

# Presentation to Investors

Hong Kong

5-6 March 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.*

# Shaping the Future

*Keppel is an eco-system of companies working together, with a refreshed mission, to deliver solutions for sustainable urbanisation in a fast-changing environment.*



# 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*

## *Collaborating for Growth*



Gas Value Chain



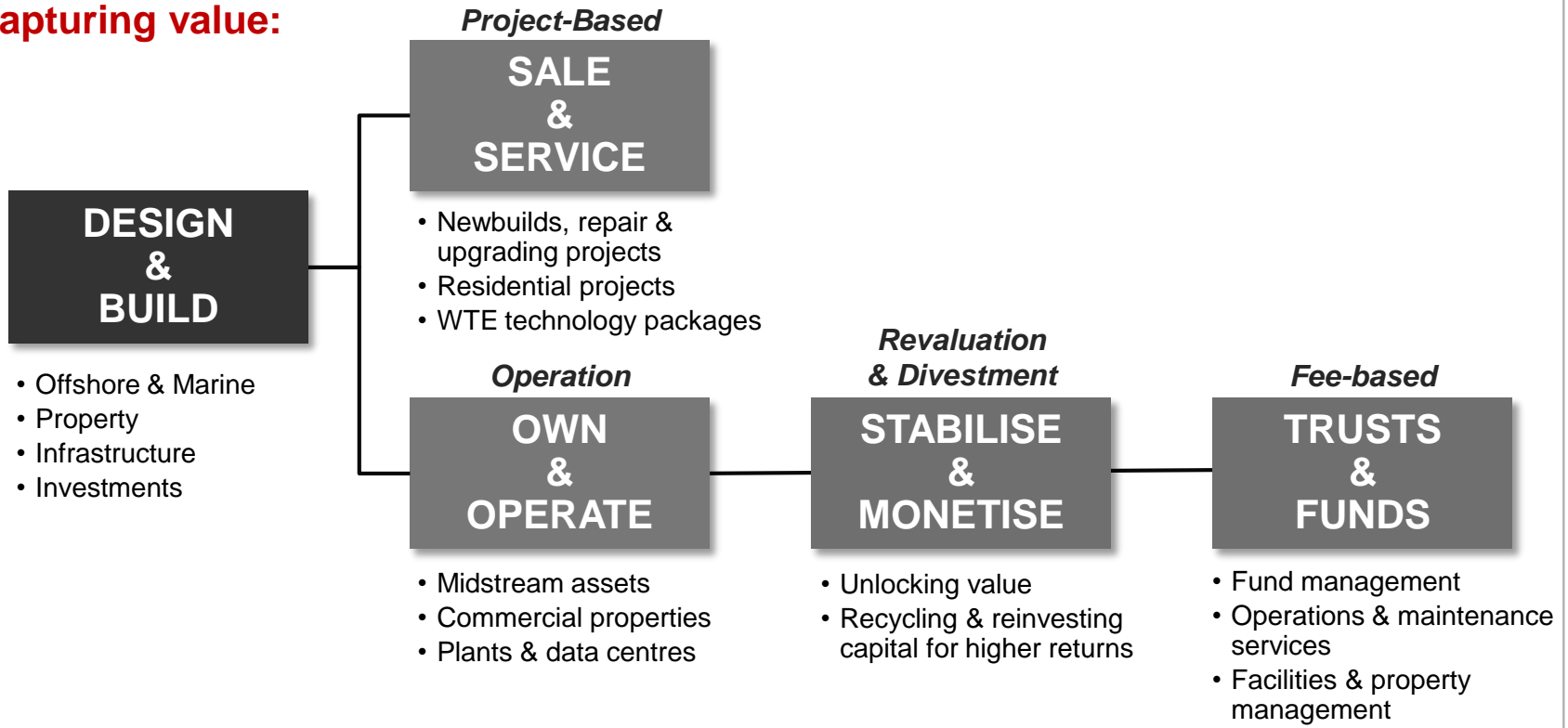
Data Centres



Smart Cities of the Future

# Creating & Capturing Sustainable Value

## Capturing value:



## Earnings streams:

Development profit

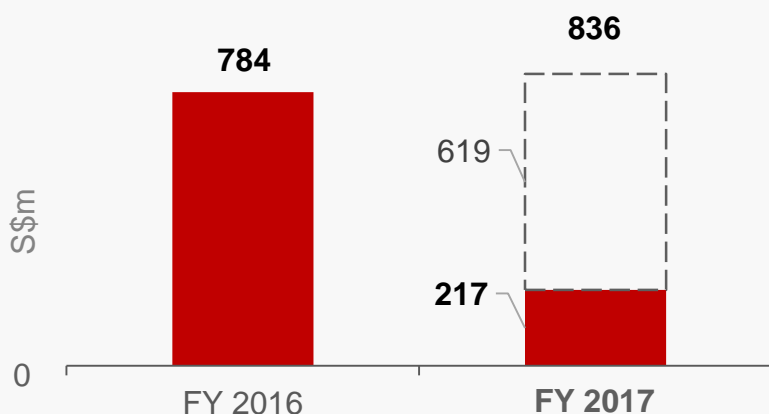
Operating income  
 Operations fee  
 Property mgt fee  
 Facility mgt fee  
 Repair/service fee

Capital gains

Asset mgt fee  
 Operations fee  
 Property mgt fee  
 Facility mgt fee

# Delivering on Multi-Business Strategy

## Net Profit



S\$m	FY16	FY17
Offshore & Marine	29	(835)
Property	620	685
Infrastructure	99	132
Investments	36	235
<b>Total</b>	<b>784</b>	<b>217</b>

- Excluding one-off global resolution and related costs of S\$619m, net profit would have been S\$836m for FY17, up 7% yoy
- Performance supported by stronger earnings in Property, Infrastructure and Investments
- Free cash inflow of S\$1,802m in FY17, vs S\$540m in FY16
- Net gearing was 0.46x at end-2017, vs 0.56x at end-2016
- Total dividend per share would be 22 cts for FY17, vs 20 cts for FY16

# Current & Future Growth Engines

# Offshore & Marine

## Build resilience & seize opportunities

- Develop rigs of tomorrow with digitalisation and IoT to improve efficiency and lower costs across project lifecycle
- Develop yards of the future integrating robotics and AI into manufacturing
- Develop, own and operate floating energy infrastructure including gas solutions
- Explore expansion into renewables



*Hilli Episeyo FLNG vessel*



# Property

*A multi-faceted property player with high returns*

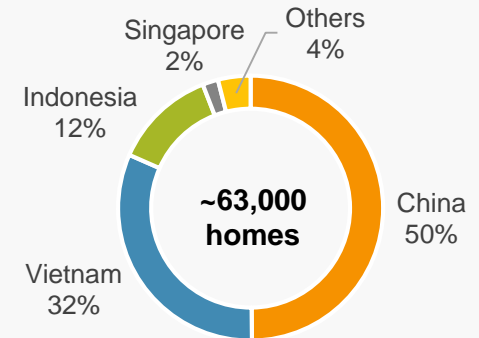
## Residential

- Total landbank of ~63,000 homes located mainly in growing Asian economies
- Early mover's advantage with sizeable landbank acquired at relatively low cost
- Opportunity to unlock value through en-bloc sales

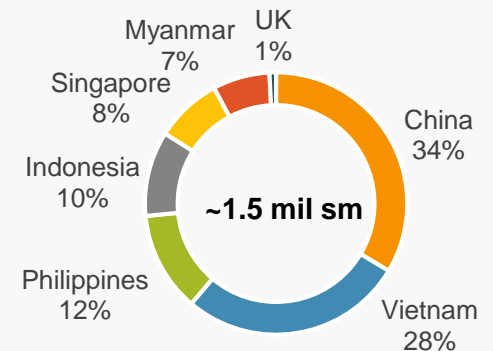
## Commercial

- Total commercial GFA of ~1.5 mil sm, 63% of which is under development
- When stabilised, total portfolio can yield annual NOI of ~S\$300m

### Residential Landbank



### Commercial GFA



# Infrastructure

## Develop, own & operate quality assets

- Wide-ranging expertise across energy & environmental infrastructure projects
- Infrastructure services contributed recurring revenue of ~S\$160m in FY17
- New projects won in Hong Kong and Singapore extend earnings visibility into 2045

## Solutions for connectivity

- Meeting the growing demand for robust and reliable data centres
- Tapping e-commerce opportunities through UrbanFox, an omnichannel logistics and channel management solutions provider



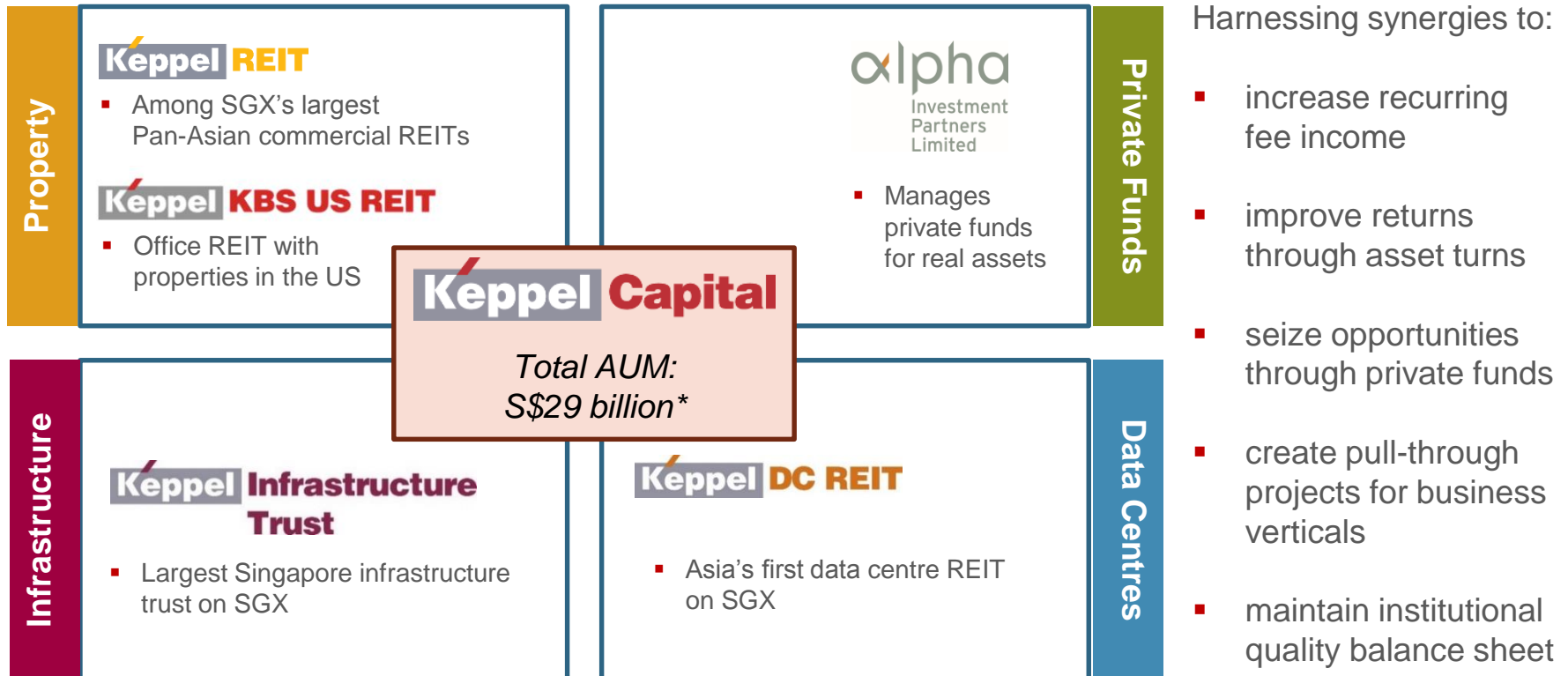
*Integrated Waste Management Facility, Hong Kong*



*Keppel Marina East Desalination Plant, Singapore*

# Fueling Growth through Asset Management

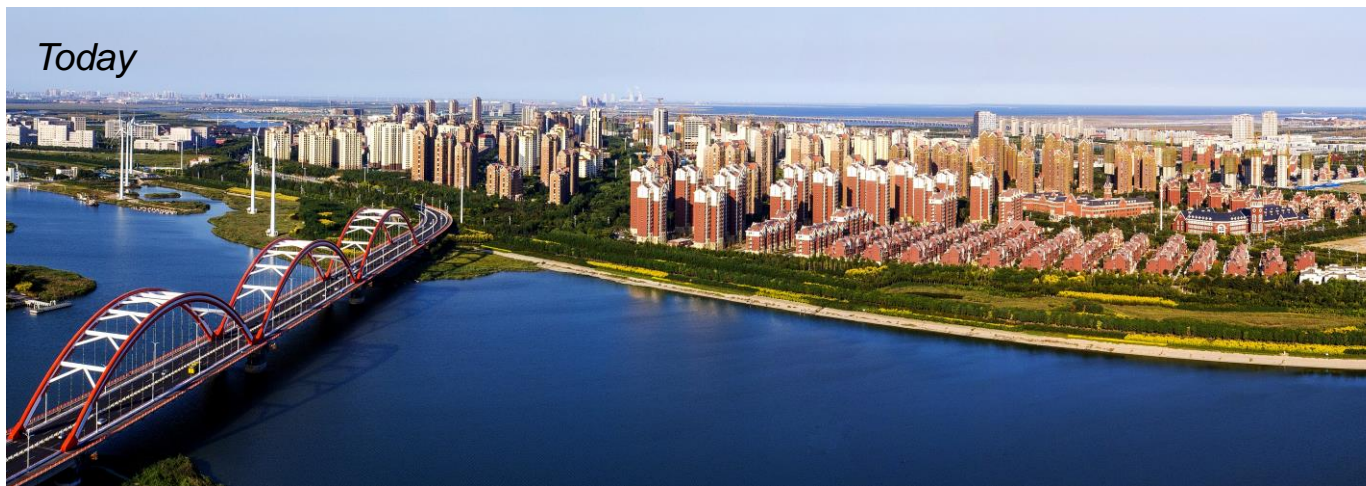
- Keppel Capital boosts the Group's capital recycling platform and expands its capital base with co-investors. Target to grow AUM to S\$50b by 2022



\* AUM is as at end-2017

# Strong Track Record in Master Development

*Showcase: Sino-Singapore Tianjin Eco-City*

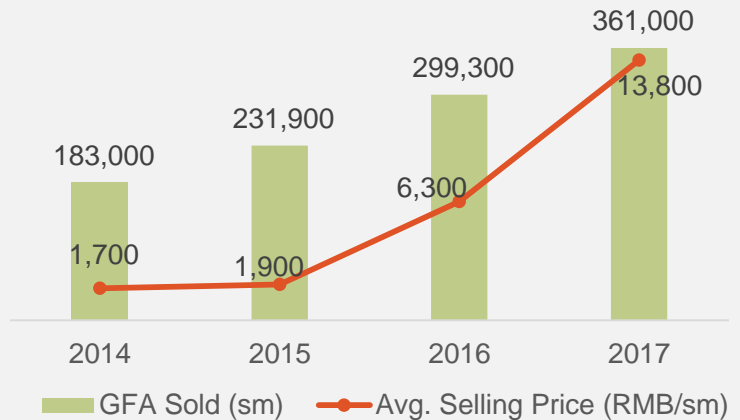


# Strong Track Record in Master Development

*Showcase: Sino-Singapore Tianjin Eco-City*



Eco-City Residential Land Transactions<sup>i</sup>



- Business model: Masterplanning, property development and land sales
- Total land area ~30 sq km, over 45% of which has been developed/sold
- Keppel's 45% stake in the master developer yielded S\$120m net profit in FY17

<sup>i</sup> Source: <http://www.tjlandmarket.com>

# Keppel Urban Solutions

- Aims to pursue sustainable, smart urban development opportunities in the region
- Harnesses the Keppel Group's diverse strengths and strong track record
- Incorporates open platform to partner best-in-class technology providers



*Collaborating with Keppel Land to develop the 64-ha Saigon Sports City in District 2 of Ho Chi Minh City, Vietnam*

# Appendix: Financial Highlights

# Key Figures

(Excluding one-off global resolution & related costs)

S\$m	FY17	FY16	% Chg
Revenue	<b>5,964</b>	6,767	(12)
Operating Profit	<b>776</b>	795	(2)
Net Profit	<b>836</b>	784	7
EPS	<b>46.0cts</b>	43.2cts	6
EVA	<b>(215)</b>	(140)	54
Free Cash Inflow	<b>1,802</b>	540	234
Annualised ROE	<b>7.0%</b>	6.9%	<i>Increase of 10 bps</i>
Net Gearing	<b>0.46x</b>	0.56x	<i>Decrease of 0.10x</i>



# Revenue by Segments

S\$m	FY17	%	FY16	%
Offshore & Marine	1,802	30	2,854	42
Property	1,782	30	2,035	30
Infrastructure	2,207	37	1,744	26
Investments	173	3	134	2
<b>Total</b>	<b>5,964</b>	<b>100</b>	<b>6,767</b>	<b>100</b>

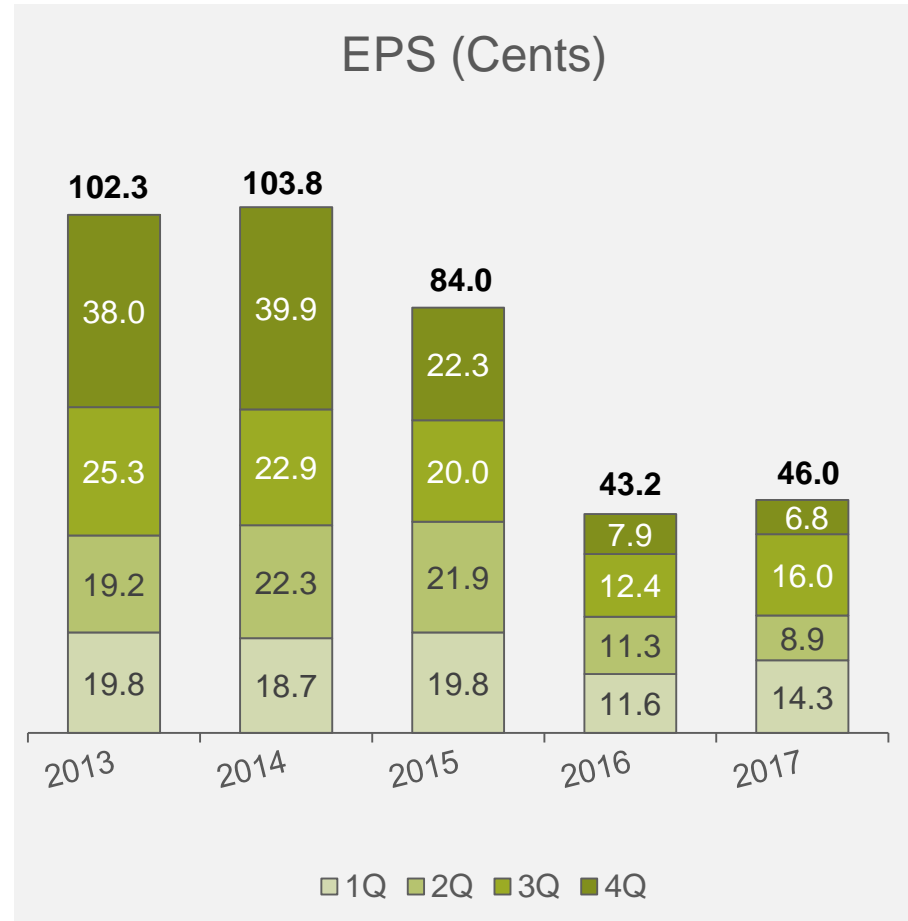
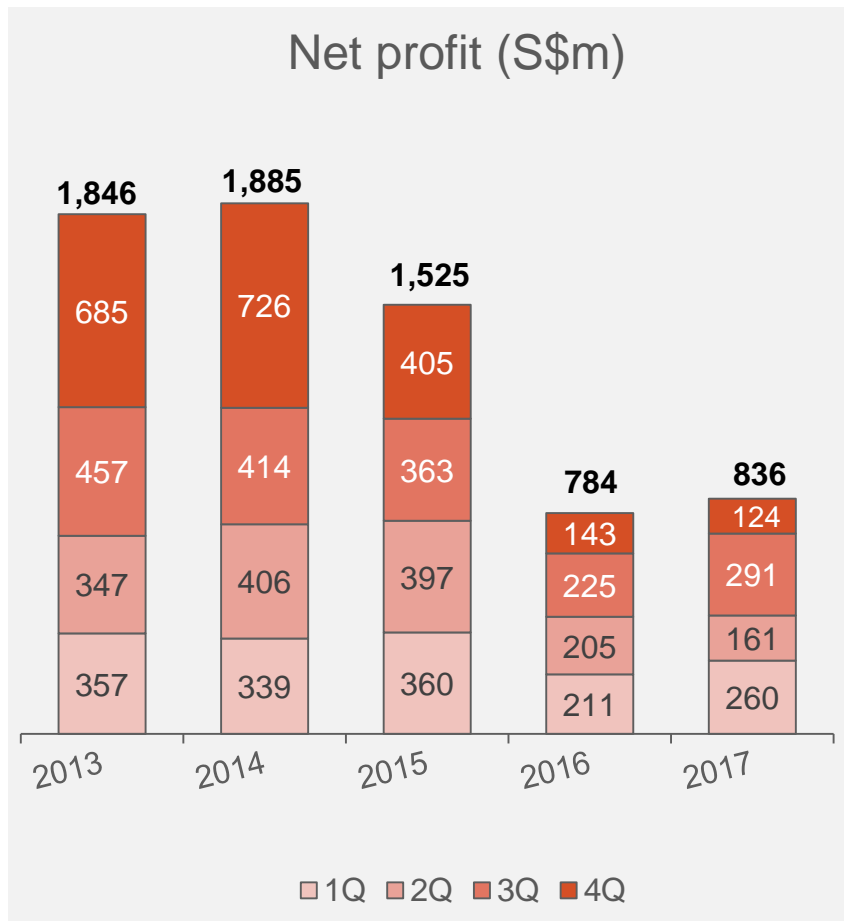
# Net Profit by Segments

(Excluding one-off global resolution & related costs)

S\$m	FY17	%	FY16	%
Offshore & Marine	<b>(216)</b>	<b>(26)</b>	29	4
Property	<b>685</b>	<b>82</b>	620	79
Infrastructure	<b>132</b>	<b>16</b>	99	13
Investments	<b>235</b>	<b>28</b>	36	4
<b>Total</b>	<b>836</b>	<b>100</b>	784	100

# Net Profit & EPS

(Excluding one-off global resolution & related costs)



# ROE & Dividend

(Excluding one-off global resolution & related costs)

