



9M2016 Results Announcement

October 27, 2016

© Sembcorp Industries 2016

9M2016 Performance Round-up



Turnover at S\$5.9 billion, down 18%

Profit from Operations at S\$617.1 million, down 25%

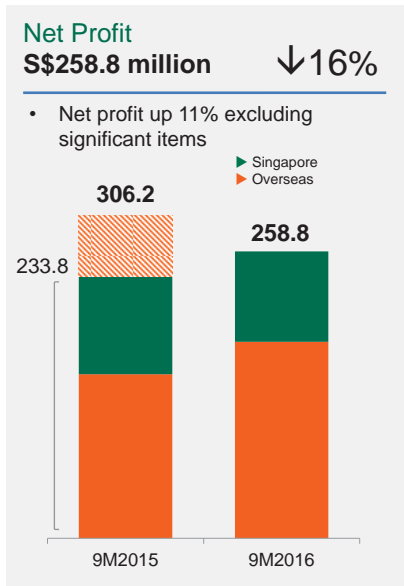
Net Profit at S\$247.4 million, down 49%

EPS at 12.2 cents

ROE (annualised) at 5.2%

© Sembcorp Industries 2016

Growing overseas contribution



Highlights

Healthy 9M2016 performance

- 9M2016 net profit up 11% excluding significant items recorded in 9M2015
- Overseas operations delivered a 20% growth in net profit to S\$200.6 million, driven by better performance from China, India and the Middle East

Progress on overseas projects

India

- TPCIL operational performance: 3Q2016 average plant load factor at 80% and 2,343 million units generated
- Refinancing documents for TPCIL's project finance debt signed on October 24
- SGPL's Unit 3 commercial operations date (COD) expected in 4Q2016. Unit 4 COD expected early 2017

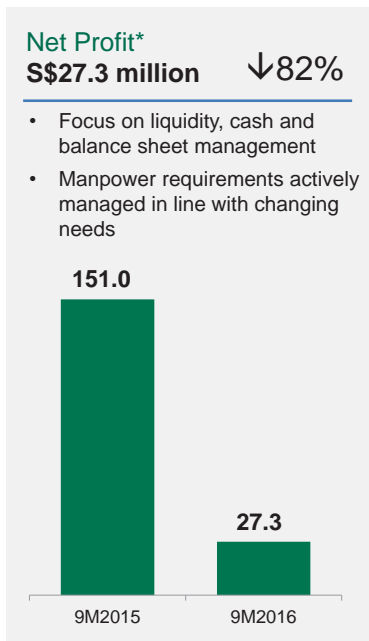
China

- 1,320MW Chongqing power plant construction ahead of schedule. 1st unit expected to COD in 4Q2016

Bangladesh

- Signed key project and financing agreements for the 426MW Sirajganj (S4) power project

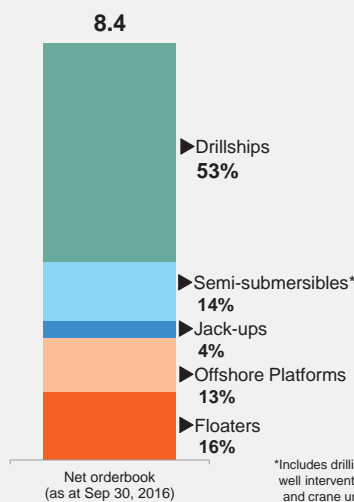
Challenging macro environment



Net Orderbook (as at Sep 30, 2016)

S\$8.4 billion

- Excluding the Sete Brasil drillships, net orderbook at S\$5.2 billion



Highlights

Focusing on technology solutions

Diversifying product capabilities



Gravifloat
 Modularised LNG and LPG terminals



Aragon
 Process technology solutions for gas processing and FLNG markets



LMG Marin
 Advanced ship design & engineering



SSP
 Next-generation circular hull forms

Urban Development

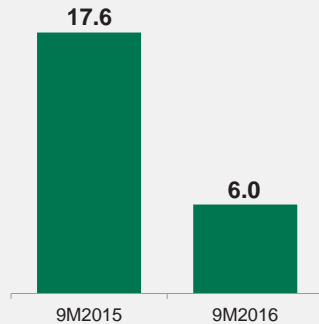


Better performance expected in 4Q2016

Net Profit

S\$6.0 million ↓66%

- Vietnam performance offset by weak Nanjing contribution and higher costs
- Sold 12 hectares of C&R land in Chengdu. Net profit to be recognised in 4Q

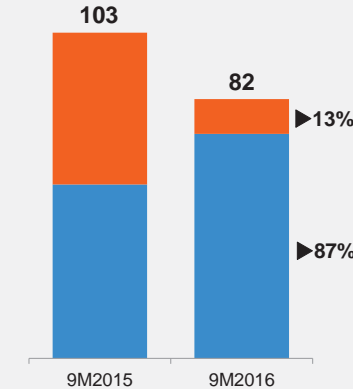


Land Sales

82 hectares

- Industrial land sales momentum continues in Vietnam, driven by strong macroeconomic outlook

▶ Commercial & Residential
▶ Industrial & Business

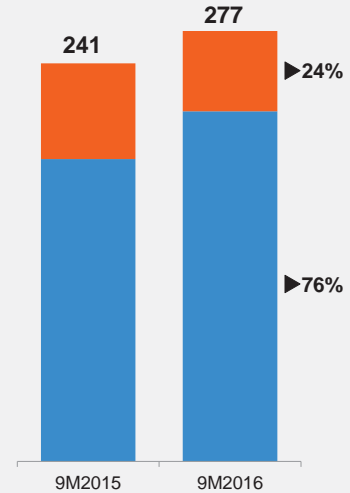


Net Orderbook

277 hectares

- Healthy orderbook for VSIP and Chengdu

▶ Commercial & Residential
▶ Industrial & Business



Sembcorp Group

Responding to near-term challenges, building the future



Weather the storm, emerge stronger as a Group

Key Priorities

1

Manage Costs

Optimise our operations & resources

2

Prudent Financial Management

Maintain financial flexibility

3

Focus on Delivery

Ensure safe and excellent project development & execution

4

Pursue Opportunities

Enhance competitiveness and build platforms for future growth

Financial Review

© Sembcorp Industries 2016

Group Profit & Loss

(S\$M)	9M16	9M15	Δ%
Turnover	5,881	7,125	(18)
EBITDA*	925	1,039	(11)
Profit from Operations	617	825	(25)
EBIT	540	705	(23)
Share of results: Associates & JVs	77	120	(36)
Net Finance Cost	(245)	(132)	(85)
Finance costs	(268)	(152)	(76)
Finance income	23	20	16
PBT	372	693	(46)
Tax	(88)	(93)	5
Non-Controlling Interests	(37)	(112)	67
Net Profit	247	488	(49)
EPS (cents)	12.2	26.3	(54)

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

Group Turnover



(S\$M)	9M16	9M15	Δ%
Utilities	2,988	3,241	(8)
Marine	2,714	3,640	(25)
Urban Development*	4	5	(17)
Other Businesses	175	239	(27)
TOTAL TURNOVER	5,881	7,125	(18)

* 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)	9M16	9M15	Δ%
Utilities	528.9	472.3	12
Marine	125.3	320.0	(61)
Urban Development	9.2	20.7	(55)
Other Businesses	18.0	27.9	(36)
Corporate*	(64.3)	(15.6)	(312)
TOTAL PFO	617.1	825.3	(25)

*Includes a fair value loss of S\$51.9 million due to the decline in the share price of Gallant Venture, which is classified as an available-for-sale financial asset. Excluding this, Corporate costs in 9M16 would have been S\$12.4 million.

Group Net Profit



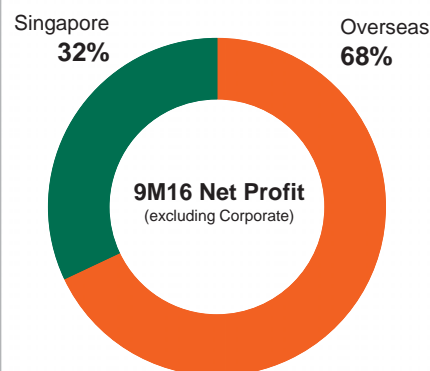
(S\$M)	9M16	9M15	Δ%
Utilities	258.8	306.2	(16)
Marine	27.3	151.0	(82)
Urban Development	6.0	17.6	(66)
Other Businesses	19.3	32.3	(40)
Corporate*	(64.0)	(19.0)	(236)
TOTAL NET PROFIT	247.4	488.1	(49)

*Includes a fair value loss of S\$51.9 million due to the decline in the share price of Gallant Venture, which is classified as an available-for-sale financial asset. Excluding this, Corporate costs in 9M16 would have been S\$12.1 million.

Utilities Net Profit



By Geography (S\$M)	9M16	9M15	Δ%
Singapore*	92.4	99.4	(7)
China	85.9	65.1	32
India	21.0	(9.8)	NM
Rest of Asia**	17.9	42.7	(58)
Middle East & Africa	43.2	36.4	19
UK & the Americas**	32.6	33.1	(2)
Corporate	(34.2)	(33.1)	(3)
Net Profit before significant item	258.8	233.8	11
Significant item***	-	72.4	NM
TOTAL NET PROFIT	258.8	306.2	(16)



* Singapore: Net Profit breakdown	9M16	9M15	Δ%
Energy	34.3	35.5	(3)
Water	22.2	25.8	(14)
On-site Logistics & Solid Waste Management	35.9	38.1	(6)

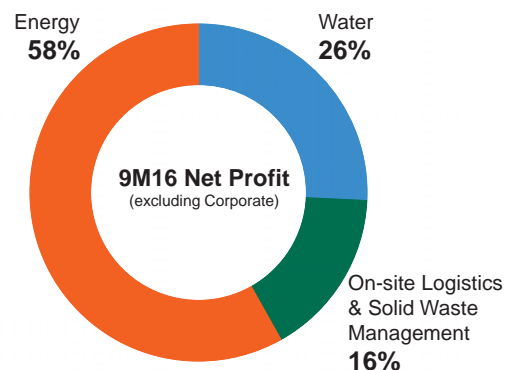
** 9M2015 net profit included S\$20.4 million contribution from SembSITA Pacific (SembSITA) under Rest of Asia, and S\$2.9 million from Sembcorp Bournemouth Water Investment (SBWI) under UK & the Americas. SBWI and SembSITA were divested in April and November 2015 respectively

*** Divestment gain from the sale of Sembcorp Bournemouth Water Investment and Zhumadian China Water

Utilities Net Profit



By Product Segment (S\$M)	9M16	9M15	Δ%
Energy	170.9	135.8	26
Water*	75.6	60.2	26
On-site Logistics & Solid Waste Management**	46.5	70.9	(34)
Corporate	(34.2)	(33.1)	(3)
Net Profit before significant item	258.8	233.8	11
Significant item***	-	72.4	NM
TOTAL NET PROFIT	258.8	306.2	(16)



*9M2015 net profit included S\$2.9 million from Sembcorp Bournemouth Water Investment (SBWI), which was divested in April 2015

**9M2015 net profit included S\$20.4 million contribution from SembSITA Pacific (SembSITA), which was divested in November 2015

*** Divestment gain from the sale of Sembcorp Bournemouth Water Investment and Zhumadian China Water

Group Capex and Equity Investment



(S\$M)	9M16	9M15
Capital Expenditure		
– Utilities	350.8	448.5
– Marine	268.5	702.8
– Urban Development / Other Businesses	9.5	8.0
	628.8	1,159.3
Equity Investment		
– Utilities	72.6	383.9
– Marine	81.4	-
– Urban Development	9.6	8.3
	163.6	392.2

Group Free Cash Flow



(S\$M)	9M16	9M15
CASH FLOW FROM OPERATING ACTIVITIES		
- before changes in working capital	931	1,025
- changes in working capital	214	(1,067)
- tax paid	(62)	(120)
	1,083	(162)
CASH FLOW FROM INVESTING ACTIVITIES		
- divestments, dividend and interest income	128	273
- investments, capex and non-trade balances*	(794)	(1,501)
	(666)	(1,228)
- Add back: expansion capex	697	1,454
FREE CASH FLOW	1,114	64

* Payables for capital works / fixed assets

Group Borrowings



(S\$M)	Sep 30,16	D/C ratio*	Dec 31,15	D/C ratio*
Gross Debt				
Corporate debt	1,108	0.07	1,197	0.08
Project finance debt	3,518	0.21	2,256	0.15
Sembcorp Marine debt	4,108	0.25	3,380	0.23
	8,734	0.53	6,833	0.46
Less: Cash and cash equivalents	(2,094)		(1,606)	
Net debt	6,640	0.40	5,227	0.35

*Total Debt-to-Capitalisation ratio

Financial Indicators



	9M16	9M15	FY15
EPS (cents)	16.3*	35.1*	29.2
ROE (%)	5.2*	11.1*	9.4
ROTA (%)	3.5*	5.5*	3.7
Interest Cover (times)	3.4	6.6	7.2
Per Share			
NAV (S\$)	3.58	3.64	3.60

* Annualised

Group Outlook



Utilities

The Singapore utilities business continues to face intense competition in the power market.

In India, the SGPL power plant will be completed by the end of the year. SGPL is working to secure long-term power purchase agreements. TPCIL will see a full year's contribution underpinned by secured long-term contracts.

Meanwhile, Utilities' operations in China are expected to deliver a better performance than 2015.

Marine

The global oil and gas industry remains subdued and uncertain. Receipts from project deliveries and achievements of progress milestones have improved Sembcorp Marine's cash flow and balance sheet during the quarter. The business will continue to focus on liquidity, costs and balance sheet management. This includes active management of its manpower requirements in line with changing needs.

Sembcorp Marine expects to navigate these tough times, having gone through several down-cycles in the past. With a strong core team and strategic investments in infrastructure and technology built over the years, the business is more resilient and better positioned to capture new opportunities.

Urban Development

The Urban Development business is expected to deliver a steady operating performance in 2016.

Group

The current market environment remains challenging. With our strategic presence in key emerging markets and strong capabilities, the Group is confident that it will continue to create and deliver long-term value and growth.



Vital Partners. Essential Solutions.

Disclaimer



This presentation contains certain statements that are not statements of historical fact, i.e. forward-looking statements. These forward-looking statements are based on current expectations, projections and assumptions about future events. Although Sembcorp Industries believes that these expectations, projections and assumptions are reasonable, these forward-looking statements are subject to the risks (whether known or unknown), uncertainties and assumptions about Sembcorp Industries and its business operations, such as (without limitation) the general economic and business conditions in Singapore, the Asia-Pacific region and elsewhere; currency fluctuations between the Singapore dollar and other currencies; governmental, statutory, regulatory or administrative initiative affecting our business; industry trends; future levels and composition of our assets and liabilities; future profitability of our operations; competition; changes in Singapore tax or similar laws or regulations; changes in, or the failure to comply with, governmental regulations, including exchange control regulations, if any.

You are advised not to place undue reliance on these forward-looking statements as the forward-looking events referred to in this presentation may differ materially or not occur due to these risks, uncertainties and assumptions.

Investors should assume that the information in this presentation is accurate only as of the date it is issued. Sembcorp Industries has no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.



Appendix

Group Profit & Loss



(S\$M)	3Q16	3Q15	Δ%
Turnover	2,140	2,399	(11)
EBITDA*	326	324	-
Profit from Operations	171	207	(17)
EBIT	168	186	(10)
Share of results: Associates & JVs	3	21	(84)
Net Finance Cost	(83)	(57)	(46)
Finance costs	(90)	(65)	(39)
Finance income	7	8	(10)
PBT	88	150	(41)
Tax	(30)	(11)	(174)
Non-Controlling Interests	(4)	(17)	76
Net Profit	54	122	(56)
EPS (cents)	2.5	6.3	(61)

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

Group Turnover



(S\$M)	3Q16	3Q15	Δ%
Utilities	1,199	1,159	3
Marine	888	1,130	(21)
Urban Development*	1	1	(11)
Other Businesses	52	109	(53)
TOTAL TURNOVER	2,140	2,399	(11)

* 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)	3Q16	3Q15	Δ%
Utilities	211.9	161.9	31
Marine	1.2	33.1	(96)
Urban Development	(0.5)	5.3	(109)
Other Businesses	6.3	12.8	(51)
Corporate*	(47.4)	(5.9)	(702)
TOTAL PFO	171.5	207.2	(17)

*Includes a fair value loss of S\$46.1 million due to the decline in the share price of Gallant Venture, which is classified as an available-for-sale financial asset. Excluding this, Corporate costs in 3Q16 would have been S\$1.3 million

Group Net Profit



(S\$M)	3Q16	3Q15	Δ%
Utilities	108.9	90.3	21
Marine	(13.3)	19.6	NM
Urban Development	(1.4)	4.6	NM
Other Businesses	6.8	13.2	(49)
Corporate*	(47.1)	(5.4)	(772)
TOTAL NET PROFIT	53.9	122.3	(56)

*Includes a fair value loss of S\$46.1 million due to the decline in the share price of Gallant Venture, which is classified as an available-for-sale financial asset. Excluding this, Corporate costs in 3Q16 would have been S\$1.0 million

Utilities Turnover



By Geography (S\$M)	9M16	9M15	Δ%
Singapore	1,707.0	2,488.9	(31)
China	124.0	114.9	8
India	683.2	276.8	147
Rest of Asia	179.7	-	NM
Middle East & Africa	71.9	80.9	(11)
UK & the Americas	237.7	305.0	(22)
Corporate	0.4	-	NM
TOTAL TURNOVER	3,003.9	3,266.5	(8)

	3Q16	3Q15	Δ%
Singapore	617.6	848.3	(27)
China	44.9	38.1	18
India	261.4	159.7	64
Rest of Asia	179.7	-	NM
Middle East & Africa	24.6	29.1	(15)
UK & the Americas	76.2	94.7	(20)
Corporate	(0.2)	-	NM
TOTAL TURNOVER	1,204.2	1,169.9	3

Note: Figures are stated before intercompany eliminations

Utilities Profit From Operations (PFO)



By Geography (S\$M)	9M16	9M15	Δ%
Singapore	138.6	151.3	(8)
China	96.2	74.4	29
India	213.5	74.3	187
Rest of Asia	18.7	42.7	(56)
Middle East & Africa	46.3	39.4	18
UK & the Americas	37.0	40.7	(9)
Corporate	(21.4)	(22.9)	7
PFO before significant item	528.9	399.9	32
Significant item	-	72.4	NM
TOTAL PFO	528.9	472.3	12

	3Q16	3Q15	Δ%
Singapore	49.7	47.1	6
China	38.3	23.3	65
India	92.1	43.3	113
Rest of Asia	7.8	15.3	(49)
Middle East & Africa	16.4	14.7	11
UK & the Americas	14.7	11.1	32
Corporate	(7.1)	(10.6)	33
PFO before significant item	211.9	144.2	47
Significant item	-	17.7	NM
TOTAL PFO	211.9	161.9	31

Utilities Net Profit



By Geography (S\$M)	9M16	9M15	Δ%
Singapore	92.4	99.4	(7)
China	85.9	65.1	32
India	21.0	(9.8)	NM
Rest of Asia*	17.9	42.7	(58)
Middle East & Africa	43.2	36.4	19
UK & the Americas*	32.6	33.1	(2)
Corporate	(34.2)	(33.1)	(3)
Net Profit before significant item	258.8	233.8	11
Significant item	-	72.4	NM
TOTAL NET PROFIT	258.8	306.2	(16)

	3Q16	3Q15	Δ%
Singapore	33.9	30.6	11
China	34.5	20.1	72
India	18.2	(3.0)	NM
Rest of Asia**	6.9	15.3	(55)
Middle East & Africa	15.3	13.8	11
UK & the Americas	12.6	10.5	20
Corporate	(12.5)	(14.7)	15
Net Profit before significant item	108.9	72.6	50
Significant item	-	17.7	NM
TOTAL NET PROFIT	108.9	90.3	21

*Refer to slide 12 footnotes

**3Q2015 net profit included S\$8.0 million contribution from SembSITA.

29

Utilities Turnover



By Product Segment (S\$M)	9M16	9M15	Δ%
Energy	2,513.3	2,699.6	(7)
Water	248.1	301.2	(18)
On-site Logistics & Solid Waste Management	242.1	265.7	(9)
Corporate	0.4	-	NM
TOTAL TURNOVER	3,003.9	3,266.5	(8)

	3Q16	3Q15	Δ%
Energy	1,038.8	988.0	5
Water	86.4	90.2	(4)
On-site Logistics & Solid Waste Management	79.2	91.7	(14)
Corporate	(0.2)	-	NM
TOTAL TURNOVER	1,204.2	1,169.9	3

Note: Figures are stated before intercompany eliminations

Utilities Profit from Operations (PFO)



By Product Segment (\$M)	9M16	9M15	Δ%
Energy	396.0	255.6	55
Water	98.1	83.2	18
On-site Logistics & Solid Waste Management	56.2	84.0	(33)
Corporate	(21.4)	(22.9)	(7)
PFO before significant item	528.9	399.9	32
Significant item	-	72.4	NM
TOTAL PFO	528.9	472.3	12
	3Q16	3Q15	Δ%
Energy	159.3	101.6	57
Water	41.9	22.3	88
On-site Logistics & Solid Waste Management	17.8	30.9	(42)
Corporate	(7.1)	(10.6)	(33)
PFO before significant item	211.9	144.2	47
Significant item	-	17.7	NM
TOTAL PFO	211.9	161.9	31

© Sembcorp Industries 2016

31

Utilities Net Profit



By Product Segment (\$M)	9M16	9M15	Δ%
Energy	170.9	135.8	26
Water*	75.6	60.2	26
On-site Logistics & Solid Waste Management*	46.5	70.9	(34)
Corporate	(34.2)	(33.1)	(3)
Net Profit before significant item	258.8	233.8	11
Significant item	-	72.4	NM
TOTAL NET PROFIT	258.8	306.2	(16)
	3Q16	3Q15	Δ%
Energy	73.8	41.9	76
Water	32.8	18.0	82
On-site Logistics & Solid Waste Management**	14.8	27.4	(46)
Corporate	(12.5)	(14.7)	15
Net Profit before significant item	108.9	72.6	50
Significant item	-	17.7	NM
TOTAL NET PROFIT	108.9	90.3	21

*Refer to slide 13 footnotes

**3Q2015 net profit included S\$8.0 million contribution from SembSITA.

32