



1Q2015 Results Announcement

May 7, 2015

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1Q2015 Performance Round-up



Turnover at S\$2.3 billion, down 11%

Profit from Operations at S\$253.7 million, down 16%

Net Profit at S\$142.2 million, down 23%

EPS at 7.8 cents

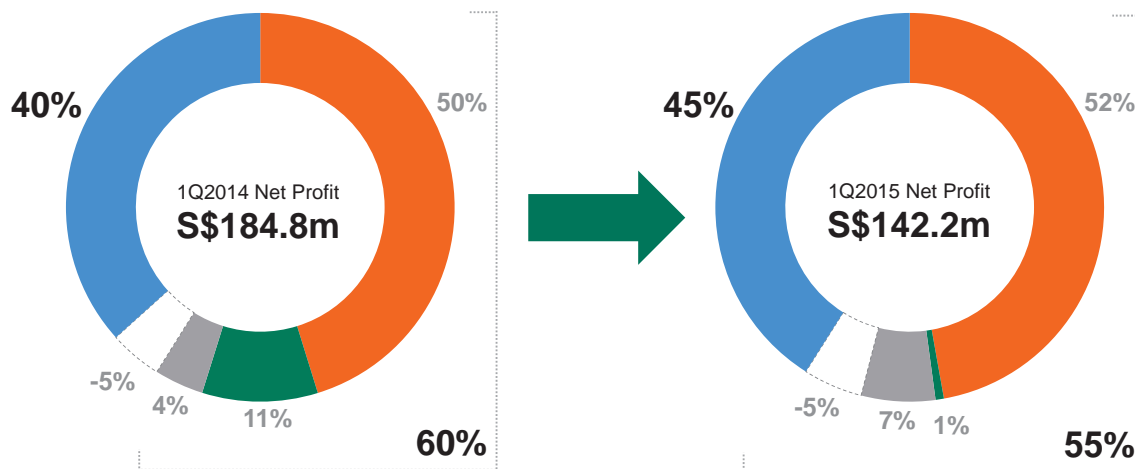
ROE (annualised) at 9.7%

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Group Net Profit Mix



- ▶ Utilities
- ▶ Marine
- ▶ Urban Development
- ▶ Other Businesses
- ▶ Corporate



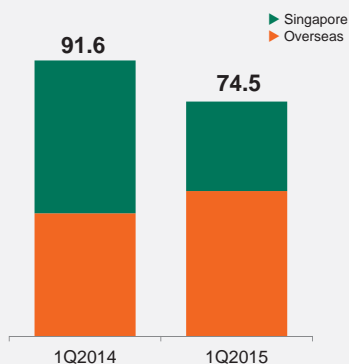
Utilities



Building the foundation for long-term growth

Net Profit
S\$74.5 million ↓ 19%

- Singapore operations impacted by lower contracted retail power prices
- Overseas operations performed well



Highlights

Continued intense competition in the Singapore power market

- Negative pool spark spreads
- Lower contracted retail prices
- Vesting contract levels have fallen from 40% to 30% in 1H2015, and will fall further to 25% in 2H2015

Overseas growth strategy on track

- **India:** TPCIL's first 660 MW unit synchronised to the grid and commenced operation. Sembcorp Green Infra commissioned 64 MW of wind power capacity, bringing total in operation to 580 MW
- **China:** 48 MW wind power capacity expansion in Hebei commenced operation. Government approval received to expand capacity by another 150 MW
- **New beachhead:** Received Notice of Award for 225 MW gas-fired Myingyan IPP project in Mandalay, Myanmar

Value accretive divestment

- UK municipal water operations divested for an enterprise value of £191.5 million (approximately S\$393 million). Net gain to be recognised in 2Q2015

Utilities



Notice of Award received to develop the largest gas-fired independent power plant in Myanmar

Strong backing from multi-lateral agencies

Demonstrates Sembcorp's strong project development capabilities

22-year power purchase agreement with Myanma Electric Power Enterprise* to be signed

Commercial operations: 2017

Total project cost: US\$300 million

MYANMAR



Myingyan IPP
225 MW gas-fired
Build-Operate-Transfer
power project

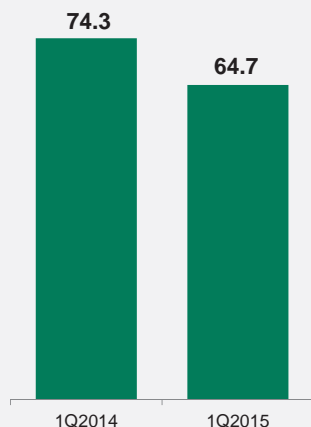
*A division under the Ministry of Electric Power of Myanmar

Marine



Orderbook visibility

Net Profit*
S\$64.7 million ↓ 13%



*Sembcorp's share of Marine's net profit

1Q2015 Updates

FSO conversion contract secured from Teekay Offshore Partners

- Conversion of a shuttle tanker into a floating storage and offloading (FSO) vessel
- Contract worth S\$56 million
- FSO to be deployed in the North Sea on completion

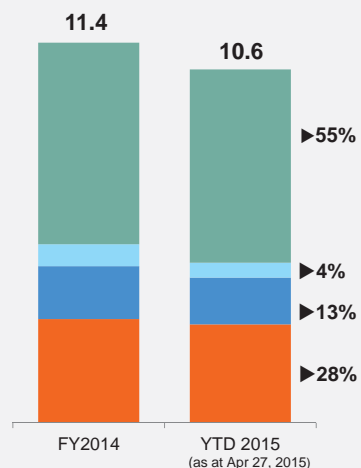
Exclusive letter of intent for a new semi-submersible crane vessel signed with Heerema Offshore Services

Completions and deliveries in 1Q2015:

- Prosafe accommodation semi-submersible
- Hakuryu jack-up rig

Net Orderbook (as at Apr 27, 2015) S\$10.6 billion with completions & deliveries till 2019

- ▶ Drillships
- ▶ Semi-submersible Rigs
- ▶ Jack-up Rigs
- ▶ Offshore Conversions & Platforms

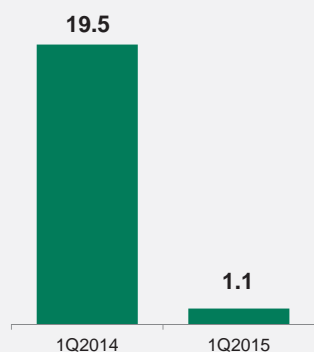


China and Indonesia land sales expected from 2Q2015

Net Profit

S\$1.1 million ↓ 95%

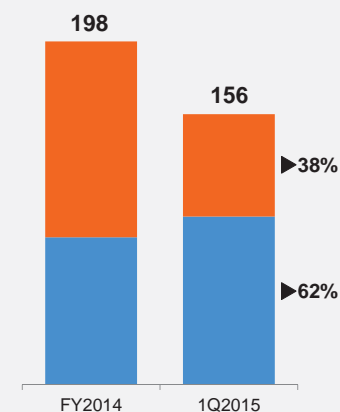
- Deferred recognition of Nanjing land sales profit to 2Q2015



Net Orderbook 156 hectares

- Good interest for industrial land in Vietnam

Commercial & Residential
Industrial



Highlights

VIETNAM

- Strong demand for industrial land in Northern Vietnam
- Developing 6th VSIP in Hai Duong province, along the Hanoi-Hai Phong economic corridor. Gross land area of 150 hectares

CHINA

- Good pipeline of customers in Nanjing and Chengdu, expected to translate into sales this year
- Strong market response to developer property launches in Nanjing Eco Island
- Awarded land to develop Riverside Quay, a 5.7-hectare mixed-use development on Nanjing Eco Island

Financial Review

Group Profit & Loss



(S\$M)	1Q15	1Q14	Δ%
Turnover	2,338	2,627	(11)
EBITDA ¹	304	324	(6)
Profit from Operations	254	301	(16)
EBIT	214	248	(14)
Share of results: Associates & JVs	40	53	(25)
Net Finance Cost	(26)	(13)	(95)
Finance costs	(32)	(18)	(74)
Finance income	6	5	16
PBT	228	288	(21)
Tax	(40)	(43)	6
Non-Controlling Interests	(46)	(60)	24
Net Profit	142	185	(23)
EPS (cents)	7.8	10.3	(24)

¹ EBITDA excludes major non-cash items such as the effects of fair value adjustments, re-measurements, impairments and write-offs.

Group Turnover



(S\$M)	1Q15	1Q14	Δ%
Utilities	958	1,214	(21)
Marine	1,304	1,334	(2)
Urban Development ¹	1	1	8
Other Businesses	75	78	(4)
TOTAL TURNOVER	2,338	2,627	(11)

¹ Urban Development businesses comprise mainly associates or joint ventures which are accounted for under the equity method. The turnover reflected was derived from providing services to these associates or joint ventures.

Group Profit from Operations (PFO)



(S\$M)	1Q15	1Q14	Δ%
Utilities	107.0	121.1	(12)
Marine	142.2	154.3	(8)
Urban Development	2.1	20.2	(89)
Other Businesses	8.0	9.8	(18)
Corporate	(5.6)	(4.5)	(25)
TOTAL PFO	253.7	300.9	(16)

Group Net Profit

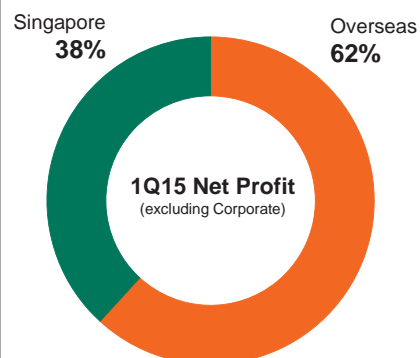


(S\$M)	1Q15	1Q14	Δ%
Utilities	74.5	91.6	(19)
Marine	64.7	74.3	(13)
Urban Development	1.1	19.5	(95)
Other Businesses	9.7	8.3	18
Corporate	(7.8)	(8.9)	13
TOTAL NET PROFIT	142.2	184.8	(23)

Utilities Net Profit



By Geography (\$M)	1Q15	1Q14	Δ%
Singapore ¹	30.9	52.8	(42)
Rest of ASEAN, Australia & India	12.1	12.2	(1)
China	19.9	17.2	16
Middle East & Africa	8.7	7.0	24
UK	5.3	3.8	39
The Americas	4.1	2.2	87
Corporate	(6.5)	(3.6)	(80)
TOTAL NET PROFIT	74.5	91.6	(19)

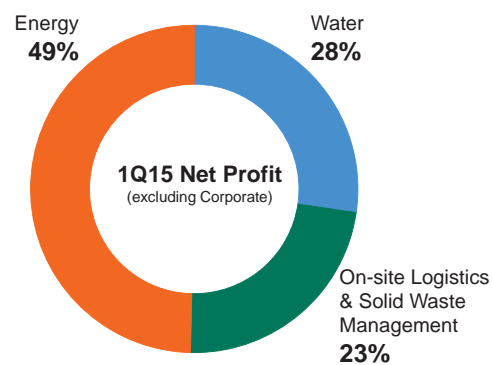


¹ Singapore: Net Profit breakdown	1Q15	1Q14	Δ%
Energy	12.2	37.1	(67)
Water	8.9	7.2	24
On-site Logistics & Solid Waste Management	9.8	8.5	15

Utilities Net Profit



By Product Segment (\$M)	1Q15	1Q14	Δ%
Energy	39.6	59.2	(33)
Water	22.4	18.1	24
On-site Logistics & Solid Waste Management	19.0	17.9	6
Corporate	(6.5)	(3.6)	(80)
TOTAL NET PROFIT	74.5	91.6	(19)



Group Capex and Equity Investment



(S\$M)	1Q15	1Q14
Capital Expenditure		
- Utilities	179.3	43.2
- Marine	204.4	169.8
- Urban Development / Other Businesses	1.4	1.3
	385.1	214.3
Equity Investment		
- Utilities	314.7	136.6

Group Free Cash Flow



(S\$M)	1Q15	1Q14
CASH FLOW FROM OPERATING ACTIVITIES		
- before changes in working capital	319	330
- changes in working capital	(146)	487
- tax paid	(21)	(21)
	152	796
CASH FLOW FROM INVESTING ACTIVITIES		
- divestments, dividend and interest income	25	41
- investments, capex and non-trade balances*	(725)	(422)
	(700)	(381)
- Add back: expansion capex	611	313
FREE CASH FLOW	63	728

* Payables for capital works / fixed assets

Group Borrowings



(S\$M)	Mar 31,15	D/C ratio*	Dec 31,14	D/C ratio*
Gross Debt				
Corporate debt	1,417	0.11	1,322	0.11
Project finance debt	2,094	0.16	1,680	0.14
Sembcorp Marine debt	2,035	0.15	1,741	0.15
	5,546	0.42	4,743	0.40
Less: Cash and cash equivalents	(1,598)		(1,661)	
Net debt	3,948	0.30	3,082	0.26

*Total Debt-to-Capitalisation ratio

Financial Indicators



	1Q15	1Q14	FY14
EPS (cents)	31.3*	41.0*	44.3
ROE (%)	9.7*	13.5*	15.2
ROTA (%)	4.9*	7.5*	7.5
Interest Cover (times)	9.7	17.8	20.8
Per Share			
NAV (S\$)	3.31	3.04	3.15
Economic Value Added			
EVA (S\$M)	(5.5)	115.6	524.7

* Annualised

Utilities

2015 is expected to be challenging for the Singapore energy business with continued intense competition in the power market as well as low oil prices. The overseas business is expected to continue to deliver a steady performance. During the quarter, the first unit of TPCIL power plant in India commenced operation, and the plant will be in full operation by the end of 2015.

Marine

The ongoing cutback in global exploration and production expenditure has resulted in the scarcity of new orders for the industry this year. Competition for new projects remains intense. The Marine business expects to face a challenging year ahead.

Meanwhile, Brazil's oil and gas industry continues to be mired in uncertainty. The Marine business continues to engage with customers to find the best way forward for the drillship projects and is exploring all options including slowing down the construction.

The Marine business' net orderbook to-date stands at S\$10.6 billion with deliveries stretching into 2019.

Urban Development

In 2015, the Urban Development business is expected to deliver a performance comparable to 2014.

Group

Despite the challenges of a low oil price environment and a mixed global economic outlook for 2015, the Group, underpinned by sound business fundamentals and a healthy pipeline of projects, remains committed to delivering long-term value and growth.

The Group remains focused on project execution, as well as on enhancing operational excellence and efficiency, to manage costs and maximise earnings.



Vital Partners. Essential Solutions.

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Appendix

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Utilities Turnover

By Geography (S\$M)	1Q15	1Q14	Δ%
Singapore	772.4	1,035.7	(25)
Rest of ASEAN, Australia & India	12.4	1.3	840
China	38.0	34.7	10
Middle East & Africa	25.4	22.1	15
UK	102.8	116.7	(12)
The Americas	13.7	12.1	13
Corporate	-	0.2	NM
TOTAL TURNOVER	964.7	1,222.8	(21)

Note: Figures are stated before intercompany eliminations

Utilities Profit From Operations (PFO)



By Geography (S\$M)	1Q15	1Q14	Δ%
Singapore	47.4	73.0	(35)
Rest of ASEAN, Australia & India	16.7	12.2	37
China	22.4	20.1	12
Middle East & Africa	9.8	8.1	21
UK	10.0	9.0	11
The Americas	4.1	1.7	139
Corporate	(3.4)	(3.0)	(14)
TOTAL PFO	107.0	121.1	(12)

Utilities Turnover



By Product Segment (S\$M)	1Q15	1Q14	Δ%
Energy	765.0	1,026.2	(25)
Water	115.0	109.3	5
On-site Logistics & Solid Waste Management	84.7	87.1	(3)
Corporate	-	0.2	NM
TOTAL TURNOVER	964.7	1,222.8	(21)

Note: Figures are stated before intercompany eliminations

Utilities Profit From Operations (PFO)



By Product Segment (S\$M)	1Q15	1Q14	Δ%
Energy	54.2	75.3	(28)
Water	33.1	27.5	20
On-site Logistics & Solid Waste Management	23.1	21.3	8
Corporate	(3.4)	(3.0)	(14)
TOTAL PFO	107.0	121.1	(12)