Singapore, May 4, 2016 – Sembcorp Industries (Sembcorp) posted a net profit of S$107.0 million and a turnover of S$1.9 billion for the first quarter of 2016 (1Q2016) compared to S$142.2 million and S$2.3 billion in 1Q2015 respectively.

In 1Q2016, the Utilities business contributed S$75.2 million in net profit to the Group compared to S$74.5 million in 1Q2015, with contribution from its overseas operations growing 12% offsetting weaker performance in Singapore. Meanwhile, the Marine business contributed a net profit of S$33.5 million compared to S$64.7 million in 1Q2015 mainly due to lower rig building earnings and higher finance costs. The Urban Development business recorded a net profit of S$1.2 million in the quarter compared to S$1.1 million in 1Q2015.

Return on equity (annualised) for the Group was 6.7% and earnings per share amounted to 5.5 cents. Cash and cash equivalents stood at S$1.9 billion.

Tang Kin Fei, Group President & CEO of Sembcorp Industries, said, “Sembcorp’s diversified portfolio in different businesses and geographies gives us strength and resilience as a Group. With a strong pipeline of facilities focused on growing markets such as China and India coming onstream between now and 2018, we are confident that Sembcorp’s overseas businesses will continue to grow.”
FY2016 Outlook

Utilities
The Utilities business’ overseas growth strategy remains on track. 2016 will see a full year’s contribution from its recently completed TPCIL power plant in India. However, in Singapore, its energy business is expected to face continued intense competition in the power market.

Backed by strong operational, management and technical capabilities, the business remains focused on the execution of its pipeline of projects and the pursuit of new growth opportunities to deliver long-term growth.

Marine
The global oil and gas industry continues to be volatile and uncertain. On April 29, 2016, Sete Brasil filed for judicial recovery.

Sembcorp Marine believes this down-cycle is likely to be more protracted than previous cycles. Whilst maintaining its cautious outlook, Sembcorp Marine is prepared not just to overcome these challenges but to lay stronger foundations for the future when the market recovers.

Sembcorp Marine will continue to actively manage its balance sheet. It remains optimistic of the longer term prospects of its business with facilities being built to cater to the industry’s demand for the long term. As an integrated Sembcorp Marine, the business will optimise its capabilities and capacities as well as increase its efficiency and productivity to better serve its partners and customers.

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

Group
The global downturn in the oil and gas sector and competition in the Singapore power market is expected to continue in 2016. With sound strategies and strong capabilities, the Group is confident that it will continue to create and deliver long-term value and growth.
Summary of Sembcorp’s 1Q2016 Financial Results

- Turnover at S$1.9 billion, down 19%
- Profit from Operations* at S$237.5 million, down 6%
- Net Profit at S$107.0 million, down 25%
- EPS at 5.5 cents
- ROE (annualised) at 6.7%

*Profit from Operations = Earnings before Interest and Tax + Share of Associates and JVs’ results (net of tax).

- End -

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ABOUT SEMBCORP INDUSTRIES

Sembcorp Industries is a leading energy, water and marine group operating across five continents worldwide. With facilities of over 10,000 megawatts of gross power capacity and close to nine million cubic metres of water per day in operation and under development, Sembcorp is a trusted provider of essential energy and water solutions to both industrial and municipal customers. It is also a world leader in marine and offshore engineering as well as an established brand name in urban development.

The Group has total assets of over S$21 billion and employs over 7,000 employees. Listed on the main board of the Singapore Exchange, it is a component stock of the Straits Times Index and several MSCI and FTSE indices.