

# Presentation to Investors

HONG KONG

30-31 August 2016

The logo for Keppel Corporation, featuring the word "Keppel" in white text inside a grey rectangular box, followed by the word "Corporation" in red text.

## Disclaimer

*This release may contain forward-looking statements which are subject to risks and uncertainties that could cause actual results to differ materially from such statements. Such risks and uncertainties include industry and economic conditions, competition, and legal, governmental and regulatory changes. The forward-looking statements reflect the current views of Management on future trends and developments.*

# Solutions for Sustainable Urbanisation

**Our vision** is to be a global company at the forefront of our chosen industries, shaping the future for the benefit of all our stakeholders.

Keppel meets the world's sustainable urbanisation needs through key businesses in Offshore & Marine, Property, Infrastructure and Investments.



# Keppel's Vision 2020

## Financial

- Net profit target
- Sustainable ROE
- PE ratio target
- Higher recurring income
- Institutional quality balance sheet

## People

- Strong succession pipeline
- Tapping global talent pool
- High employee satisfaction

## Stakeholders

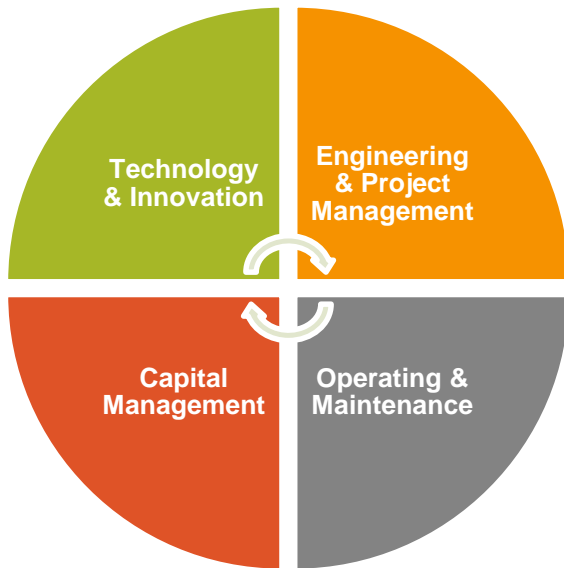
- Develop & grow new markets, products & customers
- Focus approach in CSR

## Process

- Zero fatalities, zero audit failures
- Higher productivity
- Strong risk-management to support enterprise & innovation

# Harnessing Strengths

Core Strengths:



Building Strong Verticals + Collaboration:



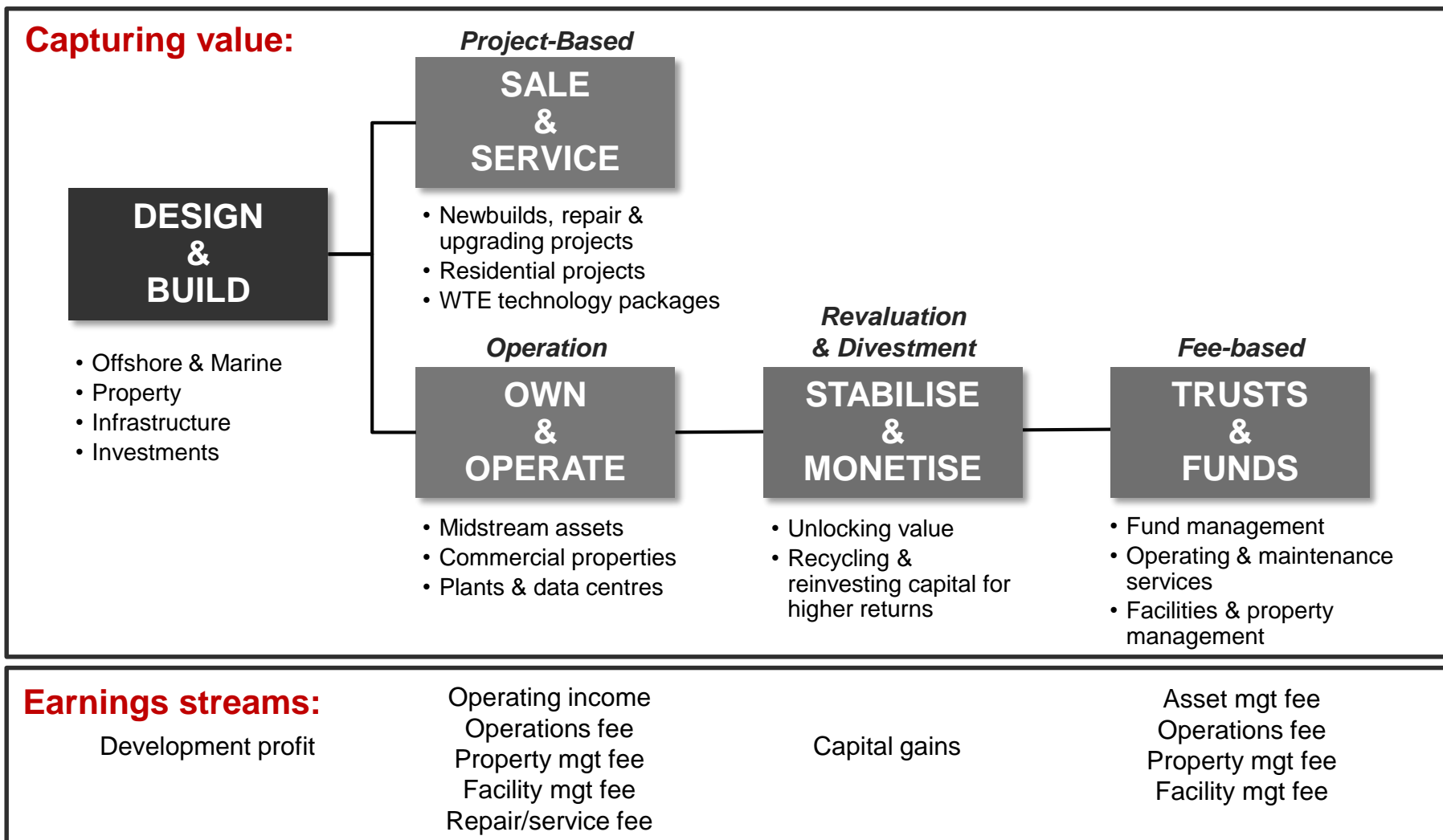
# Scaling the Value Chain *(moving to the right)*

- The world is changing; business models must also evolve from asset heavy to asset light and high value adding businesses.

*An example from the data centre industry:*

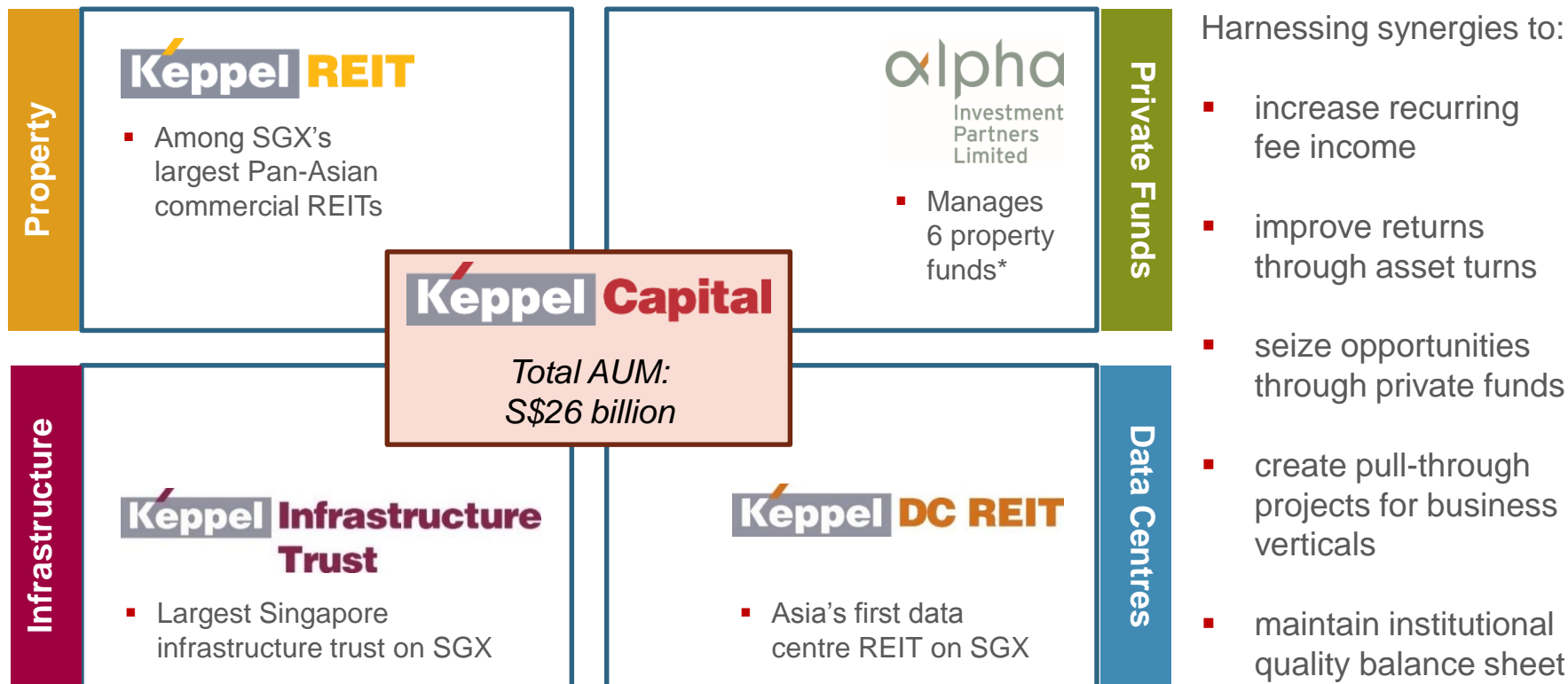


# Creating & Capturing Sustainable Value



# Fueling Growth through Asset Management

*The Group will boost its capital recycling platform and expand its capital base with co-investors.*

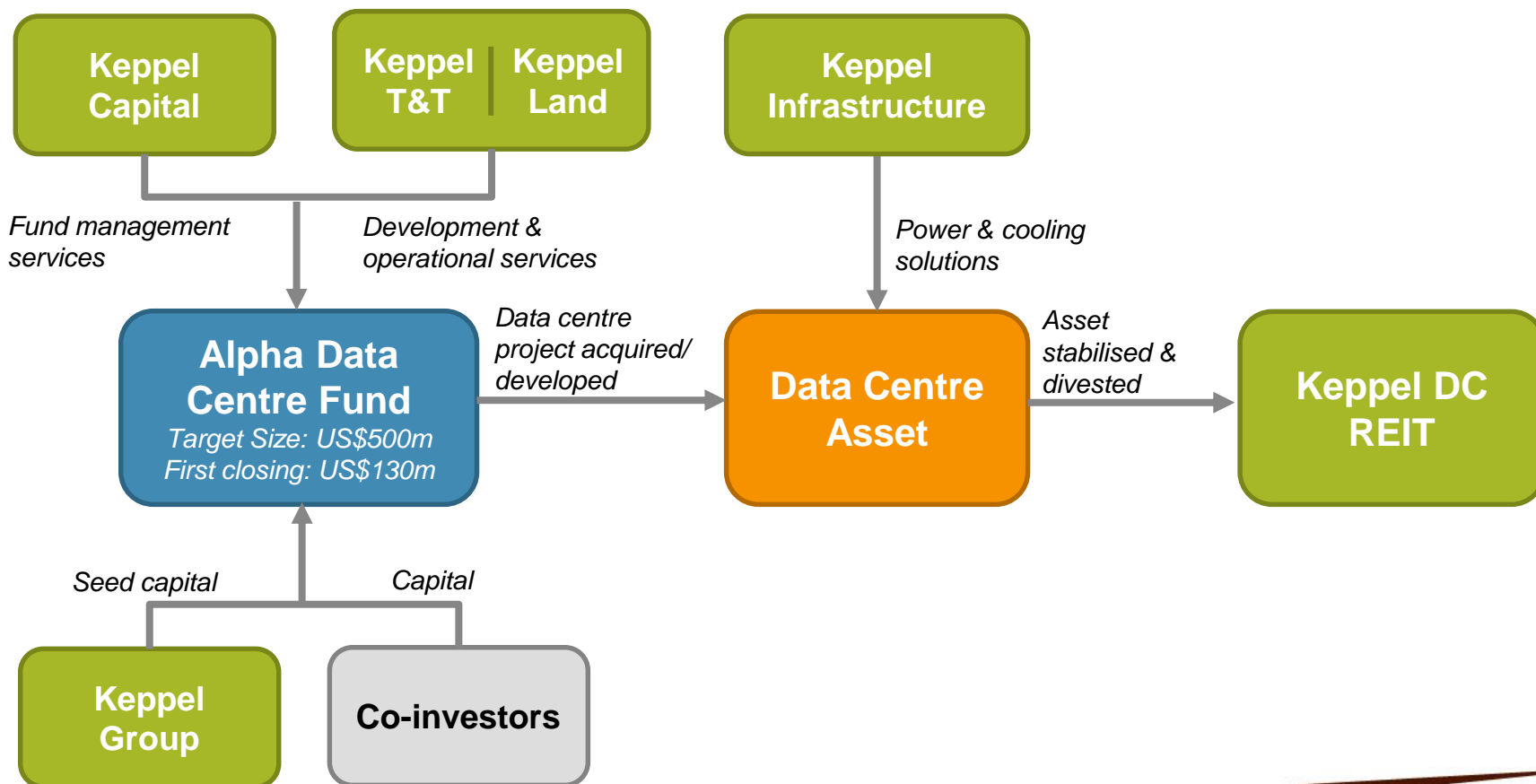


\* Excludes the newly-launched Alpha Data Centre Fund and Alpha Asia Macro Trends Fund III.

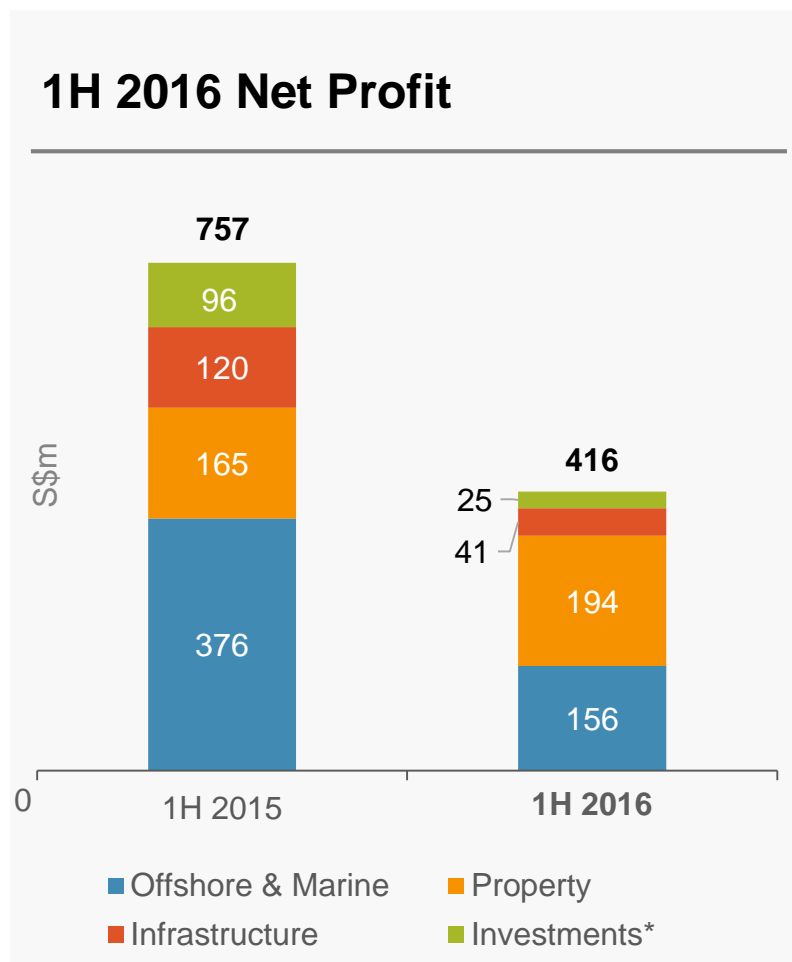


# Data Centre Fund

*The Alpha Data Centre Fund harnesses synergies across the Group's business verticals to create sustainable value with capital efficiency.*



# Anchored on a Multi-Business Strategy

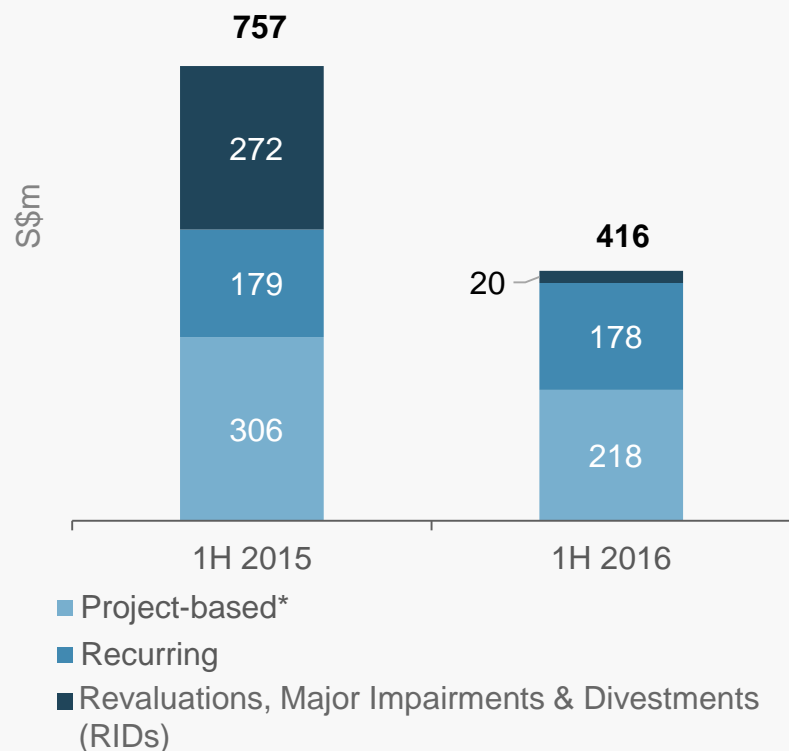


\* Includes contributions from asset management businesses under Keppel Capital

- Resilient operations supported by rightsizing and prudent investments in new capabilities
- Stronger contributions from Property:
  - Improved home sales in China and Vietnam, riding on urbanisation trends
  - Over 70,000 homes and 1 million sm of commercial GFA under development in Asia
- Growing asset management business through Keppel Capital

# Robust Earnings Streams

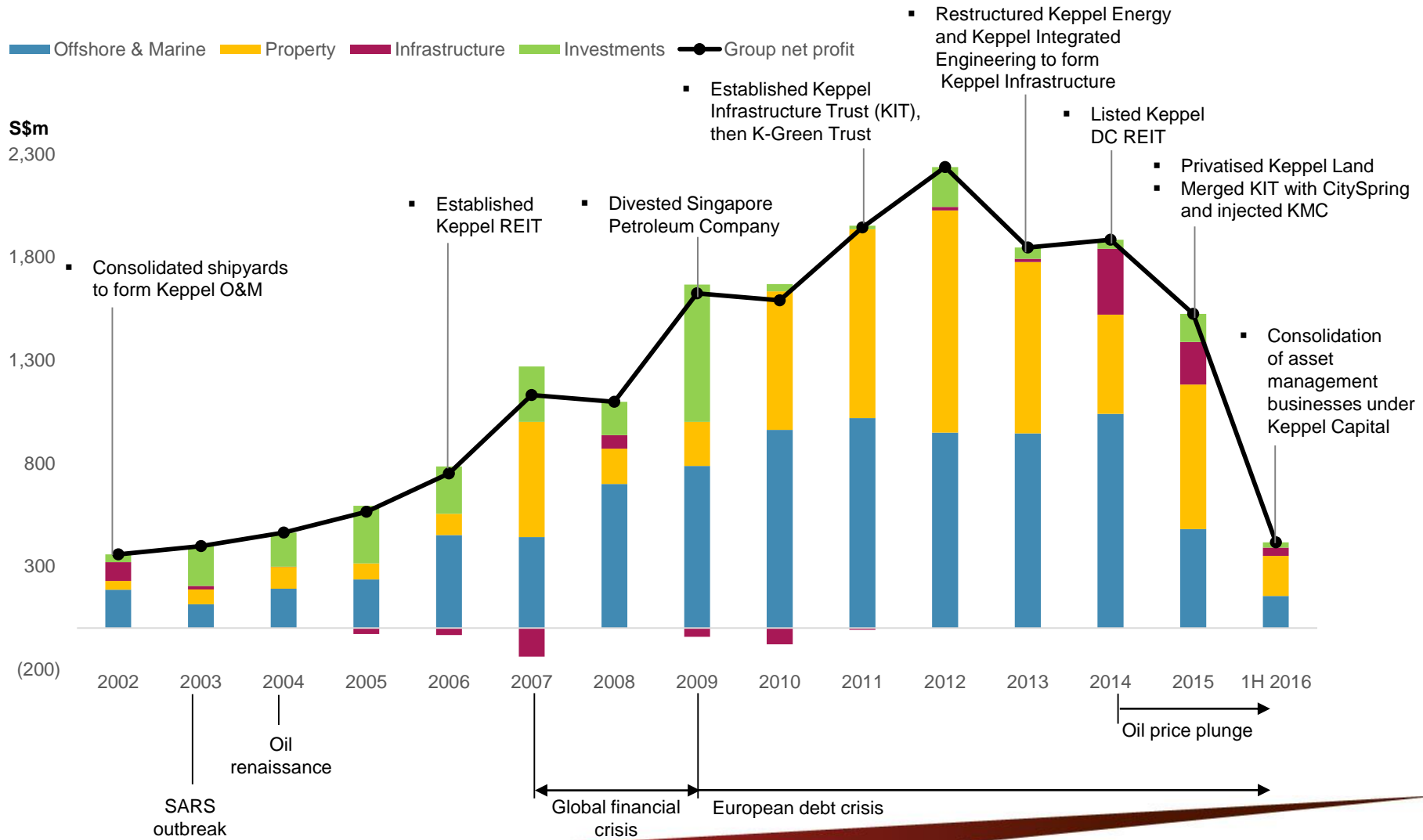
## Net Profit by Income Type



- RIDs contributed an average of 23% to annual net profit since 2010
- Focused on growing stable recurring income for the long term

\* Project-based earnings include income from rig building, specialised shipbuilding, property development and EPC projects.

# Staying Resilient Through Cycles



**We** are staying the course on our multi-business strategy, driving collaboration across our verticals for synergy to create and capture higher value from all parts of Keppel.

# **ADDITIONAL SLIDES: FINANCIAL HIGHLIGHTS**

## Key Figures

S\$m	FY15	FY14	% Chg	1H16	1H15	% Chg
Revenue	<b>10,296</b>	13,283	(22)	<b>3,368</b>	5,377	(37)
Operating Profit	<b>1,514</b>	2,373	(36)	<b>512</b>	812	(37)
Net Profit	<b>1,525</b>	1,885	(19)	<b>416</b>	757	(45)
EPS	<b>84.0cts</b>	103.8cts	(19)	<b>22.9cts</b>	41.7cts	(45)
EVA	<b>648</b>	1,778	(64)	<b>9</b>	262	(97)
Free Cash Flow	<b>(694)</b>	729	<i>n.m</i>	<b>(262)</b>	(316)	<i>n.m.</i>
Annualised ROE	<b>14.2%</b>	18.8%	<i>Reduction of 460bps</i>	<b>7.4%</b>	13.1%	<i>Reduction of 570bps</i>
Net Gearing	<b>0.53x</b>	0.11x	<i>Increase of 0.42x</i>	<b>0.62x</b>	0.42x	<i>Increase of 0.2x</i>

## Revenue by Segments

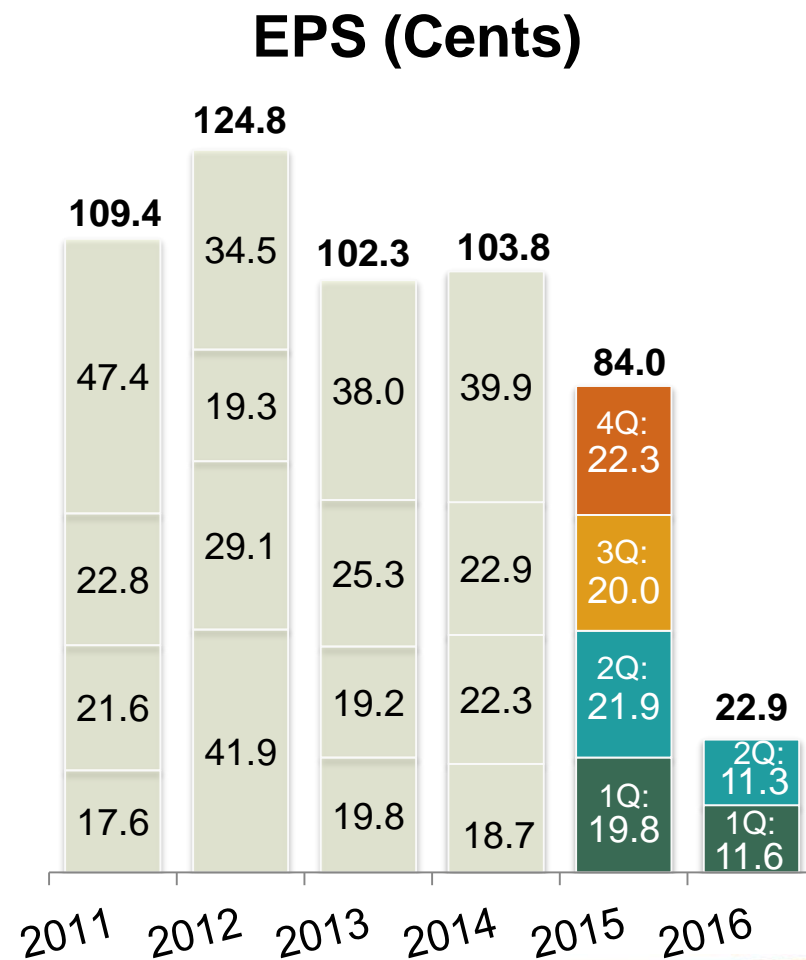
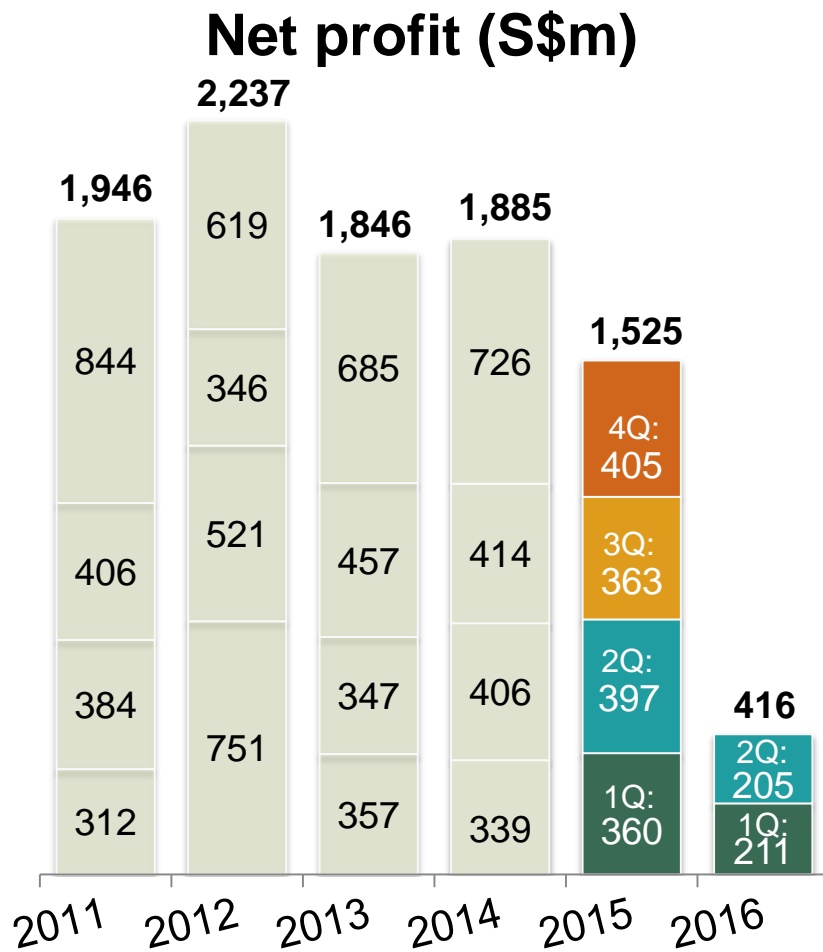
S\$m	<b>FY15</b>	<b>%</b>	<b>FY14</b>	<b>%</b>	<b>1H16</b>	<b>%</b>	<b>1H15</b>	<b>%</b>
Offshore & Marine	<b>6,241</b>	<b>61</b>	8,556	64	<b>1,538</b>	<b>46</b>	3,507	65
Property	<b>1,926</b>	<b>19</b>	1,729	13	<b>972</b>	<b>29</b>	709	13
Infrastructure	<b>2,058</b>	<b>20</b>	2,934	22	<b>794</b>	<b>23</b>	1,047	20
Investments	<b>71</b>	<b>-</b>	64	1	<b>64</b>	<b>2</b>	114	2
<b>Total</b>	<b>10,296</b>	<b>100</b>	13,283	100	<b>3,368</b>	<b>100</b>	5,377	100



## Net Profit by Segments

S\$m	<b>FY15</b>	<b>%</b>	<b>FY14</b>	<b>%</b>	<b>1H16</b>	<b>%</b>	<b>1H15</b>	<b>%</b>
Offshore & Marine	<b>481</b>	<b>32</b>	1,040	55	<b>156</b>	<b>37</b>	376	49
Property	<b>701</b>	<b>46</b>	482	26	<b>194</b>	<b>47</b>	165	22
Infrastructure	<b>207</b>	<b>14</b>	320	17	<b>41</b>	<b>10</b>	120	16
Investments	<b>136</b>	<b>8</b>	43	2	<b>25</b>	<b>6</b>	96	13
<b>Total</b>	<b>1,525</b>	<b>100</b>	1,885	100	<b>416</b>	<b>100</b>	757	100

# Net Profit & EPS



# ROE & Dividend

Annual dividend payout stayed at above 40% of net profit over the past 13 years.

ROE (%) & Dividend (Cents)

