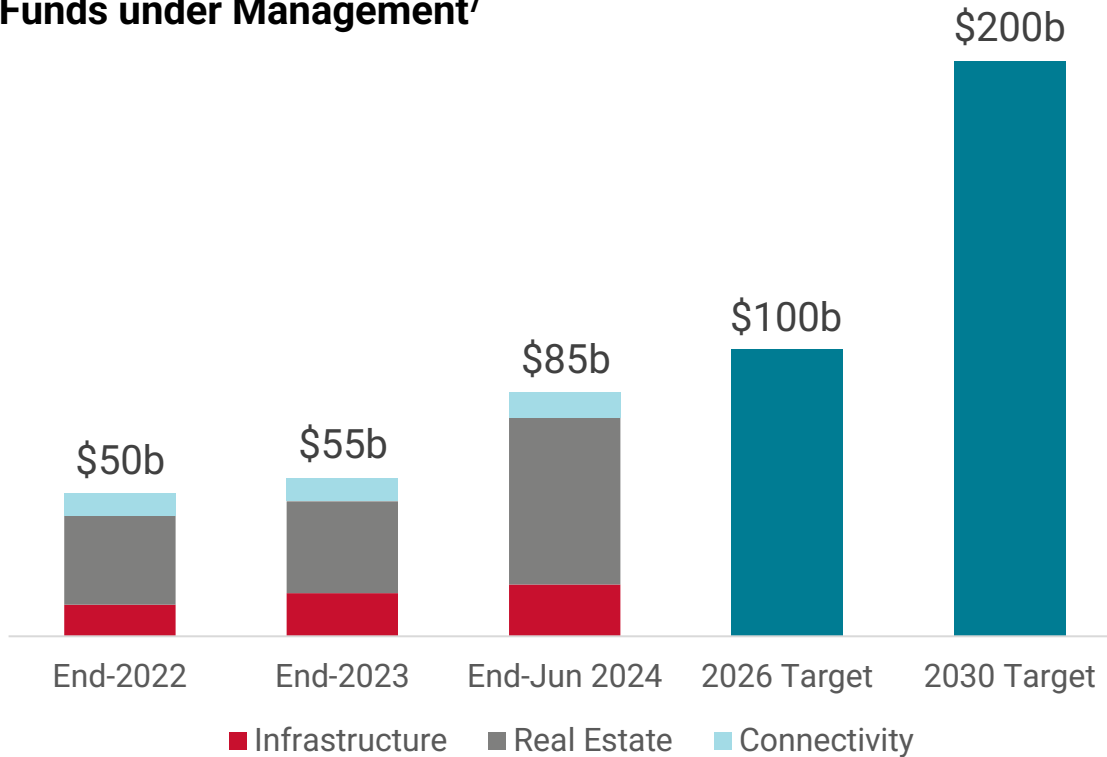
ⁱⁱ Gross asset value of investments and uninvested capital commitments on a leveraged basis to project fully-invested FUM

ⁱⁱⁱ Includes 100% fees from subsidiary managers, joint ventures and associated entities, as well as share of fees based on shareholding stake in associate with which Keppel has strategic alliance

Our growth will be funded by our FUM

Propelling Keppel towards **\$200b FUM by 2030** with strong **organic growth initiatives**, including **co-investments** by our private funds, and opportunistic M&A

Funds under Managementⁱ



Organic growth initiatives:

Private funds

- Scale existing flagship products
- Launch new funds
- Expand with Aermont
- Strategic co-investments

Listed entities

- Grow REITs and Business Trust portfolios

Well positioned to seize opportunities

Dry powder

\$25b

Deal flow pipeline

\$27b

\$9b in Infrastructure,
\$14b in Real Estate, and
\$4b in Connectivity

ⁱ Gross asset value of investments and uninvested capital commitments on a leveraged basis to project fully-invested FUM

We harness synergies from our operating platform to build strong competitive advantage

We create critical solutions and assets that address sustainable development needs while **providing strong returns** to our investors

Solutions for a sustainable future



Infrastructure

Pathways to decarbonising assets and businesses with renewables, clean energy and sustainability solutions



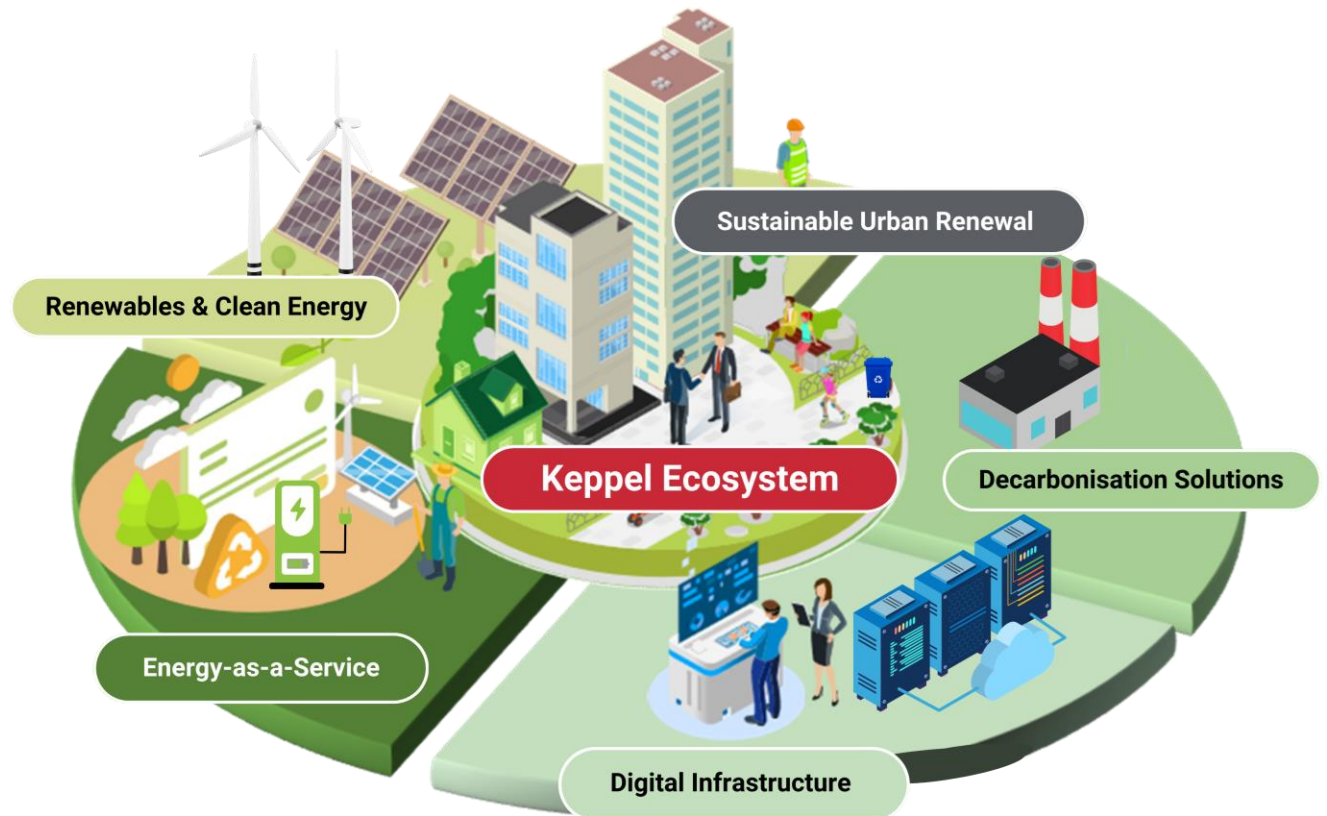
Real Estate

Greener assets and more livable cities through smarter, sustainable urban renewal solutions



Connectivity

More advanced and sustainable data centres with access to renewables and clean energy



New Keppel is well positioned on our growth trajectory

Seizing opportunities from macrotrends

We are meeting rising global demand for alternative real assets across infrastructure, real estate and connectivity

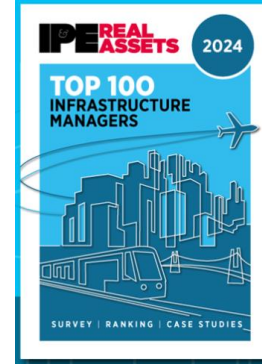
>50 years in Asia with established leadership position and “right to win”

Rising global champion in alternative real assets

We match investment capital with sustainability expertise and real assets to meet some of the world’s most pressing needs

Horizontally integrated business model

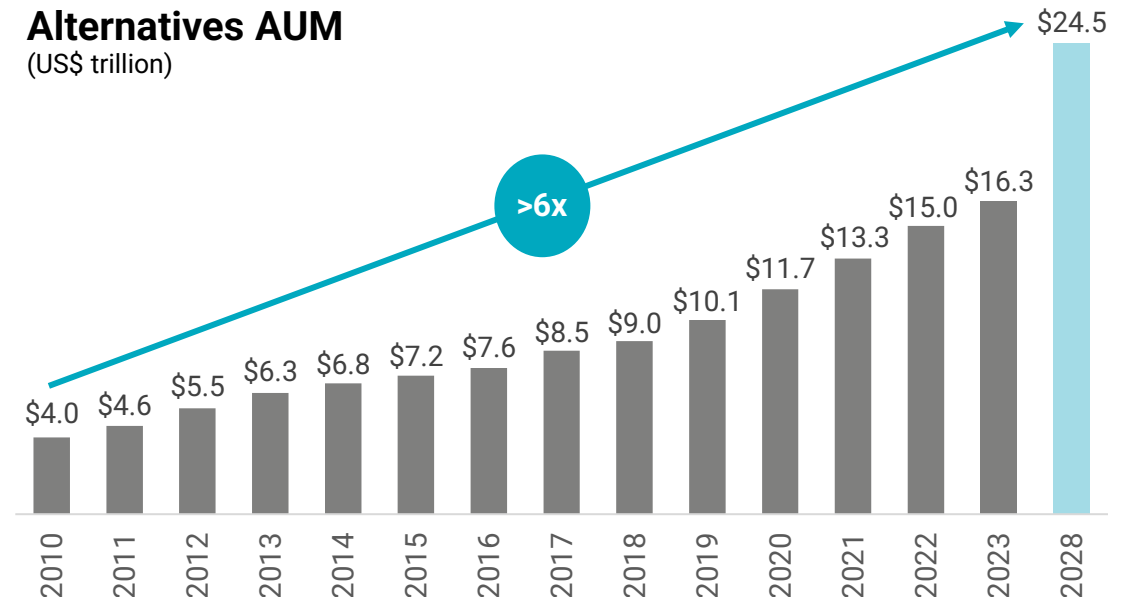
With the DNA of an asset manager and strong operating capabilities, we can create alphas for the funds that we manage



3rd largest listed infrastructure asset manager globally

6th largest infrastructure asset manager in APAC

Alternatives AUM (US\$ trillion)



Source: Preqin

Why invest in Keppel?

Our transformation is **on track**. We are in the **right space**, at the **right time**.

Asset-heavy to asset-light

- **Accelerating** FUM to fund growth opportunities
- **Asset monetisation** will enable co-investments and opportunistic M&A, reduce debt, as well as reward shareholders

Confidence to reward shareholders

- **Recurring income in FY23 was 88%** of net profit versus 25% in FY15ⁱ
- Attract **growth multiple** versus PB/RNAV/ Conglomerate discounts
- Focused on driving **Total Shareholder Return**

Re-rating has begun

- Full re-rating will happen as **transformation continues to unfold**
- In the meantime, shareholders are getting a **dividend yield of 5.1%**ⁱⁱ

Keppel:

A growth stock
with good
dividends



ⁱ Post-transformation recurring income in FY23 comprised contributions from Asset Management and Operating Income and excluded effects of legacy O&M assets, whereas pre-transformation recurring income in FY15 comprised contributions from key business verticals including the former Keppel O&M

ⁱⁱ Based on Keppel's closing share price of \$6.64 on 31 July 2024, including 1H24 interim cash dividend of \$0.15 and FY23 final cash dividend of \$0.19



The future is bright

We will continue to build on Keppel's unique value proposition as a **global asset manager and operator** to drive **stronger returns** for our Limited Partners and **greater value** for our shareholders

MSCI
ESG RATINGS

CCC B BB BBB A AA AAA



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Thank you



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