

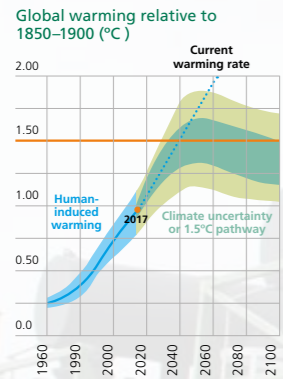
# Repositioning Sembcorp

We are repositioning for success in a rapidly changing world, building strong businesses that create value for our stakeholders and support a sustainable future.

## Our World

### Climate Change

Climate change is becoming a more pressing issue, and urgent action is needed to combat its impact.



### Sustainable Development

Growing recognition of the reality of climate change and increasing pressure on finite resources has underscored the importance of sustainable development.



### Market Disruption

Fast-changing trends, advances in technology and new business challenges are creating disruptions and opportunities in the marketplace.



### Technological Advancement

Digitalisation and technological advancement are disrupting and transforming almost every sector and fundamentally changing the way we live, work and operate.



## Our Strategy



Read more on pages 24 and 25

## Our Transformation Journey



## Our Priorities

## Our Progress

Performance		Utilities	Marine	Urban Development
<b>Lifting Performance and Returns</b>	<ul style="list-style-type: none"> <li>Profit growth of 123% from 2017, up 23% excluding exceptional items</li> <li>India turnaround to profitability</li> </ul>	<ul style="list-style-type: none"> <li>Work volume significantly below peak levels and competition remained intense</li> </ul>	<ul style="list-style-type: none"> <li>Net profit up 4% from 2017, second year of record earnings</li> <li>Record net orderbook secured, up 69% from 2017</li> </ul>	
<b>Reshaping Portfolio</b>	<ul style="list-style-type: none"> <li>Deepening presence in key markets of Singapore, India and the UK, notably in the gas &amp; power, renewables and flexible generation businesses</li> </ul>	<ul style="list-style-type: none"> <li>Moving up the value chain with entry into new product segments, such as renewable energy engineering solutions</li> </ul>	<ul style="list-style-type: none"> <li>Pursuing adjacencies and offering new business models such as specialised business hubs and smart developments</li> </ul>	
<b>Strengthening Balance Sheet</b>	<ul style="list-style-type: none"> <li>Unlocking value through divestments: cash proceeds of ~\$200 million in 2018</li> </ul>			
Sustainability				
<b>Establishing Climate Change Strategy</b>	<ul style="list-style-type: none"> <li>A climate change strategy was established with targets that include                             <ul style="list-style-type: none"> <li>Reducing greenhouse gas (GHG) emissions intensity to 0.42 tonnes of carbon dioxide equivalent per megawatt hour (tCO<sub>2</sub>e/MWh) by 2022 and to &lt;0.40 tCO<sub>2</sub>e/MWh by 2030</li> <li>Increasing renewables capacity to ~4,000 megawatts by 2022</li> </ul> </li> </ul>			
<b>Growing Renewables and Other Green Solutions</b>	<ul style="list-style-type: none"> <li>Renewable energy capacity now 2,600 megawatts, up ~20% from end-2017; entry into battery storage</li> </ul>	<ul style="list-style-type: none"> <li>A leading solar player in Singapore with over 120 megawatt peak capacity</li> </ul>	<ul style="list-style-type: none"> <li>More than 1,700 megawatts of renewable energy capacity in India; first to deliver a SECI wind project</li> </ul>	
<b>Embedding Sustainability in the Organisation</b>	<ul style="list-style-type: none"> <li>New Key Performance Indicator Framework incorporates Environmental, Social &amp; Governance (ESG) components</li> </ul>			
Dynamic Organisation				
<b>Building and Deepening Capabilities</b>	<ul style="list-style-type: none"> <li>Building leadership bench strength</li> </ul> <p><b>Augmenting Capabilities:</b></p> <ul style="list-style-type: none"> <li>Merchant &amp; Retail</li> <li>Digital &amp; Technology</li> <li>Risk Management &amp; Compliance</li> </ul>			
<b>Digitalising and Entrenching Innovation</b>	<ul style="list-style-type: none"> <li>Establishing a strong and secure IT foundation</li> </ul>	<ul style="list-style-type: none"> <li>Digitising the business to improve efficiency, productivity and customer experience</li> </ul>	<ul style="list-style-type: none"> <li>Embedding innovation in our business by developing differentiated solutions</li> </ul>	