

# Accelerating growth through Vision 2030

SIAS-Keppel Retail Shareholders Briefing

25 August 2021

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Slide 20 of this presentation should be read in conjunction with the joint announcement released by Singapore Press Holdings Limited ("SPH") and Keppel Pegasus Pte. Ltd. ("Offeror") on 2 August 2021 in relation to the proposed acquisition by the Offeror of all of the issued and paid-up ordinary shares (excluding the treasury shares) in SPH by way of a scheme of arrangement (the "Joint Announcement" and such acquisition, the "Proposed Transaction") and the announcement released by Keppel on 2 August 2021 in relation to the Proposed Transaction (the "Keppel Announcement"). Copies of the Joint Announcement and the Keppel Announcement are available on the website of the SGX-ST at <http://www.sgx.com>.

Slide 20 of this presentation is qualified in its entirety by, and should be read in conjunction with, the full text of the Joint Announcement and the Keppel Announcement. In the event of any inconsistency or conflict between the Joint Announcement and the Keppel Announcement on one hand and the information contained in this presentation on the other, the Joint Announcement and the Keppel Announcement shall prevail. All capitalised terms not defined in Slide 20 of this presentation shall have the meanings ascribed to them in the Joint Announcement and the Keppel Announcement.

# Vision 2030

One integrated business providing solutions for sustainable urbanisation, with sustainability at the core of strategy

- 1** **Global Leader**  
Powerhouse of end-to-end solutions for sustainable urbanisation
- 2** **Sustainable Company**  
ESG leader with businesses advancing the sustainability agenda
- 3** **High-Return Stock**  
15% ROE, with good dividends and strong growth trajectory
- 4** **Community Champion**  
Builder of vibrant communities and a sustainable future for all

# Seizing opportunities presented by macro trends

## Macro trends



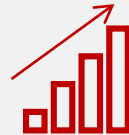
Energy Transition,  
Climate Change



Rapid Urbanisation,  
Ageing Populations



Digitalisation



Super Liquidity

## 4 focus areas



Energy & Environment



Urban Development



Connectivity



Asset Management

# Key transformation drivers

1

## Business Transformation

Restructuring for growth with greater focus and discipline

2

## Asset Monetisation

Accelerating asset turns to unlock value, fund growth and create value for shareholders

3

## Growth Initiatives

Building new engines and seizing inorganic growth opportunities

# Delivering on strategy

## 1 Business Transformation

Evolving key business units as part of Vision 2030 to seize growth opportunities

Proposed KOM-SMM combination & solution for legacy rig assets

Planned divestment of logistics business

## 2 Asset Monetisation

Identified S\$17.5b of monetisable assets

Sep 2020: Announced target to achieve S\$3-5b in monetisation over 3 years

Oct – Jul 2021: Announced S\$2.3b in monetisation and received cash of S\$1.15b

## 3 Growth Initiatives

Investing in new growth engines

- Bifrost Subsea Cable
- Renewables & New Energy
- EV charging infrastructure

Proposed strategic acquisition of SPH ex-media

# Sustainability at the core of strategy



Make  
sustainability  
our business



Refocus  
portfolio on  
sustainable  
urbanisation  
solutions



Set high-impact  
sustainability  
goals



Enhance  
governance &  
incentives



# S\$300m

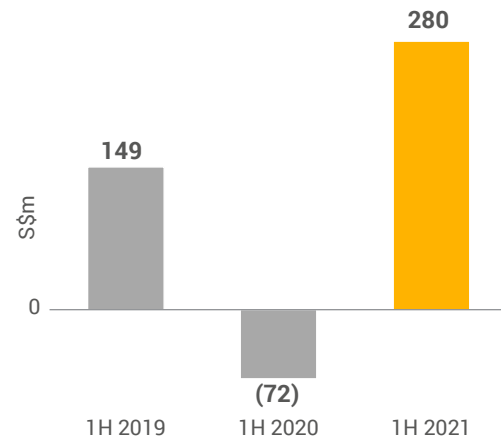
Net profit for 1H 2021, reversing net loss of S\$537m for 1H 2020

- All key business units profitable
- Improved performance across all segments, excluding gains from reclassification of KIT and sale of KDCREIT units in 1H 2020

**Strong performance  
in 1H 2021**

## Net Profit

(Excluding RIDs<sup>i</sup> & COVID-19 government grants)



Performance improved significantly compared to 1H 2020 and even pre-COVID 1H 2019

<sup>i</sup> RID stands for revaluations, impairments and divestments





**Strong performance  
in 1H 2021**



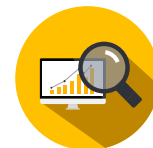
**Free cash inflow  
S\$499m**

Improved from free  
cash outflow of  
S\$664m for 1H 2020



**Net gearing as at  
end-Jun 2021  
0.85x**

Lowered from 0.91x  
as at end-2020



**Interim cash dividend  
12cts/share**

Compared to 3cts per share for  
1H 2020 & 8cts per share for  
1H 2019

Stronger dividend underpinned by  
asset monetisation programme

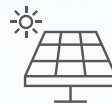
Committed to rewarding  
shareholders



# Energy & Environment

Decarbonising our world with new energy solutions & infrastructure for carbon capture

## Renewables & New Energy



- Solar farms & offshore wind
- Natural gas liquids extraction
- Hydrogen & carbon capture, utilisation and sequestration systems

## Energy-as-a-service



- District cooling & heating
- EV charging infrastructure
- Distributed energy resources & energy storage
- Energy efficiency capabilities

## Offshore & Marine



- Net orderbook grew 70% to \$5.7b at end-Jun'21 from \$3.3b at end-Dec'20
- \$2.3b of gas & renewables projects in backlog at end-Jun'21



Wind Turbine Installation Vessel

# Energy & Environment

Sterling portfolio of innovative waste treatment and water and wastewater solutions

- Track record of over 100 waste-to-energy projects in 20 countries
- Executing landmark waste management integrated facilities worth over S\$6.9b across Asia-Pacific
- Developing solutions for high energy recovery from waste, with low emissions intensity and residues
- Completed and operating Keppel Marina East Desalination Plant
- Stable, recurring income from technology sales & services and operations & maintenance



**Keppel Marina East Desalination Plant, SG**



**Hong Kong Integrated Waste Management Facility, HK**



**Tuas Nexus Integrated Waste Management Facility, SG**

# Urban Development

Creating value with highly liveable, vibrant and digitally connected communities



**s\$3.1b**

invested to privatise  
Keppel Land in 2015

**s\$5.1b**

received in dividends from  
Keppel Land since 2015

**s\$400m**

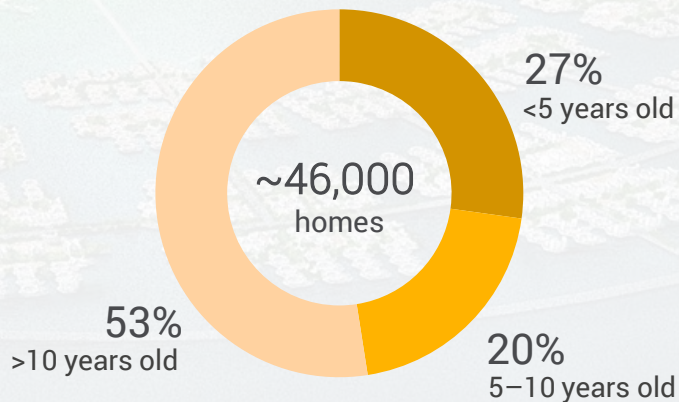
reduction in Keppel Land's total  
assets to \$14.1b at end-Jun  
2021

# Urban Development

Evolving into an innovative, asset-light real estate solutions provider, focused on growing recurring income

## Residential Portfolio:

Over 70% of landbank is 5 years & older



## Commercial Portfolio:

~1.6m sm of GFA including projects under development

- ✓ Sizeable landbank with strong potential for value unlocking
- ✓ Pivoting away from property trading to focus on growing fee-based recurring income
- ✓ Seizing new growth opportunities
  - Urban renewal and smart & sustainable townships
  - Climate-resilient nearshore development

# Connectivity

Strong international presence with 28 data centres across Asia-Pacific & Europe



Developing sustainable data centre solutions valued by customers and investors

- ✓ Floating Data Centre Parks
- ✓ Tropical Data Centres
- ✓ Powered by clean energy: Renewables & Hydrogen
- ✓ Cold Energy from LNG

# Connectivity



Empowering businesses and consumers as Singapore's first digital network operator

## 2nd

largest postpaid customer base in Singapore

## 5G

standalone network trial commenced; advancing 5G initiatives

## s\$580m

of network assets being unlocked from monetisation programme



Singapore's first 5G Industry 4.0 trial



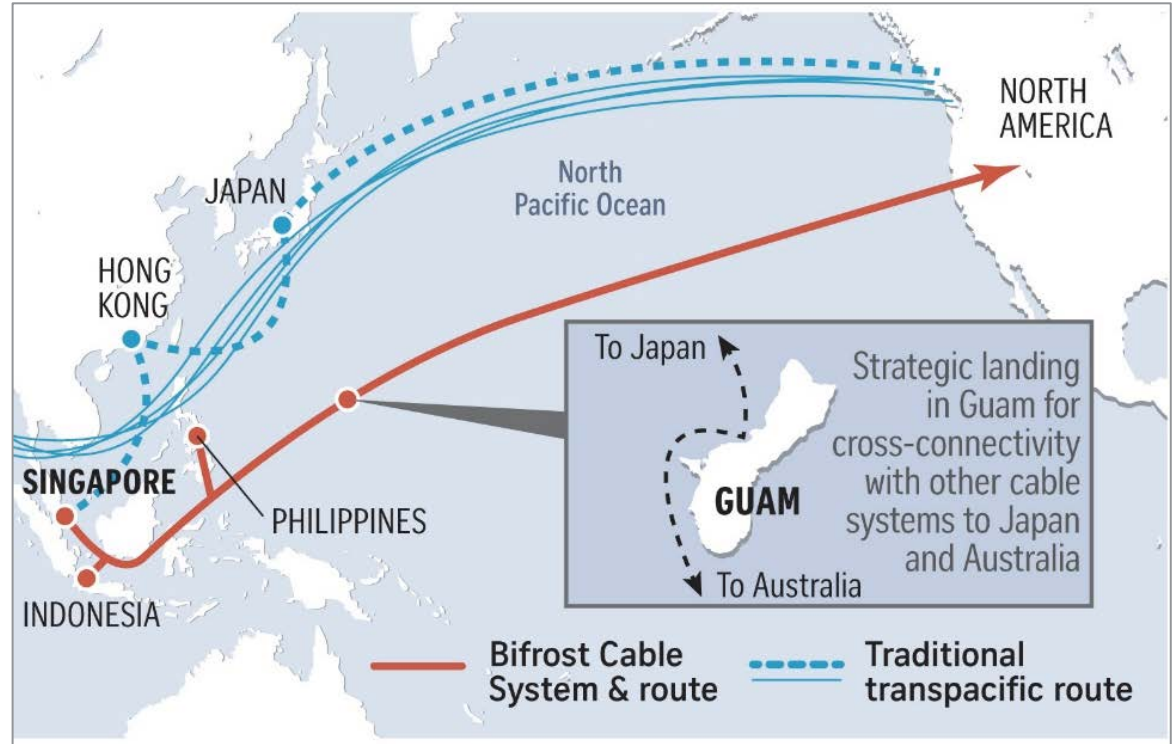
Launched True 5G network in exclusive market trial for mobile customers

# New Connectivity Solutions

## Bifrost Cable System

World's first subsea cable system directly connecting Singapore to the west coast of North America via Indonesia

Leveraging synergies with M1 and the Group's data centre business

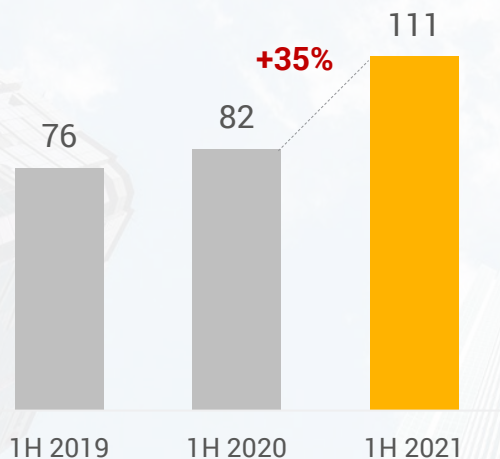




# Asset Management

Financial twin providing funding and capital recycling opportunities to other business segments in the Group

Asset Management Fees



**s\$2b**

in completed acquisitions and divestments from Jan–Jul 2021

**s\$2b**

equity raised from Jan–Jul 2021

**s\$37b**

AUM as at end-2020; potential to increase to c.S\$47b following proposed acquisition of SPH ex-media

# Asset Management

Keppel's eco-system provides investors with access to quality investment products and platforms across diverse asset classes

## Premier Asset Manager

Possessing real asset development and operating capabilities spanning fast-growing sectors fuelled by urbanisation trends



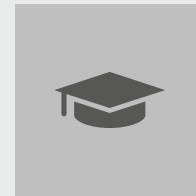
Renewables



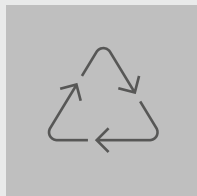
Real Estate



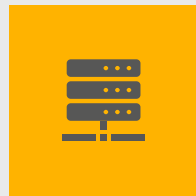
Senior Living



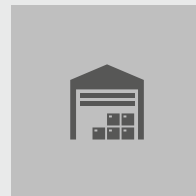
Education



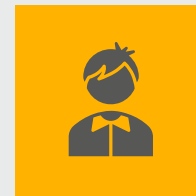
Environment



Data Centres

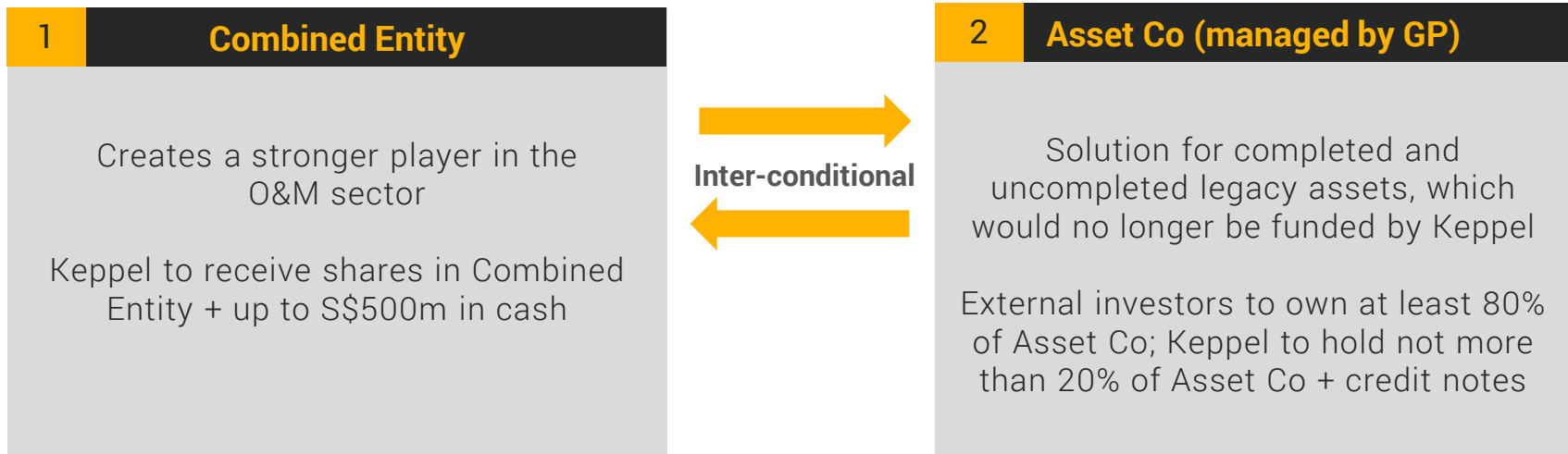


Logistics



Student  
Accommodation

# Proposed combination of KOM & SMM



- Transactions expected to be earnings accretive to Keppel for FY2021 on a proforma basis
- Net gearing is not expected to be significantly affected
- Continued access to O&M technology and capabilities through Strategic Partnership JV

# Proposed acquisition of shares in Singapore Press Holdings ex-Media

## Accelerate Vision 2030 plans



### Financially attractive, enhances returns and earnings profile

**1** Proforma EPS accretion<sup>1,2</sup>  
**S\$0.175 / sh** ↑ **+6%**



**2** Proforma recurring income contribution<sup>1,3</sup>  
 ↑ **+18%** **56%**  
*Growth in recurring PATMI<sup>3</sup> Recurring PATMI<sup>3</sup>*


**3** Maintain gearing<sup>4</sup> headroom  
**<1.0x** **Deleveraging in near term through asset monetisation programme<sup>5</sup>**  
*Gearing*



### Increased scale in focus areas

**1** Potential increased AUM<sup>6</sup>  
**c.S\$47b** ↑ **+c.27%**

**2** Growth sectors  
 Purpose Built Student Accommodation  
 Senior Living

**3** Established REIT platform  




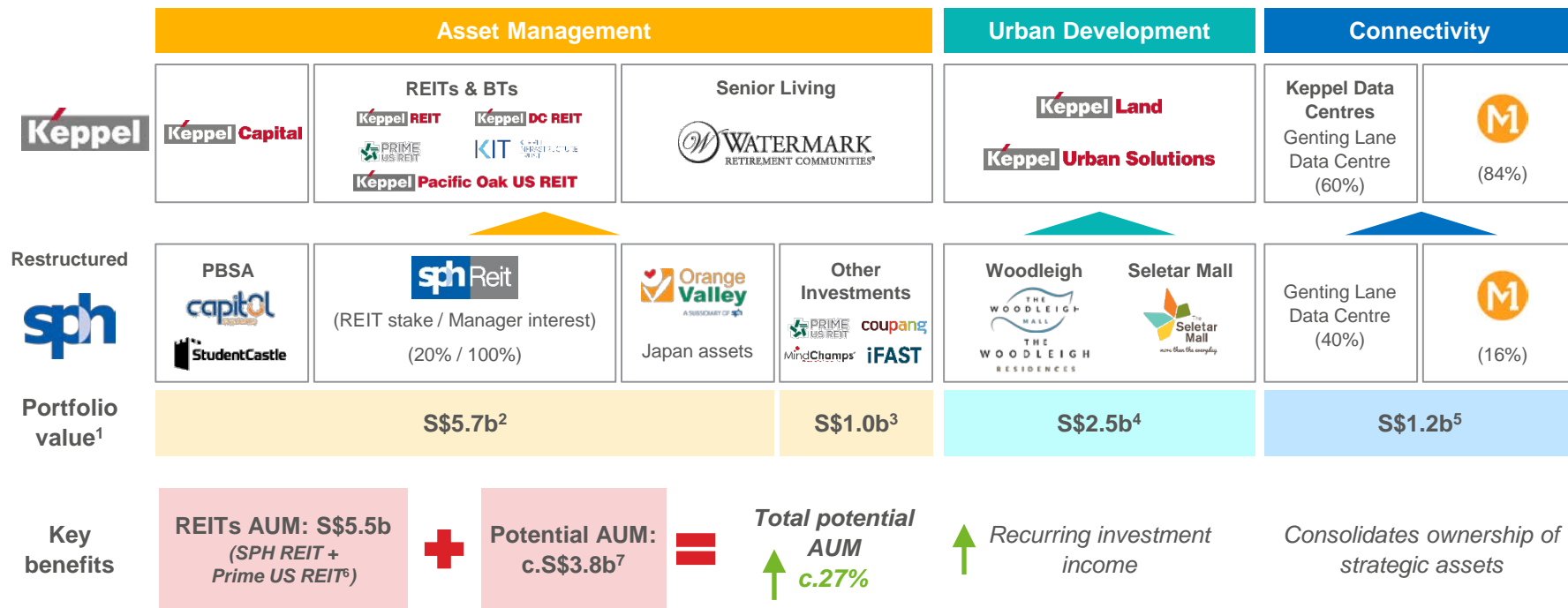
### Natural fit with existing businesses and Vision 2030, with many opportunities to harness synergies

**Attractive portfolio aligned with Keppel's asset-light business model and supports recurring income growth**

Note: 1 This statement on growth in earnings per share ("EPS") and recurring income contribution is not intended as a profit forecast and should not be construed as such. This statement should not be interpreted to mean that its value in any future financial period will necessarily be greater than those for the relevant preceding financial period. In computing the financial impact of the Proposed Transaction on pro forma EPS and recurring income, financial statements with different half year ends were used (being 30 Jun 2021 for the Group and 28 Feb 2021 for the SPH Group). Based on (a) the Group's unaudited results for the half year ended 30 Jun 2021, (b) the SPH Group's unaudited consolidated financial statements for the half year ended 28 Feb 2021 (the "SPH 1H2021 Results"), (c) SPH REIT's unaudited consolidated financial statements for the half year ended 28 Feb 2021, (d) information obtained during the course of due diligence in relation to the Proposed Transaction, and taking into account (i) the financial effects of the Media Business Restructuring (but excluding restructuring adjustments such as the effect of the assumption of certain liabilities, costs and expenses on profit after tax and non-controlling interests ("PATMI") arising from the Media Business Restructuring) and (ii) the DIS on SPH based on the SPH 1H2021 Results; 2 Excludes the gain arising from the change in interest in Keppel REIT held by the Group; 3 PATMI, recurring income excludes gain arising from the change in interest in Keppel REIT held by the Group and finance costs to be incurred due to cash consideration used to fund the transaction; 4 Net debt over equity; 5 Keppel has earmarked a pool of assets with total carrying value of c.\$17.5b (as at 30 Jun 2020) that can be monetised in its Vision 2030 strategy; 6 Potential increased AUM includes addition of portfolio valuation of SPH REIT and PBSA, carrying value of Orange Valley, investment property value of Japan aged care assets, investment property value of Seletar Mall, GDV of Woodleigh Mall and Genting Lane Data Centre as at 31 Aug 2020, based on SPH 1H FY21 financial results presentation and SPH REIT FY20 annual report, as well as addition of 70% portfolio valuation (as at 6 Aug 2020, based on Prime US REIT 1H FY20 financial results presentation) of Prime US REIT as manager interest increased from 30% to 50% post transaction, resulting in a controlling stake in manager



# Keppel is uniquely positioned to enhance and unlock value of SPH's portfolio



**Expand into adjacencies and harness synergies by tapping on Keppel's expertise and capital recycling model**

Note: <sup>1</sup> Calculated using GAV or GDV values on a 100% basis for real estate assets, market value for listed investments on a pro-rata basis and non-listed investments at equity carrying values; <sup>2</sup> Includes portfolio valuation of SPH REIT and PBSA, carrying value of Orange Valley, investment property value of Japan aged care assets as at 31 Aug 2020, based on SPH 1H FY21 financial results presentation and SPH REIT FY20 annual report; <sup>3</sup> Equity values based on market value for listed assets and carrying values for unlisted assets; <sup>4</sup> Based on investment property value of Seletar Mall, GDV of Woodleigh Development and value of Paragon freehold title as at 31 Aug 2020, based on SPH 1H FY21 financial results presentation, SPH and SPH REIT FY20 annual report; <sup>5</sup> Includes pro-rata value of equity stake in M1; <sup>6</sup> 70% portfolio valuation of Prime US REIT (as at 6 Aug 2020, based on Prime US REIT 1H FY20 financial results presentation); <sup>7</sup> Investment property value of Seletar Mall, GDV of Woodleigh Mall, GDV of Genting Lane Data Centre, portfolio valuation of PBSA, carrying value of Orange Valley and investment property value of Japan aged care assets as at 31 Aug 2020, based on SPH 1H FY21 financial results presentation and SPH REIT FY20 annual report

# Looking forward

As we accelerate the execution of Vision 2030, Keppel will emerge stronger, more relevant, and on a faster growth path post-pandemic



Asset monetisation programme progressing well, aiming for higher end of S\$3-5b range by end-2023



Significant balance sheet space released allows Keppel to pursue growth in Vision 2030 focus areas through inorganic options



Focused on improving shareholder returns in a sustainable way as Vision 2030 bears fruit



Aim to achieve most of Vision 2030 goals by 2025

# Questions & Answers

# Additional Information



# 1H 2021 Financial Performance

## Key highlights

**Net Profit** ↑ from net loss of S\$537m to net profit of S\$300m

**ROE (Annualised)** ↑ from negative 10.3% to positive 5.5%

**Free Cash Flow** ↑ from outflow of S\$664m to inflow of S\$499m

**Net Gearing** ↓ from 0.91x to 0.85x

**Interim Dividend** from 3.0cts to 12.0cts

S\$m	1H 2021	1H 2020	% Change
Revenue	3,677	3,182	16
EBITDA	385	52	>500
Operating Profit/(Loss)	188	(149)	n.m.f.
Profit/(Loss) Before Tax	516	(357)	n.m.f.
Net Profit/(Loss)	300	(537)	n.m.f.
EPS (cents)	16.5	(29.5)	n.m.f.

*n.m.f. denotes No Meaningful Figure*

# 1H 2021 Revenue by Segment

S\$m	1H 2021	%	1H 2020	%	% Change
Energy & Environment	2,104	57	2,024	64	4
Urban Development	909	25	511	16	78
Connectivity	586	16	587	18	-
Asset Management	78	2	60	2	30
<b>Subtotal</b>	<b>3,677</b>	<b>100</b>	<b>3,182</b>	<b>100</b>	<b>16</b>
Corporate & Others	-	-	-	-	-
<b>Total</b>	<b>3,677</b>	<b>100</b>	<b>3,182</b>	<b>100</b>	<b>16</b>

# 1H 2021 Pre-tax Profit by Segment

S\$m	1H 2021	1H 2020	% Change
Energy & Environment	(177)	(942)	(81)
Urban Development	451	347	30
Connectivity	38	13	192
Asset Management	135	270	(50)
<b>Subtotal</b>	<b>447</b>	<b>(312)</b>	<b>n.m.f.</b>
Corporate & Others	69	(45)	n.m.f.
<b>Total</b>	<b>516</b>	<b>(357)</b>	<b>n.m.f.</b>

*n.m.f. denotes No Meaningful Figure*

# 1H 2021 Net Profit by Segment

S\$m	1H 2021	1H 2020	% Change
Energy & Environment	(179)	(958)	(81)
Urban Development	279	215	30
Connectivity	27	-	n.m.f.
Asset Management	117	258	(55)
<b>Subtotal</b>	<b>244</b>	<b>(485)</b>	<b>n.m.f.</b>
Corporate & Others	56	(52)	n.m.f.
<b>Total</b>	<b>300</b>	<b>(537)</b>	<b>n.m.f.</b>

*n.m.f. denotes No Meaningful Figure*