

Retail Shareholders' Day

Hosted by Securities Investors Association (Singapore)

16 August 2017

Keppel Corporation

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.

Address by CEO

Providing Solutions for Sustainable Urbanisation

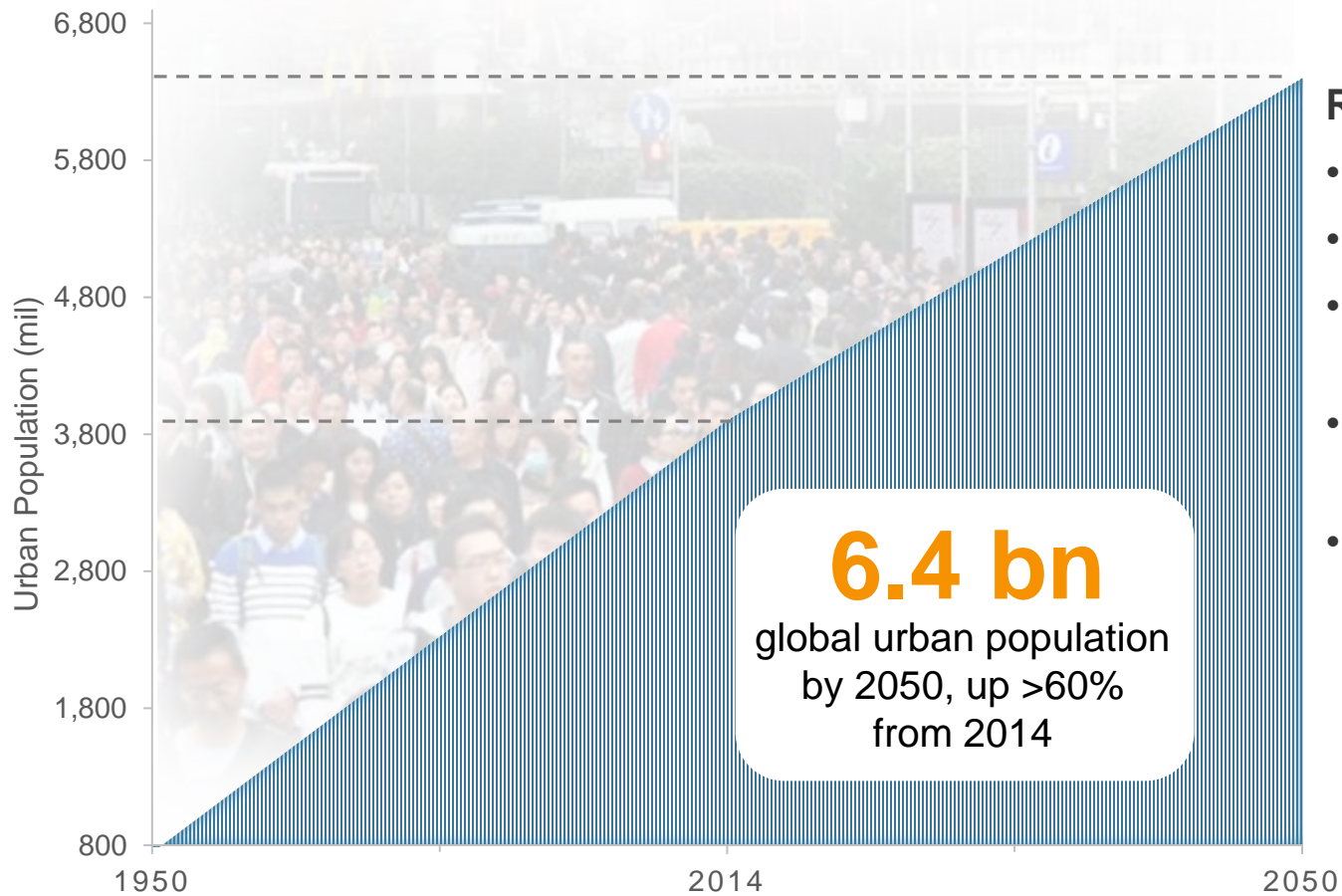
Our vision is to be a global company at the forefront of our chosen industries, shaping the future for the benefit of all our stakeholders.

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



Tapping Growth in Sustainable Urbanisation

Sustainable urbanisation will provide decades of secular growth for the Keppel Group.



Rising demand for:

- Energy
- Infrastructure
- Clean Environments
- Homes, Offices & Retail Properties
- Connectivity

Source: World Urbanization Prospects 2014, United Nations

Shaping Keppel's Future

Recent milestones

Building strong business verticals (2013 - 2015)

- Integrated energy and environmental businesses under Keppel Infrastructure
- Privatised Keppel Land

Driving growth and synergy through asset management (2016)

- Integrated the Group's asset managers under Keppel Capital
- Launched Asia's first-of-its-kind Data Centre fund



Shaping Keppel's Future

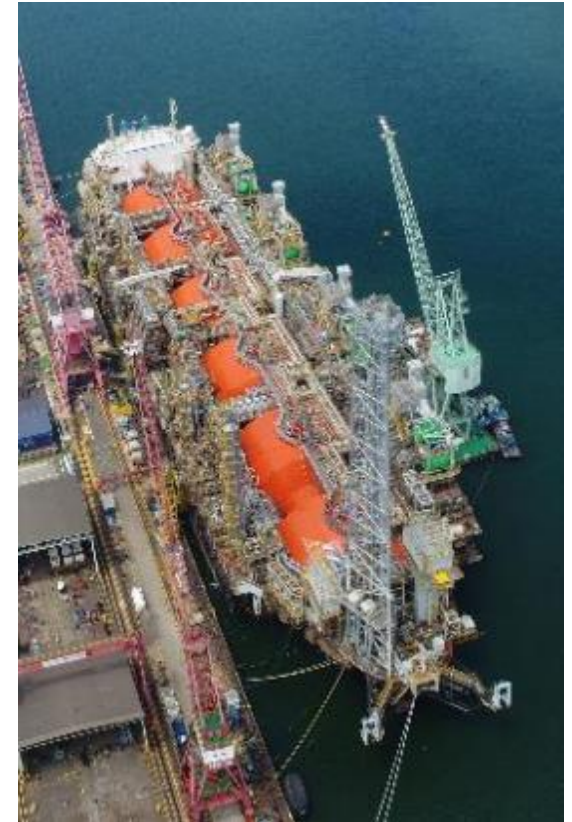
Recent milestones

/// Bolstering core competencies (2016 - 2017)

- Acquired LETOURNEAU™ offshore rig business
- Expanded into e-commerce fulfilment with Courex stake
- Re-organised Keppel O&M's operations into *New Builds* and *Conversions & Repairs*

/// Expanding into new markets (2017 & beyond)

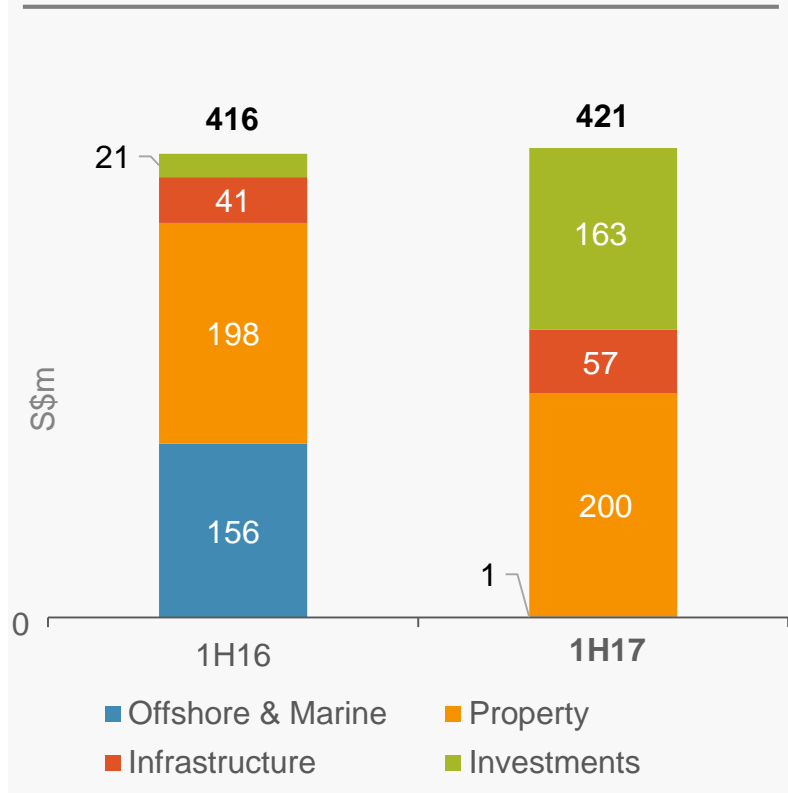
- Growing gas strategy
 - Delivering first-of-its-kind FLNG vessel conversion
 - Supplying LNG bunker in Singapore with Shell
- Embarked on Singapore's 4th desalination plant
- Exploring plans to develop gasification facility in Singapore



Anchored on a Multi-Business Strategy

1H17 net profit

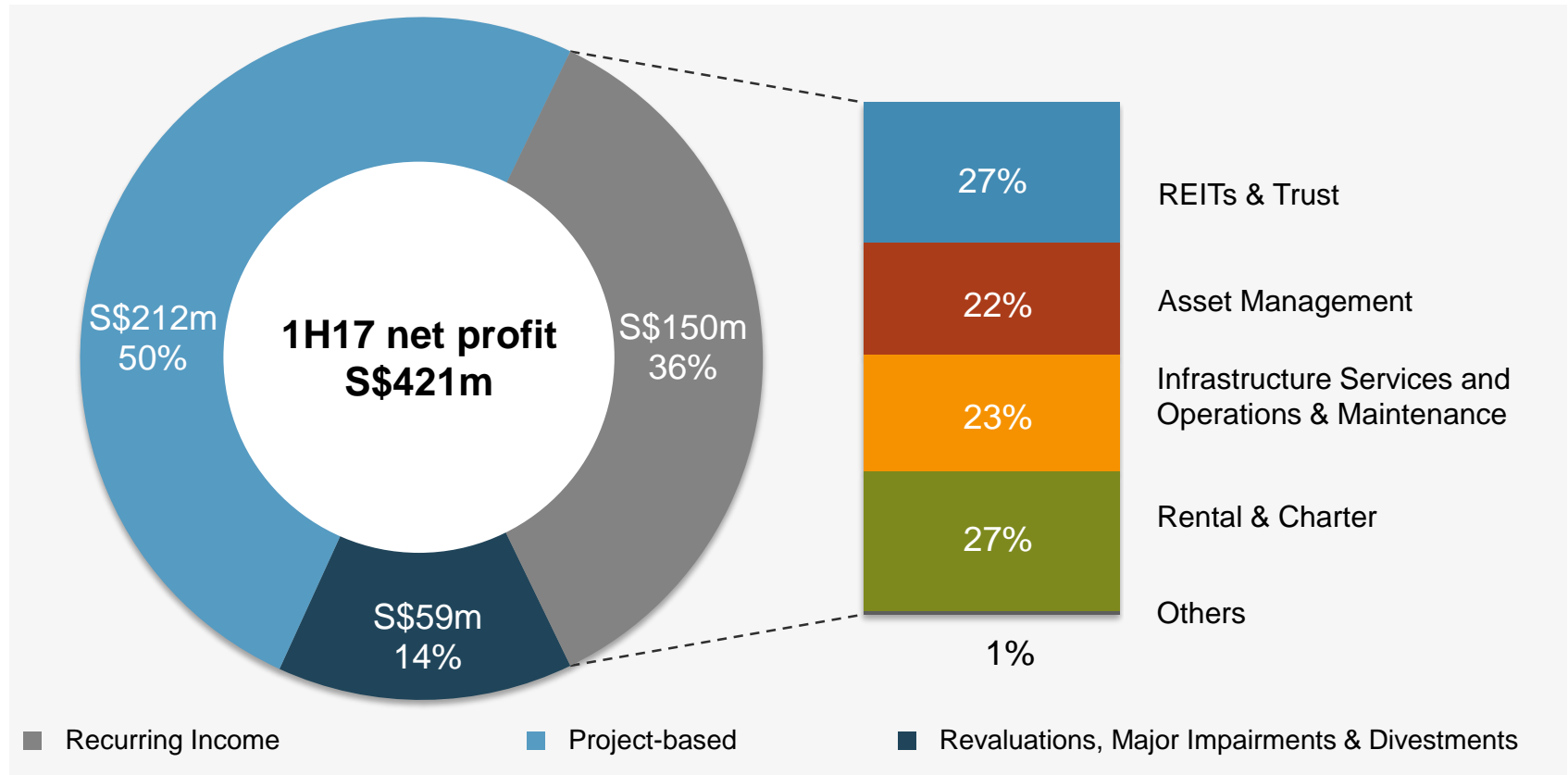
S\$421m, up 1% yoy



- Resilient operations backed by diverse businesses serving sustainable urbanisation needs
- Further growing contributions from Property, Infrastructure and Investments divisions
- Focused on expanding stable recurring income to fund capital spending and dividends for the long term

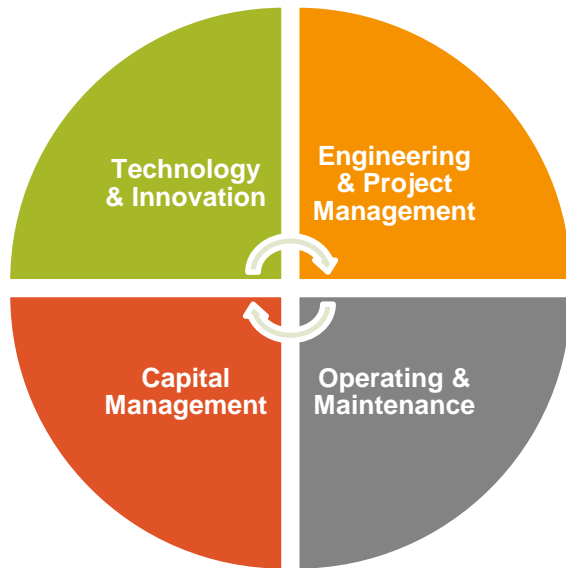
Multiple Earnings Streams

- Recurring income constituted 36% of 1H17 net profit



Harnessing Strengths, Multiplying Synergies

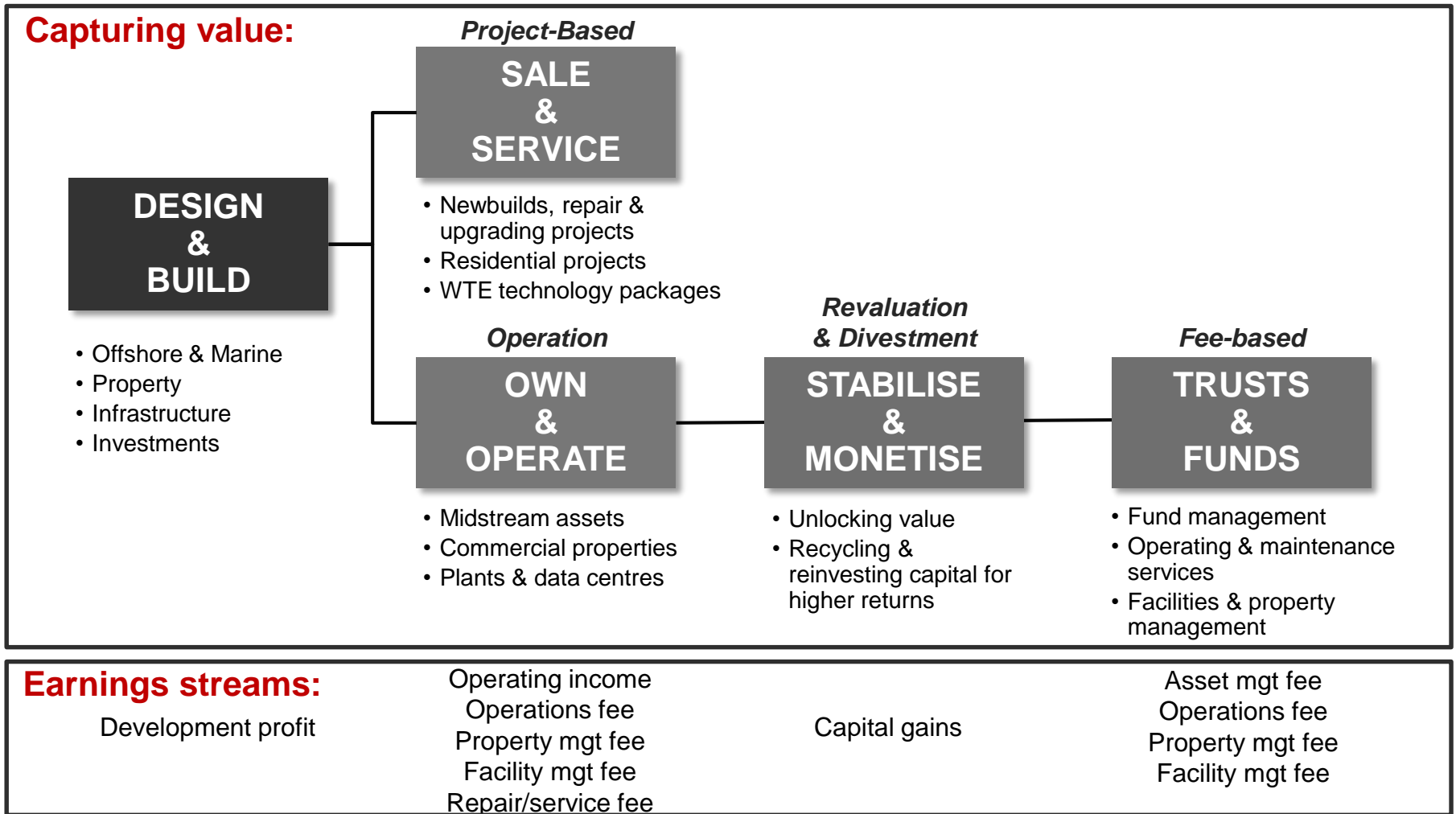
Core Strengths:



Building Strong Verticals + Collaboration:

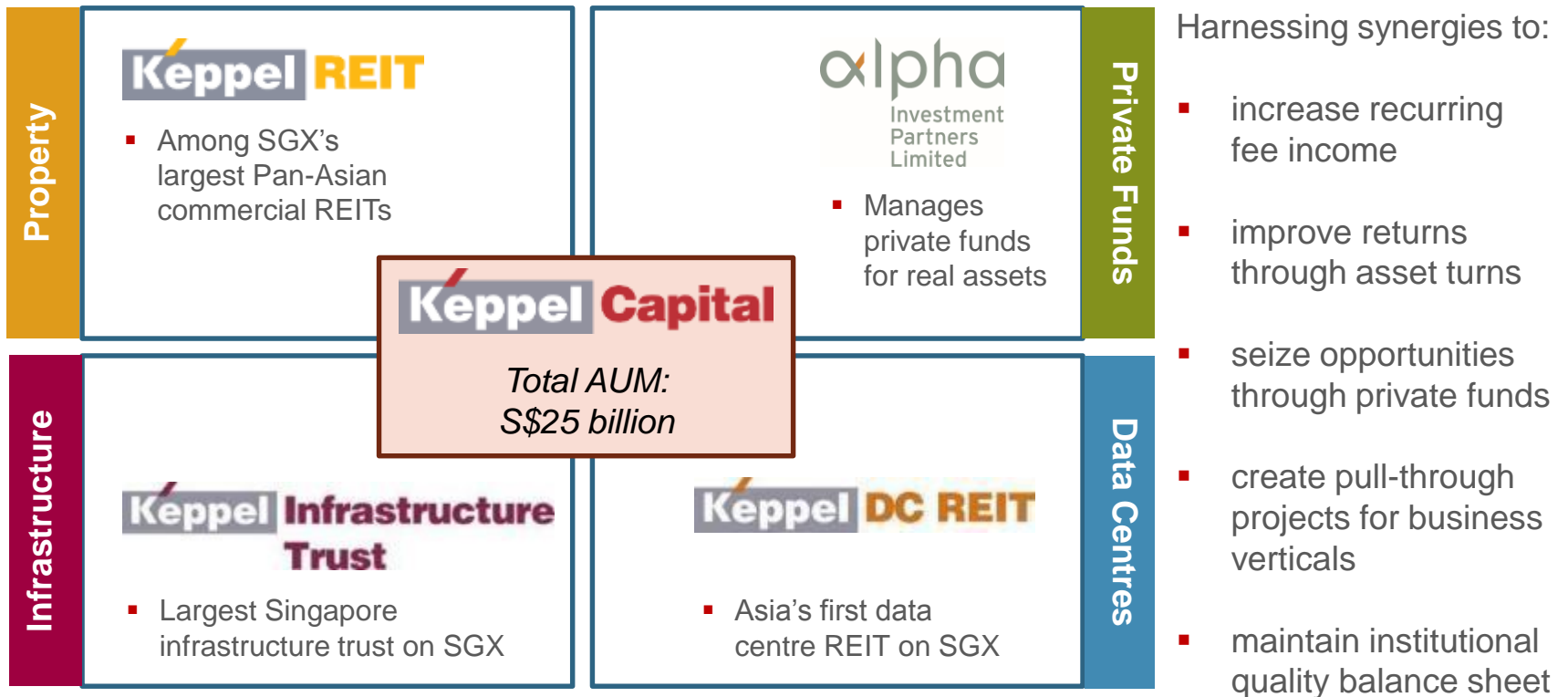


Creating & Capturing Sustainable Value



Fueling Growth through Asset Management

Aim to double Keppel Capital's AUM over next the five years.



Seizing Opportunities in Sustainable Urbanisation

Offshore & Marine

Gas value chain

- Liquefaction & regasification
- Transportation & bunkering

Specialised vessels

Re-purposing offshore technology

- Floating infrastructure assets



Infrastructure

Energy & environmental infrastructure

- Power and gas
- WTE, desalination & wastewater treatment
- District cooling and energy efficiency management

Connectivity

- Data centre development and management
- Urban logistics, e-commerce fulfilment



Property

Rising home-ownership aspirations in Asia

- Residential pipeline of >62,000 homes

Prime commercial portfolio

- ~1.5 million sm of commercial GFA, 2/3 of which is under development



Investments

Integrated asset management

- Asset management solutions for real assets across Property, Infrastructure, and even O&M sectors

Master developer of large-scale urban developments

- Sino-Singapore Tianjin Eco-City
- Jinan Smart City



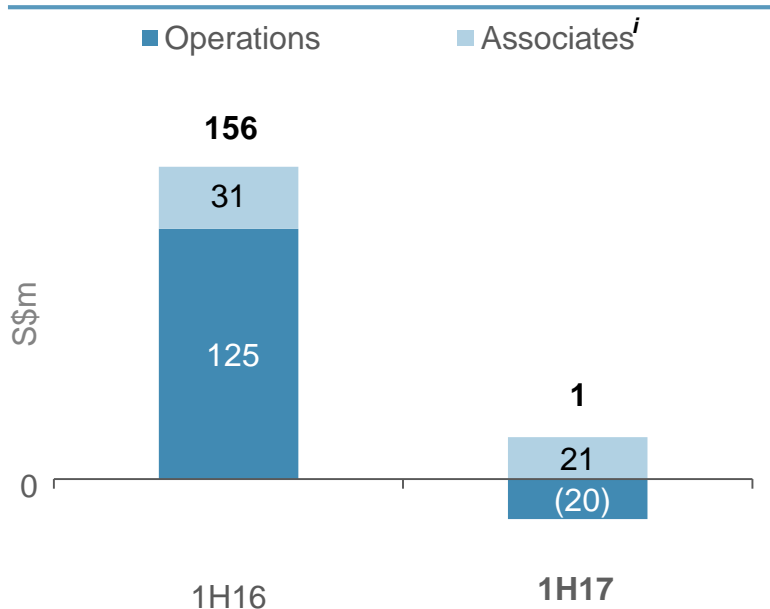
Address by CFO

1H 2017 Financial Performance

S\$m	<u>1H17</u>	<u>1H16</u>	<u>% Change</u>
Revenue	2,802	3,368	(17)
EBITDA	439	626	(30)
Operating Profit	326	512	(36)
Profit Before Tax	564	563	-
Net Profit	421	416	1
EPS (cents)	23.2	22.9	1

Offshore & Marine

1H17 net profit



S\$m	1H16	1H17	% Change
Revenue	1,538	932	(39)
Operating profit	203	36	(82)
Net profit	156	1	(99)

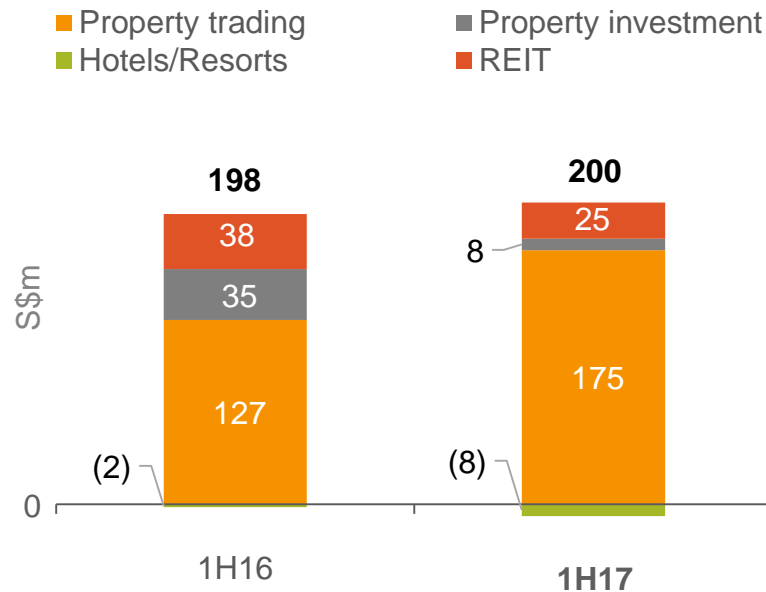
- Rightsizing efforts and associates' contributions helped Keppel O&M to break even
- YTD new contracts of ~S\$300m, comprising non-drilling solutions
- Net orderbookⁱⁱ of S\$3.4b as at end-Jun 2017

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

ⁱⁱ Excludes semis for Sete Brasil

Property

1H17 net profit



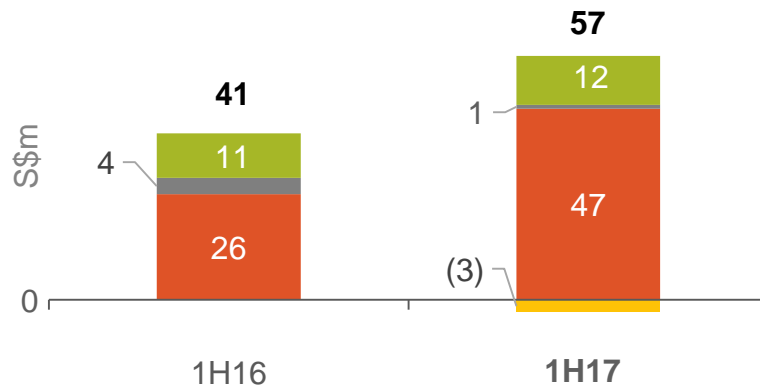
S\$m	1H16	1H17	% Change
Revenue	972	804	(17)
Operating Profit	210	171	(19)
Net Profit	198	200	1

- Sold 2,470 homes in 1H17, up 15% yoy
 - Steady sales in China of 1,810 units
 - 390 units sold in Vietnam, up ~4x yoy
 - 220 units sold in Singapore, up ~16% yoy
- ~5,860 overseas homes sold to be recognised upon completion from 3Q17 through 2019

Infrastructure

1H17 net profit

- Energy, environment & infrastructure services
- Data centres
- REIT & Trust
- Logistics and others

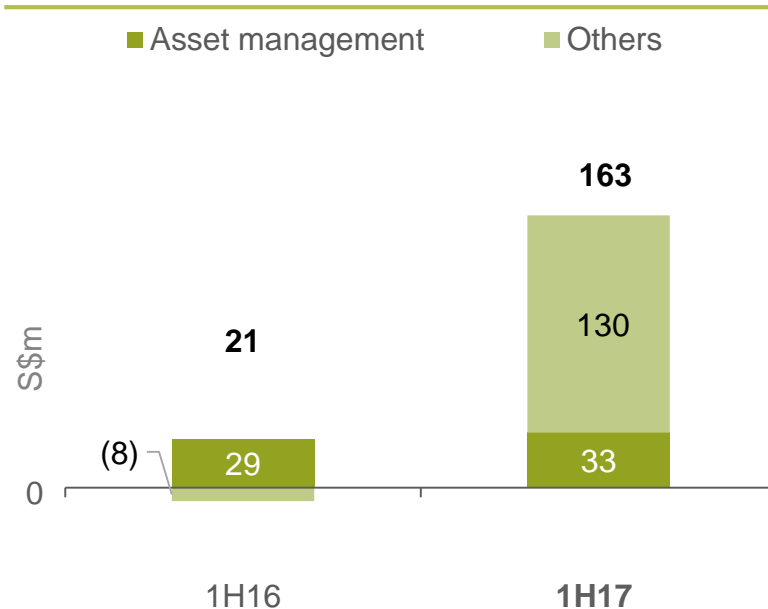


- Higher sales achieved in the power and gas businesses
- Gain on divestment of GE Keppel Energy Services
- Keppel DC Singapore 4 achieved TOP and has been injected into Alpha DC Fund

S\$m	1H16	1H17	% Change
Revenue	794	988	24
Operating Profit	39	49	26
Net Profit	41	57	39

Investments

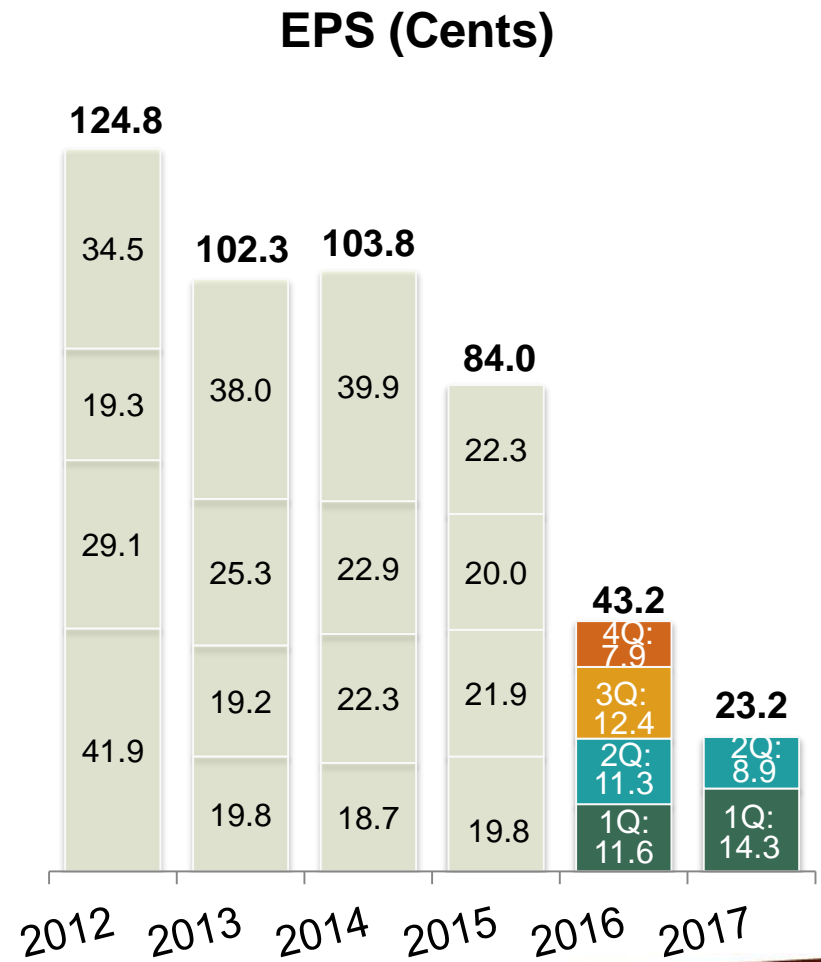
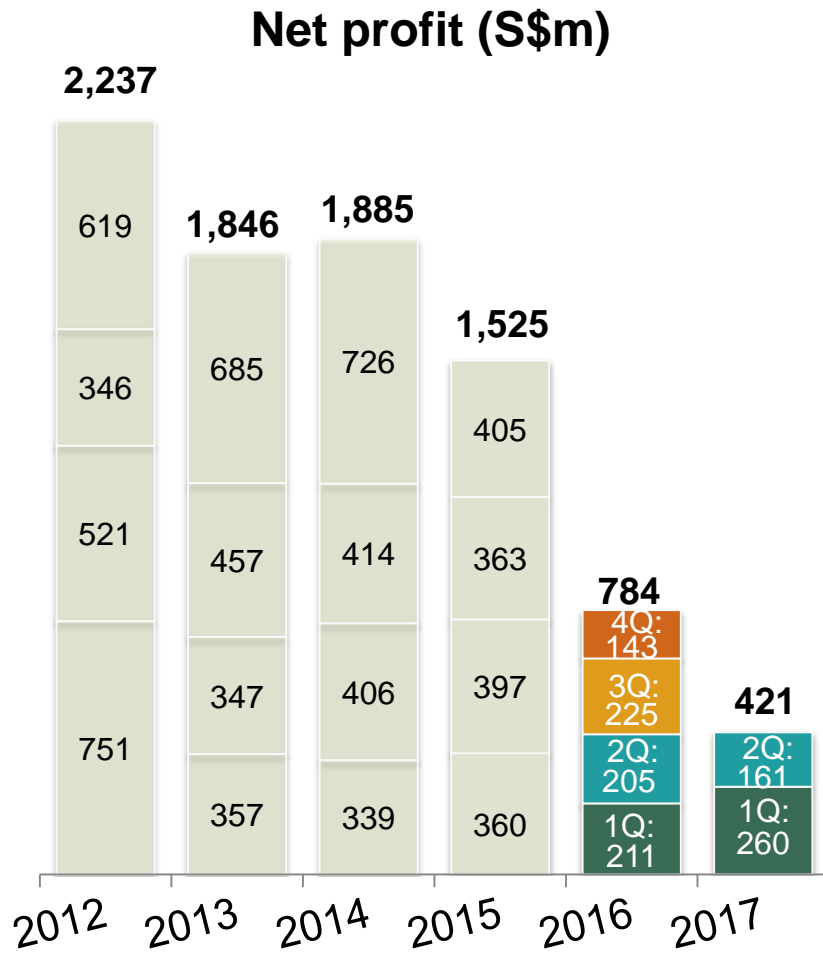
1H17 net profit



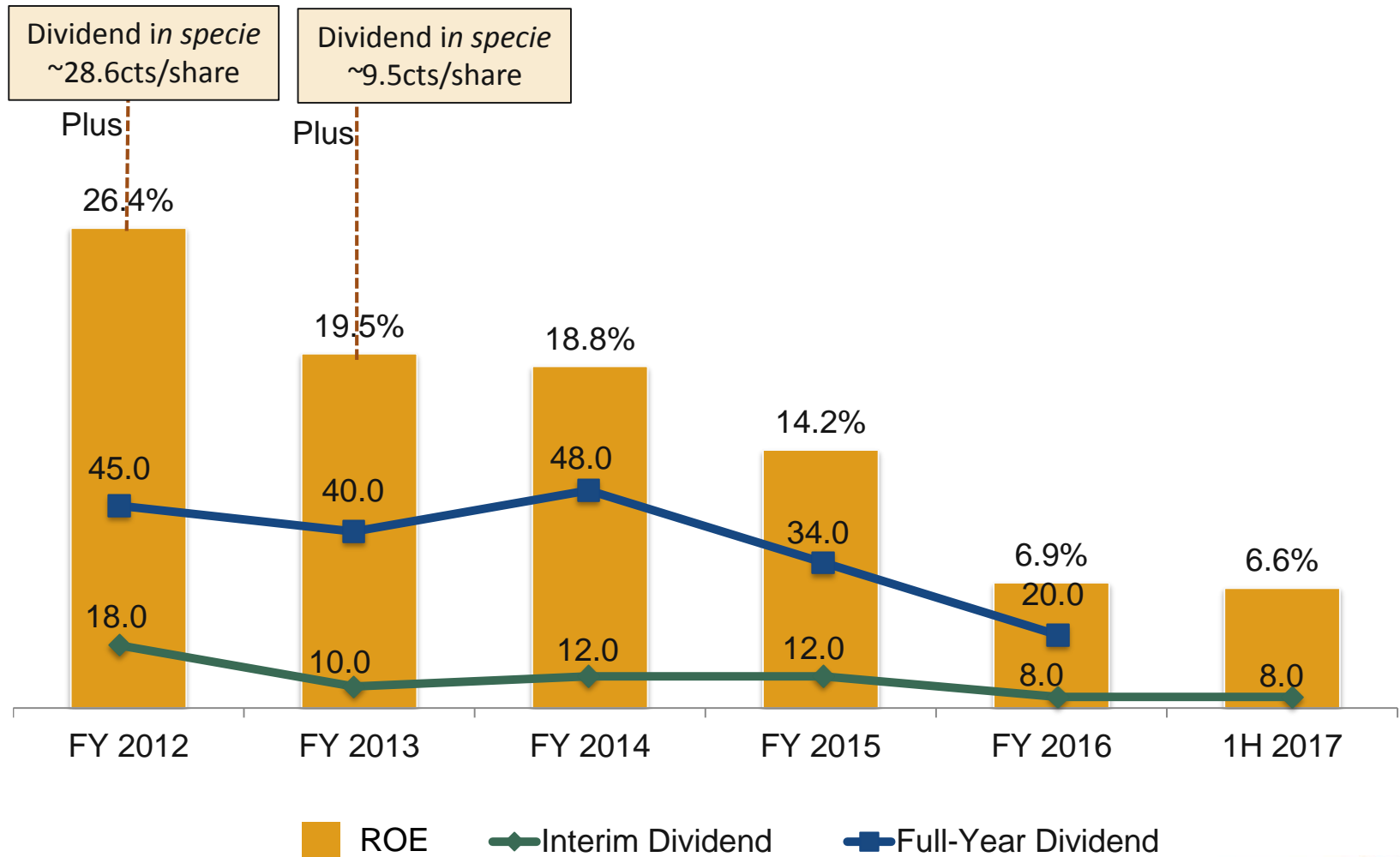
S\$m	1H16	1H17	% Change
Revenue	64	78	22
Operating Profit	60	70	17
Net Profit	21	163	>500

- Stable earnings from asset management
 - Alpha DC Fund secured capital commitments of close to US\$500m
- Stronger contribution from Sino-Singapore Tianjin Eco-City land sales

Net Profit & EPS



ROE & Dividend



Q&A

Additional Information

Key Financial Highlights

S\$m	FY16	FY15	% Chg	1H17	1H16	% Chg
Revenue	6,767	10,296	(34)	2,802	3,368	(17)
Operating Profit	795	1,514	(47)	326	512	(36)
Net Profit	784	1,525	(49)	421	416	1
EPS	43.2cts	84.0cts	(49)	23.2cts	22.9cts	1
Free Cash Inflow/(Outflow)	576	(694)	<i>n.m.</i>	237	(262)	<i>n.m.</i>
Annualised ROE	6.9%	14.2%	<i>Reduction of 730bps</i>	6.6%	7.4%	<i>Reduction of 80bps</i>
Net Gearing	0.56x	0.53x	<i>Increase of 0.03x</i>	0.58x	0.56x	<i>Increase of 0.02x</i>
Cash Dividend	20cts	34cts	(41)	8.0cts	8.0cts	-

Revenue by Segment

S\$m	FY16	<i>%</i>	FY15	<i>%</i>	1H17	<i>%</i>	1H16	<i>%</i>
Offshore & Marine	2,854	<i>42</i>	6,241	<i>60</i>	932	<i>33</i>	1,538	<i>46</i>
Property	2,035	<i>30</i>	1,823	<i>18</i>	804	<i>29</i>	972	<i>29</i>
Infrastructure	1,744	<i>26</i>	2,037	<i>20</i>	988	<i>35</i>	794	<i>23</i>
Investments	134	<i>2</i>	195	<i>2</i>	78	<i>3</i>	64	<i>2</i>
Total	6,767	<i>100</i>	10,296	<i>100</i>	2,802	<i>100</i>	3,368	<i>100</i>

Net Profit by Segment

S\$m	FY16	<i>%</i>	FY15	<i>%</i>	1H17	<i>%</i>	1H16	<i>%</i>
Offshore & Marine	29	<i>4</i>	482	<i>32</i>	1	<i>-</i>	156	<i>37</i>
Property	620	<i>79</i>	661	<i>43</i>	200	<i>47</i>	198	<i>48</i>
Infrastructure	99	<i>13</i>	197	<i>13</i>	57	<i>14</i>	41	<i>10</i>
Investments	36	<i>4</i>	185	<i>12</i>	163	<i>39</i>	21	<i>5</i>
Total	784	<i>100</i>	1,525	<i>100</i>	421	<i>100</i>	416	<i>100</i>

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.