

Briefing to Retail Shareholders

Hosted by Securities Investors Association (Singapore)

7 September 2018

Disclaimer

This presentation 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.

Note: 2017 financial figures in this presentation have been restated following the adoption of the new financial reporting framework, Singapore Financial Reporting Standards (International).

Address by CEO

Solutions for Sustainable Urbanisation

Refreshed Mission

Guided by our operating principles and core values, we will deliver solutions for sustainable urbanisation profitably, safely and responsibly.




Keppel's Eco-System

Ramping up Current Engines

Offshore & Marine



Property



Infrastructure



Investments



Enlarging capital base << Keppel Capital

Harnessing operational strengths >> Keppel Urban Solutions

Building New Engines of Growth

New Engines for Growth



Gas Value Chain



Data Centres

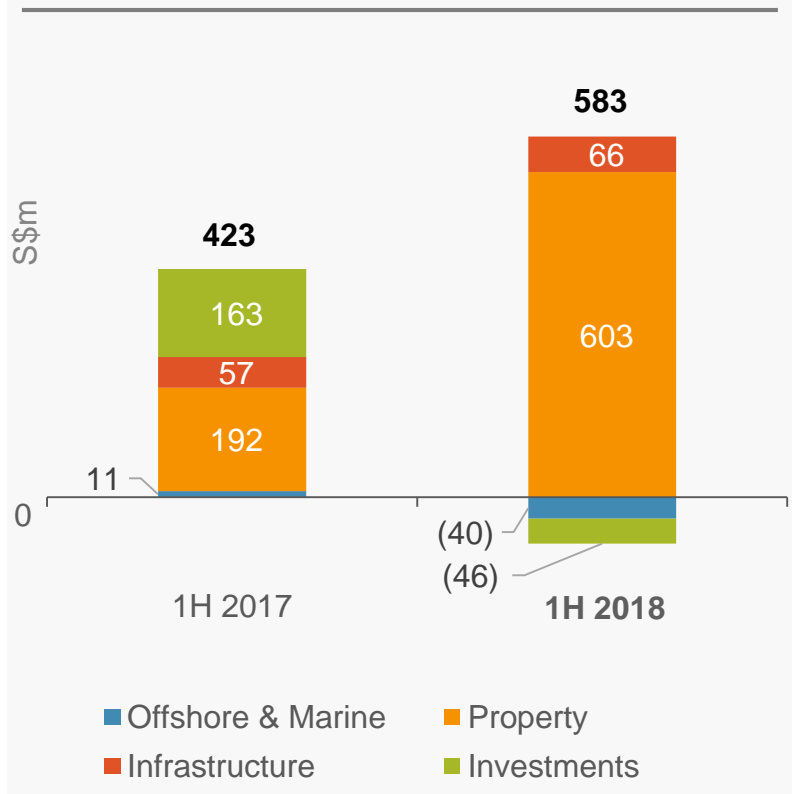


Smart Cities of the Future

Financial Performance

1H 2018 net profit

S\$583m, up 38% yoy



- Multi-business strategy underpins resilient performance
 - Annualised ROE of 9.9%
 - Net gearing was 0.40x at end-Jun 2018 vs 0.46x at end-Dec 2017
 - Free cash inflow of S\$886m in 1H 2018, vs inflow of S\$204m in 1H 2017
- Paid dividends of 15.0 cents per share for 1H 2018 comprising:
 - Interim: 10.0 cents per share
 - Special: 5.0 cents per share

Offshore & Marine: Configuring for Growth



Credit: Straits Times Press

Developing rigs and yards of the future

Making steady progress

- Over S\$1.2b of new contracts won in 1H 2018
 - More orders for gas solutions
 - Sold 5 existing rigs to Borr Drilling for US\$745m

Positioning for future growth

- Completed extensive rightsizing
- Reorganised business units into *New Builds* and *Conversions & Repairs* divisions
- Develop rigs and yards of the future driven by AI, robotics and IoT
- Expand into other markets such as gas, floating infrastructure and offshore renewables



Hilli Episeyo FLNG vessel

Property: Focused on Returns

A multi-dimensional property company

- Build on strong presence in Asia; expand into high-growth regions in China and Vietnam
- Focus on faster asset turns
- Grow recurring income from ~1.4 million smⁱ of commercial GFA in Singapore and overseas
- Seize opportunities to acquire cashflow generating assets



Empire City, Ho Chi Minh City

ⁱ About 824,600sm of commercial GFA is presently under development

Infrastructure: Bolstering Stable Income



Hong Kong Integrated Waste Management Facility (HKIWMF)



Keppel DC Singapore 4, Singapore

Energy & Environmental Infrastructure

- Deepening track record as developer, owner & operator of major projects
 - Keppel Marina East Desalination Plant about 50% completed
 - HKIWMF in design and engineering phase
- Grow recurring income from infrastructure services

Data Centres & Urban Logistics

- Advancing on new data centre development projects with Alpha DC Fund
- UrbanFox receiving strong interest for end-to-end omnichannel logistics solutions

Investments: Building New Growth Engines

Asset Management

- Targeted AUM of S\$50b by 2022:
 - **End-2017:** Closed US\$1b Alpha DC Fund and listed Keppel-KBS US REIT
 - **2018:** New MoUs for A\$1b Australian retail property fund, and S\$200m early education real estate fund



Keppel Capital is expanding its asset classes and investor base

Senior Living

- Acquiring 50% stake in Watermark Retirement Communities, one of US's top 15 largest senior living operators

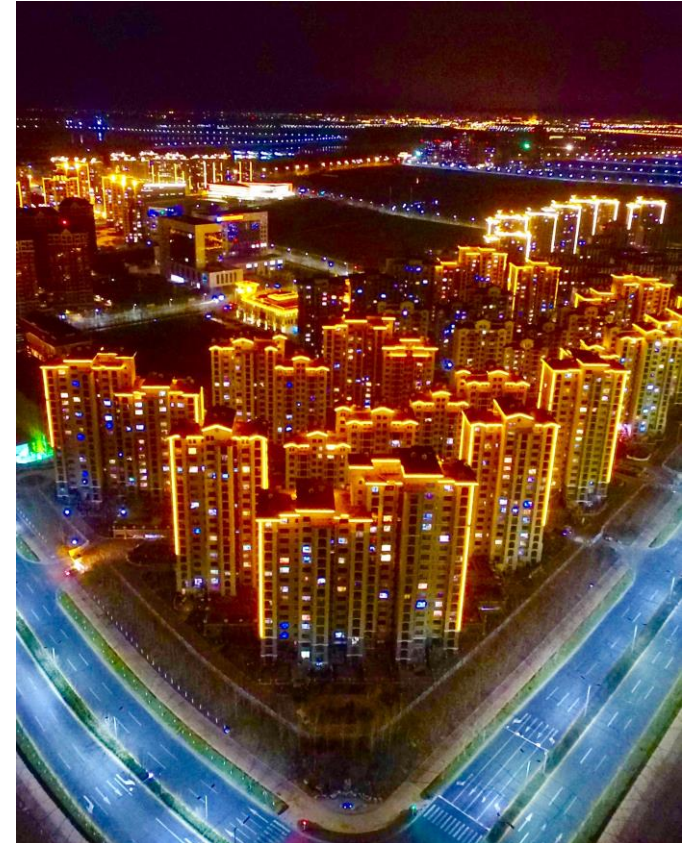


Watermark Retirement Community in Frisco, Dallas

Investments: Integrating Expertise

Large-Scale Urban Developments

- **Sino-Singapore Tianjin Eco City**
 - Celebrating 10th anniversary in Sept 2018
 - Progressing well. More land sales planned in 2H 2018
- **Keppel Urban Solutions**
 - Master developer of large-scale mixed-use developments
 - Best-in-class partners: Microsoft, Envision, ST Engineering & Filinvest
 - Light house project: Saigon Sports City



Sino-Singapore Tianjin Eco-City

Shaping the Future

Keppel is well-placed to capture growth from sustainable urbanisation



Urbanisation

Smart and sustainable cities



Digitalisation

Green data centres and urban logistics solutions



Energy Demand

Onshore/floating infrastructure for oil & gas and renewables



Industry 4.0

Rigs and yards of the future



Aging Population

Senior living solutions and services



Clean Environments

Environmental solutions for waste and water



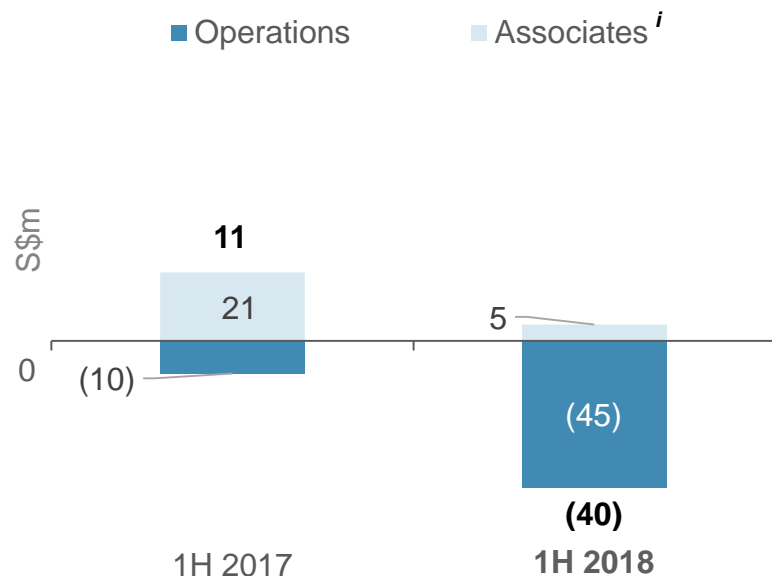
Address by CFO

1H 2018 Financial Highlights

S\$m	<u>1H 2018</u>	<u>1H 2017</u>	<u>% Change</u>
Revenue	2,993	2,802	7
EBITDA	815	446	83
Operating Profit	725	333	118
Profit Before Tax	711	504	41
Net Profit	583	423	38
EPS (cents)	32.2	23.3	38

Offshore & Marine

1H 2018 net loss



S\$m	1H 2017	1H 2018	% Change
Revenue	932	939	1
Operating profit	46	14	(70)
Net profit/(loss)	11	(40)	nm

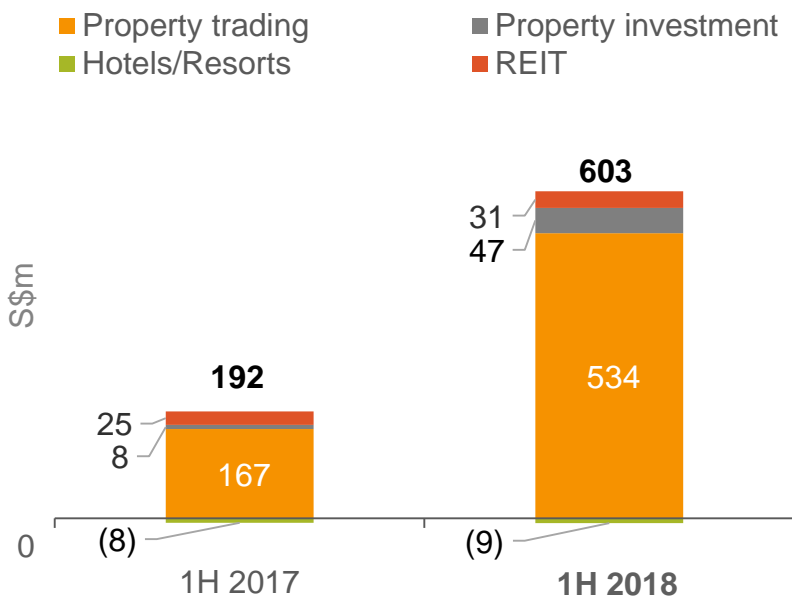
ⁱ Includes contributions from Floatel, Seafox and Dyna-Mac, etc.

ⁱⁱ Excludes semis for Sete Brasil

- Net loss due to lower work volume and associate contributions, and higher overseas taxes
 - Lower overheads contributed to S\$14m operating profit in 1H 2018
- 1H 2018 new contracts of ~S\$1.2b, including S\$680m in 2Q 2018
- Net orderbookⁱⁱ of S\$4.6b as at end-Jun 2018

Property

1H 2018 net profit



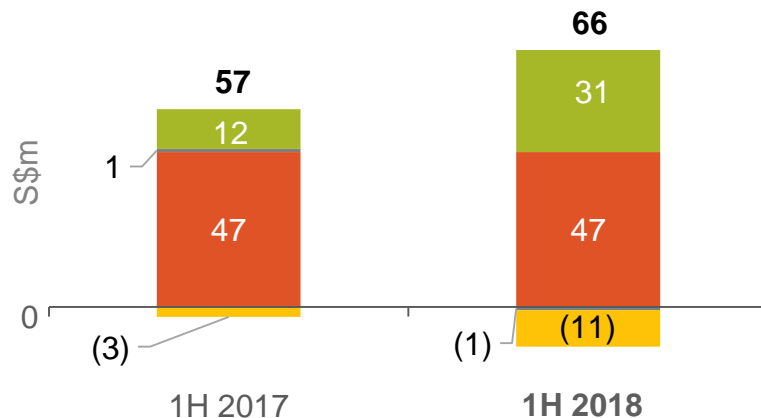
S\$m	1H 2017	1H 2018	% Change
Revenue	804	787	(2)
Operating profit	167	658	294
Net profit	192	603	214

- Sold about 1,420 homes in 1H 2018, with total sales value of ~S\$770m
- Stronger net profit underpinned by:
 - En bloc sales of development projects in China and Vietnam
 - Fair value gain on Nassim Woods which has been designated for redevelopment for sale
 - Higher contributions from Singapore and China property trading

Infrastructure

1H 2018 net profit

- Energy, Environment & Infrastructure Services
- Data centres
- REIT & Trust
- Logistics and others



- Improved earnings from Infrastructure Division in 1H 2018:
 - Dilution gain following Keppel DC REIT's private placement
 - Higher contribution from Environmental Infrastructure and Infrastructure Services
- KMEDP and HKIWMF to boost recurring income from Infrastructure Services when operational

S\$m	1H 2017	1H 2018	% Change
Revenue	988	1,211	23
Operating profit	50	52	4
Net profit	57	66	16

Investments

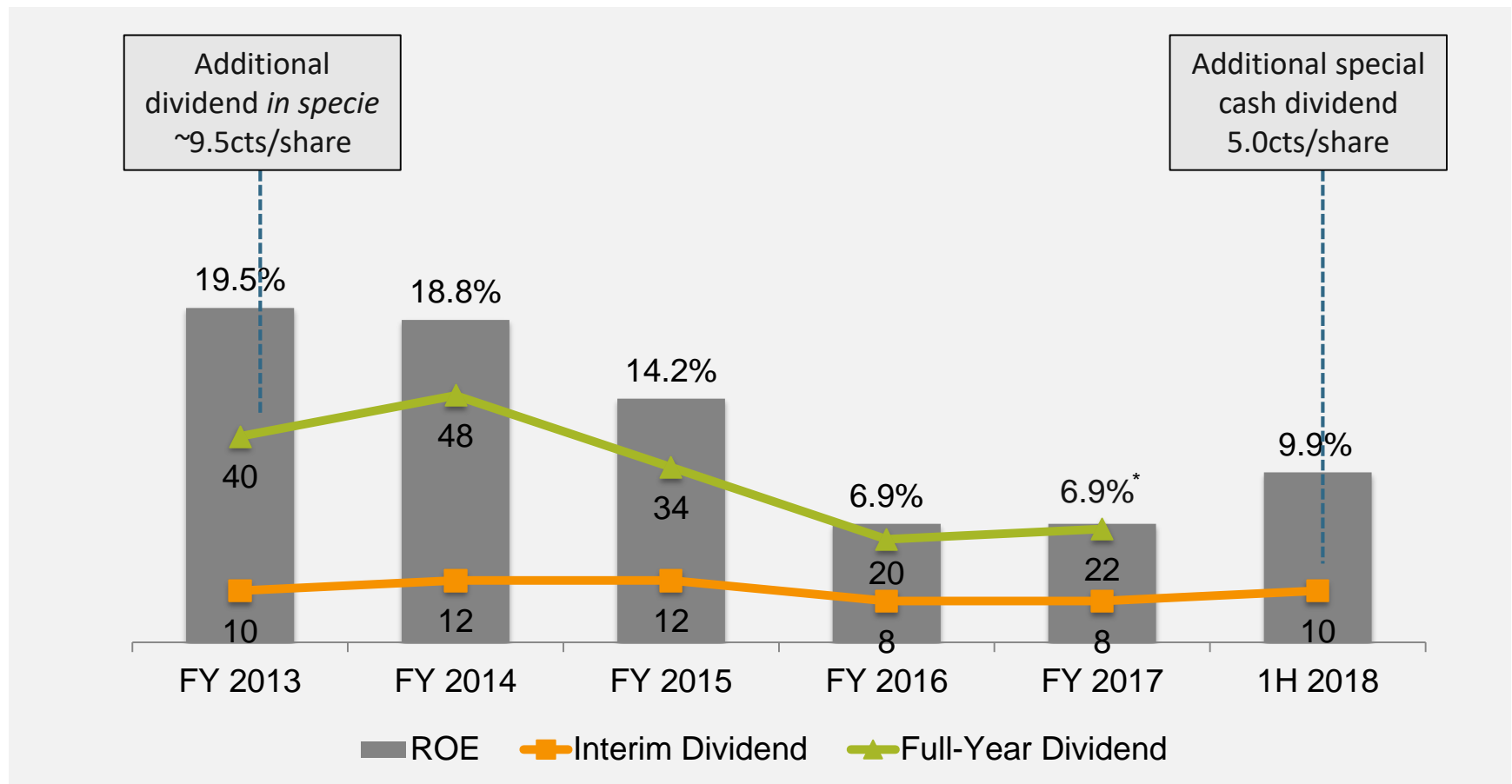
1H 2018 net loss



- Divisional performance impacted by share of losses from associated companies and fair value losses on investments
- Keppel Capital contributing steadily and seeks opportunities to expand asset classes and investor base

S\$m	1H 2017	1H 2018	% Change
Revenue	78	56	(28)
Operating profit	70	1	(99)
Net profit/(loss)	163	(46)	nm

ROE & Dividends



* Excludes one-off financial penalty from global resolution and related costs

Q&A

Additional Information

Key Figures

S\$m	FY 2017	FY 2016	% Chg	1H 2018	1H 2017	% Chg
Revenue	5,964	6,767	(12)	2,993	2,802	7
Operating Profit	760	795	(4)	725	333	118
Net Profit	815*	784	4	583	423	38
EPS	44.8cts*	43.2cts	4	32.2	23.3	38
EVA	(220)*	(140)	57	275	(17)	<i>n.m.</i>
Free Cash Flow	1,802	540	234	886	204	>300
Annualised ROE	6.9%*	6.9%	-	9.9%	6.6%	<i>Increase of 330bps</i>
Net Gearing	0.46x	0.56x	<i>Decrease of 0.10x</i>	0.40x	0.58x	<i>Decrease of 0.18x</i>

* Excludes one-off financial penalty from global resolution and related costs

Revenue by Segments

S\$m	FY 2017	%	FY 2016	%	1H 2018	%	1H 2017	%
Offshore & Marine	1,802	30	2,854	42	939	31	932	33
Property	1,782	30	2,035	30	787	26	804	29
Infrastructure	2,207	37	1,744	26	1,211	41	988	35
Investments	173	3	134	2	56	2	78	3
Total	5,964	100	6,767	100	2,993	100	2,802	100

Net Profit by Segments

S\$m	FY 2017	%	FY 2016	%	1H 2018	%	1H 2017	%
Offshore & Marine	(206)*	(25)	29	4	(40)	(7)	11	3
Property	650	80	620	79	603	104	192	45
Infrastructure	134	16	99	13	66	11	57	13
Investments	237	29	36	4	(46)	(8)	163	39
Total	815*	100	784	100	583	100	423	100

* Excludes one-off financial penalty from global resolution and related costs

Keppel is in the business of sustainable urbanisation. We drive collaboration across business verticals to create and capture value from all parts of the Group.